

# PITTWATER COUNCIL IMPROVEMENT PROPOSAL

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## Appendix 7

LOCAL GOVERNMENT  
BOUNDARIES COMMISSION REPORT  
1991

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# **PITTWATER PUBLIC INQUIRY**

**1990-91**

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**LOCAL GOVERNMENT BOUNDARIES  
COMMISSION**

TERMS OF REFERENCE

On 3 March 1990, the Minister for Local Government, the Honorable David Aberdeen Hay, MP, advertised a proposal submitted by the Pittwater Municipality Committee, in the form of a petition, that the "A" Riding of the Shire of Warringah be constituted as a separate municipality. An objection was received from the Warringah Shire Council.

On 10 April 1990, the Minister for Local Government referred the proposal to the Local Government Boundaries Commission for public inquiry and report.

This reference was made under s.19(4) of the Local Government Act 1919.

### SUBMISSIONS TO THE INQUIRY

The Pittwater Municipality Committee, as the proposer of the petition that the "A" riding of Warringah Shire be constituted as a separate unit of local government, presented submissions to the Boundaries Commission in support of the proposal. Speaking for the Pittwater Committee were Mr Jim Revitt, Cr Robert Dunn, Mr Warwick McCarthy, Mrs Patricia Giles, Dr Terry Purcell, Mr Des Creagh, Mr Henry Wardlaw, and Cr Eric Green.

The Warringah Shire Council presented submissions to the Commission objecting to the proposal. Speaking for the Council were the Shire President, Councillor John Caputo, and Councillors Paul Couvret and Mark Hummerston.

Thirty-two written submissions (twenty-seven in support, and five in objection) were received by the Commission in response to its public notice, and these are listed in the following schedule. Those of the submissions which were given verbally at the inquiry are indicated.

The Commission was also advised that five persons wished to give verbal submissions only at the inquiry, though subsequently only four were able to do so. Those submissions are also listed in the following schedule.

## SCHEDULE

### WRITTEN SUBMISSIONS TO THE INQUIRY

#### Submissions Supporting Proposal

- 1\* Pittwater Grove Residents Group (Mrs Patricia Giles)
- 2\* Elanora Heights Progress Association (Mr Jim Revitt)
- 3 Ms Caressa Crouch, Dip Ed H Ec, B A Soc Psy
- 4\* Dearin Park Foreshores Preservation Committee (Mrs Janet Hay)
- 5\* Avalon Preservation Trust (Mr Gavin Kable)
- 6 Mr Peter O'Mara
- 7 Powderworks Road Quarry Association
- 8 Mr James Donald
- 9\* Whale Beach Preservation Society (Mr James Robson-Scott)
- 10 Mr Jeff Skebe
- 11\* Foreshore Management Association (Mr Bill O'Kane)
- 12\* Pittwater Protection and Preservation Society (Mr Warwick McCarthy)
- 13\* Coasters Retreat Association (Alderman Keith Jones)
- 14\* Warriewood Valley Residents Association (Mrs Lynne Czinner)
- 15\* Mr T J and Mrs M A Molloy (Mrs Margaret Molloy)
- 16 Ms Georgina Strand, Mr John Adams, and Mr Greg Barrett
- 17 G M Hogan
- 18\* Mr James K Menary
- 19 Ms Joan Webster
- 20\* Mr Laurie Seaman
- 21 Avalon Chamber of Commerce
- 22\* Palm Beach Association (Mr Douglas McKay)
- 23 Mona Vale Progress Association
- 24 Ms Edith Lincoln
- 25 West Pittwater Community Association
- 26 Clareville-Plateau Citizens Association
- 27\* Petition: Wimbledon Avenue residents (Mr J G Somerville)

#### Submissions Opposing Proposal

- 1 Mr W G Williams
- 2 Bi-Centennial Park Committee
- 3 Ms F Parker
- 4 Mr D S Sainsbery
- 5\* Mrs Dorothy Reynolds

[Those submissions indicated with an asterisk (\*) were presented verbally at the inquiry either by the author themselves or, in the case of an organisation or joint submission, by the person named thereafter.]

SCHEDULE (cont.)

VERBAL SUBMISSIONS TO THE INQUIRY

- 1 Cr Frank Beckman
- 2 Cr Brian Green
- 3 Cr Paul Couvret
- 4 Cr Gavin Anderson

### INQUIRY DETAILS

The Local Government Boundaries Commission comprises Mr Dan Kelly (Chairman), Alderman Frank Rigby, Councillor Eric Woods, and Mr John Thompson.

Support staff in attendance at the inquiry were Mrs Jenni Whitworth and Mr Robert Mirnik. The proceedings of the inquiry were recorded by Mr Brian Smith of Spark & Cannon (Court and Conference Reporters). Mr Bob Cornish was engaged by the Commission to provide a financial assessment of the proposed Pittwater Municipality.

The Inquiry was held at the Mona Vale Community Hall, Mona Vale, commencing on Tuesday 3 July 1990. The Inquiry proceeded as follows:

Tuesday 3 July and Wednesday 4 July	Submissions by Pittwater Municipality Committee
Thursday 5 July (am)	Submissions by Warringah Shire Council
Thursday 5 July (pm) and Friday 6 July	Shire inspections
Monday 9 July	Replies to written questions (these had been submitted on the morning of Friday 6 July)
Tuesday 10 July	Submissions by other organisations and individuals
Wednesday 11 July	Further inspections
Thursday 12 July, 7pm	Evening question and answer forum for members of the public
Monday 16 July	Right of reply and summary by Warringah Shire Council and Pittwater Municipality Committee

On Tuesday 9 October the Commission convened a further meeting. At this time, the Commission released an interim statement on the proposal, printed later in this report, and heard submissions in respect of the formal boundaries for a Pittwater council, should it be established.

## WARRINGAH HISTORY

The Warringah area was first entered by white colonists in 1788 and 1789. Settlement in the area was largely determined by the availability of transport, and began along transport routes, supplemented by rural development, in the early and mid 1800's.

In 1906, when Warringah Shire Council was first incorporated, the area was largely a rural farming area with only a few scattered holiday homes. Improved transport links gave greater impetus to residential settlement, with more and more holiday makers and residents beginning to enter the area following the opening of the Spit and Roseville Bridges in 1924, and the Sydney Harbour Bridge in 1932.

The population of Warringah grew rapidly, from 2800 in 1911 to 4860 two years later, and to 9600 in 1921. By 1947, the population had grown to 33,300; and by 1954 to 59,100. In the following 22 years, until 1976, the population more than trebled to 169,938. However, between 1976 and 1986, the population growth slowed, becoming an estimated 181,530 in 1986.

Today, the Warringah area is recognised internationally for its scenic and urbanised landscape. Its beaches are also renowned. For the most part, the district is residential. While there is considerable commerce and light industry, most workers travel elsewhere for employment.



## WARRINGAH BOUNDARIES HISTORY

### Constitutional

Warringah Shire was constituted on 7 March 1906 under the Local Government (Shires) Act 1905, which required that the whole of New South Wales, with specific exceptions, be divided into shires.

Since that time, the boundaries of Warringah Shire have been somewhat altered as areas of land have been excluded from the shire and included in other local government areas. This occurred in 1917, 1933 and 1955, when parts of the shire were included in the Municipality of Manly, and again in 1933 when part of the shire was included in Ku-ring-gai Municipality.

### Pittwater Proposal

The proposal that the "A" Riding of Warringah Shire be constituted as a separate local government area was first raised in 1966, during an examination conducted by the Local Government Boundaries Commission into the appropriateness of the structure of local government on the Manly-Warringah peninsula.

Arising out of that examination, the proposal for a separate Pittwater Council, along with two other proposals, became the subject of a public inquiry conducted by the Boundaries Commission in 1969. However, the proposal did not receive a favourable recommendation.

Due to continued interest in the proposal, in 1987 the Minister for Local Government requested the Boundaries Commission to conduct an examination to establish whether a formal inquiry should be held. The Commission did not support the case for a formal inquiry.

However, substantial petitions supporting the creation of a separate Pittwater council continued to be forwarded to the Minister for Local Government. Much of the debate at that time was on the financial viability of the proposal and after considerable discussion locally, the Boundaries Commission was requested in August 1989 to oversee a joint study with the Pittwater Municipality Committee and the Warringah Shire Council into this aspect. The first draft of the study revealed the two parties to be very far apart in their approaches. Accordingly, the Pittwater Committee decided to submit a formal proposal for a new council to the Minister.

The Minister for Local Government publicly notified the proposal and called for objections. Such was received from the Warringah Shire Council, and the proposal was accordingly referred to the Boundaries Commission for a public inquiry. This report is the result of that inquiry.

### SYNOPSIS OF EVIDENCE

The Pittwater Municipality Committee presented a case for what it felt would be a smaller, more community and environmentally-attuned local government area based nevertheless on a substantial population of 50,000 and an income of \$17 million plus a year.

The Warringah Shire Council drew attention to what it considered to be its success and achievements over many years in providing a high level of facilities and service to the residents of the Shire. The Council also maintained that a considerable increase in rates would be needed in a new council area to maintain the current level of services.

Community groups and individuals largely supported and endorsed the Committee's case.

Cr Brian Green opposed the proposal, arguing the need for an entirely different approach to the matter of examining local government boundaries in the area.

Various persons expressed both support and opposition at the evening question and answer session, but common considerations amongst both sides were the effect of a boundary change on the rates and the possibility of a referendum.

## INTERIM FINDINGS AND CONCLUSIONS

1. The Commission came to the conclusion that the case for a Pittwater Municipality meets fairly easily most of the set criteria for a proposal of this nature as set out in section 15J(1A) of the Local Government Act. A brief review therefore is all that is necessary:
  - (a) the financial viability of an area comprising 50,000 people in one of the wealthiest parts of NSW producing some \$17.6 million a year in general rates and garbage charges may be taken for granted. It would be on a par with councils like Woollahra, Auburn, Willoughby and North Sydney and considerably better off than most others;
  - (b) the existence of the Pittwater peninsula and its distinct individuality quite clearly demonstrates geographic cohesion. Also, twenty-five years of lobbying for a separate council, 20,000 signatures on the petitions, the large number of community groups making submissions to the Commission and the large attendance at the evening session of the Inquiry all testify, even if heavily discounted, to clear community of interest;
  - (c) the Riding has made the public of NSW abundantly aware of its historical and traditional values and the belief that a new council would play a large part in reinforcing them;
  - (d) the attitude of a substantial number of the ratepayers and residents is clearly in favour of the idea of a new council. But even amongst some of the enthusiastic supporters there were concerns about possible costs. The question of financial impact is a very important issue; and
  - (e) there is little doubt that the residents of "A" Riding are articulate, prepared to pursue their point of view strongly both individually and in groups, have their own decided views on policies and that this imposes very considerable strain on the capacity of and time of "A" Riding councillors. More representation would spread the load and satisfy the electors needs.
2. The Commission also determined that no administrative necessity to establish a new council had emerged from the Inquiry.
3. The Commission therefore concluded that whether or not the proposal should be recommended revolved around two crucial factors:
  - (a) financial impact - could a new council be established at a cost and with a level of services acceptable to the ratepayers? and
  - (b) lifestyle - would the lifestyle, which so many people argued was unique, in the Pittwater area be better provided for by the broad-based regional

approach offered by the Warringah Shire Council or by the smaller, more locally oriented, council proposed by the Pittwater Municipality Committee?

4. It was evident to the Commission that the financial impact and the lifestyle questions were closely linked in people's minds.

At the Inquiry, it was clear that many people wanted a rating load less than the one established in Warringah and were quite prepared to face reduced services to achieve it. Others strongly supported the concept of a Pittwater council, but were very concerned at the rates they might have to pay for smaller local government. Yet others felt increased rates were a small price for more localised policies, particularly towards the environment. The issue was brought into focus by figures calculated by Warringah Council which they claimed indicated that the services "A" riding gets for \$17.6 million a year would cost \$19.3 million a year under a separate council and that average rates would need to increase from \$811 a year to \$942 a year. Much was made of increased efficiency, less bureaucracy, user-pays, sub-contracting and cheaper schemes as a means of rebuttal but the arguments were long on theory and short on example. This is not surprising because only a provisional or elected council can decide on the introductory level of rates and services.

5. At the same time, the Pittwater situation is a compelling example that local government issues are not related solely to costs and services. People there are very concerned about local government as government, about policies and how they are arrived at, how the public view is taken into account and about the style and management by which they are governed.
6. The indisputable fact is that there is a long standing desire by a substantial portion of people in the Pittwater district to have their own local council. This desire has had an extreme impact on the administration of Warringah Shire Council. A vast amount of the Council's energy and effort is devoted to Pittwater issues and much of this energy is directed at disputes and rows rather than problems.

Some "A" Riding Councillors, with their small government preferences, are on occasions out of tune with the broad corporate approach of council staff. So the situation is reached where councillors may be reluctant to delegate decisions to professional officers and yet have only limited time to deal with the issues themselves. The result is the enormous array of paper produced as council's business papers. There is a very real and sincere difference in approach and style by what unfortunately have come to be regarded as "both sides".

The Pittwater Municipality Committee and Warringah Shire Council cases were well prepared and presented on the basic criteria. The Pittwater case was a remarkable effort for a community group even with the close involvement of two current councillors. Warringah Shire Council, for its part, laid particular stress on costs and services. This led Council to raise some serious questions which its representatives did with commendable calm, persistence and balance. Some of these questions placed the Pittwater Committee in considerable difficulty and understandably so. Where the proposers of a scheme are a

community group, there has to be a limit to the professional expertise its members can bring to bear on significant issues nor can they be expected to masquerade as some sort of provisional council. Nevertheless, the questions which relate to financial impact are real and must be addressed.

The Commission's inspections demonstrated that the residents of Warringah Shire have a range and level of facilities which would be the envy of many other councils and of which the councillors may justly be proud and this perspective has to be borne in mind.

At the same time, it was evident that there are serious challenges for Council in attempting to come to grips with the Pittwater situation and it has to be asked what the cumulative impact of Pittwater remaining in the Shire would be upon Council's administration generally and on councillors and staff personally.

### INTERIM STATEMENT

The following statement was released by the Boundaries Commission on 9 October 1990:

"The task of the Boundaries Commission is to evaluate the evidence given at a public inquiry and report to the Minister. Too narrow an interpretation of this role would not be in the public interest on this occasion. The urge for a Pittwater Council has sustained itself for twenty five years. It has, and continues to have a unifying effect for those who want more localised local government in the district, and a severely disruptive impact on the general civic government of the area.

"Essentially, and without doubting the sincerity of the scheme's proponents and opposers, a Pittwater Council can only be one of three things:

- (a) an imaginative proposal but no more than that; or
- (b) a worthy approach to perceived local government needs but one impractical of implementation (with particular relevance to the current financial climate); or
- (c) a sensible plan that effectively and economically meets the needs of Pittwater electors and residents.

"The evidence given at the Inquiry clearly disposes of proposition (a). There is no doubt in the Commission's mind that a Pittwater Council is much more than a pipe dream.

"The case therefore revolves around propositions (b) and (c). Warringah Shire Council has presented a soundly prepared case for the efficiencies, economies and benefits of larger scale civic administration, paying particular attention to the notion of a Warringah identity. It is a substantial argument for proposition (b).

"The Pittwater Committee has argued convincingly for a new approach in Pittwater, for a style and size of local government more directly attuned to the smaller community of "A" Riding. It makes a good sound case for proposition (c).

"Having considered the arguments presented to date, the Commission is of the opinion that the evidence to date is not such as to enable the Commission to make a final recommendation to the Minister.

"The difficulty for the Commission and for the public is one of comparability. Both sides presented their cases in the best way they could, approaching the issues by the most advantageous routes. However, the time has now come for a much sharper focus on the relevant considerations. Like must be compared with like, and alternatives clearly delineated.

"In proceeding further, the Commission has determined the following propositions:

- i) a new Pittwater Council, if established, would be an area excised from the current Warringah Council and subject to the transfer arrangements provided

by Statute. The administrative regime of Warringah would therefore provide the foundation of any Pittwater Council.

- ii) Warringah Shire Council is a very large successful council and the excise of 50,000 electors might be very unwelcome but would not be crucial to its future. However, unless the Pittwater issue is decisively resolved, Council's administration may well be disrupted and divided well into the next century;
- iii) Pittwater Municipality Committee must accept that establishing a new council would be an expensive and disruptive affair and as part of its case should now commit itself in some detail to the extent and nature of the expense and disruption.

"The Commission accordingly requests the following:

- \* that Warringah Shire Council provide a projected budget for the 1991 financial year for "A" Riding, accompanied by a rationale of works and services to explain and illustrate it.
- \* that Pittwater Municipality Committee be provided with the projected budget, and using the approach and base figures provided therein, submit an alternative budget for "A" Riding accompanied by a rationale of works and services to explain it.
- \* that the Committee undertake with the assistance of Council a specific identification of establishment costs and their impact upon the Committee's projected budget.

"The Commission suggests to both major parties that they consider two approaches to budget formulation:

- (1) based on the assumption of an immediately independent new council wholly autonomous from the outset.
- (2) based on the assumption of a new council concentrating in its first years on policy priorities and expenditure with most services being provided "on purchase" from Warringah.

"The Commission will arrange on receipt of these plans for them to be reviewed by its Financial Consultant.

"Since Council will now be moving into the budget preparation stage and recognising the challenge the Commission's request makes upon the resources of the Pittwater group, the Commission would expect to receive the proposals by the end of November, 1990.

"Within this timetable, the Commission will be hearing evidence on the matter of the formal boundaries for the Pittwater proposal. Parties are reminded that the Commission can only entertain suggested modifications to the present "A" Riding boundary line to the extent that they do not in effect represent a new proposal."

NB: In the context of the Interim Statement, both the Council and the Committee were invited to submit draft 1991 budgets covering the "A" Riding (Pittwater) area. Following requests from both parties, the deadline for the receipt of these budgets was extended to the end of January, 1991.



### PITTWATER BOUNDARIES

The proposal being assessed by the Boundaries Commission at the Inquiry was that the "A" Riding of Warringah Shire be constituted as a new local government area.

Following the release of the Interim Statement, the Commission heard submissions suggesting various amendments to the proposal that the boundaries of "A" Riding constitute the boundaries of a new Pittwater council, should it be established.

The Pittwater Municipality Committee submitted that:

- (a) the southern boundary of the proposed Pittwater Municipality should appropriately be determined as the centre line of Narrabeen Lagoon between the lagoon entrance and Deep Creek;
- (b) Wimbledon Avenue should be included within, and the North Narrabeen Peninsula excluded from, the proposed municipality (submission (a) would achieve this);
- (c) the small undeveloped recreation reserve at the mouth of Deep Creek, across from the State recreation reserve, should be included in the proposed municipality (submission (a) would also achieve this); and
- (d) that portion of the Ingleside area presently in "D" Riding should be included in the proposed municipality.

The Warringah Shire Council submitted that a more logical boundary, so as to contain the catchment area of the Narrabeen Lagoon within a single local government area, would be formed by a boundary along Golf Road, Barrenjoey Road, Pittwater Road and Mona Vale Road to the point of intersection with the present "A" Riding boundary in Ingleside.

A number of residents of the Wimbledon Avenue peninsula petitioned that their area be included within the proposed municipality.

The Narrabeen Lagoon Committee and the Bi-Centennial Park Committee opposed the division of the Narrabeen Lagoon catchment area between two councils.

#### Consideration

The Commission must state at the outset its grave concern over any division of the Narrabeen Lagoon between two local government areas, particularly in the circumstances of this proposal.

The division of the lagoon's catchment area is also a matter of concern. However, the alteration to the boundary suggested by the Warringah Shire Council to overcome this situation is, in the Commission's view, more than what could reasonably be described as a minor alteration. The alteration would also have considerable and adverse financial ramifications on a new Pittwater council, should it be constituted, and would not recognise the express wishes of the many petitioners in the Warriewood, Elanora Heights and North Narrabeen areas to form part of the new municipality. While the

division of the catchment is of concern, mechanisms will have to be established to ensure its continued management with as little disruption as possible.

The suggested inclusion of the Wimbledon Avenue peninsula and the exclusion of the North Narrabeen peninsula are both minor alterations that would provide a logical geographic boundary while recognising the wishes of the former to be included in the Pittwater Municipality.

Accordingly, the Commission considers that the most appropriate southern boundary of the Pittwater Municipality, if established, would be the northern shore line of the Narrabeen Lagoon from the mouth of the lagoon to the mouth of Deep Creek. This is clearly the most logical geographic boundary, and would also include the small recreation reserve at the mouth of Deep Creek mentioned by the Pittwater Municipality Committee in point (c) above.

In terms of the western boundary, and the suggestion that that portion of Ingleside within "D" Riding be included in a Pittwater Municipality, the Commission considers that the boundary in this area should remain the present boundary of "A" Riding. This decision is pragmatic in terms of administrative convenience, and the Commission has further received no representations from residents of that area of "D" Riding to be included within the new municipality, should it be constituted.

## FINANCIAL IMPACT CONSIDERATIONS

1. As mentioned earlier, uppermost in the Commission's mind, as it must be in those of many Pittwater residents, is the question of whether a new council could be operated at a reasonable cost.
2. No definitive answer can be given to that question at this point in time. A new council would be autonomous and would set its own rates and structure. Such a council could obviously not be constrained beforehand to a particular income or service delivery policy.

Also there are complex financial issues that have to be negotiated between the parties in any major boundary change and these become very important when the change involves the creation of a new council area. Principally the issues revolve around the apportionment of assets and liabilities between the two councils and take into account such matters as financial reserves, property, outstanding loans and forward financial commitments.

Also, a new council would not necessarily have the same approach to provision of services either in the frequency and level to be provided compared with the parent council or indeed as to what services, outside the core responsibilities of any council, should be available.

3. The Commission therefore was looking for sensible financial indicators and the most practical and assessable of these is the Council's annual budget which in simplistic terms determines the core of the locally raised income and what it will be spent on. It was for this reason that the Commission in its Interim Statement invited both parties to provide 1991 Budgets on a comparable basis. What the Commissioners were looking for were not budgets people would necessarily approve of or support, but ones that within the limitations previously outlined, were credible.
4. In the Commission's view, both budgets provided met the credibility test. Both Council and the Pittwater Committee could well have arguments about "acceptability" given their different viewpoints but they are both sets of financial proposals open to sensible criticism and evaluation.
5. The Commission decided however to test credibility further by having the two budgets reviewed in detail by its financial adviser, Mr Robert Cornish. Mr Cornish examined the two sets of data, discussed them with relevant officials, and to clarify the position for comparability purposes, prepared his own independent figures of reasonable allocations on equivalent goods and services from the rating income structure specified.
6. In broad-brush terms, perhaps the most significant indication is that Mr Cornish's draft budget fits almost mid-way between that of the Council and that of the Pittwater Committee. Given that the Warringah Shire Council would wish in its budget to demonstrate the service benefits Pittwater would receive from continuing in the Shire and that the Pittwater Committee would wish to stress that an acceptable economical budget could operate in a new council area, Mr Cornish's view that the most practical budget probably lies

roughly mid-way between the two sets of allocations confirms to the Commission that both budgets meet the credibility test.

7. The Commission must stress however that this exercise is a practical test in credibility. In other words, it serves to demonstrate that a new Pittwater council could be feasible if properly organised and managed, not just in overall terms but in service delivery at an acceptable cost. It must be emphasised that this test goes no further than that.

Mr Cornish's assessment is attached at Appendix "A".

8. A Pittwater council entails exchanging the relatively settled and predictable financial and service regime of Warringah for the uncertainties of a new administration with new requirements for expenditure and new opportunities for savings.

"LIFESTYLE"

Much was made by Pittwater residents who gave evidence to the Inquiry about the uniqueness of the district's lifestyle, the significance of local government administration in the preservation and development of that lifestyle and the need for their own council to ensure the future.

It is clear that there is a large number of electors whose support for a new council is so firm that they readily accept the disturbance to local administration and the challenge to existing rating and service delivery involved. There are yet other who support the concept but have reservations about the acceptability of disruption and financial uncertainty. And, of course, there are those who have not expressed a view either way.

The Pittwater proposal is a special case in the annals of boundary changes in more ways than one. It has actively sustained itself for a long period of time. Its feasibility has been established to the Commission's satisfaction but there is still no clearly defined administrative reason for either establishing it or rejecting it. There are substantial arguments in favour of staying with Warringah and to support breaking away. The situation is still evenly balanced.

This fluid situation however has had a very deleterious effect upon local government administration in Warringah. Much of the evidence presented by supporters tended to be in the form of attacks upon Council's policies and service provision but the Commission believes this to be less genuine criticism as such and rather more an ardently and sincerely held belief that things ought to be done differently in Pittwater. This attitude is clearly revealed even within Council itself where some councillors from "A" Riding approach their duties from a strong philosophical viewpoint based more on life style considerations than on political beliefs and who are thus in continuing tension with other elected members.

So it is in everyone's interest that the matter be brought to resolution once and for all and in a manner that settles the issue for all parties. That, in the Commission's view, means ascertaining the preference of the majority of electors of "A" Riding. Normally the accumulated evidence of a boundary inquiry will indicate fairly clearly what electors want and, if there is any doubt, relatively informal methods of finding out will suffice. The Commission believes that the situation in Pittwater will not be resolved without a formal indication of the views of the electors.

### REFERENDUM

There are various ways of ascertaining what the majority of electors prefer. Surveys could be organised by the Commission possibly in cooperation with the media but inevitably such surveys have to be structured in their questions and will be hotly disputed by the various parties. Council could be asked to conduct a poll but while the Commission is confident it would be undertaken fairly and impartially, the position of Council as objector to the proposal makes this approach unacceptable.

The local member, Mr Jim Longley, MP, and various other citizens have consistently maintained that all other factors being equal, the matter can only be settled through a referendum. The Commission concurs in this judgement.

## FINAL CONCLUSIONS

The Commission has assessed the proposal to establish a separate Pittwater council exhaustively and has found that leaving the Pittwater area within Warringah Shire or establishing it as a new local government area are both propositions that can be considered viable.

The area has the resources to support a new council and the question therefore remains as to whether the financial assessments are acceptable to the electors.

The Commission acknowledges that a significant number of people in "A" Riding have demonstrated their support for the concept of a new Pittwater municipality and that the long history of the matter makes it clear the urge is not an ephemeral one based only on topical issues. However, given the considerable effect that the establishment of a new council would have on the local governance of the area, such a previous indication of preference can not and should not be taken as evidence that the price to pay for gaining a new council is acceptable to the electors.

For this reason, the Commission considers that the next step forward is to ascertain the wishes of the electors of "A" Riding by the holding of a referendum. Further, the Commission is satisfied that there has been a sufficiently large number of petitioners supporting the proposal for it to be deserving of a referendum and the controversy has become so entrenched in the local culture that only through a referendum can a result be reached that will be generally accepted by everyone.

On the question as to whether the referendum should be conducted in "A" Riding only or over the whole of Warringah Shire, the Commission considers that only the views of the electors of "A" Riding need be canvassed. In arriving at this view, the Commission notes that during the course of the Inquiry there was little evidence to show that other residents of Warringah Shire cared very much about whether "A" Riding remained within the Shire or not. The Shire would clearly be viable without Pittwater and indeed, based on the Council's 1991 Draft Budget, might even be financially better off. Accordingly, there appears to be no need on financial or other grounds for the other ridings to vote on the issue.

On the issue of the timing of the referendum, the Commission believes strongly that this matter must be settled urgently in the interests of effective local government in the Warringah district. Also, the Commission considers that there are advantages in terms of cost, efficiency and convenience of electors if it were feasible for the referendum to be held in conjunction with a general election, whether State or Local Government.

Accordingly, the Commission recommends to the Minister that a referendum of the electors of "A" Riding be held on the following basis:

- (1) if the majority of the electors in the Riding vote against the formation of the new Pittwater council area, the Commission would decide against the proposal and, as provided in the Local Government Act, it would lapse; or

- (2) if the majority of the electors in the Riding vote in favour of a new Pittwater council area, this report in conjunction with that result would constitute the Commission's formal recommendation to the Minister supporting the establishment of the Pittwater Municipality, with those boundaries as discussed earlier.

Councillor E. Woods, MBE

Alderman F. Rigby

J. Thompson

D. J. Kelly  
(Chairman)

26 APR 1991



66 Billarga Rd,  
Westleigh. 2120.  
2/4/91.

The Chairman.  
Local Government Boundaries Commission.  
Bankstown Civic Tower.  
66 - 72 Rickard Road.  
Bankstown, 2200.

Dear Sir,

I refer to my appointment on 11 March 1991 to assess the draft 1991 budgets for the Pittwater area of the Warringah Shire as provided by both the Warringah Shire Council and the Pittwater Municipality Committee.

I have now completed my examination of these two budgets following a number of discussions with senior officials of the Warringah Shire Council and with representatives of the Pittwater Municipality Committee on various aspects of the budgets.

My first discussion was briefly with the General Manager/Shire Clerk and then with the Deputy Shire Clerk (Finance) Warringah Shire Council following the receipt of reports from all Departmental heads of the Council on the comments made by the Pittwater Municipality Committee on the Warringah Shire Council budget. These reports were not in all cases as complete and as detailed as required concerning costs and particularly those relating to additional costs which would be necessary in establishing a new Municipality. This further information was produced.

I was informed by the Deputy Shire Clerk (Finance) that when the figures were produced by the Council to show the costs of operating "A" riding as a separate Municipality the heads of Departments were under pressure as to time to produce the necessary figures. In the later reports called for on receipt of the Pittwater Municipality Committee's budget it was disclosed there were some errors in the original figures - some increases and some decreases in expenditure figures were necessary.

I considered that it was advisable that I should inform the Pittwater Municipality Committee of these amended figures. This was rather time consuming and invited some critical comments from the Committee in some respects.

Many of the points raised by the Pittwater Municipality Committee in my discussions with them prompted the need for clarification and verification on a number of matters. This was done to my satisfaction.

The task of assessing, to the best of my ability and experience in local

government and knowledge of the Warringah Shire, the cost of operating a new municipality within the two budgets was not an easy one. There will no doubt be differences of opinion between the two parties on the new altered figures of income and expenditure as evidenced by the original estimates for Pittwater by the Warringah Shire Council of an operating revenue budget deficit of \$487,685 (corrected figure) and by the Pittwater Municipality Committee of a surplus of \$5,927,071. However I consider that the new budget figures which I have prepared represent a fair and reasonable estimate for the operation of a Pittwater Municipality for 1991 if it was to have been established in that year.

I do not intend to comment on any suggestion that might be made that the Warringah Shire Council may have provided in 1991 for a much greater expenditure in "A" riding than in previous years, as an attempt to increase the costs of operating a separate municipality in a normal year. The estimates for 1991 were adopted by the Warringah Shire Council together with the figures of income and expenditure for "A" riding if it were to operate as a separate area. My comparison of income and expenditure prepared by the Council and by the Pittwater Municipality Committee can only be those figures and on the basis of a continuation of the levels of income and expenditure at present in operation. Any changes in operation which might reduce costs and/or increase income would be a matter for any elected Pittwater Municipal Council.

The Warringah Shire Council basically adopted as an apportionment basis the percentage of work proposed to be carried out in "A" riding in 1991, whereas the Pittwater Municipality considered that a more appropriate percentage should be on a population basis.

I considered that generally the apportionment of percentage of work proposed in "A" riding in relation to total expenditure for the Shire was the more appropriate basis and I have so assessed the expenditure ( and income where appropriate ) for "A" riding. I have used a 29% population basis on general apportionment of costs and in some instances a 33 1/3% basis.

I have taken into account the need to duplicate senior top level staff in all Departments together with some additional office staff.

I have prepared budgets for all Departments for 1991 showing a comparison of figures produced by the Warringah Shire Council and the Pittwater Municipality Committee. these budgets are attached hereto.

The net result of the amended budget I have prepared is that there will be surplus on operations on general revenue works and services of

\$2,229,492. No provision has been made for the cost of establishment and transfer costs.

In a separate letter to the Boundaries Commission the Pittwater Municipality Committee submitted details of two alternatives for Council offices:

- a) rental of offices,
- b) erection of portable ( demountable ) buildings.

Estimates of costs of each of these alternatives was shown as \$1,338,000.

I was informed that these costs were on the basis of housing 120 persons. From information supplied by the Warringah Shire Council, it is estimated that 131 persons would need to be transferred from the Warringah Shire Council to the Pittwater Municipality Committee with say 14 persons to fill top positions in various Departments. The estimated establishment costs must therefore be regarded as very conservative. I did not discuss the details of these establishment costs with either the council or the Pittwater Committee representatives.

Provision has not been made for Capital Works which were estimated to cost \$2,274,747 in "A" riding.

The position may therefore be summarised as follows :

* Revised estimated Surplus for 1991 on Revenue	
Expenditure operations	\$2,229,492
* Establishment costs say	\$1,500,000
	-----
* Net Surplus	\$ 729,492
* Capital Works	\$2,274,747
	-----
* Deficit in first year	\$1,545,255

In my opinion the budget adopted by the Warringah Shire Council provided the maximum possible costs which might be incurred if "A" riding was to operate as a separate municipality and could be considered to be a pessimistic budget.

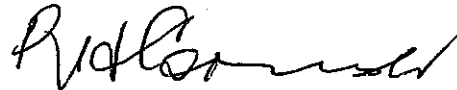
The budget prepared by the Pittwater Municipality Committee on the other hand produced an overly optimistic result. There were also some

incorrect interpretations of the treatment by the Council of its investments and reserve moneys.

The budget which I have prepared shows, in my opinion a more reasonable result which is a surplus equal to 35% of the combined results of the Warringah Shire Council and the Pittwater Municipality Committee.

I would point out however that the amended budget should be regarded only as an indication of the result of a years operation based on presently planned income and expenditure. Decisions made by a new Council could radically change these figures.

The apportionment of assets and liabilities and the considerable reserve funds held by the Warringah Shire Council will be an important factor in the viability of a new municipality.

A handwritten signature in dark ink, appearing to read 'R. H. Cornish', with a stylized flourish at the end.

R. H. CORNISH.

**PROPOSED PITTWATER MUNICIPALITY****DRAFT BUDGETS****SUMMARY**

Operations 1991	Warringah Shire Council Budget For "A" Riding If Separate Municipality.	Pittwater Municipality Committee.	Assessed Amended Budget.
Public Works	4,856,959	4,034,390	4,490,052
Community Services	4,883,677	3,058,190	3,852,854
Corporate Services	1,927,245	1,767,702	1,936,614
Environment Services	1,935,207	1,793,054	1,935,207
Health and Building	804,000	441,425	600,000
Town Planning	880,180	358,586	680,000
General Manager	737,102	429,509	523,602
Finance Operations	15,536,685 - -----	17,809,925 - -----	16,247,821 - -----
 SURPLUS OF INCOME OVER EXPENDITURE	 \$487,685 -	 \$5,927,071	 \$2,229,492

**PUBLIC WORKS OPERATIONS**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
110	Works Depot Maint.	87,038	95,120	95,120
120	Rd. Pavement Maint. Admin.	67,602	67,602	67,602
126	Geotech Services.	84,163	84,163	84,163
127	Engineering Survey.	74,256	62,875	62,875
128/172	Rd. and Drainage Design.	273,933	161,000	230,000
129	Engineering Development.	54,591	62,710	54,591
130	Stores.	190,985	139,150	190,000
132	Engineering Admin.	752,510	605,650	728,112
133	Environment Services.	139,803	73,250	73,250
134	Traffic Management.	35,915	49,245	49,245
135	St. Lighting.	502,505	474,810	474,810
131	Engineering Management.	(	see 132	)
139	Planning Engineer.	(	see 132	)
140	Leave -Works Staff.	192,255	149,500	192,255
142	Engineering Subdivision.	37,361		37,361
148	Northern District Admin.	223,305	( see 132 )	
122	Northern District Maint.	1,237,015	1,306,620	1,237,015
180	Rd. Pavement Admin.	982,903	982,903	982,903
181	Rd. Restorations	95,049 -	69,250 -	69,250 -
145	Mechanical Services.		210,958 -	
316	Sullage Service.	28,730 -		
172	Drainage Design ( see 128 )			
143	Fabrication Workshop.	22,158		
144	Contracts.	22,470		
		-----	-----	-----
		\$4,856,959	\$4,034,390	\$4,490,052

**COMMUNITY SERVICES**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
100	Nursery	15,000	30,000	30,000
101	Reserves and Building Admin.	80,000	50,250	80,000
102	Pool and Beach Maint.	368,037	238,265	300,000
103	Reserves Development.	553,240	240,416	400,000
117	Bush Reserve and Gardens.	232,392	165,979	167,000
108	Avalon Golf Course.	43,108 -	43,108 -	43,108 -
177	Reserves Maint.	1,158,426	490,145	755,000
109	Leave - Parks and Reserves.	129,231	67,560	120,000
160	Community Centres.	57,680	32,578	57,680
165	Recreation Admin.	119,614	39,810	39,810
166	Childrens Services Admin.	42,800	31,790	42,800
200	SLSC Subsidy.	28,227	23,146	28,227
201	Community Services Admin.	53,090	41,280	44,535
203	Beach Inspectors.	263,545	217,200	263,889
205	Aged Services.	116,442	119,500	116,442
206	Community Arts.	47,074	20,000	35,082
207	Youth Worker.	37,210	48,505	37,210
212	Rec. and Leisure Program.	35,242	20,172	35,242
215	Out of School Hours Care.	6,517	10,100 -	6,517
218	Children H. and S. Services.	20,800	23,310	23,310
219	Com. Facility Management.	90,000	34,627	40,000
222	Com. Resources Admin.	53,000	33,373	42,000
314	Reserves Cleaning.	588,000	312,274	400,000
240	Long Day Care.	14,447	14,447	14,447
213	Warriewood Child Care - Occasional.	14,387	14,387	14,387
214	Family Day Care.	60,841	60,841	60,841
303	Mona Vale Library.	741,543	741,543	741,543
		-----	-----	-----
		\$4,883,677	\$3,058,190	\$3,852,854

**CORPORATE SERVICES**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
236	Property Maint.	700,242	552,240	700,242
221	Development Unit.	43,841	27,640	35,000
224	Printing.	86,796	86,796	86,796
225	Records.	191,303	191,303	191,303
227	Property.	134,523	123,383	134,523
229	Fire Control.	104,429	104,429	104,429
230	Emergency Services.	6,866	6,866	6,866
231	Secretariat.	130,855	130,855	130,855
232	Civic Centre.	193,574	250,000	250,000
233	Switchboard.	97,984	151,500	132,600
235	Corp. Serv. Management.	236,832	142,690	164,000
		-----	-----	-----
		\$1,927,245	\$1,767,702	\$1,936,614

**ENVIRONMENTAL SERVICES**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
228	Ordinance Control.	238,375	120,600	238,375
256	Dog Control.	12,178 -	12,178 -	12,178 -
258	Dog Pound.	12,779	12,779	12,779
320	Garbage Services.	1,690,178	1,665,800	1,690,178
324	Impounding Animals.	6,053	6,053	6,053
		-----	-----	-----
		\$1,935,207	\$1,793,054	\$1,935,207



**HEALTH AND BUILDING**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
310	Health and Building Admin.			
311	H. and B. Inspections.			
312	Commercial and Industrial.			
313	H. and B. Clerical.			
		-----	-----	-----
		\$995,346	\$441,425	\$600,000

**TOWN PLANNING**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
273	Environmental Planning.			
272	Planning Support.			
		-----	-----	-----
		\$880,180	\$358,586	\$680,000

**GENERAL MANAGER**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
287	Public Relations.	117,602	117,602	117,602
290	Training and Safety.	369,500	141,907	236,000
294	Personnel.	(	see 290	)
299	General Manager.	230,000	150,000	150,000
	Employment Schemes.	20,000	20,000	20,000
		-----	-----	-----
		\$737,102	\$429,509	\$523,602

**FINANCE**

Item No.	Item.	Warringah Shire Council "A" Riding Budget.	Pittwater Municipality Committee.	Assessed Amended Budget.
238	Management. Accounting.	242,887 -	1,578,343 -	822,000 -
249	Div. Manager Finance.	(	see 238	)
250	Treasury Admin.	(	see 238	)
251	Rates Office.	157,521	157,521	157,521
255	Expenditure Control.	(	see 250	)
257	Revenue Control.	(	see 251	)
259	Insurances.	784,650	618,650	618,650
266	Workers Comp.	(	see 259	)
260	Non Decision Charge.	3,693,764	3,116,528	3,615,434
261	Non Decision Income.	2,857,915 -	2,613,642 -	2,613,642 -
262	Rates and Garbage.	17,641,705 -	17,898,555 -	17,641,700 -
264	Councillors' Expenses Election Expenses	101,916 (	87,916 see 236	87,916 )
292	M.I.S. Operations.	467,966	300,000	350,000
		-----	-----	-----
		\$15,536,685 - \$17,809,923 - \$16,247,821 -		



**PITTWATER MUNICIPALITY  
COMMITTEE**

**PRESENTATION TO  
THE NSW LOCAL GOVERNMENT  
BOUNDARIES COMMISSION  
FOR THE  
SEPARATION OF "A" RIDING FROM  
WARRINGAH SHIRE COUNCIL  
TO FORM  
ITS OWN LOCAL GOVERNMENT**

July 3 1990



# WARRINGAH SHIRE COUNCIL



Cr. JOHN CAPUTO J.P., F.S.V.  
SHIRE PRESIDENT

President's Chambers  
Civic Centre  
725 Pittwater Road  
Dee Why 2099  
982 0333

## INTRODUCTION

The Chairman and Members  
Local Government Boundaries Commission of NSW  
Level 33 - 8/18 Bent Street  
SYDNEY NSW 2000

Commissioners.

### PROPOSED CREATION OF PITTWATER MUNICIPALITY

In putting together this submission the assumption has been made that the formal submission to be placed before you by the Municipality of Pittwater Committee will set out in some detail the reasons and justification as to why the members of that Committee believe a separate Pittwater Municipality is both desirable and feasible.

The pages that follow are, of necessity, generalised statements concerning the main points for consideration for the Boundaries Commission as established under Section 15J of the Local Government Act 1919 (as amended). In compiling the following statements, determining weight was not given to the preliminary pamphlets, documents and comments which have been circulated throughout the community over the last three years by the proponents of the Pittwater Municipality. Much of this material has been factually incorrect. It is anticipated that the formal submission of the Pittwater Municipality Committee will correct some of these statements and I look forward in due course to replying to that submission.

It is important to stress that Warringah Shire Council has not actively opposed the concept of a separate Pittwater Council. Warringah Shire's stance has been that all the facts must be publicly and openly stated and argued, divorced from much of the emotional rhetoric which has preceded the formation of this Inquiry.

The Manly-Warringah peninsula is almost an island, physically isolated from the Sydney Metropolitan area except for the three road accesses of the land bridge on Mona Vale Road and the two constructed bridges at The Spit and Roseville. As such, the area should rationally lend itself to the application of consistent and general local government planning and regulation.

Warringah Shire Council is concerned that the establishment of a third local government area within the Manly-Warringah peninsula must add to the diversity of bureaucratic controls and increase the uncertainties and confusion in the minds of residents, developers and visitors alike.

Should 'A' Riding secede then similarly the operating costs for both the new Pittwater Council and the remainder of Warringah Council must be higher than under the present unified arrangements. For this reason it is essential that the entire community of Warringah fully understand all the associated issues.

The question of the appropriate boundaries within the Manly-Warringah peninsula has been the subject of various reviews and studies including previous inquiries by the New South Wales Local Government Boundaries Commission. The underlying issue in most of these inquiries has been the question of style and form of local elected representation despite the often stated case being one of allocation of financial resources.

While the Manly-Warringah area is possibly one of the most homogenous in urbanised New South Wales, the rate of development has been unevenly distributed throughout the peninsula, gradually spreading north from Manly towards Palm Beach and westward into the hinterland. I believe it was the normal community pressures requiring different facilities and different services at the various stages of development that led to the community and political pressures that have been evident from time to time in Warringah's history. These pressures were compounded by the dramatic post-war boom in population and development following the second World War and further heightened by the consequential backlog of necessary infrastructure works and community facilities.

These pressures are not unique to Warringah and should be regarded as being the healthy outward sign of an active and involved community participating in the political allocation of scarce resources.


Warringah Shire is recognised internationally for the environmental quality of its scenic and urbanised landscape. It is widely regarded within the local government industry as being an environmentally innovative and well-run Council. Over the last five years Warringah Shire Council has carried out numerous environmental protection studies of its coastal foreshores and had major work undertaken in the areas of tree preservation, environmental planning, building and subdivision control. Council's public notification procedure has been expanded and goes well beyond the statutory requirements in regard to its activities. Although this community consultation has slowed down the application processing times the feedback from the community has been that the moves have been generally supported and the opportunity to comment on applications welcomed.

Warringah Shire Council has consistently undertaken its task of providing identified community facilities and services with the underlying philosophy of preserving and enhancing the quality of both the environment and the community lifestyle. This environmental sensitivity and concern has made the Manly-Warringah peninsula one of the most desirable parts of the Sydney region in which to live and this is reflected particularly in the northern area of Warringah by the high land values and property sale prices.

I believe the success of this Council's operations can be also measured by the social interaction, community interest and the activities of Warringah's thousands of volunteer workers and service operations. These points will be more fully expanded in the pages that follow, however, I believe it is sufficient to say at this stage that the enviable reputation of Warringah Shire as a good, solid and reliable community, generally enjoying a high quality of environment and community living, would not be a fact except for over eighty years of care, concern and support being provided by Warringah Shire Council on behalf of its residents.

There is no doubt that Warringah Shire Council is a caring and dynamic and evolving organisation. Over the last ten years there has been an ever increasing emphasis on public accountability, open government and community involvement and I know that I speak on behalf of all my fellow Councillors when I say that we are committed to further develop these principles.

Yours sincerely,



Cr John Caputo  
SHIRE PRESIDENT

2nd July 1990



## EXECUTIVE SUMMARY

### SECTION 1 - 'A' RIDING RATES & COSTS -SUMMARY

There has been a great deal of misinformation and factually incorrect material circulated within the Warringah Shire Community over the last few years concerning 'A' Riding rates and operating costs. 'A' Riding does pay more rates than the other Ridings, but as it is the largest of the four (4) Ridings and contains more residential properties than the other Ridings, it must arithmetically pay proportionately more. The majority of 'A' Riding ratepayers (65%) paid the same or less rates in 1989 than they had previously paid in 1988, and only 1.4% of 'A' Riding had increases in excess of 100% due to property revaluations. Both these figures are quite at odds with the so called "facts" which have been circulated throughout the 'A' Riding community.

Similarly, it is beyond question that 'A' Riding has more money expended on it than is actually raised by the way of rates and garbage charges within that area. This has been the conscious policy of Warringah Shire Council over most of the last decade. There is no foundation to the often asserted point that 'A' Riding is subsidising the other Ridings to approximately \$5 million per year. The facts clearly show that 'A' Riding is being supported from accumulated working funds, reserves and income from the other three (3) Ridings.

### SECTION 2 - ENVIRONMENTAL PLANNING - SUMMARY

Over many years Council has established, maintained and kept under constant review its Environmental Planning Policies and statutory plans in respect of 'A Riding'. Council's original 1963 Planning Scheme has been amended many times over the years and was replaced in 1985 with the new Warringah Local Environmental Plan 1985. Council has devoted considerable financial and man power resources to this task to ensure that its plans and policies reflect community attitudes.

Much of Council's planning resources during 1989 were devoted to responding to the State Government initiative for medium density housing to be permitted throughout all residential areas of NSW. This would have had a dramatic impact on the environment of 'A Riding' and by the end of the year Council had mounted a substantial and persuasive case to the State Government as to why the Shire and in particular the area of 'A Riding' should be excluded from this policy.

It is understandable that certain people would seek planning reforms to be introduced with greater expedition. However, as may be seen the Council is well positioned during 1990 to conclude the major planning reviews for 'A Riding' which are now well advanced. Warringah Shire Council will then have in place the very latest

legal, policy and administrative framework within which to confidently undertake environmental planning and the regulation of development to ensure the protection and enhancement of this beautiful area.

### SECTION 3 - FINANCIAL ISSUES - SUMMARY

The Pittwater Municipality Committee have yet to demonstrate why, in their opinion, Warringah Shire Council is "too big". Likewise, it remains to be demonstrated what would be the optimum size of local government on the Manly Warringah peninsula, or indeed what is "wrong" with the existing local government structure.

It is acknowledged that there is a large backlog of outstanding works to be completed in 'A' Riding as a result of the rapid population boom Warringah experienced between 1950 and the mid 1970's. It is equally obvious that, without the continued support of the other three (3) Ridings, 'A' Riding would be struggling to even maintain the current level of services, let alone undertake the necessary construction work to continue reducing the outstanding works. The new council area can not look to a reallocation of Warringah Council's reserve funds to pay for these works, as the funds which have been established are in response to identified programs, and generally will have to be spent on those specific works.

There are a variety of other issues and often hidden cost factors which must be addressed by the Municipality of Pittwater Committee in their submission. Warringah Council does reserve the right to comment at greater length on these points when and if they are presented by the Pittwater Municipality Committee.

### SECTION 4 - COMMUNITY OF INTEREST - SUMMARY

Warringah Shire exhibits uniform demographic characteristics across its 264 square kilometres. Common background assists in the development of a sense of community, whilst not denying the importance and existence of difference.

Warringah has developed its own cultural identity, a particular expertise and interest in recreation and a strong sense of community service to others.

Council has recognised by support and presentation of awards, the extent and importance of the voluntary contribution of many Shire residents, both for their work within neighbourhoods, and for their contribution to the Shire's overall well being and community identity.

The Warringah local government area has many hundreds of organisations within its boundaries. Most are voluntary or community based, others are provided by State and Federal Government Departments. Service groups like Rotary, Lions, APEX etc are active groups providing welfare services are well established and many residents continue to work towards identifying the changing needs of this community to ensure residents are able to maximise their potential.

Often other levels of government are requested to not only recognise, but assist, in meeting Warringah's special needs. Changes in government policy influence the outcome of these requests, however, the size and cohesion of Warringah can and has been used to support and more clearly define arguments for assistance, and to demonstrate the communities ability to co-operate and work towards a common goal.

#### SECTION 5 - HISTORICAL & TRADITIONAL ISSUES - SUMMARY

Warringah's history is one of gradual growth and development, 84 years of which has been overseen and aided by Warringah Shire Council. The traditions of the Shire developed from early settlement, as a beautiful environment which requires care and management by its residents.

Common experiences, the World Wars and more localised events such as bush fires and storms have shaped the local character and built the community traditions of the Shire. Each area, each street and each home has its own particular history, which combined make the Shire the scenic and sought after place of residence that it is today. this attitude was probably best captured in the early 1980's with the saying:

"Warringah - a great place to live, work and play"

#### SECTION 6 - ATTITUDE OF RESIDENTS & RATEPAYERS - SUMMARY

Warringah Shire Council has carried out several surveys of the users of its facilities and services as well as two (2) major community surveys. The results of all these surveys would indicate that a majority of the residents and ratepayers across the Shire support the actions, facilities and services of Council. Clearly there are some areas, for example - roads, footpaths and cycleways, where the community wants more action. In general and statistical terms, however, there is no significant difference between the responses of residents of 'A' Riding and the responses of residents in the other three (3) Ridings administered by Warringah Shire Council. The general picture which emerges reinforces the homogeneity of Warringah as a single local government area.

#### SECTION 7 - ELECTED REPRESENTATION - SUMMARY

It has been recognised since 1983 that 'A' Riding is under-represented at the local government level when compared with the other three (3) Ridings of Warringah Council. There is no evidence to suggest that the other three (3) Ridings are experiencing difficulty with regard to the elected representation of their areas. The issues raised to date by the Pittwater Municipality Committee and their supporters have not been substantiated by fact and are not supported by the evidence available to Warringah Council. The question of 'A' Riding representation can be readily resolved by an

adjustment of Warringah Council's electoral riding boundaries, and work in this regard is already well progressed. Revised riding boundaries will be in place in time for the next local government general elections in September 1991.

#### SECTION 8 - OTHER MATTERS - SUMMARY

The suggested boundaries for the proposed Pittwater Council are inappropriate. It is essential that the total catchment of Narrabeen Lagoon is under the administration of only one (1) local government area. The southern boundary of the proposed Pittwater Council if it is to proceed, should therefore be generally along Golf Avenue, Barrenjoey Road, Pittwater Road and Mona Vale Road up and to Lane Cove Road.

At the time of writing this submission the Pittwater Municipality Committee had not produced any rational, factual or objective data which demonstrated the "need" by the community for a separate Pittwater Council.

This is the central issue to the entire Local Government Boundaries Commission Inquiry and must be addressed in their submissions by the Pittwater Municipality Committee if they are to justify the increased costs and dislocation to services which will result to the residents in both the proposed Pittwater Council area and to the residents of the remainder of Warringah Council.



## Introduction.

Gentlemen...

On behalf of the Pittwater Municipality Committee I would like to begin by thanking the Minister for Local Government, the Honorable David Hay and members of the Boundaries Commission for giving us this opportunity to present our case for a separate Municipality for Pittwater.

We also wish to express our appreciation to the Boundaries Commission for the alacrity with which it has acted to launch the inquiry and to conduct it in Mona Vale so it is possible for our residents to attend. We are also wish to express our thanks for many instances of co-operation afforded this Committee in preparing for the inquiry.

Our case will be presented in several segments, by various members of our committee, but the segments make up a whole.

We will demonstrate quite convincingly

- \* that the proposed municipality has the overwhelming support of the people in A Riding.

- \* that the people of the area have a community of interest that binds them strongly together and will give the proposed council a rock solid foundation.

- \* that the proposed council will be more democratic and responsive to the people.

- \* that the new council will be financially viable.

- \* that there are benefits for the ratepayers of other ridings of Warringah by letting "A" Riding become a separate council.

- \* that the separation move is totally in step with the contemporary trend away from undemocratic corporatisation of unwieldy bureaucratic conglomerates.

- \* that Pittwater Municipality is what is needed to guarantee for future generations of Australians that the environment of this unique part of our country is adequately protected .

- \* that Warringah Shire Council is overtaxing the ratepayers of the shire and that a major overhaul of the shire's administration and practices occasioned by the split will benefit all in the Shire.

- \* that the report of the Committee of Inquiry into Local Government Rating and other Revenue Powers and Resources (April 1990) condemns much of what Warringah Shire is doing and supports the principles that are behind the separation move for Pittwater Municipality.

- \* that current rates charged by WSC are so inequitable, and likely to become even more so, that a separate council is required, so that those properties revalued so disproportionately can have their rates adjusted to these valuations.



## Introduction page 2

To set the stage for our submissions I would like to quote from the very latest definitive study of Australian local government by Professor Michael Jones. In his book just published, Professor Jones has this to say about "small" local government and the "big is better" theory.

I quote: "In the sixties and seventies it was widely believed that existing local government systems in most modern countries were fragmented and inefficient. The excessive number of local units was thought to cause duplication of facilities and lack of co-ordination. Only low-calibre staff and councillors supposedly were attracted to serve in many smaller units. These negative arguments were very influential in Britain and led to the centrally designed reduction in the number of local units from 1357 to 410 in 1974.

"Many countries, however, still argue that numerous small local authorities can be efficient. France, Italy, Switzerland, the United States and Spain all have large numbers of often small X local units. The approximately 3255 authorities in Japan represent a respectable number in comparison with most other countries. Switzerland, with a population of 6.5 million has about the same number of municipalities as Japan with 121 million. The average size of Japanese municipalities - 35 000 - is about the same as in Sweden.

"The 1987 report by the Advisory Commission in Intergovernmental Relations, "The Organisation of Local Government Economies, (1987), is a highlight of the new mood. The public choice literature can be used to justify more than 80 000 local authorities in America; this proliferation has usually been condemned as fragmented, uncoordinated and wasteful, causing service chaos, duplication and overlaps, especially in metropolitan areas.

"The ACIR report changes this negative approach and sees capitalist order in the apparent chaos. It notes that local citizens when given a choice, have seldom elected to eliminate much of the basic infrastructure of local government in America. The approach draws an important distinction between service provision and service production. In the past there has usually been an assumption that a separate local authority meant another X local bureaucracy, providing most of its own services from its in-house staff - hence so much of the research to justify the 1974 amalgamation in Britain focused on economies of scale, which are supposed to follow from reform. If production is separated from provision, the attack on small local authorities greatly weakens; many small communities in a large city can purchase services from a supplier, public or private, who gains the benefits of larger-scale production and scale economies.

"The ACIR report says:

'For decades, local government analysts have searched for a seemingly ideal pattern of local organisation - consolidated metropolitan government, two-tier systems, or any arrangement that would reduce the governmental complexity ordinarily found





### Introduction page 3

in metropolitan areas. This report suggests that there is no ideal pattern suitable for all local communities and regions. Rather, local citizens and officials need to be empowered to create optimal patterns of order for themselves. Perfection will continue to be elusive. Different communities will make different tradeoffs, and every community can learn from these natural experiments. Metropolitan governance need not depend on the creation of metropolitan government. Citizens can govern local public economies by creating and maintaining multiple local governments within a framework of rules.

"The larger scale of local government has made it even more attractive to the major political parties; amalgamated units may attract a different type of councillor - more ambitious, perhaps interested in a political career, and not very interested in serving the local community.

"The concern over local authority size and numbers in Australia partly results from the dominating influence of British ideas over the local government elite in Australia. This influence goes back to the last century...and in the 1970s it became very important. The British desire for large size has a long tradition. The respect that Australian local government seems to have for British ideas is strange; the British amalgamations of 1974 have been very widely attacked by eminent people in the United Kingdom. David Marquand states that 'The clumsiest exercise in centralising social engineering was the reform of local government....'.

"The numbers issue attracts attention because of a belief, particularly in the bureaucratic mind, that there is somewhere a perfect set of boundaries and an optimum number of local governments units. ...A similar concern for the magic number has continued in modern Australian inquiries, especially in search of the optimum population figure dictated by 'economies of scale'. The concern for neatness often underlies the desire to reduce the number of local government units. Reducing complexity and diversity is part of the centralising tendency so central to the modern western state of the past two hundred years.

"Some local government leaders in Australia still believe that large-scale amalgamation will solve the problems apparent in the industry; many local authority professionals and councillors still believe that larger size will create more status, power and clout with the state and federal governments. This argument is clouded in confusion, because size in itself does not necessarily improve local power unless the larger size is linked with a wider range of functions and far more sophisticated financial resources. Power is an elusive idea, and many of the large authorities in New South Wales seem to be treated with far more contempt by state governments than their generally smaller counterparts in Victoria.

"In the postwar period, extensive amalgamations of local authorities in Sweden, West Germany and Denmark were linked with a real expansion of functions and financial resources in local



Introduction page 4

governments. No Australian amalgamation proposals have ever been linked in any credible sense with devolved functions; also, new thinking on service delivery stresses that a local authority can consist of just of councillors and a few managerial staff, with public and private contractors providing the services. The economies of scale argument collapses ~~one~~ the link between local democratic control and local municipal empires is broken. Small local authorities can be efficient and participative as long as they do not try to copy larger units and create local staff empires.

"A great deal of research on economies of scale carried out since the British amalgamation fails to prove the case for bigness. Often there is confusion between economies of scale and economies of population concentration.

"Larger local units may well suffer from diseconomies of scale. Multipurpose local authorities need members from many different professions and present particular management problems. Coordinating the various specialised departments is the central local unit management problem, and presents difficulties for the general manager. As the organisation becomes larger, more resources may be needed just to coordinate and to provide communication channels, and significant minorities with different needs and preferences will become less influential. Powerful divisions may develop in larger authorities, helping create the many 'hung' authorities so common in Britain.

"American research shows strong evidence that the smaller units of local government are effective at limiting government spending; the elected official and the community can often control the professional staff. High spending is easier in larger units, where professional staff with empire-building ideas are more insulated from the elected officials and from the community."

I commend the work of Professor Jones to you and believe that these few quotes from "Managing Local Government" set the current scene very nicely indeed.



## SUPPORTING DOCUMENT

### THE FINANCIAL APPROACH FROM THE COUNCILLORS VIEW

#### 1. INTRODUCTION - NOT ENOUGH TIME TOO CONFUSING

It is of general concern that because of the huge burden of the agendas and Councillor responsibilities, that members of Warringah Shire Council have not been able to devote sufficient time to consideration and debate of the accounts and the estimates in particular.

Although Councillors have recently received a circular from the Shire President indicating a new program commencing in the not too distant future leading up to the consideration of the draft estimates for 1991, suffice to say that this procedure has not been followed in the past and indeed the lead up to the estimates has generally been of a much shorter duration. Also in the past, concentration has been on general philosophical type discussions between staff and Councillors and there has been little or no attention given to detail as contained in the agenda items themselves. In fact in 1985 when a policy night had been set aside for discussion of the estimates, the only information provided was a lengthy statement of objectives by staff departments. It was largely irrelevant and to the extent misleading to Council in trying to consider the financial figures themselves. In the Corporate Management sense this showed a basic confusion between the role of "effectiveness" - measuring the community needs and "efficiency" - financial accountability and illustrates the inexperience of those in management in Warringah in understanding the "Corporate Management Role."

On the occasion when the 1989 estimates were considered at a meeting in December last, virtually no debate took place as to any item. Those Councillors who had wished to discuss the matter were in fact "gagged" by a resolution of Council on the basis that it was urgent to fix the Council rate. Any delay, it was pointed out, which may have arisen from a further rescission motion would have meant that rate notices could not be sent out on the first business day in January. When I complained about the approach taken, I was told by the Council General Manager that the estimates night was not a night for debating Council financial figures "we had 11 other meetings during the year to do that".

This is an interesting comment because our most recent experience has been that time has not allowed for the consideration of Council's 2A returns. The very much overdue return for December duly arrived in April along with the March return. Their consideration and adoption did not take place until Tuesday, 15th May. This was due to the fact that Council had not concluded its consideration of other items on the agenda until after midnight on each occasion. The adoption of the Returns coincided then with discussion of the controversial item of Council's redevelopment of the Lakeside Caravan Park.

Matters of concern arose in relation to these accounts.

2. THE LAKESIDE CARAVAN PARK REDEVELOPMENT AND AS IT RELATED TO THE 2A RETURNS CONSIDERED BY COUNCIL

- (a) it would appear from the December 2A return (see item 202 in the Lakeside Caravan Park at page 27) that all items of expenditure for the Park increased varying from 15.24% to 146.61% or a total of 29.6% over the year. This in effect had a negative effect on the amount that was intended to be transferred to reserves. What is also apparent is that there must have been some attempt in the revised estimate to make cost cuts which completely failed. This is because the actual costs as distinct from the revised estimates are nearer the original estimates in the first place.
- (b) the Caravan Park redevelopment costs shown in the Council meeting agenda of Tuesday the 15th May at BP 139 indicate that with the exception of one single item, namely earthworks, actual expenditure exceeded voted works by \$665,484.00 or 16.1% from an original expenditure item voted of \$3,899,623.00. This would of course be corrected retrospectively by Council having adopted the 2A return. Significantly this money had been spent in anticipation and with the deferrals as mentioned above, this period of irregularity would have amounted to a considerable time span.
- (c) as will be seen from the report on the Caravan Park that was included as item 6.7 at the special meeting on the 15th May (see BP 66), the estimated total expenditure had risen from an original estimate of \$4.7million to the blow out figure of \$6.8million. Worse still the future cash position as shown in that report indicates that the projected profit figure of \$605,000.00 in 1993 has been reduced to \$261,000.00 well below the current profit of the Caravan Park. Before the redevelopment occurred this current profit was in the order of \$376,000.00 per annum and on a net basis after servicing of loans about \$220,000.00 per annum net profit.

The General Manager and other Councillors at the same Council meeting said that the Caravan Park blow out in expenditure was well known to Councillors in February when they received a so called "plain English" report. This report was to have been circulated over the vacation period but was delayed. The report did show a costs comparison but this was not presented to Councillors as being different from the position that was disclosed in item 8.20 on page 410 (second volume) of Council's Agenda for its meeting of 19th December. That report produced a Manly Daily headline that the expenditure of the Caravan Park had blown out some \$700,000.00. It also had said the "total cost now becomes \$5.6 million." What was perhaps not apparent to Councillors was the fact that the report in February

showed that the blow out had come up to a figure of \$6.8 million. The meeting report was otherwise focused on the fact that there was going to be a saving made of some \$600,000.00 by changing over from permanent to mobile vans. The plain english report was circulated to Councillors but not attached with the meeting agenda. Thus the fact of a further \$1.1 million blow out would not have been public knowledge then. The latest Caravan Park Report of 15 May as above shows that the blow out has again gone out and is another \$800,000.00. This is on top of all the other blow outs. The position can be thus summarised:-

Blow out first indicated by Council's report on the 19th December 1989 from \$4.7 million to \$5.6 million = \$0.9 million

Further blow out indicated by Plain English Statement in February \$5.6 million to \$6.8 million = \$1.1 million but deduct \$0.6 million saving = \$0.5 million increase

Further blow out indicated by Report to meeting of 15th May 1990 \$5.6 million to \$6.8 million

Total Blow Out \$2.6 million or 55%

The above speaks for itself and in the opinion of three Councillors at the meeting of May 15 required a separate investigation by consultants. Indeed the question could be raised if the top management was so loose on this project - what other problems existed at the "micro-level." This amendment was defeated by other Councillors closing ranks with the staff. The General Manager has since refused requests inter alia for further information about financial evaluation of this project see copy memoranda herewith attached "A" and "B" also dealing with other entrepreneurial matters.

### 3. OTHER MATTERS ARISING FROM THE 2A RETURN

- (a) Council's Public Relations Department - the March 2A return indicated that this department item 287 had been transferred from the Corporate Services Division to the General Manager's own responsibility - (see page 42 of the accounts). It seems the Councillors were not advised of this transfer.

The General Manager was asked why the transference of the budgetary item was not reflected in the figures before Council. In particular why the summary on BP01 indicating the adopted estimates as against the revised estimates for the year did not disclose it. The General Manager advised that those figures had already been "adjusted back."

This seemed extraordinary when it is considered that the accounts are supposed to reflect the vote of the Council. It would appear that they had already been



retrospectively adjusted in some way to reflect the decision of the staff taken in the year following.

- (b) Some queries concerning the Property Department  
- item 227 "operating expenses"

It will be noted that the operating expenses have increased from an estimated \$168,765.00 to \$227,305.00 and there is a special note (16) attached to that item. In answer to questioning of the staff at the meeting of the 15th May, Mr. Gregan the Deputy Shire Clerk Finance said that that note referred to expenditure at Brookvale Oval. The note in fact reads:-

"sub-soil drainage system funded from reserves recommended by Brookvale Oval Redevelopment Committee (\$75,000.00); error in original calculation of 1990 estimate and also".

Apparently that item has something to do with the further item shown over the page under the property budget being a transfer from Brookvale Oval Reserves. It is still not understood how that item relates to the property budget or how the figure of \$92,940.00 balances off with that \$75,000.00 figure. It is guessed that it must be that the Brookvale Oval Redevelopment is being charged in some way to the operating expenses of the property department. It is not apparent whether this is so or whether this is appropriate. It is also not clear whether the expenditure was authorised previously or whether it has been added on by the Brookvale Oval Redevelopment Committee and is simply adopted retrospectively by Council in relation to the 2A return.

It is also fair to say that most Councillors are fairly confused by all of the figures, have no real expertise to understand them or to know whether they are properly presented or not.

4. THE DRAFT ESTIMATE FORMAT - MORE QUESTIONS - THE NEW FORMAT

The comprehension of the Council's financial performance is made even more confusing by the fact that the format of the draft estimates 1990 was radically changed by the General Manager. This was apparently carried out with the assistance of a consultant at a cost to Council of some \$20,000.00. It is understood that the main purpose in the change in format was to incorporate Council's corporate plan. This plan as has been commented on elsewhere consists of a series of general objectives some very vague and sometimes including reference to staffing levels.

Unfortunately in the new classifications in many cases items

were taken from one department and transferred to others.  
It was therefore impossible to relate one year's  
performance against the other.

This was particularly so for example, in the property department, which had added to it Council's Property Building Department. Accordingly although the accounts disclosed that the previous year's profit had become a loss such could not be dissected to establish the efficiency of the department's operations. In particular there was no way of relating the impact of increased administration costs as against the incorporation of the Property Building Department with its separate cost factor.

5. CONCLUSION

It is submitted that this quantity of detail in a council  
the size of Warringah prevents Councillors being able to  
discuss policy or see wider trends. Although some attempt has been made to look at yearly comparisons this has been for the most part initiated by elected Councillors.

When the staff have put generalized figures these have shown a trend to increased administration over services (see attachment "C"). The General Manager advised this  
information cannot be updated as it was produced by a former  
employee on his personal computer and does not come within  
Warringah's "system".

What was later presented to Council in a graphic form (see  
attachment "D" - future projected decline in improvements) -  
heavily impacts on A Riding. This contrasts with the position reflected in the 1989 Account summary which  
indicated community facilities had expanded some 30% whereas  
public works only 8.8%. Needless to say these changes have  
a great impact on A Riding from the budgetary point of view  
because A Riding is the undeveloped part of the Shire and  
requires much more to be spent on public works than in  
community facilities.

That this information has to be gleaned by Councillors from the myriad of figures and verbiage provided is a further criticism of Warringah's size and the administration it produces.

The plain figures when they finally emerge reflect real differences in the community of interest and financial needs between the different Ridings in the Shire.

Attachments "A"

" VI "

**MEMO TO:** COUNCILLOR E. GREEN  
cc. ACTING SHIRE ENGINEER (Attention E. Griffiths)

**SUBJECT:** NARRABEEN LAGOON - FINANCIAL INFORMATION

**FILE:** 233.003.001

**DATE:** 14th June 1990 FLT/cc(2153e)

In reply to your request for details of the financial analysis of the proposed dredging of Narrabeen Lagoon I advise as follows:-

The information requested, if made public may prejudice the proposed tenders for the dredging operation, and, as such, the information must remain confidential. Accordingly, I am unable to provide you with copies of the information requested. However, Public Works Division Staff are available to discuss the principal issues of the financial analysis with you. Please phone the Public Works Division Environmental Planner, Erica Griffiths to arrange a meeting at a time suitable to you.

It should be noted that information that can be made public at this time has been made public as part of the details included with the Development Application.

Mr L Thomson  
General Manager/Shire Clerk

4509g

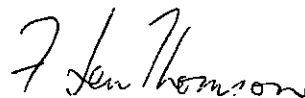
MEMO TO: SHIRE PRESIDENT AND COUNCILLORS  
COPY TO: Senior Management Team  
FILE NO: 220/001/001  
DATE : 26th June 1990.  
SUBJECT: MONTHLY AND QUARTERLY TRADING ACCOUNTS  
FLT/cc

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Several Councillors have requested information on Council's various trading operations, e.g., Kimbriki Tip, Glen Street Theatre, Sorlies Restaurant, Aquatic Centre and Caravan Park etc. I have directed the appropriate staff to ensure that monthly or quarterly accounts are prepared in regard to these operations and submitted on a regular basis via the appropriate Council sub-committees prior to their submission to the appropriate Council standing Committee.

For example, reports concerning the Kimbriki Tip would proceed in the first instance to the Joint Services Committee and then on to Council's Public Works Committee. Matters concerning the Glen Street Theatre and Sorlies Restaurant would proceed in the first instance to the Board of Management for the Centre and then on to Council's Community Facilities Committee meeting.

I have directed staff to ensure that the integrity of Council's various established sub-committees and boards of management is preserved, that the information flows through those committees in a regular and orderly fashion and is shared by all Councillors at the appropriate divisional committee meeting.



F.L. Thomson  
GENERAL MANAGER/SHIRE CLERK

### PRIOR YEAR COMPARISONS

The following graph shows Prior Year Comparisons of net expenditure for the various divisions of Council for the period 1982 to 1987.

The data for the comparisons was extracted from the various December Form 2A Financial Reports and the Adopted 1987 Estimates.

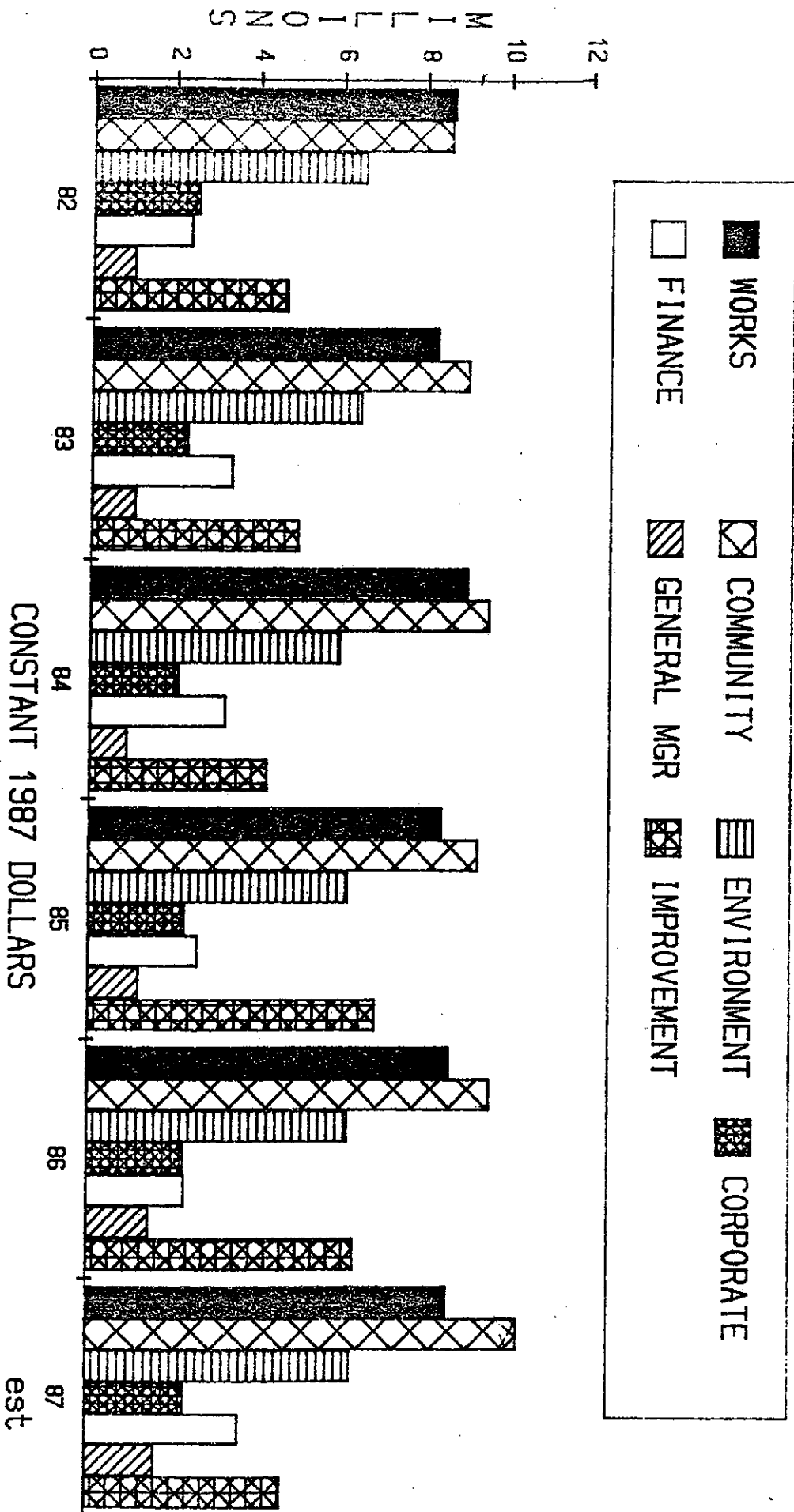
In order to show like with like comparisons some transfers of earlier years expenditures and incomes were necessary in order to reflect the current organisation structure.

To further enable direct like with like comparisons, all figures have been expressed in constant 1987 dollars. The various rate increases over the years were used to inflate the figures.

Any increase or decrease in net expenditure therefore represents a real movement in that division.

As only actual incomes and expenditures for the period 1982 to 1986 have been used no account has been taken of uncompleted improvement works carried forward into 1987 nor has any estimate been made of any works likely to be carried over into 1988.

# COUNCIL SUMMARY NET EXPENDITURE BY DIVISION





Report to Corporate Services, Finance and Personnel Committee Meeting 29th August 1989

(Item cont)

BUDGET VARIATIONS

All significant variations have been explained in the notes at the back of the detailed report.

Works Program

Council, when considering the March Financial Report at its meeting held on 6th June 1989 indicated that it intended to consider an additional \$500,000 allocation from Working Funds depending upon the result from this financial review. As can be seen from the above table the Working Funds position after adoption of this report is estimated to be \$2,142,847 at 31st December 1989. The minimum level of Working Funds considered prudent is \$2,000,000.

The projection of Council's 1990 budget submitted to the Policy Meeting on 1st August 1989, indicated that there was a significant shortfall, compared to 1989, in anticipated funds for improvement work. At this stage it is considered advisable to defer any additional allocation for drainage to the 1990 Works Program.

RECOMMENDATION OF THE DEPUTY SHIRE CLERK - FINANCE

1. That the report be noted and the revised estimates of income and expenditure as at 30th June, 1989 be adopted and the votes adjusted accordingly.
2. That no additional allocation be made in 1989 to finance drainage works.

RECOMMENDED TO COUNCIL by General Manager/Shire Clerk





Report to Corporate Services, Finance and Personnel Committee Meeting, 29th August 1989

## 7.7 FINANCIAL PROJECTIONS

(File: 220/003/001-90)

At the Policy discussion meeting held on 1st August 1989 information was provided to Councillors which projected the likely funds available in future years for new works, services and equipment after the costs of funding all existing services and the current level of operations.

Based on these projections, there is a likely shortfall of some \$2M available for new works, services etc. between the amount provided for 1989 and the likely level of funds available in 1990.

Projections beyond 1990 continue to show a decline in funds available.

The major contributing factor to the shortfall is a decline in Councils surplus Working Funds.

Council will recall that the 1989 budget provided for a transfer of \$2.1M from Working Funds to finance (partly) the 1989 budget.

The 1989 projection of the Working Funds balance as at 31st December 1989 is a surplus of \$2.1M. This is considered the minimum level at which Council should operate. Thus there is expected to be no funds available from this source.

The attached graph illustrates the projected position. The figures shown are subject to further review and refinement during the 1990 Estimates preparation process.

### RECOMMENDATION OF THE DEPUTY SHIRE CLERK - FINANCE

That the report be noted.

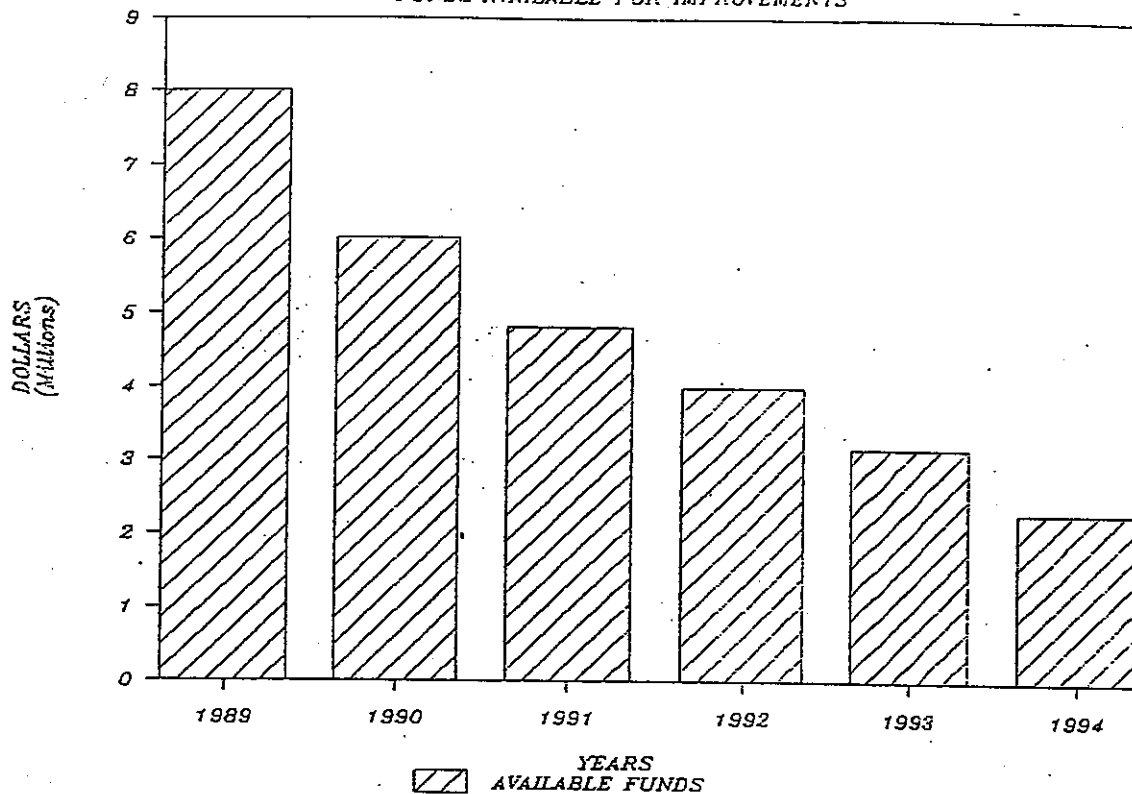
RECOMMENDED TO COUNCIL by General Manager/Shire Clerk



Report to Corporate Services, Finance and Personnel Committee Meeting, 29th August, 1989

(Item cont)

### WARRINGAH SHIRE COUNCIL FUNDS AVAILABLE FOR IMPROVEMENTS



#### FUNDS AVAILABLE FOR IMPROVEMENTS

1989	8,015,200
1990	6,016,493
1991	4,822,936
1992	4,003,221
1993	3,160,875
1994	2,295,654



## SUBMISSION 1

That the residents of "A" Riding of Warringah Shire Council are being denied their democratic right to fully representative and efficient local government.

"A" Riding has an area of 115 square kilometres.

This compares with other North Shore councils as follows: Lane Cove 10.4sqkm; Mosman 8.7sqkm; North Sydney 10.5sqkm; and Willoughby 22.2sqkm.

"A" Riding has a population of about 50 000. (Total Warringah population is about 183 000.) The extraordinary population relativity between Warringah and other north shore councils is illustrated in the graph on the next page.

Based on 1983 valuations, the riding has a total land value of almost \$1 436 000 000.

Only 29 of the 176 councils in this state exceed the proposed Pittwater Council in population and rating.(\*1)

The average population of NSW councils is just over 32 000. Of these 81 have a population of under 10 000 and another 24 are under 20 000. (\*2)

Clearly "A" Riding stands out as an area that can support its own council.

However, the people of the riding currently are denied this responsibility and autonomy, because its electors have no say in the election of nine of the twelve Warringah councillors. The three councillors from A Riding are easily outvoted by the nine from other ridings, who have interests quite different from those of the people of Pittwater.

Further, because the Riding is so big and the issues so complex, due to past neglect and lack of funding, our three councillors carry an intolerable burden, far beyond what is expected of elected representatives serving in a voluntary capacity.

Manly Municipal Council has 12 councillors for 34 000 residents in an area less than half the urban portion of "A" Riding.

Before continuing to look at the current situation, it would be beneficial for the Commissioners to reflect on some relevant reports in recent local government history.

In 1977 a survey was completed that examined the possibility of creating larger local government units in the Sydney metropolitan area.

At the request of a number of councils, the Local Government Association contacted the Local Government Engineers Association of NSW, the Institute of Health Surveyors, and the Town Clerks Society of NSW, and invited them to form small working parties to examine and comment on such proposals.

Submission 1 page 2

The working committees were set up and their assessment of the proposals for larger local government units were furnished to the Association. Many of the findings of these experienced and highly regarded local government officers are particularly relevant to this inquiry.

The joint committee of four town clerks from Lane Cove, Mosman, North Sydney and Willoughby made the following comment:

"The panel does not appear to have made any in-depth evaluation as to whether the present aldermanic representation in the four areas is adequate, deficient, or excessive, but has merely relied upon the representation in a number of large metropolitan councils in assuming that 15 elected representatives would be adequate for a united Northern Suburbs District, instead of the existing representation of 51.

"The proposed representation of 15 aldermen in a united area would mean a representation of 1 alderman for each of 10 412 persons, compared with the average of one alderman for each 3 062 persons at the present time."

This concern for a lowering of representative levels might be viewed in the light of the present situation in "A" Riding which has only two resident "A" Riding councillors to attend to the wants of 50 000 people. Even the normal number of three councillors means one councillor for almost 17 000 residents.

Better representation, similar to that now experienced in the four councils mentioned above is one of the benefits envisaged for the Pittwater Council.

This same joint committee also stated:

"At the present time, the elected representatives are able to pay particular attention to problems arising in their own wards, and, at the same time, gain a full appreciation of questions affecting their municipality as a whole. Very few elected representatives would have the time or resources to give the same service to their constituents if the areas were united and the representation was reduced to 15 aldermen. The desire of residents that their local government authorities should remain as truly democratic bodies, rather than become a large bureaucratic organisation was reflected in the overwhelming vote against the proposed amalgamation in the September 1977 polls".

The result of the referendum conducted by the four councils at the 1977 polls was :

Lane Cove	86.4	percent	against	amalgamating.
Mosman	87.3	"	"	"
North Sydney	67.9	"	"	"
Willoughby	73.0	"	"	"

This overwhelming support for smaller democratic local government rather than bureaucratic government is more than

Submission 1 page 3

matched by the "A" Riding people. In the process of obtaining 20 000 signatures in our petition to the Governor, well over 90 percent of those contacted signed.

The Warringah Shire is much greater in area and population than the then proposed Lower North Shore Council, and there are only 12 elected representatives for 183 000 people, not 15 aldermen for 150 000 as was proposed for the united area.

The three town clerks of Strathfield, Kuringai and Mosman summarised their assesment in these words:

"The panel's report contains a large number of unsupported statements which, if accepted, represents a minimal long term financial gain on the amalgamation. Against this must be weighed a more bureaucratic system and reductions in the quality and speed of service which are commonly found in large scale government organisations."

At that point in time, even Warringah Shire, one of the largest and most bureaucratic of NSW metropolitan councils, expressed its concern over the possible reduction of the democratic processes that would arise if it became any larger.

This concern was expressed in a Presidential Minutes adopted by Warringah Shire Council on 16/2/1978. The latter half of the President's summary and item two of his final recommendation appear to have real significance for this inquiry. He stated:

"Finally, both members of Warringah Shire Council and senior staff would accept that the pressures of governing and administering the largest local government area in the state on a population basis are immense.

"Indeed, Warringah Shire Council has come under criticism in recent months because of its lengthy deliberations on the affairs of council. It could not be envisaged in the event of an amalgamation (with Manly) that these deliberations would be anything but extended.

"Senior officers of council have had heavy demands on their time to attend meetings which stretch on into the night and early hours of the following morning, and it must be accepted that to further expand the size of the council would place intolerable burdens on councillors and staff alike.

"To this extent, Warringah Shire Council and its members are unique. There is no other council, certainly in this state, which functions on the present part-time basis, where members are subjected to the pressures inherent in the administration of Warringah Shire.

"As a local government area, it is acknowledged politically and administratively throughout the State as the most difficult and diverse.... If the area of Manly-Warringah is to continue to be administered on a part time basis, one can only conclude that the electors of Manly and Warringah will be even further removed from



Submission 1 page 4

those elected to represent them by amalgamation. This can only be at the expense of local government as we have traditionally come to know it.

"While it can be said that the problems of representing the electors and residents of Warringah are immense as presently constituted, the difficulties arising from an amalgamation will be compounded to the extent that it will be impossible to maintain the present local government ideal of "grass roots" involvement which we have come to value highly in our system of government."

In item 2 of his recommendation, adopted by council, we read:

"That it (council) also sees clearly, contrary to the findings of the Commission, that such an amalgamation will result in substantial cost increases and certain deterioration in the attitudes of residents towards their local council as a bureaucratic body unresponsive to their needs, expectations and aspirations."

Over 12 years have now passed since WSC adopted that minute. Since then the shire has increased its population by more than 10 000 ...the population of another small council.

The fears expressed above have been fulfilled and we indeed do have a bureaucratic body unresponsive to the residents' needs, expectations and aspirations.

The residents of "A" Riding are now seeking real democracy and representative local government, to have control of their environment, to have control of their rates, to have effective access to local councillors, to enjoy the service of a council staff dedicated to and able to deliver prompt and efficient service.

In 1978 the council made it clear that it did not want to grow larger and increase pressure on councillors and staff. Yet it has grown and so have the problems. So it is ironic that now Warringah Shire Council is opposing the move for the separation of "A" Riding which would ease the pressures and solve some of the problems highlighted in 1978.

On November 17 1978 ABC radio interviewer Caroline Jones conducted an interview with the Minister of Local Government, Mr Harry Jensen, the Mayor of Lane Cove, Mr. Henningham, the Mayor of North Sydney, Dr. Fitzpatrick, and the Mayor of Willoughby, Mr. Reidy.

The subject was the amalgamation proposals for north shore councils. Some of the comments are relative to these proceedings.

Dr. Fitzpatrick: "If you bring about amalgamation, local government no longer exists. What you have is regional government under the control of fewer people away from the people, and that is, in my considered opinion, an attack on the democratic processes under which we now function, and a retrograde step."

Submission 1 page 5

Mr. Henningham: "I was just going to say ,in Lane Cove the people there would be represented by something less than three aldermen, and if some large development were proposed in Lane Cove, the people of Lane Cove would be powerless with that representation to prevent it.

"And there is another point I'd like to make about the reduction of senior officers proposed in this report. Now, in a council of the size of each of the four on the lower north shore, residents have access to a senior officer. They can ring the Engineer, the Town Planner, the Health and Building Surveyor, and they can get an answer on a matter that concerns them. They're dealing with a responsible officer who generally will have delegated authority and can give a clear answer. Whereas if you are a ratepayer of a council of the size of Warringah, you don't have that access...you can speak to some junior officer , you can ring another junior officer the next day and get a different answer."

For the same reason that concerned Mr. Henningham, the people of Pittwater were powerless to prevent the approval and erection of the highrise Delmege building n Mona Vale. The lack of effective representation Mr. Henningham objects to is exactly what "A" Riding has had to put up with for the past 84 years since Warringah was created.

All the foregoing reasons against larger council in the metropolitan area put forward by a large number of senior staff and experienced councillors are crystalised in Warringah Shire. All the problems and high costs envisaged by the staff committees of the Local Government Association have come to pass in Warringah..but to a much greater degree than could even have been envisaged by these working committees.

Were "A" Riding free today there would be no need to consider the amalgamation of that area with the rest of Warringah. The two areas , so diverse in their environment, clearly separated from each other, and different in their development, do not lend themselves to such a merger.

The people of Pittwater look to the Boundaries Commission to unlock the shackles that have bound them to Warringah all these years.

I will now ask Councillor Robert Dunn, of "A" Riding, to develop this case on behalf of the Pittwater Municipality Committee.

\*1 The New South Wales Local Government Grants Commission.

\*2 The 1989 Annual Report of the Grants Commission.

## SUBMISSION 2

That Pittwater Municipality will have a community of interest that binds it together.

The Boundaries Commission has no doubt received many submissions from organisations in the Pittwater area that clearly indicate the enormous support that exists for the creation of a new shire. The number of signatures on petitions for separation - 20 000- also give an indication of community of interest.

The Pittwater Municipality Committee has on it representatives of resident organisations from Palm Beach, Mackerel Beach, Western Shores, Avalon, Bayview, Bilgola, Careel Bay, Church Point, Clareville, Elanora Heights, Ingleside, Mona Vale, Newport, North Avalon, Scotland Island, Warriewood, and Whale Beach.

To develop this I will hand over to Mr. Warwick McCarthy.

For the past twenty-five years there has been a discernable development of community of interest among the people living in proximity to Pittwater. Improved transport, increased population, widespread development, and a fast growing interest in the environment and threats to it, have all combined to foster this "community of interest".

In 1969 the Avalon, Newport and Mona Vale Chambers of Commerce, the Avalon Preservation Trust and all 15 progress associations in "A" Riding wrote to the Boundaries Commission supporting the Pittwater Shire proposal.

In 1986 , following the second dismissal of the Warringah Council, a meeting of almost 1000 dissatisfied residents organised by the Peninsula Residents Council voted to again seek their own council for the Pittwater area.

Back in 1969 a team of three "Pittwater" candidates were elected to council on a separate shire platform. The fourth councillor elected in the riding pledged his support for the proposal as well.

In 1987 , two new councillors were also elected on this platform, one on primary votes. And this in an election that had 22 candidates for the three places in council.

During a state by-election in Pittwater electorate in 1986 a petition to the Governor for a separate council was opened. Despite publicity problems and the impossibility of coping with the flood of people wanting to sign, 8600 signatures were collected. Work continued and when a total of 14 400 signatures had been collected the petition was presented to the Minister for Local Government. It was then decided to reopen the petition to obtain the original target of 20 000 signatures...and this was achieved.

There were 23 654 formal votes cast at the last "A" Riding council elections. Thus the petition is overwhelmingly a majority

petition , and there can be no doubt that this is what the Pittwater community wants.

The glue that holds the community together is the environment, and the centre of the environment is Pittwater. This body of water is the one grand and beautiful focal point for everyone in the area. There are very few communities that have a significant geographic focal point, let alone one as beautiful as this.

If you asked the people of Pittwater area why they lived here, the majority would undoubtedly reply : "The environment". If you ask the community organisations what concerns them most the reply will undoubtedly be "The environment".

Because they all "share" this environment the development of a community of interest was inevitable, and it manifested itself particularly when any one part of that environment came under threat. In recent years the threats have become more numerous and more serious, and in response the sense of "community of interest" has become so much stronger.

The most significant example of this is the way in which the communities have banded together to get behind the separation of "A" Riding from Warringah.

But it goes beyond that. The environment brings the communities together in recreation as well. And in a host of area activities, from high schools to local arts and crafts, there is a deep sense of Pittwater and Peninsula association.

The geography of the area is also a unifying feature. The waterway is one thing, the boundaries of sea , national park, the Narrabeen Lagoon system, and the escarpments features of Elanora and Ingleside all combine to provide that important sense of geographic unity to the proposed Pittwater Municipality.

It is this sense of "community of interest" that is going to be one of the great strengths of the new council.

It will reduce council divisiveness on many issues, particularly environmental issues.

It will reduce arguments created by pressure groups that do not have a community of interest.

All this can only help a council be more efficient and more responsive to the people.

And when it comes to election time, this community of interest factor, as previously, is bound to ensure the selection of top performers to run the council. Then the community will have real power, as well as community of interest. It is a recipe for great things.

Submission 2 page 3

It is worth noting that at the last special election, 23 candidates contested "A" Riding, far more than in any other riding. Yet one candidate, Cr. Eric Green, gained a quota without preferences. Cr. Dunn also easily outpolled the other candidates, including the third "A" Riding councillor, Mr. Frank Beckman who lives in "D" Riding.

Both Councillors Dunn and Green campaigned on an environmental protection program and for the separation of "A" Riding from Warringah Shire.

The majority of candidates generally supported the separate shire movement and the environmental protest movement that dominated the campaign.

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### SUBMISSION 3

That there are sufficient services and facilities on the ground in "A" Riding to provide a foundation for a separate council.

Although we do not retreat one step from our stand that the riding has been badly treated by Warringah Shire Council in terms of spending, there does exist some important facilities that will make the transition to a separate municipality reasonably smooth.

For a summary of this situation I turn to Mrs. Patricia Giles.

1. At Mona Vale, overlooking Pittwater, is a large works depot. There is adequate land on this site, currently under-utilised, to possibly provide a home for the future council chambers, and still serve as a works depot.

2. Sullage tankers are housed in the Pittwater area. The economics of this operation are questionable and there could be a case for privatisation. Garbage is collected by contract, and there is no reason to change this.

3. Baby Health centres exist at Avalon, Elanora Heights and Mona Vale. It is not envisaged that there will be a need to build new centres.

4. There are 17 kindergartens, mainly private, in the Pittwater area. Child care centres exist at Warriewood and Mona Vale.

5. There are community centres at Avalon, Narrabeen, Mona Vale, Newport, Elanora, and Scotland Island. Some of these are sub-standard or have environmental problems, and there will be a need for new and better centres to serve areas such as developed Ingleside. (The massive expenditure on such facilities in the other ridings over the years is a startling example of the lopsided treatment of the community by Warringah Shire Council.)

There is a Senior Citizens' clubhouse in North Narrabeen and a regional centre for Meals on Wheels.

Additional community facilities are envisaged for the proposed playing fields in the Ingleside Quarry.

Avalon and Mona Vale are the two key public hall facilities in the proposed municipality. Surf Club facilities in the area are well below those in the rest of the shire. However club buildings do exist at Palm Beach, Whale Beach, Newport, and Mona Vale, with a relatively new one, but of limited other use, at Warriewood.

There is the Narrabeen Community Learning Centre on Department of Education land at North Narrabeen.

6. There is a major public library at Mona Vale and a part time library at Avalon. They are eligible for subsidy of \$87 000.

7. Volunteer Bushfire Fighting facilities exist at Western Shores and on Scotland Island.

Submission 3 page 2

8. There is a council nursery in "A" Riding. It's future could be examined with a view to continued operation with Warringah. The same joint approach might apply to the dog pound, which is not in "A" Riding.

9. The major playing fields are at Avalon, Newport, Mona Vale, and Narrabeen, but much more has to be done in this area. Various minor service buildings exist at several playing fields in the area. A list of reserves provided by Warringah Shire Council is included as an appendix. It is inaccurate but gives a good idea of what the new council will inherit. The council has included reserves in Terry Hills as part of "A" Riding. This is incorrect, as Terry Hills is in "D" Riding.

10. Rock pools for public use exist at North Narrabeen, Mona Vale, Newport, Avalon, Bilgola, Whale Beach and Palm Beach. Minor wire enclosed pools exist at Bayview and Paradise Beach.

11. There is a major caravan and camping reserve, owned by council, at North Narrabeen.

12. The home of Northern-Warringah Rugby is at the oval in North Narrabeen.

13. There are boat launching facilities owned by the NSW Government but controlled by council at Bayview.

14. There is a council run golf course at Avalon, and leased out courses at Mona Vale and Palm Beach. There are tennis court complexes in Elanora Hts, North Narrabeen, Mona Vale and Avalon.

#### Council Chambers.

The major consideration, of course, is a council chambers. As mentioned, there is land at Mona Vale works depot. It is readily reached by car but shopfront offices of council in shopping centres, with electronic communication links to the Council Chambers, could handle much of the day-to-day work with the public. Banks will continue to act as agents for payment of rates.

Other possible sites could be on council land in Mona Vale or North Narrabeen. This can be determined later, but land is available, and it won't cost the new council anything.

Until a building is constructed there are two alternatives: rent commercial space or use demountables on council land. Cost of purchasing adequate demountables for temporary use would fall within the budget provision for accommodation. Leasing is a dubious option.

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'A' RIDING RESERVES LISTING

SUBURB	RESERVE NAME	LOCATION
Nth Narrabeen	Chattham Reserve	Wimbledon Ave
	Wimbledon Reserve	
	Billarong Reserve	Wakehurst Parkway
	Deep Creek Reserve	Wakehurst Parkway
	Middle Creek Reserve	Wakehurst Parkway
	Pat Hynes Reserve	Pittwater Road
	Narroy Reserve	
	Nareen Parade Reserve	
	Tatiara Reserve	
	Lakeside Caravan Park	Lake Park Road
	North Narrabeen Reserve	Pittwater Road
	Warraba Road Reserve	
	Alleyne Avenue Reserve	
	Amelia Place Reserve	
	Lake Park Reserve	
Warriewood	Peal Place Reserve	
	Turrimetta Headland	Narrabeen Park Parade
	Carpenter Crescent Reserve	
	Warriewood Beach	
	Jacksons Road Reserve	
	Boondah Reserve	
	Progress Park	Garden Street
	Ventura Place Reserve	
	Moriac Reserve	
	Warriewood Wetlands	Garden Street
Mona Vale	Mona Vale Headland (Sth)	Narrabeen Park Parade
	Coronation Reserve	
	Hunter Street Reserve	
	Buena Vista Reserve	
	Brinawa Reserve	
	Lexia Close Reserve	
	Emma Street Reserve	
	Briony Place Reserve	
	Elwyn Close Reserve	
	Vesper Street Reserve	
	Marie Crescent Reserve	
	Katrina Reserve	
	Whitney Street Reserve	
	Kristine Place Reserve	
	Minmai Reserve	
	Kunari Place Reserve	
	Rowan Street Reserve	
	Bangalow Reserve	
	Winji Jimmi Reserve	Halesmith Road
	Edwin Ward Reserve	
	Delwood Close Reserve	
	Frankson Place Reserve	
	Apex Park	Surfview Road
	Mona Vale Beach	



'A' RIDING RESERVES LISTING

SUBURB	RESERVE NAME	LOCATION
Mona Vale (cont'd)	Kitchener Park	Pittwater Road
	Village Park	Cnr Pittwater/Barrenjoey Roads
	Mona Vale Headland (Nth)	Grandview Parade
	Behind Mona Vale Bowling Club	Pittwater Road
	Bassett Street (E) Traffic Island	
	Mona Vale Cemetery	Mona Vale Road
Elanora Heights	Cooleena Road Reserve	
	Wyanga Road Reserve	
	Epworth Park	Merridong Road
	Anana Reserve	
	Koorangi Road Reserve	
	Ingleside Park	
	Dewrang Reserve	
Bayview	Kundibah Reserve	Wyanga Road
	Annam Road Reserve	
	Utingu Place Reserve	
	Beaumont Crescent Reserve	
	Kamilaroi Reserve	
	Bayview Park	Pittwater Road
	Pamela Crescent Reserve	
	B.Y.R.A.	Pittwater Road
	Opposite Bakers Road	
	Minkara Reserve	
Church Point	Pindari Park	Loquat Valley Road
	Loquat Valley Reserve	
	Church Point Cemetery	Pittwater Road
	Church Point Carpark	Pittwater Road
Newport	McCarrs Creek Reserve	McCarrs Creek Road
	Crescent Road Reserve	
	Beaconsfield Reserve	
	Dearin Park	Kalinya Street
	Trafalgar Park	Gladstone Street
	Woolcott Reserve	
	Bungan Beach Reserve	
	Bramley Lane Carpark	
	Newport Beach	
	Porter Reserve	Barrenjoey Road
	Newport Oval	Barrenjoey Road
	Howell Close Reserve	
	Neptune Road Reserve	
	Nooal Street Reserve	
	Attunga Reserve	
	Cheryl Crescent Reserve	
	Florence Park	Prince Alfred Parade
	Crown of Newport Reserve	Lower Plateau Road

'A' RIDING RESERVES LISTING

SUBURB	RESERVE NAME	LOCATION
Bilgola Plateau	Algona Reserve	
	Plateau Park	
	Weetawa Reserve	
	The Pinnacle Reserve	
	Betsy Wallis Reserve	Plateau Road
	Hewitt Park	The Outlook
Bilgola	Bilgola Beach	
Avalon	Dress Circle Reserve No. 1	
	Dress Circle Reserve No. 2	
	Palmgrove Park	
	Angophora Reserve	Palmgrove Road
	Koala Place Reserve	
	Ruskin Rowe Traffic Island	
	Dunbar Park	
	Avalon Beach	
	Catalpa Reserve	
	Old Wharf Reserve	Hudson Parade
	Hudson Park	Hilltop Road
	Paradise Beach	
	Careel Bay Crescent Reserve	
	Gunyah Place Reserve	
	Jamieson Park	
	Stapleton Park	Riviera Avenue
	Catalina Crescent Reserve	
	Marine Parade Reserve	
	Hitchcock Park	Barrenjoey Road
	Careel Bay Playing Fields	Barrenjoey Road
	Currawong Avenue Reserve	
	Dolphin Crescent Reserve	
	Coral Close Reserve	
	Raynor Road Reserve	
	Avalon Golf Course	Barrenjoey Road
Clareville	Clareville Beach	Delecta Avenue
	Taylor Point Reserve	Taylors Point Road
Whale Beach	Whale Beach	
Palm Beach	Mackay Reserve	
	Rockbath Road Reserve	
	Sunrise Road Reserve	
	Wiltshire Park	Ocean Road
	Hordern Park	Ocean Road
	Palm Beach	Ocean Road
	Governor Phillip Park	Barrenjoey Road
	Pittwater Park	Barrenjoey Road
	Iluka Park	
	Sandy Point Reserve	Nabilla Road
	Nabilla Reserve	
	Snapperman Beach Reserve	
	Dark Gully Reserve	Thyra Road

'A' RIDING RESERVES LISTING

SUBURB	RESERVE NAME	LOCATION
Terrey Hills	Terrey Hills Oval	Beltana Avenue
	Frank Beckman Reserve	Yulong Avenue
	Currong Reserve	
	JJ Hills Reserve	Aumuna Road
	Terrigal Reserve	
	Kurara Reserve	
	Burruga Reserve	
	Coreen Reserve	
	Kinka Reserve	
	Rhoker Reserve	
	Anembo Reserve	
Scotland Island	Elizabeth Park	
	Harold Reserve	
	Bell Wharf	
	Leahvera Reserve	
	Catherine Park	
	Pathilda Reserve	
Pittwater Foreshores	Eastern Wharf	
	Lovett Bay	
	Elvina Bay	
	Mackeral Beach	
	Towlers Bay	

#### SUBMISSION 4

That the special character and needs of the Pittwater area require a separate council free to concentrate on the preservation of its unique environment, and development in accord with the wishes of its residents.

Pittwater, which constitutes much of "A" Riding, has been declared a heritage area. Its beauty is world famous and the preservation of that beauty and environment is important nationally. Equally important is the careful development of the surrounding urban areas, which must remain in sympathy with the natural environment.

Unfortunately, that sympathy has been denied too often in the past and the mistakes in local government stand out in hideous prominence for all to see. Except for the vigilance and determination of residents, the situation would be a lot worse.

Already there have been many approvals by Warringah Shire Council detrimental to the area and contrary to the wishes of its residents. Blocks of home units scattered among detached residences are numerous. In particular, an ugly building scars the hillside at Palm Beach. The fights on environmental issues with council are legion and legendary.

However, this kind of guerilla war, this rear guard action by residents is not the way of the future.

There is already widespread concern about what is happening in Warriewood valley. Hardly anyone in "A" Riding would share the council view that this is a fine example of good planning. Rather it is a disaster zone.

Ingleside awaits development. It is important to us because the hills and escarpment that overlook Pittwater are part of the total scene we want to protect for the future. We certainly don't want it to go the way of Warriewood.

Much of the problem, we believe, comes from having decisions affecting the area made by nine councillors who have no community of interest with the people of "A" Riding. To let this situation continue with increasing pressures of development and economics is another recipe for disaster.

As you will see on your tour, this area has a very special character. It has special problems, special opportunities.

The Pittwater Municipality Committee has had a huge surge of support in recent years because of public concern about the environment. Indeed, we hope that from day one, a new sense of environmental awareness will be the basis for all decision making in the new council.

This theme will be developed by Dr. Terry Purcell .

The next section of our submission will deal with financial aspects of separation and Warringah Shire Council. It will be presented by Mr. Des Creagh.

THAT ONLY BY SEPARATION FROM WARRINGAH SHIRE, THUS ENABLING A PITTWATER COUNCIL TO STRIKE A LOWER RATE COMMENSURATE WITH ITS HIGH LAND VALUES, CAN ANY RELIEF BE PROVIDED FOR ITS RATEPAYERS, WHOSE LAND VALUES, AS DETERMINED BY THE VALUER GENERAL, HAVE RISEN DISPROPORTIONATELY WITH EACH SHIRE REVALUATION.

Property values in Warringah Shire are reported by the council as -

Warringah Currently	\$3,835,745,420
"A" Riding	\$1,435,765,820
Warringah Residue	\$2,399,980,600

It can be seen from these figures that "A" Riding total of \$1,435,765,820 is \$635,000,000 more than the \$800,000,000 average of the other three ridings and this is increasing with every development of the Warriewood Valley. Two properties, just revalued by the Valuer General, have risen in rates this year from \$2,696 to \$23,187 and from \$2,224 to \$12,250.

The lifting of the freeze on land values for rating purposes in 1989 resulted in "A" Riding ratepayers being charged an additional \$1.9M out of the \$2.2M total shire increase. This could have been deferred for a year, and should, in any case, have been phased in over three years, but with a cry of "Lets sock the silvertails" council resolved on the immediate application of the disproportionate charges, despite the objections of the "A" Riding councillors who had moved for the deferral until 1990.

Whilst it is known that there are many extremely affluent citizens who own property in "A" Riding, there are a large number of retired persons and pensioners on fixed income, many of whom have lived all their life in that area. There are also a very large number of the current workforce, commuters who are paying off mortgages on their homes and raising their families. Many of these "A" Riding residents, already paying twice and three times the amount that those in other ridings are called upon to pay for similar size holdings, have had their rates doubled. At the same time their southern counterparts have all experienced rate reductions.

According to Warringah's computer records, any ratepayer whose property had been revalued in excess of 41% would have received an increase in 1989. This does not include home unit owners who all received an increase of 6.5% on their minimum rates.

Of the 19,156 resident ratepayers in "A" Riding, 6,656 had increased valuations in excess of 41%, many as high as 200%. Many instances are available all round the waterfront, and on Scotland Island, of rates being doubled, and in Iluka Road, Palm Beach, those that were already paying \$1,500 for undersize blocks are now paying \$3,000 plus garbage.

Since a council can only charge one rate for the whole of its area, the effect of these large increases in "A" Riding was to reduce the level of rating in the other ridings. According to the computer printout only 529 of the 31,451 resident ratepayers in the other three ridings (Excluding Minimum rates) received increases, despite an overall increase of 6.5% in council total rates.

It can be seen from the previous paragraphs that the present rating system is disastrous for "A" Riding ratepayers. The next shire revaluation, judging from the extraordinarily high prices now being paid for properties in the Pittwater area, will enormously widen the already great inequity in Warringah Shire rates.

SUBMISSION 5 Page 2

Council on 23rd August, 1989 indicated that 6,656 "A" Riding and only 529 resident ratepayers of the other three ridings would receive increases as a result of applying 1983 land values for 1989 rating purposes. This is in addition to 13,380 who pay minimum rates for home unit dwellings.

By eliminating these minimums from riding totals, a clear picture can be obtained of the new variation in riding average rates.

<u>"A" RIDING</u>	ASSESSMENTS	1988 RATES (1980 Values)	1989 RATES (1983 Values)
Residential total	19,156	10,087,140	11,709,255
Less Minimums	2,400	552,000	587,040
	-----	-----	-----
Balance	\$16,756	\$ 9,535,140	\$11,122,215
	=====	=====	=====
Average residential rate		569	664
Average increase in rates			95
<u>"B" RIDING</u>			
Residential total	17,538	7,326,140	7,238,141
Less Minimums	7,070	1,623,800	1,726,876
	-----	-----	-----
Balance	\$10,478	\$5,702,359	\$5,511,265
	=====	=====	=====
Average residential rate		544	526
Average reduction in rates			18
<u>"C" RIDING</u>			
Residential total	13,151	5,684,131	5,515,776
Less Minimums	3,650	839,500	892,790
	-----	-----	-----
Balance	\$ 9,501	\$4,844,631	\$4,522,986
	=====	=====	=====
Average residential rate		510	476
Average reduction in rates			34
<u>"D" RIDING</u>			
Residential total	11,742	6,698,112	6,380,073
Less minimums	270	62,100	66,042
	-----	-----	-----
Balance	\$11,472	\$6,636,012	\$6,314,031
	=====	=====	=====
Average residential rate		565	538
Average reduction in rates			27

It can be seen from the above figures that 16,756 "A" Riding ratepayers in "A" Riding received an average increase of \$95 in 1989 whilst their 31,451 counterparts in other ridings received average deductions of \$26. From being fairly even in 1988, there is now a large difference between "A" Riding ratepayers and the rest of the shire.

Of great concern to the ratepayers of "A" Riding is the prospect of further such increases as a result of the 1989 revaluation by the Valuer General now due. If values increased by 41% between 1980 and 1983, it must surely be conceded that at least a further overall double increase can be expected judging from the tremendous increases in property sales around Pittwater over the last few years.

If the effect on rates is similar to the 1983 revaluation, then it can be anticipated that the new averages would be

<u>RIDING</u>	<u>1980 AVERAGE</u>	<u>1983 AVERAGE</u>	<u>1989 AVERAGE</u>
A	569	664	854
B	544	526	490
C	510	476	408
D	565	538	484

But it is not only the average increase itself that gives concern. Within that average there are so many ratepayers on normal size holdings that are paying up to six times the shire average. Their normal size block is costing \$30, \$40, \$50 and even \$60 per week whilst most ratepayers are paying \$10 and unit dwellers \$5 per week. Because these ratepayers are tied into a total area as large as the Warringah Shire, it is not possible for them to obtain any relief, as they can under a smaller Pittwater council, with lower rates and fewer other ratepayers to subsidise.

In a minute to councillors dated 23rd August 1989, the Shire stated that any residential property where the valuation has increased by less than 41% will pay less in rates.

The attached schedule of sample ratings throughout the shire illustrates the extent of disproportionate rating. It can be seen from the attached schedule that this statement is not correct. In three instances where the increase in value of properties was 40%, a 6% increase in rates resulted. Obviously allowance was not made for the 6.5% increase in council rates for 1989. In fact, an increase of 33% and upwards will involve rate increases, not 41%.

The Shire's statement that only 6,656 of the "A" Riding ratepayers would be receiving rate increases is obviously incorrect. In point of fact 13,600 in addition to many of those on minimum rates would be so affected.

The following report printed in the Manly Daily on 20th June, less than two weeks ago, demonstrates clearly the trends referred to above that increases in property values in the "A" Riding area are completely disproportionate to elsewhere in Warringah Shire

by ROB DINGLE

An older one-bedroom unit in Queenscliff Road, Queenscliff, listed for auction on Friday, won't break the bank, according to Charles Park First National. Wheelers Heights for \$209 000.

● Manly's Pentecost and Smith (977 6174) has three three-bedroom houses, from \$230 000 to \$242 500, in the Allambie area in Goondari Road, Roosevelt Avenue and Smith Avenue.

The Roosevelt and Smith Avenue houses have both been renovated, including new kitchens and bathrooms. One has an above-ground pool.

● Other budget-priced offerings in Allambie include a modern three-bedroom house, with district and ocean views, at \$210 000.

Rod Whitechurch and Associates has more details on 975 1333.

## 'Go north, buy dirt' spot-on

Mark Twain's shrewd advice about buying dirt because they're not making it any more, has become applicable to the northern peninsula.

Wealthy buyers are scrambling to snap up vacant blocks of land - with waterfront building sites the "ultimate".

Two big waterfront blocks at Newport have just changed hands with Raine and Horne. One of the blocks - in Crescent Road - went for a record \$655 000 with the agency's Mona Vale office.

Newport's other waterfront land sale, in Irubel Street with an old one-bedroom cottage, chalked up \$385 000 with Raine and Horne's local office.

● Collaroy's Parnell, Gilmour and Jones First National (913 2598) has a three-bedroom house up on the heights for \$197 500. There is also a three-bedroom house with a new kitchen at



VARIATIONS IN WARRINGAH SHIRE RATINGS IN 1989 - RESULTING FROM THE APPLICATION OF 1983 VALUES PLUS 6.5%

SUBURB	RIDING STREET	1980 VALUE \$	1983 VALUE \$	INCREASE %	1988 RATE (1.15271)	1989 RATE 9.86938)	SAVING %	INCREASE \$	%
Palm Beach	A	119,000	330,000	177	1,372	2,869		1,497	109
do	Iluka	105,000	265,000	152	1,209	2,304		1,095	91
do	Barrenjoey	62,000	155,000	150	715	1,348		633	89
Top Palm Beach	Ocean	52,000	105,000	102	599	913		314	52
do	Canara	48,000	110,000	129	553	956		403	73
Whale Beach	Bynya	50,000	120,000	140	576	1,043		467	81
do	Norma	46,000	110,000	139	530	956		426	80
Taylor's Point	Norma	116,000	305,000	163	1,337	2,652		1,315	98
Newport	Hudson	50,000	100,000	100	576	869		293	51
Bilgola Plateau	Prince Alfred	52,000	72,500	40 *	599	630		31	6
North Avalon	Hansford	38,000	53,000	40 *	438	461		23	5
Scotland Island	Careel Head	33,000	80,000	142	38	696		266	70
Church Point	McCarrs Creek	53,000	85,000	60	601	739		138	23
Bayview Heights	Lentana	75,000	110,000	47	864	956		138	16
Lovetts Bay		18,000	33,000	83	207	287		80	39
Mona Vale	Rednal	76,000	230,000	203	876	2,000		1,124	128
do	Grandview	50,000	70,000	40 *	576	609		33	6
Bayview Heights	Lentana	105,000	155,000	47	1,210	1,348		138	11
Collaroy Plateau	Edgecliff	57,000	75,000	32	657	652	5		
Narraweena	Rayner	44,000	56,000	27	507	487	-20		
Harbord	Brighton	48,000	60,000	25	553	522	31		
French's Forest	Bluegum	43,000	53,000	23	496	461	35		

"A" RIDING HAS NEVER BEEN REGARDED AS AN INTEGRAL PART OF WARRINGAH SHIRE BY COUNCILLORS OF OTHER RIDINGS, AND ITS RESIDENTS HAVE BEEN DENIED DEVELOPMENT AND SERVICES PROVIDED ELSEWHERE IN THE SHIRE.

Prior to World War 2 most of the development in Warringah Shire was centred around Brookvale, North Manly and Harbord. The remainder of the shire was very sparsely occupied. Much was virgin bush.

Post war development saw vast changes take place. The construction of the Wakehurst Parkway during the war facilitated motor transport into "A" Riding, and the elimination of trams in favour of buses caused the population of that riding to grow from 15,200 in 1955 to 36,221 in 1965, an increase of 138%. "B" Riding increased from 20,200 residents to 34,700 (72%) and "C" Riding increased from 28,080 to 45,090 (61%).

Up to this point, the southern part of the shire had received most of the urban infra structure introduced by the council, and very little had been done in the northern "A" Riding region. Whilst all the shire was needing development, the need around Pittwater was much greater.

However, the councillors of the southern ridings were more concerned with their own areas, and disregarded the overall needs of the shire. Although the area of "A" Riding was as large as the rest of the shire, each riding received one third of the works allocation and there was no possibility of improvement, even though "A" Riding paid 40% of council rates.

All these years the residents of "A" Riding have been unable to fully develop their area and avoid disastrous damage due to lack of kerb and guttering and adequate drainage. Progress has been painstakingly slow and "A" riding has fallen so far behind that 90% of shire outstanding roadworks are now in that area.

Since 1970, over the past 20 years only three buildings of any size have been erected in the northern area. The Palm Beach North Surf Club, which was burnt down and was replaced as an insurance charge, a smallish surf club at Warriewood Beach, and last year the small community hall on Scotland Island.

In the same period the Shire built the Dee Why Council chambers. The Aquatic Centre, the large Belrose Library as big as the Mona Vale Library serving all "A" Riding; Million dollar Community Centres at Allambie, Cromer and Belrose. New surf club buildings with community services facilities were built at North Narrabeen, Narrabeen, South Narrabeen, Fisherman's Beach, Long Reef, North Curl Curl, South Curl Curl and finally the Freshwater Surf Club at a cost of over \$2M.

Whilst new playing fields were being constructed at Terrey Hills (2), Forest Way (3), the Aquatic Centre (3) and Dee Why (2), the shire handed over 2 fields to the Warringah Rugby Union Club, took another to enlarge the camping area at Narrabeen, and eliminated the original Mona Vale oval to allow for the building of the Mona Vale Library. There are now 11 full size council playing fields and three undersize fields in "A" Riding to 52 fields in the rest of the shire.

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In Item 3.1 of the Special Meeting of Council held 1st July, 1986 the following statement was made to the administrator:-

"Section 61 (1) of the Local Government Act allows councils area to be divided into ridings for electoral purposes. Council is not permitted to maintain its accounts on a riding basis and considers and determines annual priorities having regard to the needs of the entire Shire area."

The last statement would appear to be completely unfactual. If it is not, then the Shire idea of priorities is such as to give maximum importance to "B", "C", and "D" Ridings and minimum importance to "A" Riding requirements.

The apathy of council and councillors to the lack of development in the Pittwater area continues as it has ever since the Shire was created in 1906, and from information revealed in the budget working papers and the 1986 estimates, shows no sign of abating. Proposals for future expenditure in the Shire, as set out in the budget papers, included the following:-

Future Building Works Programme

Total Shire \$9,271,000 - "A" Riding \$1,919,000 (20.7%) (Major items included are Freshwater SLSC/Community Centre \$1,325,000, Brookvale Oval Stage II \$1,000,000, Aquatic Centre Gym and Squash Courts \$1,000,000, Dee Why Library Extensions \$1,000,000, Harbord Literary Institute rebuilding \$1,140,000, Regional Dog Pound \$1,000,000.)

Traffic Improvement Works Programme

Total Shire \$2,000,000 - "A" Riding \$230,000 (11.5%)

Waterways Improvement Programme

Total Shire \$5,625,000 - "A" Riding \$1,335,000 (24%)  
(Pittwater embraces 96.6% of shire waterways.)

Reserves Improvement Programme

Total Shire \$2,177,000 - "A" Riding \$574,000 (26.4%)

Beaches and Baths Improvement Programme

Total Shire \$195,000 - "A" Riding \$30,000 (15.4%)  
(Other such works in "A" Riding totalling \$940,000 are listed for such time as the Government may make grants available and \$665,000 for remaining future works.)

In the budget papers the Shire engineer has listed kerb and guttering, footpaths and minor drainage for future works programmes in each riding. These items were not totalled for the information of Councillors, but when totalled and dissected reveal the following position:-

Category	Total Shire	"A" Riding	%
	\$	\$	
A. Urgent	807,700	550,300	68 %
B. Essential	2,665,780	1,429,500	53.6 %
	3,478,480	1,979,800	57 %
C. Necessary	7,129,120	4,588,100	64.4 %
	10,602,600	6,567,900	62 %
D. Desirable	5,148,467	3,398,400	66 %
E. Low	1,430,700	981,000	68.6 %
Total	17,181,767	10,947,300	63.7 %

It is to be noted that the "A" Riding list is very incomplete and if all outstanding work was listed the 63.7% of such works would be very much higher.

Further to this situation the engineer reported in April 1985 that unconstructed kerb and guttering in the Shire was as follows:-

"A" Riding	260,957 metres	56.9%
"B" Riding	44,767 metres	9.8%
"C" Riding	45,404 metres	9.9%
"D" Riding	107,333 metres	23.4%

and recommended an allocation to each riding

"A" Riding	\$754,000	20 years to complete
"B" Riding	\$603,000	4 years to complete
"C" Riding	\$566,000	4 years to complete
"D" Riding	\$415,000	14 years to complete

Unconstructed footpaving totals were:-

"A" Riding	488,911 metres	37.7%
"B" Riding	235,835 metres	18.2%
"C" Riding	204,335 metres	15.7%
"D" Riding	368,824 metres	28.4%

His recommendation for "A" Riding was \$90,000 - 81 years to complete.

Outstanding minor drainage totals were shown at cost:-

"A" Riding	\$890,000	53 %
"B" Riding	\$260,000	15.5%
"C" Riding	\$300,000	17.8%
"D" Riding	\$230,000	13.7%

His recommendation for the Shire was \$80,000 for "A" Riding - 11 years to complete with "B", "C", and "D" Ridings 4, 5 and 6 years respectively for completion even though "D" Riding has most of the rural undeveloped areas within its boundaries.

The engineer lists existing pavements which will in due course require rehabilitation and resurfacing:-

"A" Riding	2,033,120 square metres	33.6%
"B" Riding	1,349,655 square metres	22.3%
"C" Riding	1,204,336 square metres	19.9%
"D" Riding	1,465,798 square metres	24.2%

and recommends a quarter of the vote to each riding. In view of his own figures and that many of the "A" Riding roads were in existence long before subdivisions in other ridings were created, there seems to be very little justification for an equal allocation.

It can be seen from the above figures that apathy towards "A" Riding is not confined to councillors only since the engineer recommends so unfavourably, particularly so when the requirements of the Local Government Act require councillors and staff alike to have regard to the needs of the Shire as a whole.

URGENT WORKS LISTED IN OUTSTANDING WORKS LEDGERD RIDING

			\$
1982	Cooyong Road, Terrey Hills	Drainage	5,400
1983	Dandenong Road, Terry Hills	Footpath	15,000
1984	Sharan Place, Forestville	K & G Reconstruct	50,000
1980	Forestville Ave, Forestville	Piping open drain	<u>28,000</u>
			<u>98,400</u>

C RIDING

NIL

B RIDING

1980	Fisher Road, Cromer	Piping easement	7,000
1978	Harbord Road, Nth Curl Curl	Construction	?
1983	Tristram Road, Beacon Hill	Superelevation	21,000
1980	Washington Ave, Cromer	Construction	40,000
1983	Westminster Ave, Dee Why	K & G Reconstruct	<u>80,000</u>
			<u>148,000</u>

A RIDING

1982	Barrenjoey Road Mona Vale	Footpath	4,500
1978	Bilga Ave, Bilgola	Inlet pits	1,500
1983	Central Road, Avalon	* K & G Construct	150,000
1982	Cheryl Road, Newport	Pipeline	4,000
1979	Delecta Ave, Clareville	Pipeline	9,000
1979	Elanora Road, Elanora	Guard Rail	10,000
1978	Foamcrest Ave, Newport	Intersection	45,000
1978	Karlo Pde Newport	Retaining Wall	5,500
1978	Minkara Road, Bayview	Pipeline	4,500
1983	Macpherson Street, Warriewood	Drainage	6,300
1983	Pacific Road, Palm Beach	Drainage	14,000
1983	Palm Beach Road, Palm Beach	Drainage	54,000
1984	Palm Beach Road, Palm Beach	Construction	12,000
1976	Palmgrove Road, Avalon	Walls 7 K & G	25,000
1984	Palmgrove Road, Avalon	Piping	15,000
1983	Surf Road, Palm Beach	Road Drainage	50,000
1984	Taiyul Road, Nth Narrabeen	* Reconstruction	120,000
1982	Tourmaline Street Narrabeen	K & G & Piping	20,000
			<u>559,300</u>

\* Programmed

The Shire has defined "Urgent Works" as "Constitutes a danger to People". It is strange that of all the above works so classified by council, and many going back several years, only three were currently programmed. There are many of the other outstanding works supplied to the council which would fall into this category before many of the above.

The above information and the attached pages of the report to council on 16th April 1985, and the discrimination against "A" Riding in each instance in that report contradicts the statement that council has determined expenditure priorities having regard to the needs of the entire shire area.

Many of these "urgent works" have yet to be carried out, and if Warringah is to be believed, residents are still at risk.

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The following figures extracted from Council's 2A returns clearly establish that there has been no real attempt on the part of the Shire to bring "A" Riding development and infrastructure up to the level of the rest of the Shire.

It can be seen that in the 1984 - 1986 period, "A" Riding which paid 32% of the rates over four ridings only received 23% of the shire's improvement expenditure, and in the later period 26% in 1988 and 27.8% in 1989 when it paid 36% of shire rates.

It is not possible to give details of 1987 expenditures as the shire for some reason did not give any detailed costs of development expenditures in the 2A returns for that year.

It is of note that 62% of road maintenance costs was spent in the southern district, and only 38% in the northern district, even though the road areas are approximately the same.

In addition to the lighter allocation of roadworks, the concentration of "B", "C" and "D" Riding councillors on their own requirements to the complete ignoring the needs of "A" Riding is to be found in the following extracted figures from the 2A returns on building costs.

BUILDINGS PROGRAMME

<u>YEAR</u>	<u>A RIDING</u>	<u>REST OF SHIRE</u>	<u>TOTAL</u>
	\$	\$	\$
1984	4,137	2,208,740	2,212,877
1985	127,331	2,121,057	2,248,388
1986	6,557	839,556	846,113
1988	291,717	2,189,961	2,481,678
1989	<u>113,264</u>	<u>1,182,217</u>	<u>1,295,481</u>
	<u>543,006</u> (6%)	<u>8,541,531</u> (94%)	<u>9,084,537</u>

As previously indicated, the 1987 figures were withheld from the 2A return that year.

Further discrimination against the northern area is to be found in expenditures on roundabouts and other traffic facilities in the shire where almost all priority has been given to southern areas.

TRAFFIC FACILITIES

<u>YEAR</u>	<u>A RIDING</u>	<u>REST OF SHIRE</u>	<u>TOTAL</u>
	\$	\$	\$
1984	1,658	134,198	135,856
1985	1,292	33,568	34,860
1986	48,680	244,572	293,252
1988	20,690	252,448	273,138
1989	<u>54,384</u>	<u>588,007</u>	<u>642,388</u>
	<u>126,704</u> (9%)	<u>1,252,793</u> (91%)	<u>1,379,497</u>

WORKS EXPENDITURE 1984-1988

<u>ITEM &amp; YEAR</u>	<u>A RIDING</u>	<u>B RIDING</u>	<u>C RIDING</u>	<u>D RIDING</u>
	\$	\$	\$	\$
<u>IMPROVEMENTS</u>				
1984 ps 68-74	722,278	594,256	501,787	398,388
1985 ps 31-33	812,074	679,368	721,622	365,118
1986 ps 51-53	<u>867,391</u>	<u>580,222</u>	<u>466,330</u>	<u>518,498</u>
	<u>2,401,743</u>	<u>1,853,846</u>	<u>1,689,739</u>	<u>1,282,004</u>
<u>REHABILITATION</u>				
1985 p 34-35	481,996	360,726	298,679	491,238
1986 p 54-55	<u>391,340</u>	<u>395,078</u>	<u>478,282</u>	<u>355,100</u>
	<u>873,336</u>	<u>755,794</u>	<u>776,961</u>	<u>846,338</u>

BUILDING EXPENDITURE

		<u>REST OF SHIRE</u>
		\$
1984-1986	<u>303,882</u>	<u>4,181,572</u>

DEPARTMENT OF MAIN ROADS GRANT

1984	61,000	647,857
1985	19,972	187,033
1986	<u>23,568</u>	<u>490,035</u>
	<u>104,540</u>	<u>1,324,925</u>

TRAFFIC FACILITIES

1984	1,658	134,198
1985	1,292	32,568
1986	<u>48,680</u>	<u>244,562</u>
	<u>51,630</u>	<u>411,338</u>

MAJOR DRAINAGE

1984-1986	<u>1,211,440</u>	<u>3,680,686</u>
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<u>TOTAL EXPENDITURE</u>	<u>4,954,603</u>	23%	<u>16,803,213</u>	77%
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RELATIVE STATISTICAL INFORMATION - ENGINEERS REPORT 16th APRIL, 1985

	<u>A RIDING</u>	<u>B RIDING</u>	<u>C RIDING</u>	<u>D RIDING</u>
Length of Roads	268,911m (36%)	147,210m (20%)	128,646m (17%)	197,179m (27%)
Unconstructed K&G	260,957m (57%)	44,767m (10%)	45,404m (10%)	107,333m (23%)
Uncon. Footpaving	488,911m (38%)	235,835m (18%)	204,333m (16%)	368,824m (28%)

RATING STATISTICS 1987 BUDGET REPORT TO COUNCIL 21st MAY 1987

Rate Assessments	19,882 (31%)	18,237 (28%)	14,198 (22%)	11,899 (19%)
Rates Levied	10,457,185 (32%)	7,942,974 (25%)	6,946,141 (21%)	6,773,653 (22%)
Garbage Charges	1,988,409 (31%)	1,795,982 (28%)	1,411,129 (22%)	1,218,702 (19%)

MAINTENANCE EXPENDITURE

	<u>SOUTHERN DISTRICT</u>
1984	2,640,206
1985	2,554,434
1986	<u>2,572,382</u>

NORTHERN DISTRICT

1,616,375
1,546,546
<u>1,645,601</u>

7,767,022 (62%)

4,808,522 (38%)

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WORKS EXPENDITURE 1988

<u>ITEM</u>	<u>\$</u> <u>A RIDING</u>	<u>\$</u> <u>REST OF SHIRE</u>
Improvements	755,538	893,151
Road Pavement	431,733	1,096,465
Traffic Facilities	20,690	252,448
Special Drainage	149,044	333,256
Special Footpaths	56,755	310,146
Reserve Improvements	115,751	168,417
Buildings	290,772	<u>2,190,906</u>
Leaches & Baths	<u>3,467</u>	
	<u>1,823,750</u> (26%)	<u>5,244,789</u> (74%)
Sect. 333 (2) works	59,655 (19%)	254,508 (81%)

WORKS EXPENDITURE 1989

<u>ITEM</u>	<u>A RIDING</u>	<u>REST OF SHIRE</u>
Improvements	1,391,774	2,192,350
Road Rehabilitation	311,155	816,285
Buildings	133,859	1,181,622
Traffic Facilities	54,381	588,007
Special Footpath	195,523	373,286
Reserves	<u>83,275</u>	<u>434,770</u>
	<u>2,149,967</u> (27.8%)	<u>5,586.320</u> (72.2%)
ection 333 (2) works	56,069 (18.6%)	245,082 (81.4%)



THAT THE PRESENT SHIRE OF WARRINGAH IS TOO LARGE FOR PROPER AND EFFICIENT MANAGEMENT, AND CHARGES ITS RATEPAYERS FAR MORE THAN IS NECESSARY TO RUN THE SHIRE.

There are no "economies of scale" as far as the Warringah Shire is concerned. The 1986/87 Annual Report of the N.S.W. Local Government Grants Commission shows the following statistics:-

COUNCIL	POPULATION	AREA Sq. Kms	RATES (INC. GARBAGE)
Auburn	46,800	31.87	8,512,000
Burwood	28,850	7.25	4,163,000
Strathfield	26,600	14.07	4,279,000
Ashfield	41,250	8.29	5,916,000
Concord	23,750	10.95	3,631,000
Hunters Hill	<u>11,950</u>	<u>5.73</u>	<u>2,271,000</u>
	<u>179,200</u>	<u>78.16</u>	<u>28,772,000</u>
Hurstville	65,800	24.77	10,674,000
Kogarah	47,350	19.51	6,667,000
Rockdale	<u>84,300</u>	<u>29.33</u>	<u>12,491,000</u>
	<u>197,450</u>	<u>73.61</u>	<u>29,832,000</u>
Warringah	<u>178,150</u>	<u>263.68*</u>	<u>29,807,000</u>

\* Includes Ku-Ring-gai Chase, Davidson Park and Pittwater waterways.

It can be seen from the above extracted figures that rates charged to Warringah ratepayers in 1986 exceeded by more than \$1M the combined rates of six small adjoining councils which have the same total population to serve and similar urban areas to care for.

It can also be seen that Warringah rates were approximately the same as the total of three medium size councils in the southern part of Sydney with more residents in a slightly less area.

When all the cost of senior staff, maintenance of so many council chambers, and the expenses to be met of six or three times the number of aldermen serving the community are considered, it is obvious that as far as Warringah Shire is concerned, bigger is not better from its ratepayers point of view.

In the 1960's, when it was proposed to amalgamate a number of north shore councils, the Lane Cove council commissioned a firm of architects and town planners to conduct a survey into the question of size in local government councils.

The firm's findings are reflected in their report:-

"..... and it would appear that we may conclude that the most desirable general extent of operation for a local authority in the metropolitan area in terms of population size is between 50,000 and 80,000 persons, as the administration of less size would probably involve excess capacities in all departments, while in areas with resident population in excess of 80,000 would tend to be exhibiting the diseconomies of large scale organisations previously mentioned.

Warringah's population is now well over twice the 80,000 referred to and if separation does not take place will continue to grow larger and even more unwisely.

So long as a council has unlimited funds at its disposal, there is no pressure on the elected council and staff to practice economy and seek financial efficiency in the interest of the ratepayers, as is necessary in smaller councils.

With restricted income, smaller councils expect the staff to prepare factual budgets, and aldermen and councillors spend considerable time examining these estimates to obtain the best result. Moreover, the 2A quarterly returns of income and expenditure are closely monitored during the year to ensure that all is in keeping with budget approval.

#### THE ESTIMATES

Warringah councillors are unable to assess from the information provided in the draft budget each year whether the amounts sought by the staff are reasonable and necessary in the light of past budgets and actual expenditures.

Other councils invariably show the current years approved budget as well as the estimated revised amount for each item. Some go so far as to show the previous year's actual figures so that their elected members have enough information available.

Warringah staff only show, for comparison purposes, the revised expenditure and income figures for the current year, and the amount sought for each item the following year. Over the past five years the December 2A returns have indicated that the revised estimates used by the staff for budget purposes have been greatly inflated.

<u>YEAR</u>	<u>REVISED ESTIMATE</u> <u>AS PER SEPT. 2A RETURN</u>	<u>ACTUAL EXPENDITURE</u> <u>AS PER DEC. 2A RETURN</u>	<u>AMOUNT OF</u> <u>INFLATION</u>
	\$	\$	\$
<u>1985</u>			
Expenditure	69,614,794	67,138,011	2,476,783
Income	<u>67,596,334</u>	<u>67,311,658</u>	<u>284,676</u>
Net	<u>2,018,460</u>	<u>(173,647)</u>	<u>2,192,107</u>
<u>1986</u>			
Expenditure	74,260,308	69,401,671	4,858,637
Income	<u>70,317,085</u>	<u>69,706,578</u>	<u>610,507</u>
Net	<u>3,943,323</u>	<u>9,304,907</u>	<u>4,248,130</u>
<u>1987</u>			
Expenditure	83,164,916	79,389,845	3,775,071
Income	<u>80,402,411</u>	<u>79,427,163</u>	<u>975,248</u>
Net	<u>2,762,505</u>	<u>(37,318)</u>	<u>2,799,823</u>
<u>1988</u>			
Expenditure	92,177,719	84,188,436	7,989,283
Income	<u>88,549,934</u>	<u>85,656,485</u>	<u>2,893,449</u>
Net	<u>3,627,785</u>	<u>(1,468,049)</u>	<u>5,095,834</u>

It can be seen that, when comparisons and percentage increases are presented by the staff using column 1, an entirely false picture is being painted by the staff to a considerable extent as shown in column 3 above.

Many capital items of expenditure are wedged into the revenue estimates and these distort true comparisons between years.

In past years, prior to the appointment of administrators, the elected council and senior staff invariably spent a full Saturday examining every item of the budget before the rate was finally struck. There was real concern to protect the ratepayers, and much pruning if the rate was considered too high.

All this is now changed. The estimates are no longer examined in detail by full council, and get scant attention before rubber-stamping the recommended rate.

As a result of this lack of concern and effort by the councillors the ratepayers of the shire have been savagely mauled by the council's bureaucratic staff in a number of ways.

# 1. UNDERESTIMATING OF INCOME

Whilst expenditure estimates have been inflated by basing them on fictitious revised figures, the income from sources other than rates has been underestimated each year to the extent of millions of dollars. As the ratepayers are required to make up the difference between this income and budgeted expenditure, they are being asked to pay extra rates for what will subsequently be received by council a second time. Over the past six years these underbudgetings were -

	\$	
1984	5,839,930	
1985	6,635,706	
1986	3,799,561	
1987	3,700,923	
1988	5,092,724	
1989	<u>7,375,695</u>	\$32,444,539

These figures do not include improvements income from grants and other sources.

The following table of income received from four of the main sources available to the council indicates the degree or underestimating revealed in 2A returns between 1984 and 1989.

<u>YEAR</u>	<u>REFERENCE</u>	<u>ESTIMATED</u>	<u>ACTUAL</u>	<u>UNDERESTIMATE</u>
		\$	\$	\$
<u>INCOME FROM INVESTMENTS</u>				
1984	p 49 2A Return	2,050,000	3,002,496	952,496
1985	20	2,600,000	3,951,821	1,351,821
1986	45	3,800,000	4,826,356	1,026,356
1987	52	4,500,000	5,061,048	561,048
1988	56	4,200,000	4,514,794	314,794
1989	45	4,300,000	5,960,880	<u>1,660,880</u>
				<u>5,867,395</u>

## KIMBRIKI TIP SURPLUS

1984	p 52 2A Return	160,000	258,577	98,577
1985	22	86,000	251,393	175,393
1986	41	145,000	348,380	203,380
1987	54	356,200	486,603	130,403
1988	58	447,400	1,193,647	746,247
1989	47	1,007,900	2,101,961	<u>1,094,061</u>
				<u>2,448,061</u>

HEALTH AND BUILDING FEES

1984	p 58 2A Return	281,000	482,329	201,389
1985	25	397,800	483,344	85,544
1986	41	493,150	531,243	38,093
1987	48	372,500	692,059	319,559
1988	52	460,000	712,770	252,770
1989	41	741,000	723,443	<u>17,557 -</u>
				<u>889,798</u>

TOWN PLANNING FEES

1984	p 53 2A Return	376,000	422,128	46,128
1985	24	439,800	443,052	3,252
1986	49	433,200	481,638	48,438
1987	50	427,500	600,515	173,015
1988	54	669,800	962,272	<u>292,472</u>
				<u>671,513</u>

From the above figures it can be seen that income from these four items alone was \$9,876,767 underestimated. As ratepayers are called upon to meet the difference between income and expenditure the rates each year were increased accordingly. There was never any reduction in rates in following years.

Another example of such underbudgeting income to create an overestimate of expenditure relates to items 210 and 211 as set out hereunder -

<u>ITEM</u>	<u>YEAR</u>	<u>APPROVED BUDGET</u>	<u>REVISED ESTIMATE</u>	<u>ACTUAL 31/12</u>	<u>OVER ESTIMATE</u>
		\$	\$		\$
<u>210 - WARRIEWOOD LONG DAY CARE</u>					
	1986	11,708	5,900	5,871	39
	1987	15,900	7,765	2,519 -	18,419
	1988	18,000	7,200	1,338	16,662
	1989	19,700			
<u>211 - FAMILY DAY CARE SOUTH</u>					
	1986	41,167	33,769	22,219	11,550
	1987	47,800	39,400	22,062	17,338
	1988	56,900	49,898	37,236	19,664
	1989	61,760			

Why would the budgeting officer, knowing that item 210 only cost \$5,871 in 1986, and having just assessed that 1987 would only cost \$7,765, budget \$18,000 for 1988?

Or, similarly, in item 211, budget \$56,900, two and one half times more than it cost in 1986?

Budgets obtained from other councils show income, expenditure, and capital items separately. Warringah, on the other hand, budgets on the net figures for each item, and in consequence the underestimating of income is hidden by the overestimations in those items for expenditure.

The true result of each years activities is thus misrepresented to councillors as can be seen from the following figures shown in Council's 2A Returns.

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The December 2A Returns of income and expenditure for each of the years 1984 to 1988, summarised under revenue items and improvements reveal extensive overbudgeting by Warringah Shire.

	<u>1984</u>			
	<u>ADOPTED</u>	<u>REVISED</u>	<u>ACTUAL</u>	<u>BUDGET</u>
	<u>ESTIMATES</u>	<u>ESTIMATES</u>	<u>TO 31 DEC</u>	<u>VARIATION</u>
<u>GROSS EXPENDITURE</u>	\$	\$	\$	\$
Revenue items	44,721,700	48,307,835	48,125,136	3,403,436
Improvements	<u>5,811,500</u>	<u>15,183,996</u>	<u>11,432,123</u>	<u>5,620,623</u>
	<u>50,533,200</u>	<u>63,491,831</u>	<u>59,557,259</u>	
<u>GROSS INCOME</u>				
Revenue items	47,237,508	52,795,663	53,077,438	5,839,930
Improvements	<u>2,295,692</u>	<u>10,658,196</u>	<u>8,019,392</u>	<u>5,723,700</u>
	<u>49,533,200</u>	<u>63,453,859</u>	<u>61,096,830</u>	
<u>BUDGET &amp; RESULT</u>	<u>1,000,000</u>		<u>1,539,571</u>	<u>- 2,539,571</u>

From the above it can be seen that a budgeted deficit of \$1,000,000 was converted into a surplus of \$1,539,571 by underestimating revenue income by \$5,839,930 and overspending the revenue budget \$3,403,436.

	<u>1985</u>			
<u>GROSS EXPENDITURE</u>				
Revenue items	49,316,984	53,119,476	53,440,615	4,123,631
Improvements	<u>10,499,500</u>	<u>18,489,285</u>	<u>13,697,396</u>	<u>3,197,896</u>
	<u>59,816,484</u>	<u>71,608,761</u>	<u>67,138,011</u>	
<u>GROSS INCOME</u>				
Revenue items	52,930,084	58,031,954	59,565,790	6,635,706
Improvements	<u>4,886,400</u>	<u>10,456,386</u>	<u>7,745,868</u>	<u>2,859,468</u>
	<u>57,816,484</u>	<u>68,488,340</u>	<u>67,311,658</u>	
<u>BUDGET &amp; RESULT</u>	<u>2,000,000</u>		<u>173,647</u>	<u>- 2,173,647</u>

From the above it can be seen that a budgeted deficit of \$2,000,000 was converted into a surplus of \$173,647 by underestimating revenue by \$6,635,706 and overspending the revenue budget by \$4,123,631.

	<u>1986</u>			
<u>GROSS EXPENDITURE</u>				
Revenue items	57,520,874	60,780,587	59,876,032	2,355,158
Improvements	<u>10,717,436</u>	<u>14,514,965</u>	<u>9,525,637</u>	<u>1,191,799-</u>
	<u>68,238,310</u>	<u>75,295,552</u>	<u>69,401,671</u>	
<u>GROSS INCOME</u>				
Revenue Items	62,354,010	65,308,655	66,153,571	3,799,561
Improvements	<u>3,884,300</u>	<u>6,066,010</u>	<u>3,553,007</u>	<u>331,293-</u>
	<u>66,238,310</u>	<u>71,374,665</u>	<u>69,706,578</u>	
<u>BUDGET &amp; RESULT</u>	<u>2,000,000</u>		<u>304,907</u>	<u>- 2,304,907</u>

From the above it can be seen that a budgeted deficit of \$2,000,000 was converted into a surplus of \$304,907 by underestimating revenue by \$3,799,561 and overspending the revenue budget by \$2,355,158.

	1987			
	ADOPTED ESTIMATES	REVISED ESTIMATES	ACTUAL TO 31 DEC	BUDGET VARIATION
	\$	\$	\$	\$
<u>GROSS EXPENDITURE</u>				
Revenue items	64,012,200	66,958,560	66,185,026	2,172,826
Improvements	8,478,300	18,123,264	13,204,819	4,726,519
	<u>72,490,500</u>	<u>85,081,824</u>	<u>79,389,845</u>	
<u>GROSS INCOME</u>				
Revenue items	68,462,900	71,654,452	72,163,823	3,700,923
Improvements	3,763,100	10,728,661	7,263,340	3,500,240
	<u>72,226,000</u>	<u>82,383,113</u>	<u>79,427,163</u>	
<u>BUDGET &amp; RESULT</u>	<u>264,500</u>		<u>37,318</u> -	<u>291,818</u>

From the above it can be seen that a budgeted deficit of \$264,500 was converted into a surplus of \$37,318 by underestimating revenue by \$3,700,923 and overspending the revenue budget by \$2,172,826.

	1988			
<u>GROSS EXPENDITURE</u>				
Revenue items	68,003,119	72,688,251	71,385,775	3,382,656
Improvements	10,159,250	19,489,468	12,802,661	2,643,411
	<u>78,162,369</u>	<u>91,177,719</u>	<u>84,188,436</u>	
<u>GROSS INCOME</u>				
Revenue items	74,488,900	79,354,588	79,581,624	5,092,724
Improvements	1,674,600	9,195,346	6,074,861	4,400,261
	<u>76,163,500</u>	<u>88,549,934</u>	<u>85,656,485</u>	
<u>BUDGET &amp; RESULT</u>	<u>1,998,869</u>		<u>1,468,049</u> -	<u>3,466,918</u>

From the above it can be seen that a budgeted deficit of \$1,998,918 was converted into a surplus of \$1,468,049 by underestimating revenue by \$5,092,724 and overspending the revenue budget by \$3,382,656.

	1989			
<u>GROSS EXPENDITURE</u>				
Revenue items	73,659,420	78,654,534	80,564,866	6,905,446
Improvements	10,098,000	21,382,437	18,910,612	8,812,612
	<u>83,757,420</u>	<u>100,036,961</u>	<u>99,475,478</u>	
<u>GROSS INCOME</u>				
Revenue items	78,437,400	83,460,740	85,813,095	7,375,695
Improvements	3,198,000	10,368,107	8,727,525	5,529,525
	<u>81,635,400</u>	<u>93,828,847</u>	<u>94,540,620</u>	
<u>BUDGET &amp; RESULT</u>	<u>2,122,020</u>		<u>4,934,858</u>	<u>2,812,838</u>

From the above it can be seen that a budget deficit of \$2,122,020 was overspent by \$2,812,838 by underestimating revenue income by \$7,375,605 and overspending revenue items by \$6,905,446.

## 2. PROFIT ON GARBAGE SERVICES

Warringah council charges its ratepayers far in excess of the cost as can be seen from the following table extracted from 2A returns:-

YEAR	2A REF	EXPENDITURE	INCOME	PROFIT	TIP SURPLUS
		\$	\$	\$	\$
1984	p 61	3,084,200	4,974,733	1,890,533	258,577
1985	p 26	3,300,023	5,394,148	2,094,125	251,393
1986	p 42	3,546,867	5,898,114	2,351,247	348,380
1987	p 49	3,781,706	6,363,362	2,581,656	486,603
1988	p 53	4,025,485	6,834,063	2,808,587	1,193,647
1989	p 40	4,424,809	7,325,393	2,900,584	2,101,961

It can be seen from these figures that over the past five years the cost of the garbage service has risen by \$1,340,609 but council's charges have increased by \$2,350,660, almost twice as much. This does not include the profit of \$4,640,561 obtained from the operations of the Kimbriki Tip.

A large number of councils charge for garbage services as part of the rates, and invariably budget on a cost basis. There is surely no justification for Warringah to make huge profits from its own ratepayers when this is not the practice of other councils. Over the past six years this profit has totalled \$14,736,459.

### 3.

Warringah Shire now deprives its ratepayers of the benefit of income from various activities and sources that were previously used to assist in keeping rates to a minimum.

This income is now channelled into reserves for future years expenditure, and the ratepayers of Warringah, who are already asked to pay for the current year's cost and, through loan repayments, previous year's costs, now find themselves forced to pay for future year's costs as well. This is totally contrary to standard practice of government accounting where income and expenditure are primarily related to the current year.

The extent of this unreasonable practice can be seen from the following reserve account balances as listed in the audited annual financial statements.

<u>RESERVE</u>	<u>BALANCE</u> <u>31/12/84</u>	<u>BALANCE</u> <u>31/12/86</u>	<u>BALANCE</u> <u>31/12/88</u>	<u>BALANCE</u> <u>31/12/89</u>
Caravan Park Improve	208,427	589,874	1,224,426	--
Kimbriki Tip Improve	85,722	252,033	382,187	1,155,541
Powderworks Quarry	77,286	266,829	591,700	1,080,208
Tennis court Improve	116,114	132,374	200,406	172,518
Plant Replacement	2,603,535	3,903,037	1,272,506	1,501,273
Computer Reserve			173,377	602,616
Professional Indemnity & Public Liab. Insurance			956,194	1,439,748

### 4. INTEREST CHARGES

Not content with depriving its ratepayers from benefiting from such income, charging them huge profits on the garbage service, making them pay more by underestimating income and by overestimating expenditure, the council must needs charge them interest on the accumulated balances of funds stockpiled at their expense. This is adding insult to injury. The 2A returns show the following amounts so charged -

<u>YEAR</u>	<u>AMOUNT</u> <u>\$</u>
1986	1,494,318
1987	1,623,543
1988	1,752,281
1989	<u>2,697,987</u>
	<u>7,568,069</u>

Whilst it is obviously correct to add interest to special trust funds in order to maintain their value, it is hardly appropriate to ask the ratepayers to pay interest on the own moneys. As these amounts are shown as expenditure in the budgets, they are added to the current year rates.

Without allowing for loss of income channelled into reserves, over the past six years these rate grabs add up to a very large amount.

	\$	
Income underestimated	32,444,539	
Profit on garbage	14,736,459	
Kimbriki Tip surplus	4,640,561	
Interest on general reserves	<u>7,568,069</u>	59,389,628

This overestimating averages approximately \$10M each year, at a time of economic difficulty when all are feeling the pinch of inflation and high interest rates.

#### MINISTERIAL RESTRICTIONS ON RATE INCREASES

In order to contain the expenditures of spend-happy councils, the Minister for Local Government placed restrictions on the amount of increase rating from year to year. Subject to special applications for variations, these percentages were 8% in 1985, 7% in 1986, and 6.5% for the years 1987 to 1989 inclusive.

By overbudgeting in the base year of 1984, the Warringah council so inflated the rates paid by residents in that year, that the approved percentages were applied to a much higher level of rates than was necessary to cover costs.

The 1984 2A return showed that income from other than rates was underestimated by \$5,648,974 for revenue charges. The ratepayers had an extra profit on the garbage service of \$1,890,533 added to their fees, and approximately \$700,000 interest on their own funds in council reserves billed in the budget.

The 2A return shows that the revenue budget expenditure was overspent by \$3,403,436, and the annual financial statement shows that the total of council's reserve funds had risen by \$4M. These two figures confirm the shire's overbudgeting which inflated the 1984 rates by at least \$6M. The effect of this can be seen from the following table:-

<u>EAR</u>	<u>APPROVED % INCREASE</u>	<u>AS PER MINISTER'S RESTRICTION</u>	<u>COUNCIL CHARGES RATES &amp; GARBAGE FEE</u>
		\$	\$
1984	Base year cost Budget	23.6 M	29.6 M
1985	Add 8%	27.3 M	32.1 M
1986	Add 7%	27.3 M	34.8 M
1987	Add 6.5%	29.1 M	37.4 M
1988	Add 6.5%	31.0 M	40.0 M
1989	Add 6.5%	<u>33.0 M</u>	<u>43.2 M</u>
		<u>145.9 M</u>	<u>187.5 M</u>

Whether this was done by design or due to incompetence, the fact remains that over the past five years Warringah ratepayers have paid \$41.6M over and above what they should have been called upon to pay under ministerial restrictions. This does not include the \$8.0M extra rates taken in 1984



These percentage increases compound over five years to 39.6%. With so much extra money coming in beyond normal needs, council has had to increase its expenditure levels far beyond the restriction level. The shire budgets reveal extraordinary increases. Library costs have risen by 79%, total salaries of indoor staff up 62%, with the engineers up 73%, building maintenance by 387%, the personnel and public relations budgets up by 236%, road resurfacing has been doubled, and many large new items inserted in the estimates to boost the expenditure levels. The number of staff cars has almost been doubled and some 70 to 80 extra vehicles purchased out of these excess rates. The Community Services, council's hand out section, rose by 67% from \$8.9M to \$14.9M

The aforesaid amounts taken from the ratepayers over and above what is required to run the council's activities beg the question "Where has all this money gone?"

Much has been absorbed in council's total funds as shown in the Audited Annual Financial Statements.

<u>YEAR</u>	<u>WORKING FUNDS</u>	<u>CAPITAL FUNDS</u>	<u>TOTAL FUNDS</u>
	\$	\$	\$
1984	6,602,677	17,875,207	24,477,883
1985	6,776,416	25,231,230	32,010,646
1986	7,081,364	29,350,656	36,432,042
1987	7,118,704	34,137,765	41,256,468
1988	8,421,614	38,278,774	46,700,358

Council's carry forward amount for the revoting of "incomplete projects" has risen from \$1.2M at 31/12/84 to \$4.7M at 31/12/88. These are unspent rates taken from the ratepayers and are in fact rates paid in advance. No provision has been made for carry-overs at the end of the year. Many millions have been absorbed by increases in staff salaries which over the past five years have risen overall by 62%. The rise in engineering salaries as budgeted has risen by 73% over the past four years and 93% over the past six years. The salary schedules show the excessive nature of these increases, and the unproductive nature of most of these appointments.

Increases in the cost of many items are far in excess of normal annual expectations. In particular, road resurfacing has cost over \$8M beyond the \$1.7M each year spent in 1985. Building maintenance rose from \$221,473 in 1984 to \$1,077,400 in 1989. A new item, Reserves and Beaches Equipment Maintenance, was introduced as a \$5,000 street furniture carry-over, and since 1985 has been averaging over \$600,000 annually. In the past six years, the improvements budget figures have been overspent by over \$26M, as can be seen in the above statistical return for the years 1984 to 1989.

A further instance of extraordinary extravagant expenditure by Warringah Shire Council at the ratepayers' expense is to be found in item 290 Personnel.

The following table illustrates the rapid increases in costs over the years 1985 to 1989:-

<u>YEAR</u>	<u>ADOPTED ESTIMATE</u>	<u>REVISED ESTIMATE</u>	<u>ACTUAL COST</u>
	\$	\$	\$
1985	209,759	204,054	207,535
1986	343,604	406,332	352,459
1987	420,400	427,400	407,447
1988	536,700	535,700	498,592
1989	587,200	621,505	642,923

After spending \$374,817 on staff training apart from the salary cost of \$1,169,446 over the past four years on the personnel budget, the shire has now budgeted to spend \$719,254 on three items in this category.

These are:-

Item 290	Training and Safety	\$ 336,259 *
Item 294	Personnel & Industrial Administration	316,890
--	Employment Schemes	<u>66,105</u>
		<u>719,254</u>

\* Includes \$128,400 for training accommodation costs.

The 1990 Estimates lists the following objectives to occupy 6 full-time and 1 part-time staff.

1. Ensure W.S.C. input into award restructuring via participation in process by December 1990.
2. Provide succession planning model (June 1990) and review exhisting appraisal system (August 1990).
3. Achieve a recruitment standard of identifying suitable qualified candidates (June 1990).  
Minimise data input requirement and maximise reliability of data base information.
5. Identify and provide divisional information (Dec 1990).
6. Provide a staff handbook-policy procedures to all staff (June 1990)

The attached copies of the 1988 and 1989 budget details for this personnel item and these above listed objects reveal the extent of Warringah's indulgence and the farcical nature of so many of the items listed.

Comparing the Budgets for other councils examined, it would appear that Auburn and Hurstville Administrative staff perform any staff training and personnel functions as part of their normal duties. The Rockdale Council spends in the region of \$10,000 on staff training/development. The Baulkham Hills Council, about two thirds the size of Warringah, budgets a separate section for the first time in 1989 at a cost of \$262,700 including \$30,000 for recruitment and advertising cost, not included in the Warringah figures.

The Cessnock City Council is like Hurstville and Auburn except for a one-off 1989 budget for a staff appraisal system extimated to cost \$30,000.

The following schedules of Engineering Department Salaries and Expenditures show that Engineering salaries for Warringah Shire have risen 73% over a period of four years.

In that period of time, the compounding effect of three years' ratepegging at 6.5% and one at 7.3% totals 29.6%. The expenditure schedule covering the period 1986 to 1989 clearly indicates the unproductive nature of these salary increases.

It can be seen from these figures that, when the cost of supervision is deducted from the total Public Works cost, that the amount of work performed in 1987 and 1988 was less than the amount in 1986, and the 1989 figure was only up 14% for a 54% increase in salaries over those three years.

Whilst it has been shown that the 73% increase in engineering salaries has not been occasioned by an enlarged works programme, the 1990 draft estimates reveal the purpose of such increases. These include:-

Item 131 - Engineering Management, a new item introduced in 1990. Its objectives for 1990 are:-

1. Improved communications within Public Works Depot.
2. Improved communications with Public Works Depot.
3. Reappraisal of workload distribution.
4. Training of staff for back up procedures in the event of leave etc.
5. Achievement of objectives defined for 1990 in Division's 5 year plan.

These nebulous duties, coupled with providing 20 reports to council during the year and attendance 2 hours weekly at committee meetings will involve 7 senior engineers at a salary cost of \$335,000 and \$178,000 operating expenses.

Item 120 - Road pavement maintenance administration, another new item. Its objectives for 1990 are:-

Review of monitoring of performance to achieve productivity gains.

These 4 full-time staff, budgeted at a cost of \$99,000 appear to cut across the geotechnical services of item 126, the major objectives of which for 1990 are:-

1. Completion of "full" pavement needs assessments for roads/car parks in the "worst condition" category.
2. Increased frequency of quality control checking of construction projects.
3. Computerised mapping of pavement maintenance needs.
4. Compile 3 year programme for pavement rehabilitation.
5. Initiate promotion of Materials Testing Laboratory on a fee basis. This item involves 5 full-time staff at a cost of \$224,675 salaries.

Item 148 - Northern Districts Administration. Duties for 1990 -

1. Co-ordinate a better estimating/costing system.
  2. Provide constructive feedback to design section.
- This item involves 3 full-time staff at a cost of \$209,000.

Item 149 - Southern Districts Administration. The objectives listed are the same as the previous item in the southern district. This item shows only 2 full-time staff at a cost of \$209,000.

Item 134 - Traffic management - Major Objectives 1990.

1. Finalise crash data computer system.
  2. Complete system for assessing and recording section 94 contributions towards future traffic works.
  3. Setting up of traffic counting; traffic speed; and vehicle classification system.
- This item involves 3 full-time staff at a cost of \$90,706 salaries.

It is noted that the design section of 11 full-time staff at a cost of \$362,000 salaries are programmed to prepare 1991 and 1992 designs and estimates this year.

Item 172 - Drainage Design. This is a second design section with 3 full-time and 2 part-time staff at a cost of \$141,284 for salaries. Its major objectives for 1990 are:-

1. To complete 5 catchment analysis and store in computer.
2. To complete all 1991 and 1992 drainage designs for council's improvement programme.
3. To respond to all enquiries and investigations within 14 days.

Item 129 - Engineering Development. A new item for 1990 involving 3 full-time and 1 part-time staff at a cost of \$110,039 salaries. Duties - to complete standards and procedures manuals.

The ridiculous extravagant nature of these budget provisions are obvious. No wonder there is no extra works being done when the staff of this division are toying with the computer and theorising on what might be done in 2 years time.

The ratepayers of the shire are already paying for past, present and future works, paying millions in advance for carryovers, and now for work that applies to 1992, and even later.

The residents of Pittwater want the basic urban development that has been denied them for so long. They don't need surveys in their area to decide the level of pavement wear as an excuse to spend more of the ratepayers money on resurfacing.

In 1966, the Shire Engineer and a staff of 28 supervised and planned engineering works of the same area at a time when there was much greater development than at present. Today there a 77 doing the work that 29 did 25 years ago and inspection will show much less efficiency, particularly in "A" Riding.

The following comparison between the Ku-ring-gai Council and the Warringah Shire demonstrates the extent of the inflationary trend in Warringah Engineering cost.

According to the latest available audited financial statements from both councils, engineering expenditure figures were as follows:-

	<u>WARRINGAH</u>	<u>KU-RING-GAI</u>
	\$	\$
Roads & Bridges - Maintenance		
and repair	4,910,097	2,560,265
do - Constructions		
& reconstruction	6,828,669	2,056,071
Car Parks	254,536	100,612
Lighting	<u>1,376,089</u>	<u>821,812</u>
	13,369,391	5,538,760
Supervision & indirect expenses	<u>3,776,490</u>	<u>2,845,035</u>
	<u>17,145,881</u>	<u>8,383,795</u>
<u>Staffing -</u>		
Engineers & Technical Staff	47	28
Overseers	8	7
Storekeepers	7	3
Clerical staff	<u>15</u>	<u>7</u>
	<u>77</u>	<u>45</u>
Length of Roads	<u>742 km</u>	<u>672 km</u>

It can be seen from the above statistics that Ku-ring-gai council, with 89% of Warringah's roadways to maintain has spent less than half of Warringah's cost.

When it is realised that Ku-ring-gai prides itself on its high standards and one looks at the much lower standard in Warringah's "A" Riding, the comparison becomes even more odious.

ITEM NO.	ITEM	ENGINEERING DEPARTMENT SALARIES			
		1986 BUDGET	1987 BUDGET	1988 BUDGET	1989 BUDGET
		\$	\$	\$	\$
120	Cromer Administration	249,359	311,510	268,000	154,200
125	Northern Dist. Administration.	217,056	228,900	177,700	186,000
126	Projects & Quality Control.	51,817	146,900	143,500	170,900
127	Land Survey	108,528	168,300	115,400	99,200
128	Design Office	291,962	351,400	320,800	323,600
129	Subdivision & Traffic Control.	156,821	222,100	330,600	241,700
131	Engineers Clerical	65,851	80,000		335,027
132	Engineers Administration	251,072	382,700	547,300	211,508
133	Engineering Support services	133,479	91,500	64,600	74,404
134	Traffic Management				90,706
145	Mechanical Services	56,179	64,500		76,808
139	Planning Engineer				143,100
137	Plant Control				141,248
172	Drainage design			75,800	40,280
173	Northern District Maintenance.			28,200	
175	Central Dist Maintenance			28,200	
178	Southern District Maintenance			28,200	
144	Contracts				40,280
148	Northern District Admin.				68,239
149	Southern District Admin.				209,000
142	Engineering Subdivisions				209,627
		<u>1,582,124</u>	<u>2,047,810</u>	<u>2,128,300</u>	<u>2,443,000</u>
	Annual percentage increase		29%	4%	15%
	Progressive increase percentages			34%	54%
					73%
					<u>65,045</u>
					<u>2,656,076</u>

# ENGINEERING DEPARTMENT EXPENDITURES

	1986 ACTUAL \$	1987 ACTUAL \$	1988 ACTUAL \$	1989 ACTUAL \$
GROSS EXPENDITURE BY DIVISION				
Public Works operations	21,733,971	23,297,010	25,058,060	28,562,487
Public works improvements	7,737,571	7,601,518	7,769,481	11,665,860
TOTAL WORKS COST FOR YEAR	29,471,542	30,898,528	32,827,541	40,228,347
DEDUCT				
Budgetted salaries	1,582,124	2,047,810	2,128,300	2,443,000
Car expenses	100,186	136,500	144,300	152,300
COST OF WORKS PROGRAM	27,789,232	28,714,218	30,558,618	37,633,047
1986 WORKS COST PLUS 6% P.A.		29,456,585	31,223,980	33,097,418
INCREASE IN WORKS COST		(742,367 )	(665,362 )	4,535,629
PERCENTAGE INCREASE IN SALARIES		29%	4%	15%
			34%	54%

Monitoring Performances

Great stress has been placed by the committee of Enquiry on the need for councils to closely monitor the performances of their staff. Most council critically examine the expenditure returns to ensure that the actual costs of works approved are in accord with the estimates submitted.

The quarterly financial statements (2A returns) are designed specifically to enable the elected representatives on council to examine in detail the progress of budgeted income and expenditure, and to assess the efficiency of staff, particularly in regard to the cost of improvements.

The 2A returns submitted to Warringah Shire Council leave much to be desired. Column 1 of these returns lists the amount budgeted for each item under the heading "Adopted Estimate". In 1988 there were 16 and in 1989 19 instances where the amount shown in that column is at variance with the amount printed in the adopted estimates.

The December 2A return lists "Incomplete projects" to be re-voted and carried forward into the following year. As Warringah's December returns are invariably delayed until the May-June period, its councillors are not aware of what they are required to re-vote until the year is half over, and much of the work already done.

Notwithstanding this situation, the March 2A return each year lists these carry forward amounts as approved variations in column 2 even though the councillors are not even aware of them, let alone approve them. Nothing is done by the council to insist on the timetables as laid down by the Local Government regulations being observed.

A further irregularity relates to the content of these "carry-forwards". Although listed as "Incomplete projects" amounts are included for the unspent balances of revenue items; works already completed and works that have not been commenced, and even large amounts of "Unallocated" funds. The massive carry forward of unspent rates into 1989 of \$4.7M included:-

	\$	
Operational expenses	862,940	
Improvement works not yet started	738,000	
Works already completed in 1988	1,011,090	
Items listed as unallocated	<u>239,200</u>	<u>\$2,851,238</u>

As no provision is made in the 1989 rates for any carry over at the end of that year, and the full amount of the 6.5% increase was already in the estimates, this constitutes a further instance of by-passing rate-pegging.

As indicated in the previous section relating to the estimates, the September quarter 2A return is woefully astray in predicting the revised figures for that year, which are so important for determining the estimates for the following year.

The Chairman of the Public Accounts Committee, Mr. Philip Smiles, M.P., in his recent examination of the accounts of Warringah Shire found that income from rates and garbage charges for the years 1987, 1988 and 1989 had increased by 8.5%, 7.8% and 11.2% respectively whereas the Minister had set a 6.5% ceiling for those years.

# Shire accounts confuse

In fairness to Warringah Shire Council and councillors, there are a number of issues that deserve further comment following the report headed \$13m Overcharge in Shire Rates (MD, June 14).

With regard to the \$13 million overcharge figure, as indicated in the report, such is one interpretation. It should be noted that this has been generated by the council apparently funding the costs of cleaning beaches and parklands from two sources - rates and from "garbage and cleansing".

Elsewhere in NSW some councils levy only a rate charge, a few levy a rate charge plus a separate garbage charge, and some levy charges as Warringah Council does.

The problem with the last method is that, in comparing councils' charges to ratepayers, one should add back into the "rate" component at least cleaning, and probably garbage, charges.

Such a total summation provides the \$13 million overcharge figure for recent years.

It must be stressed that, regardless of the extra dollar amount, Warringah Council has charged a rate in excess of the maximum prescribed by the Local Government Minister for the last two years. I have been informed that this excess has been conservatively calculated by the Local Government Department as being \$49 600 in 1989 and approximately \$62 000 in 1990.

My comments on the council's entrepreneurial activities, including restaurants, quarries and the like, are sourced to letters written by the council's own auditor. For example, in his letter of June 4, 1989, to the council with regard to his audit to

December 31, 1988, the auditor stated under the heading Forest Community Centre:

"Trading accounts have not been prepared to the operations at Forest Community Centre - viz Sorlies restaurant, bar and kiosk.

"This situation has been partly rectified in March 1989, with accounts prepared for the three months ended March 31, 1989. However, these accounts lack completeness and accuracy."

There are a number of aspects of the council's bookkeeping I find confusing. For example:

On page 52 of the 1989 financial statement it shows that there was a loss on quarrying of \$35 410 but income on sales and other income on Schedule 13, Page 32, of \$331 795. On Page 61 income from the Powderworks quarry of \$488 508 is added to the reserve.

How can income of \$331 795 less a cost of \$35 410 result in such an addition to the reserve?

While there may be an explanation for this puzzlement there is no way the average elected councillor could possibly understand such accounting complexities.

Many councils in NSW are, in my view, deserving of similar or greater criticism. All are victims of an outmoded and impossible accounting system.

My comments with regard to Warringah Council are made to encourage councillors to undertake a much greater scrutiny of the financial management of the \$80 million, plus a year turnover business they manage on behalf of the ratepayers.

Phillip Smiles  
Chairman

NSW Public Accounts Committee

Warringah ratepayers may have been overcharged by more than \$13 million in rates and garbage charges over the past three years, according to Public Accounts Committee chairman Phillip Smiles.

Mr Smiles said the Local Government Minister had set a 6.5 per cent ceiling on councils' rate revenue in 1987, 1988 and 1989, yet Warringah's income from rates and garbage charges in those years increased by 8.5 per cent, 7.8 per cent and 11.2 per cent respectively.

"One interpretation of these increases could be that the ratepayers over the last three years have paid \$13.27 million more than the Local Government Minister intended they should," he said.

"While I recognise that you can debate whether garbage and cleansing should be included in the rate ceiling, nevertheless Warringah ratepayers, given the way the rate notice is set out, could be forgiven for wondering."

Mr Smiles is conducting a State-wide inquiry into local government finances and visited Warringah and Manly councils last week.

He said the visits had reinforced his conviction that local government accounting in NSW needed to be "turned on its head."

Both councils suffered from the "near impossibility" of tracing items of expenditure from estimates approved at the beginning of the year through to quarterly financial reports and then on to the annual financial report.

This was compounded in Warringah by constant alteration to budgeted expenditure during the year.

Mr Smiles reserved his heaviest criticism for Warringah, where he discovered instances of missing trading accounts, inflated budgeting and items of income and expenditure that "just didn't add up."

He was concerned that expenditure

## Three-year blow-out

items in the estimates for a new year were based on inflated costs over the previous year, rather than on the original budgeted cost. Such a practice could hide a massive expenditure "blow-out" in the year just passed or in some previous year.

This "one-off" type of expenditure would then become part of the budget base for ensuing years.

The council's financial reporting of its entrepreneurial activities, including the Glen Street Theatre and the Aquatic Centre, were also criticised.

Mr Smiles said the Glen Street Theatre, which had been promoted recently by the Shire President as "one of the most efficiently-run council businesses in the State," did not have trading accounts prepared in 1987 for its restaurant, bar and kiosk. The Aquatic Centre's trading accounts for the final quarter of 1988 were also missing.

"A council like Warringah faces a challenge that small business does not have," Mr Smiles said. "The shareholders are the ratepayers, and they deserve a high level of accountability."



COUNCIL RESERVE FUNDS

It would appear from the Audited Financial statements of Warringah Shire that not all council's financial activities are published for the information of councillors and the ratepayers. Moneys unspent on some items appear to have been recorded as expenditure on those items and shown either as income on other items, or channelled into councils reserve funds.

The Kimbriki Tip Improvements Reserve has increased from \$85,722 in 1984 to \$1,155,541 in 1989. As all profits from the operation of the tip on behalf of the joint Services Committee of Mosman, Manly, and Warringah councils are distributed to those councils as income, and there is no "transfer to reserve" expenditure recorded in the 2A returns, where did all this money come from?

The powderworks Quarry Improvements Reserve balance has increased from \$77,286 in 1984 to \$1,080,208 in 1989. Item 138 was titled Powderworks Quarry in 1984 but altered to "Bulk Materials" in 1985. However, quarrying activities must be shown as a separate return in the Financial Statements.

The 2A returns for Item 138 show the following -

<u>YEAR</u>	<u>INCOME</u>	<u>EXPENDITURE</u>	<u>TRANSFER TO RESERVE</u>
	\$	\$	\$
1984	182,102	139,690	42,413
1985	443,092	416,258	42,592
1986	465,004	465,004	-
1987	483,821	483,821	-
1988	709,020	709,020	-
1989	839,939	839,939	-

The annual audited financial statements indicate that the Powderworks Quarry Reserve received income of \$131,193 in 1986, \$159,817 in 1987, \$261,196 in 1988, and the reserve balance has risen by a massive \$488,508, almost half a million dollars, in 1989.

The same annual financial statements, under the heading of "Quarries and gravel pits" show the following figures in schedule 25:-

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
	\$	\$	\$	\$	\$	\$
Stock on Hand 1st Jan	-	-	2,500	-	-	4,195
Operation costs	247,525	160,041	169,477	241,253	268,824	194,114
Less charged to works	184,351	187,046	106,302	141,791	190,106	162,900
Stock on hand 31st Dec	-	2,500	11,420	-	4,186	-
	<u>63,175</u>	<u>29,505</u>	<u>54,254</u>	<u>99,462</u>	<u>74,532</u>	<u>35,409</u>
Income - Schedule 13	<u>40,083</u>	<u>23,857</u>	<u>100,981</u>	<u>191,219</u>	<u>298,398</u>	<u>331,795</u>

The above figures leave a lot to the imagination of the councillors. Even more so is the information given to them in the 2A returns for September and December each year.

<u>1986</u>	<u>INCOME</u>	<u>EXPENDITURE</u>
	\$	\$
2A return 30th September - Actual	323,515	263,636
Estimated for December Quarter	<u>71,785</u>	<u>131,664</u>
Revised estimate for year	<u>395,300</u>	<u>395,300</u>
Actual figures as per December 2A Return	<u>465,005</u>	<u>465,005</u>

1987

	<u>INCOME</u>	<u>EXPENDITURE</u>
2A return 30th September - Actual	315,094	251,589
Estimated for December Quarter	63,406	126,911
Revised estimate for year	378,500	378,500
Actual figures as per December 2A Return	483,841	483,841

1988

2A return 30th September - Actual	490,162	366,961
Estimated for December Quarter	158,938	282,139
Revised estimate for year	649,100	649,100
Actual figures as per December 2A Return	709,020	709,020

1989

2A return 30th September - Actual	597,307	267,511
Estimated for December Quarter	131,693	461,489
Revised estimate for year	729,000	729,000
Actual figures as per December 2A Return	839,939	839,939

In each of the four years recorded as shown, it can be seen that in each case income in the first nine months was much higher than cost even though it cannot materialise until these materials are either sold or charged to works. In the December quarter each year, however, the cost far exceeds income, and remarkably, income exactly matches the total expenditure. How can this possibly be correct?

There seems to be little correlation between the 2A returns and the audited financial statements, particularly in regard to income, as can be seen from the following -

<u>YEAR</u>	<u>INCOME</u> <u>SCHEDULE 13</u>	<u>CHARGED TO WORKS</u> <u>SCHEDULE 25</u>	<u>TOTAL</u>	<u>INCOME</u> <u>2A RETURNS</u>	<u>DIFFERENCE</u>
	\$	\$	\$	\$	\$
1985	23,857	187,046	210,903	443,092	232,189
1986	100,981	106,302	207,283	465,004	257,721
1987	191,219	141,791	333,010	483,821	150,811
1988	298,398	190,106	488,504	709,020	220,516
1989	331,795	162,960	494,755	839,939	345,184

The question is again asked - Where did all this money come from to build up this high reserve?

It can be seen that the figures shown in the Annual financial statements bear little relationship to the annual income and expenditure figures submitted to council in the December 2A returns.

Where did the income of \$709,020 come from in 1988 if the audited accounts only show income of \$298,398?

Where did the income of \$26,196 in the reserve originate if all the 1988 income was spent?

How can an operating cost of \$74,532 produce income of \$709,020?

On page 63 of the December 1988 2A return income for item 700 - property acquisition shows \$242,000 transferred from the quarry reserve. Page 76 of the audited financial statement for 1988 records this transfer from the quarry reserve as only \$52,000.

The same sort of thing is happening in regard to the operation of the Kimbriki tip which is run on behalf of Warringah, Manly and Mosman councils. The December 2A returns show the following figures:-

<u>EXPENDITURE</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
	\$	\$	\$	\$
Operating costs	418,144	428,809	383,143	538,024
Plant Hire	302,005	335,266	315,472	407,974
Fee Collection	84,313	98,226	106,455	149,063
Plant replacement		107,540	370,760	734,532
Surplus	<u>293,342</u>	<u>404,952</u>	<u>558,924</u>	<u>1,361,988</u>
	<u>1,097,804</u>	<u>1,374,793</u>	<u>1,734,754</u>	<u>3,191,581</u>

INCOME

Residents cars	315,889	361,368	436,386	436,411
Council vehicles	382,196	438,288	481,006	738,905
Others	379,057	565,052	798,157	1,374,025
Trans from reserves	20,664	10,085	593,942	574,732
Clean fill (contra)				<u>70,511</u>
	<u>1,097,804</u>	<u>1,374,793</u>	<u>1,734,754</u>	<u>3,191,581</u>
Warringah's share of profits paid into revenue	<u>251,393</u>	<u>348,380</u>	<u>486,603</u>	<u>1,191,581</u>

It is noted that Warringah receives 87% of the profits even though Manly and Mosman together have one quarter of the population in the area being serviced. Is this correct?

The audited financial statements show the following figures for the Kimbriki Reserve.

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
	\$	\$	\$	\$	\$
Balance 1st Jan.	85,722	117,059	252,023	612,530	382,187
Transfers to	52,001	145,059	365,707	220,389	773,354
Transfers from	20,664	10,085	5,210	450,732	-
Balance 31st Dec.	117,059	252,033	612,530	382,187	1,155,541

It can be seen that payments into the reserve account bear no relationship to the income and expenditure figures reported to the Council in the 2A Returns. Since all profits are paid into a revenue account, where have these "transfers to" come from? Have other budget items been charged with inflated expenditure figures in order to build up this reserve?

The amounts paid out from the reserve account are recorded in the financial statements as \$5,210 in 1987 and \$450,732 in 1988. The 2A Return shows these amounts as \$593,942 and \$574,732 respectively. Where did this extra money come from to make these payments?

LAKE PARK CAMPING AREA, NARRABEEN.

For many years the surplus income from the Narrabeen Caravan Park was applied for the benefit of shire ratepayers, and regarded as general revenue income to reduce rates.

In 1980 it was decided to upgrade the park facilities and enlarge the area, the cost to be met from loan borrowings and repaid from camping charges. Such borrowings were:-

Loan No. 224 - Maturing 11/01/1990	\$ 20,000
Loan No. 226 - Maturing 01/10/1994	135,000
Loan No. 244 - Maturing 04/12/1991	200,000
Loan No. 261 - Maturing 23/10/1990	64,000

Repayments each year are approximately \$150,000, and have been met from camping charges to customers. However, instead of applying the benefit of surplus fees to the ratepayers as in the past, Council channelled such income into a special reserve for future developments.

But not only did Warringah Shire Council deprive its ratepayers of this traditional benefit, but charged them with annual interest on the moneys of which they were deprived. The extent of this imposition can be seen from the following figures extracted from council's Annual Financial Statements and its December 2A returns.

YEAR	2A CAMPING AREA SURPLUS	INTEREST CHARGED TO RATEPAYERS	TRANSFERRED TO RESERVE	RESERVE BALANCE
	\$	\$	\$	\$
1984				208,427
1985	144,156	29,170	173,335	381,762
1986	150,848	57,264	208,112	589,874
1987	190,230	85,531	275,761	865,635
1988	222,012	136,780	358,792	1,224,427
1989	186,800	156,357	343,157	-

As the patrons of the Caravan Park are mostly from outside the Shire, there is little purpose in running a caravan park unless the ratepayers of the shire will benefit, and even less purpose if they are going to be penalised as well. In the five years recorded above, they have lost \$894,000 in rates and been charged \$465,000 in interest for that privilege.

In 1989, Council approved further developments to the Caravan Park at an estimated cost of \$4.7M estimated to increase the return to council from its operations. Council was already assured of profits of over \$300,000 when loan payments terminated (2 in 1990 and 1 in 1991), and the shire will now be deprived of that income for many years to come in the repayment of further loans.

Staff reporting to council on this project contains many inaccuracies apart from the initial assessment put before council, now revealed to also be inaccurate.

The original approval of \$4.7M in May 1989 was recorded in the June 2A return for that item as:-

Approved variation	\$1,390,000	Expenditure	\$176,501
Transferred from the Caravan Park Reserve	\$1,390,000		

The September 2A return similarly recorded for this item:-

Approved variation	\$1,390,000	Expenditure	\$848,048
Transfer from the Caravan Park Reserve	\$1,390,000		

The December 2A Return issued on 19/4/1990 recorded the following:-

CVA - CARAVAN PARK IMPROVEMENTS

	<u>APPROVED VARIATION</u>	<u>ACTUAL TO 31/12/90</u>
	\$	\$
Architectural contract	1,370,589	1,376,044
Civil contract	1,996,888	2,107,965
Consultants	150,000	208,206
Computer System	30,645	32,895
Land Fill	150,000	98,859
Mobile Vans	<u>201,500</u>	<u>202,200</u>
EXPENDITURE TOTAL	3,899,622	4,026,169
Trsfir frm Caravan Pk Reserve	<u>3,899,622</u>	<u>4,026,169</u>

This report to council shows that the expenditure was funded from the Caravan Park Reserve for the full amount, although the reserve had only \$1,567,584 available at the end of the year after profits and interest had been transferred.

It is of interest that when it was necessary to produce an amended 2A return for December 1989, due to the adjustment of errors located by the auditors, the amended 2A return omits all reference to the Caravan Park Improvements.

At the same time as this amended 2A return was submitted to council on 15th May 1990, Council approved of further expenditure estimated to bring the cost of what was already approved up to \$6.6M, despite a saving of \$600,000 discovered in the costing of the original approval. It was also reported that the projections submitted to council in regard to increased revenue were incorrect.

In process of submitting this increased expenditure for the approval of Council, it was reported by the staff that the funding of the expenditure to date was from the following sources:-

	\$	\$
(a) Caravan Park Reserve	1,567,584	
(b) Caravan Park Loan 276	<u>2,458,584</u>	<u>4,026,168</u>

Not only is this information different from what was reported in the December 1989 2A return, but in the annual financial statement issued for 1989, Loan 276 is recorded as being for the purposes of drainage.

Council has now approved of borrowing a further \$2.5M by means of internal loans. The interest on both loans will exceed \$700,000 p.a. apart from the repayment of the principle. This will amount to far more than the present charges received at the Park.

The revised economic analysis of the project forecasts an ultimate profit of \$144,689 in 1992 and \$261,175 in 1993. This latter figure is much less than the present profit under the first development and is only obtained after the expenditure of almost \$7M together with many millions of dollars more in interest payments.

The critical elements of this economic analysis are summarised below:-

	Original Occupancy Projections	Downward Revision of Occupancy Rates
(i) Internal loans repaid during year of 1994		1996
(ii) Internal rate of return on investment:		
- Required rate	13.5%	13.5%
- 10 years	5.17%	-2.9%
- 20 years	17.63%	13.71%
(iii) Profit position for year:		
- 1989	(3,839,365)	(3,839,65)
- 1990	(2,666,633)	(2,737,589)
- 1991	(4,658)	(154,097)
- 1992	394,901	144,689
- 1993	605,404	261,175
(iv) Net cash position:		
- 1989	-	-
- 1990	-	-
- 1991	-	-
- 1992	394,901	144,689
- 1993	1,000,304	405,863

RESERVE FOR EMPLOYEES LEAVE ENTITLEMENTS

A prime instance of the way in which ratepayers of Warringah Shire can be disadvantaged because of the size of Warringah Shire is to be found in the operation of the above reserve.

All councils are required to provide for such a reserve so that, in the event of an officer's transfer to another council, his entitlement can be paid to the new council employer, and in the event of termination of services, money is available to pay the amount due.

The prevalence of council staff to take "sickies" decided a number of councils, including Warringah Shire, to offer an inducement to improve attendance. After 10 years service, 50% of the value of untaken sick leave would be payable on termination of their services.

In 1986, Warringah approved of an increase in these conditions so that after 15 years service 75% of untaken sick leave would be paid, and after 20 years, 100% would be paid. Moreover, this was incorporated in an industrial agreement, to be used by the union to pressurise other councils in N.S.W.

This change of policy was organised by the senior staff of council who are by far the greatest beneficiaries of this agreement which will cost the ratepayers of the shire more millions in rates than can possibly be calculated.

Already the effect of this decision is evident in Warringah's annual Financial Statements. Schedule 34 in each statement reveals the following increases in untaken sick leave entitlement.

		\$	\$
1985	Increase	108,000	Balance in reserve 993,985
1986		680,000	1,665,158
1987		173,000	1,838,688
1988		267,000	2,105,475
1989		195,000	2,300,748

With a staff of over 1300 employees, if only half were employed by the Warringah Shire for 20 years, the payment of one weeks salary or wage, (50% only of the entitlement) at an average retirement salary of \$600 weekly, the cost to the ratepayers would be a minimum of \$7,800,000. As in practice, many employees will serve up to 40 years on council. It is easy to see that far more than the \$7,800,000 will ultimately have to be paid. The Shire will be bankrupted when Long Service and the other half of sick leave entitlements are payable.

It is not considered necessary to fully cover the total liability in cash, but most councils and auditors appear to regard a two thirds cover as sufficient. In 1984, Warringah's cover was \$3,613,764 of an accrued liability of \$5,090,468. In 1989, five years later, the accrued liability is \$8,158,465 with only \$2,038,628 available to cover possible payouts. The Balance Sheet liability has risen from \$1,476,704 to \$6,119,838 at a time when there is a possibility that a large payout may have to be made.

#### FOREST COMMUNITY CENTRE (BELROSE)

Built in 1984 at a cost of over \$2,000,000 the Forest Community Centre is Warringah Council's most extravagant facility.

In 1986, it finished up losing \$119,544 although the budget estimate was \$14,046.

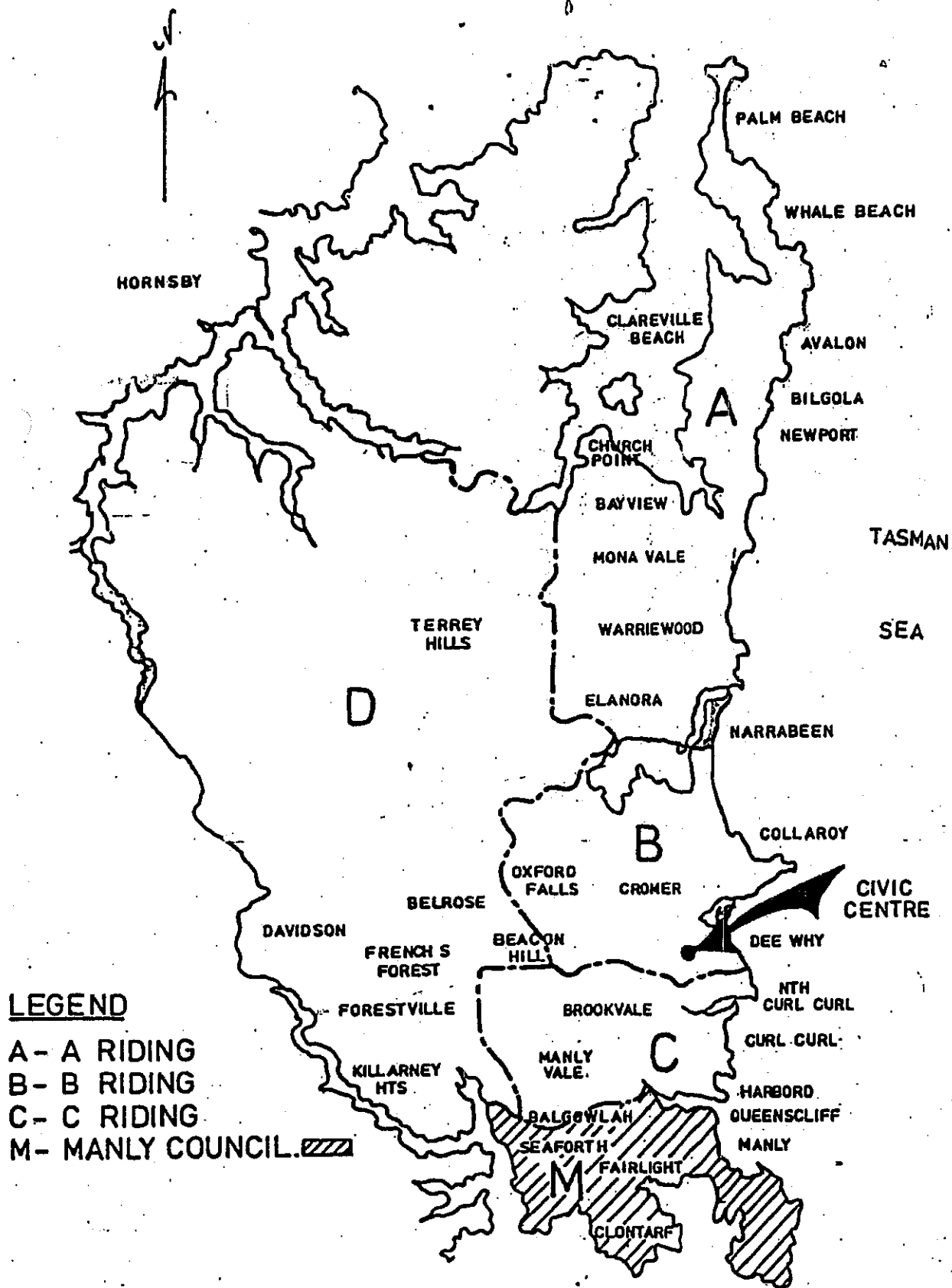
In 1987, it appeared to be heading in the same direction. At the end of September, according to the 2A return, it was already \$66,740 overspent, but by the end of December, a sudden surge of income reduced the deficit to \$43,318. It was remarkable that income on this day to day basis was \$161,758 for the first nine months, and \$119,261 for the last three months.

The progressive income and expenditure figures for 1988 and 1989 were:-

	2A 31 March	2A 30 June	2A 30 Sept	2A 31 Dec	INCOME Dec Quarter
	\$	\$	\$	\$	\$
1988					
Expenditure	109,583		347,490	506,385	
Income	39,506		217,631	428,696	211,065
Net cost	70,077		129,859	77,689	
1989					
Expenditure	216,767	444,081	693,579	899,607	
Income	42,963	296,071	533,403	880,726	347,323
Net cost	173,804	148,010	160,176	18,881	

# WARRINGAH SHIRE COUNCIL

# ELECTORAL BOUNDARIES





In 1988 it was decided to operate a restaurant in association with the Forest Community Centre. For this purpose a kitchen was built to service this restaurant at a cost of \$263,812 which was \$67,337 above the approved estimate. A further amount of \$28,132 was spent in 1989 making the total cost of the kitchen \$291,944, very much higher than the original estimate of \$196,475 on which council approved this project. Neither the interest on the \$2M borrowed to build this centre, or on any kitchen cost appears to be included in the above figures.

The remarkable upsurge of income received in the December quarters of the years 1987, 1988, and 1989 was finally explained by the General Manager/Shire Clerk in his comment No. 20 covering this item in the September 2A Return for 1989. This comment "re-allocation of funds within overall budget in line with projections to year end" appears to indicate that unspent moneys on other votes will be transferred to this item, and hide from council the extent of the disastrous losses being incurred thus on behalf of a comparative handful of shire residents.

As the same December quarter phenomenon occurred in 1987 and 1988, it would appear that such transfers have already been made in the past, without them being recorded in the financial statements. If such transfers have indeed been made, which items were given higher expenditure totals, and to what extent was the following year's estimates affected?

Alternatively, the income shown for the March quarters of 1988 and 1989 are so low, that possibly income from those quarter have been shifted back to the previous year. However the Shire Clerk's comment No. 20 would appear to rule that out.

The Shire Auditor's Report which follows gives some indication that all is not right. This report was never presented to Council.

#### THE BAYVIEW BATHS AMENITIES BLOCK

Here is another example of confusing and misleading bookkeeping.

Since before the Warringah Shire was created, a public baths existed next to the Bayview public wharf, complete with corrugated iron dressing sheds and pan toilets. These unsightly sheds were finally removed about 1982 and council resolved in 1986 to replace them with a modern facility on the reserve which had been grassed opposite the baths.

According to the 1986 2A return, \$44,000 was approved for this building, however, only \$100 was spent and the balance of \$43,900 carried forward to 1987 as an "Incomplete Project".

In 1987 the council 2A returns gave no details as to the cost of any improvement works carried out that year, but the 2A return did indicate a carry forward amount of \$18,924. It would seem that the difference of \$25,072 would have been included as part of the \$1,506,321 spent by the Shire on buildings that year.

The 1988 2A return shows a carry forward of \$21,999 and an amount of \$23,240 spent on this amenities block. As will be seen when the Shire is inspected, the above expenditure recordings and carry forwards are entirely fictitious, since there has been no construction of this necessary facility at Bayview. It does not exist.

How is it possible for all these transactions to be recorded over a period of three years without any work being done on an approved project, particularly as there are no public toilets available for those using the wharf and marinas, and picnicing on the reserve?

SCOTLAND ISLAND COMMUNITY HALL

Here is another item of curious and misleading accounting. It is also a graphic example of what happens to cost when projects are unduly delayed:-

Council records show that \$21,000 was borrowed in 1981 to construct a community hall on Scotland Island. It is listed as one of the loan commitments that the proposed new Pittwater Council would have to repay. Nothing was done on this approved project for several years. Finally an amount of \$38,012 showed up in the 1987 2A return as a carry forward to 1988.

The 1988 2A return shows expenditure of \$15,278 for that year, with a carry forward of \$22,734 into 1989.

The 1989 2A return shows a carry forward amount of \$67,334 with an expenditure that year of \$66,320, all from revenue.

What would apparently have cost \$21,000 in 1981 when funds were then available finally cost \$81,598 due to the apathy of council and its officers for an "A" Riding requirement. This is not economy of scale.

What happened to the \$21,000 still charged to "A" Riding as a loan item to be repaid?

SCOTLAND ISLAND BUSH FIRE BRIGADE SHED.

Here is another example of delay resulting in inflated cost, and a remarkable use of loan funds combined with revenue moneys to pay for a development that also attracts state grants and insurance contribution.

For many long years, a B.F.B. tanker was housed in a ramshackle old shed on Scotland Island. If residents wanted to hold a meeting, the tanker would be driven outside, and returned after the meeting.

In 1985, the 2A return indicates an approval to spend \$45,000 on an extension to this shed. There was no expenditure that year.

In 1986 the 2A return indicates an expenditure of \$910 that year and a carry over of \$79,090 into 1987. The \$45,000 from 1986 had grown to \$80,000 in the carry over process.

It is not known if there was any expenditure in 1987, but the 2A return for 1988 shows expenditure of \$786 on the extensions and \$86,214 was listed as a carry forward into 1989. This carry forward amount is now listed as a loan item to be charged to Pittwater.

In 1989, the 2A return records another expenditure of \$595 and a loan carry over of \$85,619 into 1990.

The March 1990 2A return shows this carry over of \$85,619 plus a further approval of \$54,000 from revenue, a total in all of \$139,619 to house two tankers.

It is of note that a new shed erected to house a bush fire tanker at great Mackerel Beach in 1988/89 cost only \$26,156.

THAT THE PROPOSED PITTWATER COUNCIL WOULD BE COMPLETELY VIABLE

The viability of the proposed Pittwater council has never been in doubt.

In 1966, when the proposal for a Pittwater Shire was introduced, the Warringah Shire Clerk, James Morgan, admitted to the preliminary enquiry conducted by the Boundaries Commission, that a council in "A" Riding would be completely viable. At that point of time, "A" Riding included Terrey Hills and Duffys Forest, and occupied half of Warringah's total area.

At this preliminary hearing chaired by Mr. Vernon Treatt, a draft budget was submitted, verified by the Shire Treasurer, Mr. Frank Hall, showing "A" Riding contributing 36% of council's total rate.

The 1968 shire revaluation increased the total value of properties in Warringah by 4% but the "A" Riding values within this assessment had risen by 21%, and the riding then contributed 42% of Warringah's total.

The creation of a fourth riding reduced this 42% to 32% with Terrey Hills, Duffys Forest and part of Ingleside being transferred to the new "D" Riding, while the Narrabeen Peninsula north of Waterloo Street was put into "A" Riding, and the Wimbledon peninsula was moved into "B" Riding.

The sum total of all this adjustment of riding boundaries within the Warringah Shire was to reduce the area of "A" Riding from half to one quarter of the shire area.

The application of the 1983 land values for rating purposes in 1989, when "A" Riding paid \$1.9M of the \$2.2M shire rate increase, restored the proportion of Warringah rates paid by "A" Riding back to 36%. On this occasion, however, its area was now reduced to half that in 1966.

When local dissatisfaction brought this issue again to the surface, an initial petition collected 8,600 signatures on the one day. A draft proposal was prepared, including a budget extracted from the 1986 shire estimates.

On the basis of Warringah's high expenditure and income levels, a surplus was revealed in this draft budget of \$3.9M that would be available for increased works and reduction of rates. The 1983 revaluation added almost \$2.0M to this surplus.

Warringah Shire no longer provides its councillors with sufficient information in its budget papers to even assess the adequacy of the amounts included, let alone provide enough information to separate costs for the "A" Riding area.

As indicated elsewhere in this submission, the shire is so overrating its residents, and increasing its expenditure levels far beyond those of all councils, that its figures would not be appropriate. It would be a major task to cost such a budget under these circumstances.

To obtain the necessary information for the preparation of a budget for a much smaller council than Warringah, the annual reports of the N.S.W. Local Government Grants Commission were researched for a comparative council or councils.

It is extremely difficult to find a measuring stick for rates when comparing councils. Each has a different composition of area, population, and residential, rural and non-residential assessments. In addition, there are special problems and budget variations that tend to complicate comparisons. The extensive number of minimum rates for home units tend to reduce averages, and high rates charged for industrial and commercial properties tend to increase the average rate.

The nature of a council's area, the standard and extent of the services provided to the community, and council's efficiency are also important.

The only Council that appears to be suitable for comparison purposes is the Auburn Municipality, with a similar population and area to be administered. Whilst Auburn is heavily industrialised in sections of its area, the fact that it charges one general rate for all its ratepayers, avoids the complications that could arise for differential rating for non-residential properties.

The Auburn Council's 1990 budget has been selected for the purpose of assessing the operating cost of the Proposed Pittwater Municipality. The following reasons for this decision are tendered:-

The population and urban area are similar. Both councils would have a population of around 50,000 and after allowance is made for areas controlled by other instrumentalities, the amount of maintenance generated would also be similar. Auburn's 32 sq.kms would reduce to 27 sq.kms when the Rookwood Cemetery is deducted, and after the waterways of Pittwater and that part of Ku-ring-gai Chase that lies in "A" Riding are deducted, the 115 sq.kms of the proposed new council area would be reduced to 39 sq.kms of which 16 sq.kms are rural and open space land.

Auburn's costs are those of a well run council operating in the best traditions of Local Government. Its budget is clear cut and enables easy comparison with what is now being spent in "A" Riding by the Warringah Shire.

Subject to the variations set out hereunder, it is submitted that income and expenditure levels, particularly starting levels, would be much the same for the Pittwater Council as proposed and the Municipality of Auburn.

#### ITEMS INVOLVING EXCESS COSTS FOR AUBURN

##### 1. ENGINEERING CONSTRUCTION AND MAINTENANCE

Auburn experiences very large traffic volumes as much of the western suburbs traffic passes through its area in all directions. Many heavy vehicles service its industries, involving higher than normal road maintenance costs. The age of Auburn's infra-structure could also involve reconstruction, but this would be matched by the need for more kerb and guttering in the Pittwater district.

The Pittwater area is at the end of the traffic line with nowhere near the traffic volumes experienced in Auburn. Such heavy vehicles that come into its area use Mona Vale Road, Pittwater Road and Barrenjoey Road, for which the State is responsible for maintenance.

The 1990 budget for Auburns maintenance and construction is \$8,715,917 off set by grants of \$2,955,134 and other income totalling \$574,700. The net total is \$5,186,083.

Accepting Warringah's 1990 allocation of \$2,173,000 for improvement works, which is much higher than usual, and adding three quarters of the northern region works maintenance vote of \$1,600,000, the Pittwater total would come to \$3,373,000 or \$1.8M less than Auburn.

2. PARKS RESERVES AND GARDENS

Auburn has budgeted a net \$867,760 for its parks, gardens, and reserves vote in 1990. It maintains 26 playing fields, 28 parks (Passive Recreation) and 33 small gardens and reserves. It operates its own nursery, and it provides a botanical gardens with a Japanese garden, Bonzai garden and an Aviary of rare birds for the benefit, not only of Auburn residents, but those also of surrounding municipalities.

There are only 14 playing fields belonging to council in "A" Riding, and many of its reserves are virgin bush such as Hudson Park, Stapleton Park and the Angophera Reserve at Avalon.

Inspection will reveal all too clearly the absence of those recreation areas provided so well by the Auburn Council and maintained at a high level to meet the requirements of international and interstate competition. It is considered that the cost of maintaining the much lower number of parks, gardens, and reserves in the Pittwater area would be no more than two thirds of the Auburn budget.

3. GOLF COURSES

Auburn and Pittwater both operate golf courses. The budget cost of the Auburn Course is \$52,000 profit, and that of the Avalon Course \$53,000 profit. However, Auburn has budgeted in 1990 for capital improvements to be charged to revenue at a cost of \$100,000 and this would have an effect on the comparison ratewise.

4. SWIMMING POOL

Auburn provides a swimming pool and diving tower at international standards for its residents at a 1990 cost of \$176,000.

5. LIBRARY SERVICES

Auburn operates a main library and two staffed branch libraries for the benefit of its residents, and also provides a home delivery for those who are housebound. Its net cost, after allowing for a grant of \$88,470 is \$824,723.

Pittwater has a main library at Mona Vale operated by a staff of 14. A part-time library manned by volunteers is also provided at Avalon.

It is envisaged that a chief librarian with possibly four assistants beyond those already in the Mona Vale Library could involve \$600,000 on this item. It is envisaged that the grant of \$88,000 would be fully taken up on purchase of books etc.

6. LOAN REPAYMENTS

Auburn's 1990 budget provides for loan repayments of \$870,628. The amount payable for outstanding loans in the "A" Riding of Warringah Shire apart from the Camping Area loans would be \$636,525 after an allowance is made for rentals of \$133,000 received from leasing part of the Avalon Library building.

Of relevance it is advised that so many loans in the "A" Riding area are reaching maturity in the near future. By the end of 1993, the \$636,000 will have dropped to \$400,000; by 1995 to \$210,000; and by the end of 1997 the total amount outstanding of existing loans will involve a repayment figure of only \$22,000 p.a.

However, the above information is separate from the \$5,000,000 which Warringah Shire has just borrowed to fund its development of the Narrabeen Caravan Park. The interest on this alone apart from any repayment of capital, will be over \$700,000 p.a.

This action by Warringah Shire has converted a reduction of \$234,000 in the draft Pittwater Budget to an estimated \$560,000 additional commitment. This has been allowed for in the comparison, and in itself is indicative of the financial viability of the proposed Pittwater Council that an amount such as this can be handled with ease.

#### ITEMS INVOLVING EXCESS COSTS FOR A PITTWATER COUNCIL

##### 1. BEACHES AND BATHS

Pittwater has many beaches and rock pools to maintain. The 1990 budget of Warringah for this expenditure is :-

	\$
Maintenance and cleaning	660,105
Beach Inspectors	496,160
Subsidy to S.L.S.A.	<u>62,809</u>
	<u>1,316,764</u>

Pittwater has half the number of beaches in its area, although they do not receive the same amount of attention as the southern beaches due to the greater population in that part of Warringah. It is considered that a budget of \$600,000 would meet all costs.

##### 2. TOWN PLANNING

The Auburn council has less townplanning costs due mainly to the older nature of its area. There is considerable increased activity in this regard due to proposals to utilise the Flemington saleyard area for Industry. Its budget for 1990 is \$441,148, less fees and charges totalling \$379,670. The net cost is \$61,478 of which \$23,000 is set aside to meet legal expenses. The 1989 cost of legal fees was \$18,327. Three townplanners and two clerical staff handled this expenditure.

Warringah's budget for 1990 is \$2,190,064 less fees and charges which total \$989,500. The net figure is \$1,200,564. This includes \$625,000 for legal costs which appears to be excessive as can be seen from the following costs:-

<u>YEAR</u>	<u>BUDGET</u>	<u>ACTUAL</u>
1986	94,000	107,000
1987	116,500	147,000
1988	137,500	300,000
1989	131,000	612,000

It would appear that the council is budgeting to cover its own bureaucratic incompetence. To achieve this, there is a staff of 40 engaged with very little to show for over one million dollars in salaries. In comparison, the Ku-ring-rai Council which is particularly environment conscious, budgets \$621,000 of which legal expenses are \$130,000. With legal costs deducted, Ku-ring-gai Council with a staff of 20 handle expenditure of \$491,000 while Warringah uses a staff of 40 to spend \$554,000.

A Pittwater Council would obviously have plenty of work for its town planners with the present development under way in the Warriewood Valley, and later Ingleside to be planned. Much of this work attracts fees and these would offset extra costs. A provision of \$400,000 is considered appropriate. This is almost half of the normal 1987 cost updated with the cost of living for all Warringah. In comparison, the Hurstville council of similar size had a budget in 1989 of \$208,754 with a staff of 6 on townplanning duties.

3. WHARVES AND JETTIES

Warringah's estimate for the maintenance of wharves around Pittwater is \$141,000. There appears to be no reason to vary this figure.

4. BUSH FIRE BRIGADES

There are a number of small bush fire brigade huts in the Pittwater area at Mackerel Beach, Towlers Bay, and on Scotland Island. Expenses are minimal compared to the rest of Warringah Shire. Some contribution to Brigade Headquarters at Terrey Hills would be appropriate. A total of \$80,000 is suggested for this cost, less \$60,000 from grants.

5. FIRE BRIGADE CONTRIBUTION

Contributions to the Fire Brigade are based on the land value of those properties protected by that organisation. It would appear that a new council would be required to pay approximately 40% more than Auburn. Auburn's budget for 1990 is \$219,947. 40% on this figure is \$88,000.

6. EXCESS SALARIES FOR SENIOR STAFF

It is considered that the task of setting up and running a new council would warrant a higher grade of salary to attract capable senior staff. It is submitted that grade 14 rather than the grade 11 paid to Auburn staff would be appropriate. The following positions and additional salaries would be:-

<u>POSITION</u>	<u>GRADE 11</u>	<u>GRADE 14</u>	<u>INCREASE</u>
	\$	\$	\$
Town Clerk	1,129	1,268	139
Deputy Town Clerk	931	1,042	111
Town Engineer	1,113	1,243	130
Deputy Town Engineer	918	1,023	105
Chief Health & Building Surveyor	947	1,057	110
Town Planner	925	1,039	114
Accountant	768	807	39
			<u>748</u>

The total cost, including 20% overheads, would amount to \$46,800.

7. COUNCIL CHAMBERS

Pending the ultimate erection of its permanent council chambers on land owned by council in Mona Vale, it will be necessary to obtain temporary accommodation for council staff to serve the public. This can be done by renting accommodation, or by erecting a number of demountable buildings which could be sold after the new premises was occupied. A sum of \$200,000 is provided for this purpose. The cost of maintaining and cleaning these premises would be covered within the Auburn budget.

8. WEED CONTROL

The Auburn Council has budgeted \$105 for the control of weeds. This follows \$113 in 1989 and \$100 in 1988.

Warringah has spent almost half a million dollars in the past six years (\$485,261) without any apparent result as far as "A" Riding is concerned.

To free the proposed Pittwater Council area of masses of lantana and other noxious weeds would be a major task covering several years. It would be necessary to provide for such a programme to start immediately and \$60,000 is proposed for this purpose.

9. COMPUTER EXPENSES

Auburn's full computer requirements are serviced by a rented computer fully serviced and maintained, and operated by three office assistants under the direction of the normal staff.

The cost of this rental and such purchases of software as required is budgeted in 1990 to cost \$105,225 in addition to the salaries of the three operators within the Town Clerk's Department.

Warringah, on the other hand, has already purchased two computer systems, and is presently charging its ratepayers in advance for another one. Its budget for 1990 in the estimates papers is \$1,388,755 including \$511,266 for salaries, and \$321,000 for the computer reserve.

Since 1984 the budgets for computer costs have been:-

ITEM	1984 (\$000)	1985 (\$000)	1986 (\$000)	1987 (\$000)	1988 (\$000)	1989 (\$000)
Salaries	374	358	416	418	430	476
Maintenance	99	136	191	261	266	321
Operating Costs	83	94	108	103	113	140
Equipment	<u>1,276</u>	<u>343</u>	<u>460</u>	<u>792</u>	<u>535</u>	<u>864</u>
	<u>1,843</u>	<u>930</u>	<u>1,115</u>	<u>1,574</u>	<u>1,344</u>	<u>1,802</u>

The above figures do not include the \$229,000 interest paid on the initial loan in 1984 for the purchase of computers. The 1989 audited financial statement shows the computer reserve to be holding a further \$602,116 at the 31st December, 1989. The budget papers show a further \$321,000 to add to this reserve, but for some reason the March 1990 2A return shows an approval of \$1,017,600 for further equipment in an amount of \$2,085,355 for this year.

To what extent Warringah could compete with industry to provide such services is unclear. It is obvious that buying computers is not a practical proposition. Computers are supposed to save costs not escalate them as has happened in Warringah.



The Hurstville Council in its 1989 budget papers indicated that it was purchasing a computer and equipment, and providing uninterrupted power at a capital cost of \$206,000 and its estimated operating costs were \$279,000 in 1990 rising to \$286,000 in 1992. Prior to that, this council used the services of a bureau at a cost of \$40,000 in 1988 and \$108,000 in 1987.

The proposed Pittwater Council would have to go through an expensive transition period until its own building was available to house rented equipment or contract its requirements out. A figure of \$400,000 is suggested to meet the cost of whatever is decided.

There will be variations in almost every item in practice, some higher and some lower, but mostly of a minor nature. The following draft budget showing a saving of over five million dollars will more than take care of such items that at this stage cannot be specifically determined.

#### SPECIAL INCOMES AFFECTING COMPARISON

##### 1. INVESTMENT

Auburn has provided in its 1990 estimates for income totalling \$1,050,000 to be received from interest on short-term and other investments. The Warringah Council has budgeted for an estimated interest amount of \$5,600,000 from such investments. It would appear that at least \$2,000,000 would be received in interest from this source when the amount to which a Pittwater Council would be entitled is transferred.

##### 2. COMMONWEALTH GRANT

Because of its higher capacity for rating income, the proposed new council may only be entitled to the minimum grant from the Grants Commission. Any possibility of additional grant would have to await a survey following the setting up of the proposed new council. It would appear that the amount anticipated would be approximately \$400,000 less than what is receivable by Auburn.

##### 3. KIMBRIKI TIP

It is anticipated that the proposed new council would be incorporated into the joint services agreement with Manly and Mosman Councils over the operation of the Kimbriki Tip at Terrey Hills. It would appear from Warringah's financial returns that upwards of \$300,000 profit could be received on apportionment.

DRAFT BUDGET FOR THE PROPOSED MUNICIPALITY OF PITTWATER

Auburn Council rates, including garbage charges		\$	12,524,000
<u>DEDUCT</u>			
Higher Engineering costs		\$	
		1,800,000	
Higher Parks, Reserves and Gardens costs		290,000	
Capital work on Golf course		100,000	
Cost of Swimming Pool complex		176,000	
Higher library costs		225,000	
		<u>2,591,000</u>	
Less higher grant from Grants Commission		400,000	
			<u>2,191,000</u>
			10,333,000
<u>ADD</u>			
Higher loan repayments		560,000	
Weed Control		60,000	
Beaches and Baths		600,000	
Higher-computer costs		300,000	
Higher Town planning costs		340,000	
Wharves and Jetties		140,000	
Cost of Bush fire brigades		20,000	
Higher Fire Brigade Contribution		88,000	
Excess salaries of senior staff		47,000	
Cost of temporary accommodation		200,000	
		<u>2,355,000</u>	
Less higher interest on investments	\$ 950,000		
Proportion Kimbriki Tip surplus	300,000		
		<u>1,250,000</u>	
			<u>1,405,000</u>
			<u>11,438,000</u>
Warringah's rate charges for 1990 are :-			
1989 Assessment	13,157,260		
Add 7.3%	960,480		
	<u>14,117,740</u>		
Add garbage fees (20,000 @ \$118.)	2,360,000		
	<u>2,360,000</u>		
			<u>16,477,740</u>

## COMPARATIVE ESTIMATES FOR YEAR 1966

Item	Warringah		Pittwater	
	Expenditure	Income	Expenditure	Income
	\$	\$	\$	\$
General Purposes	214,934	90,000	105,900	30,300
Public Works .. ..	1,861,888	332,300	641,050	112,900
Parks & Public Reserves ..	291,560	168,000	118,900	116,200
Beaches & Baths .. ..	152,800	3,180	58,800	2,400
Health Administration ..	136,258	116,500	48,540	38,100
Effluent/Sullage .. ..	125,000	126,000	40,000	40,000
Sanitary Service .. ..	110,700	109,726	37,000	37,000
Garbage Services .. ..	318,572	38,736	109,900	6,000
Public Services .. ..	294,160	26,382	103,400	10,000
Libraries .. ..	87,276	35,000	1,200	-
Town Planning .. ..	90,486	13,800	40,000	4,600
Shire Property .. ..	287,656	328,650	160,700	110,000
Miscellaneous .. ..	84,360	165,660	29,800	54,500
Loan & Time Payment				
Instalments .. ..	459,978	-	153,300	-
Belrose Subdivisions ..	68,600	68,600	-	-
Plant .. ..	80,364	-	26,800	-
Office Equipment etc. ..	5,856	-	2,000	-
Buildings .. ..	60,606	-	35,600	-
Land Acquisition .. ..	97,600	-	42,900	-
Loan Moneys .. ..	856,014	856,014	285,000	285,000
Surplus .. ..	44,542	-	44,570	-
Rates Receivable .. ..	-	3,249,792	-	1,184,360
	<u>5,729,210</u>	<u>5,729,210</u>	<u>2,031,360</u>	<u>2,031,360</u>

## Summary of Staffing Estimates included above:

General Purpose Salaries	.. ..	(42)	\$129,570	(22)	\$70,464
Public Works Salaries	.. ..	(29)	123,414	(13)	49,800
Health Admin. Salaries	.. ..	(28)	99,794	(11)	36,834
Town Planning Salaries	.. ..	(9)	27,294	(5)	16,516

WARRINGAH SHIRE ZONING AREAS  
Prescribed Scheme, June, 1963

Zoning	"A" Riding	"B" Riding	"C" Riding	Total
	Acres	Acres	Acres	Acres
Rural .. ..	8,130	4,748	33	12,911
Residential .. ..	4,252	4,384	3,475	12,075
Business .. ..	44	45	68	157
Industry .. ..	34	229	294	557
Special-Uses .. ..	339	580	702	1,621
Open Space .. ..	1,691	1,628	735	4,058
Reservations .. ..	819	920	1,392	3,131
Roads .. ..	870	660	675	2,205
	<u>16,179</u>	<u>13,158</u>	<u>7,374</u>	<u>36,711</u>
Waterways .. ..	6,310	200	53	6,563
	<u>22,489</u>	<u>13,358</u>	<u>7,427</u>	<u>43,274</u>

The report of the Committee of Enquiry into Local Government rating is very relevant to the present situation in Warringah Shire.

In its conceptual approach, inter alia; the Committee reports:-

"The recommendations which we have made are based on the following general principles:-

- Councils, in keeping with the Federal and State Governments must be concerned with controlling expenditure through the review of programmes and priorities rather than increasing access to revenue. They must become more efficient.
- Revenue resources should be designed so as to make "user pay" the predominant consideration.
- Where the "user pay" principle cannot be applied to determine the price or charge, the alternative should be based on:-
  - Equity or fairness
  - Simplicity
  - Accountability, or visibility

In the financial context on Page 10, the Committee of Enquiry draws attention to the changes in council revenue where council income from rates has dropped from 52% of the total income in 1968 to 42% in 1987.

It is of note that the 1990 Warringah Shire budget indicates a proportion of 48% of the total income. As expenditure includes over \$10M of capital and improvement items, the proportion of rates charged for operating costs would rise to 54%. This is 12% more than the average for all other councils.

This is further confirmation of the manner in which Warringah Shire is overcharging its ratepayers.

The Committee of Enquiry further states:-

"in the end result we have approached our review from the viewpoint of the ratepayers who are asking "what am I paying for?" and "am I getting value for money?"

Whilst the committee of Enquiry still recommends a continuance of rate-pegging, it drew attention to a possible disadvantage in so far as it could provide councils with an excuse for regular yearly increases.

Although the increases allowed by rate-pegging only cover the theoretical increase in costs experienced by local councils, it is argued that the setting of a statutory limit encourages councils to increase their rates by at least that percentage without attempting to reassess whether further economies in the councils operations can be found.

Each year Warringah Shire has increased its rates by the authorised percentage and tailored its estimates accordingly. Moreover, by inflating its estimates in the base year by well over \$6M, the rates collected in each succeeding year automatically includes an extra \$6M + over and above the normal cost of operating expenses. By this means it has by-passed the rate-pegging applying to all other councils.

The percentages determined for the past five years compound to an increase of 39.9%.

Warringah's expenditure level, both for revenue and total, has been increased by 67% over that period, or 69% higher than the theoretical increase in costs.

This would be in order if the additional expenditure had been met from council's reserves, but in the same period council's total funds rose from \$20.5M at the beginning of 1984 to \$46.7M at the end of 1988, an increase of \$26.6M. In the same period, councils improvements budgets were overspent by \$23.8M, and the revenue budgets by \$22.3M.

It is obvious that the economies in the interest of ratepayers referred to by the Committee of Enquiry have played no part at all in Warringah's expenditures.

In section 9.01, the Committee of Enquiry, in dealing with garbage charges, emphasises the need to set garbage charges so as to cover the cost of the garbage operation, but not to produce a surplus from the operation.

Warringah Shire's budget for 1990 provides for a profit of \$3.4 M to be taken from its ratepayers. This unwarranted levy, together with interest charged in the budget to ratepayers on their own reserve funds, and the increasing amount of unspent rates carried forward each year, are the reasons why the rating proportion of total income is so much bigger than other councils.

In section 12, the Committee of Enquiry reports changes in the pattern of local government outlays towards the provision of educational, welfare, housing, community, recreational, and cultural amenities. The Committee indicated that "whilst it has been argued that local government is in the best position to harness community support for the management of these services, and this may be the case, the Committee questions whether need should be measured independent of other needs, and the competition that exists for scarce resources, both human and financial."

"It has all too often been the case in the past that much of the available finances has been expended on the employment of professional staff to prepare assessments of demand, long-term projections, performance measures, and so on. While not denying that this might be seen as meeting modern management theory, the result has often been that too few funds are available for service delivery as distinct from planning."

Table 4 of the Committee's report indicates that the average proportion of all councils to total expenditure on ordinary services for health, welfare, housing, community recreation, and education including libraries, was 25% from 1984 to 1986, and rose to 26% in 1987.

Warringah's proportion for such services was 31% in 1984, 35% from 1985 to 1987 and rose to 37% in 1988. As each 1% represents over \$600,000, the difference of 10% means that Warringah is spending \$6M over and above the level spent by other councils.

With so much surplus income available to Warringah Shire as a result of by-passing ministerial restrictions, there is little need to harness community support, and extravagant hand-outs to small sections of the community persist at great cost to shire ratepayers.

In Section 11.09, on page 83 we read:-

"On the basis of the track record of local government in the entrepreneurial field, and the risks involved, it would seem that the reservations of ratepayers are well justified as to local government entering into the entrepreneurial area.

The enquiry feels that there is considerable merit in the argument that councils should not enter into ventures which might be in competition with local ratepayers. We therefore conclude that councils should not engage in entrepreneurial activities except under comprehensive guidelines laid down by the Minister for Local Government setting out the need for feasibility studies, rate of return analysis, and the extent to which such activities might be competing with local business."

Warringah Shire is engaging in such activities with disastrous results at the lakeside Caravan Park and the Belrose Community Centre, which is referred to elsewhere in this submission. It also proposes to commercialise the nursery at Ingleside.

The Shire embarked on a re-development of the caravan park at Narrabeen at an estimated cost of \$4.7M, now found to have been overestimated by \$600,000 due to an error of calculation. The cost of this development has now escalated to \$6.8M which is 68% higher than the true estimate. At the same time, the anticipated income from all this expenditure has been exaggerated, and it will be many years before the present level of income is exceeded.

In Section 17 on page 102 we read:-

"The Enquiry notes, however, that the Federal and State governments have been applying productivity targets to Departments and instrumentalities for several years. This has resulted in reductions in staffing levels. We recommend that local councils should set similar targets."

Warringah Shire has been steadily increasing its staff levels, from 62% overall over the past five years to 73% in the engineering division over the past four years with hardly any increase in the amount of works carried out.

On page 103 under the heading of "Accountability" the Committee of Enquiry states:-

Councils should be required to become much more accountable to their electorates through measures similar to those introduced by the State Government viz:-

1. The annual reporting requirements on state organisations are extensive, and an increasing emphasis is being placed on the development and monitoring of performance indicators.
2. Performance agreements, management plans, management reviews, programme evaluations and broad management and strategy reviews are each important approaches to improving the efficiency and effectiveness of government.

The Local Government financial system provides an efficient method to enable the elected representatives to assess budget requirements, monitoring performances through its quarterly 2A returns, and with the audited Annual Financial Statement supplied for their and the public's information.

But this is only effective if the system is followed as laid down in regulations.

Warringah councillors, handicapped by lack of full budget information and encumbered with massive agendas, give little consideration to the estimates as provided by the staff, and are unaware of the result of their budgeting till 18 months later.

The 2A returns prepared for the staff at the end of each year are never submitted in accordance with the Act, and as a result, they only find out what has resulted when it is too late to make changes.

In the majority of councils these 2A returns are carefully examined and are a major document keeping the aldermen/councillors in touch with the years activities, in Warringah they hardly warrant a glance before rubber stamping the staff recommendations. Not long ago, council adopted such a return and voted additional funds without any of the 12 councillors being aware that they had not received the document they were asked to adopt.

On Page 53 of Appendix 3, Item 5-7 we read:-

"With declining resources, Local Government needs to think carefully about whether services and facilities should continue to be provided. For example, in view of the declining value of roads grants from the Commonwealth Government, local authorities should consider whether some roads need to be maintained at their current standards."

From 1984 to 1986 Warringah's costs for road maintenance, including re-conditioning and re-surfacing averaged \$4.3M, and at that level of expenditure there was no dissatisfaction with most road surfaces.

To further improve surfacing, council embarked on a re-construction programme, and the total cost of road maintenance rose to \$6.3M in 1987 and 1988, and to \$6.5M in 1989. These extra costs absorbed the full annual rate increases for the Shire in those years.

It would be expected that after spending over \$6M more than the normal vote for this purpose, that the surfaces of shire roads would be so much improved, that an easing off of this expenditure could be done to allow other items in the shire budget to have some priority, but, lo and behold, the 1990 budget has risen to \$7.1M for road maintenance.

A two part residential property tax to apply comprising:-

(1) A fixed component based on 60% of revenue to be raised from the tax and to be applied equally to all residences (as defined) and

(2) An ad-valorem rate using land values based on 40% of the revenue to be raised from the tax

and to be paid by the owner of the property. A reduction may be made by the council in the amount of the residential property tax where the residence is located in an isolated area and no or limited use is made of council services.

The effect of this recommendation under Warringah would be to progressively reduce the level of inequity between "A" Riding rates and the rest of the Shire. But as this reduction is limited by the Committee to 10% each year the amounts involved would give little relief under Warringah's higher rate levels. In any case such small amounts would be regularly wiped out by succeeding revaluations of the Shire by the Valuer-General

A Pittwater Council, starting afresh with a lower expenditure level and rate could apply the new system immediately and restore equity to the "A" Riding ratepayers.

With each revaluation of properties by the Valuer General, the rate could be adjusted more effectively by a proposed Pittwater Council than by the present over-large Warringah Shire.

On page 110, the Committee of Enquiry, in summarising its recommendations, under the heading of 17.0 The Future, makes the following practical suggestions:-

Outlays by local councils should not grow in real terms over the next decade. To achieve this there needs to be continuing control over outlays especially employment.

Councils should set productivity targets to achieve reductions in staffing levels.

All councils to be required to prepare business/management plans and financial plans covering a 3 year period. Copies of these plans should be available for ratepayers to examine.

Councils be required to report to their ratepayers on performance in relation to their management plans annually through their annual reports.

Councils be required to have an independent efficiency and effectiveness review carried out by consultants, under guidelines laid down by the Minister for Local Government, within the term of each elected council. Such reports to be available for public scrutiny.

Senior managerial and professional staff of councils be employed on a contract basis.

Before councils undertake jobs by their own workforce, they be required to periodically (say once a year) call tenders for such work, and make public a comparison of the costs of tenders received compared with the councils own projected costs. Actual costs of work carried out should also be made public.

Funding be provided to the Department of Local Government to expedite preparation of a computerised inter-council comparative data system to enable councils and ratepayers to compare relative council efficiency (unit costs of services).

The Municipality of Pittwater Committee fully endorses the above recommendations and submits that the creation of the proposed new council will provide an excellent opportunity to put the recommendations of the Committee of Enquiry into practice. Most other councils will find great difficulty in adjusting to the new proposals as recommended due to past decisions and practices. It will be difficult in many cases to reverse or vary policies.

A new council starting from scratch, would not be so inhibited, and such practical suggestions could become guidelines for its operations.

Finally on page 23 of Appendix 3 we read:-

"Accountability requires that local taxation be clearly perceptible. Accordingly, the structure of local taxation should be set locally, be related clearly to local expenditure, and the effective burden should not be borne substantially by people outside the area concerned.



## SUBMISSION 10

That Warringah Shire is too large for efficient management by councillors and that the separation of "A" Riding from the shire would benefit all the shire, and improve local government services.

The population of Warringah Shire after separation of "A" Riding would be around 133 000.

There are ten other city councils in Sydney and Wollongong with a greater number of residents..

Bankstown	159 000
Blacktown	206 950
Campbelltown	135 400
Canterbury	135 400
Fairfield	171 350
Lake Macquarie	160 400
Parramatta	134 800
Penrith	149 350
Sutherland	188 200
Wollongong	174 620

With Terrey Hills, Duffy's Forest and Oxford Falls to be developed, Warringah will not be short of population growth to utilise council facilities and services.

The Commission has heard adequate evidence of the inefficiencies caused by the current work overload inflicted on council by the existing Shire situation.

It will obviously be of considerable benefit to the council, and most importantly to the people of B C and D ridings, if this work load is reduced by "A" Riding going its own way.

The elimination of "A" Riding matters and environmental problems will considerably reduce the size of the huge business papers now burdening councillors. There will be more time to examine their agendas, meetings could be shorter, and with the provision of an extra councillors per riding, the constituents would be better served.

With a considerable reduction in council business, the present long delays in dealing with applications could be reduced as officers with delegated authority have fewer matters to examine and approve.

With the creation of a separate Pittwater Council and transfer of a significant number of staff, there will be a marked reduction in accommodation problems at the Civic Centre in Dee Why. The chambers were built when the shire had a population of 144 000 and since then two other properties for the Rates Office and the Community Services Division have been acquired.

Submission 10 page 2

The proposed extension to the council chambers has been estimated to cost \$14 000 000, which with interest will probably reach \$20 000 000 by the time it is paid for. Most of this could be saved by the separation of "A" Riding....the expensive extension would not be necessary.

Further, the council engineering report shows a backlog of kerb and guttering, footpaths, and drainage in "A" Riding in excess of \$50 000 000. It will be up to "A" Riding to finance this, not the ratepayers of B C and D.

This theme will be developed by Cr Dunn .

Cr. Dunn:

To efficiently and effectively serve the ratepayers both the staff and the elected council must work efficiently and effectively.

Since the foundation of our democratic system is based on the effectiveness of the elected representatives it is imperative that they be given every opportunity to do their work well. It is not good enough simply to say they can be dismissed at the polls if they do not do a good job. They first have to have the facilities and the working environment in which to do a good job.

That situation does not exist in Warringah Shire Council insofar as "A" Riding is concerned and has not existed for a great many years.

To give the Commission an idea of what it is like to be a Warringah Shire Councillor and an "A" Riding councillor in the current council, I propose to give a rundown of events in two-weeks of council activities in which I was involved. They are two random consecutive weeks...chosen for no special reason other than they are recent.

In this time there were meetings of the Environmental and Town Planning Committee and the special meeting of the Community Facilities and Public Works Committee.

Before going into the daily details, I would like to provide the following background. According to the General Manager of the Shire the vast majority of development applications are handled by staff under delegated authority. Elected councillors determine only three percent of building applications in "A" Riding, two percent in D and one percent in B and C. Despite such a low number of referrals to council, massive agendas and long hours of argument are still the expected norm at any council meeting.

The second point worth making is that every meeting has to be a meeting of the Committee of the Whole. The duplications and unworkability of the system stands out when compared with the streamlined committee system that functions in efficient smaller councils such as Lane Cove.

Submission 10 page 3

The paper war in Warringah council is unbelievable. One could say with some justification that never in the history of local government has so much paper been generated by so many for so few decisions.

Now the work diary.

Thursday May 3  
1990.

Agenda and correspondence arrives, including previously dictated letters . Various reports including the minutes of the Warringah Shire Traffic Committee and the Council agenda for May 8. Attending to correspondence and survey of agenda, but not items themselves took 2 hours.

Friday May 4

8.00 to 10.00 am plus travelling time of one hour, for breakfast with State MPs and discussion of lengthy agenda of items. Then there was a committee meeting on subsidies for sporting clubs. I wished to attend because it arose out of a motion I moved in Council. I could not attend due to business commitments, but put in a written submission which took 30 minutes to prepare. I believe the meeting took 90 minutes.

Saturday May 5.

12 -2.00pm. "A" Riding ratepayer interviews. Six sessions involving a dozen people.

2.00-5.00pm. Follow up dictation and correspondence setting out the ratepayer problems , filing and checking material received during the week and dictating letters.

Sunday May 6.

8.00 -10.00am. Working on agenda with Cr Eric Green. Three phone calls from ratepayers.

The paper work associated with this session included the following: An agenda of 322 pages.38 separate reports. Minutes of three meetings to be confirmed.

Monday May 7

11.00-1200 - meeting with the Boundaries Commission.

4.45-6.00pm. Travelling to Council and then chairing the sub-committee of the Environmental Services and Town Planning , attended by the Chief Town planner, Cr. Couvret ((D Riding) and Cr. Brian Green (C Riding).

Submission 10 page 4

6.00-8.00pm. Checking correspondence from Councillor's pigeon holes and checking files arising from ratepayer interviews, with particular attention to the subdivision at Irrubel Road, Newport.

8.00 - 8.30pm. Telephone discussion with Cr Eric Green concerning matters arising from rate payer interviews and committee meeting.

Tuesday May 8.

4.30-6.30pm. Attending meeting and photographic session before regular council meeting.

7.45-12.45. Meeting continues and following it spent one-and-a-quarter hours putting away paperwork that was received with the envelop on the meeting night. Travel home at 2am. Altogether some 9 1/2 hours on council work. Then some time had to be spent "unwinding"...a problem I understand many councillors have.

Thursday May 10.

Meeting with various State Government departments concerning the land dumping issue . I was unable to attend due to court commitments, but I understand from other councillors that it lasted about 90 minutes.

11.30-12.30pm. Called at Council for discussions with Shire President and Deputy concerning a possible urgency motion arising out of a resolution passed on May 8 concerning the Barrenjoey Peninsula and Pittwater Areas Review of Warringah Local Environment plan 1985. I also discussed related matters from the Environment and Town Planning meeting of February 13 and problems with disputed minutes of that meeting.

8.00-10.00pm. Received agenda for special meeting of May 15 letters and documents. Reading and filing.

Sunday May 13.

Reading agenda - excluding Caravan Park item. 2 3/4 hours.

Monday May 14.

7.00-10.00am. Reading Caravan Park agenda material, perusing 2A returns in relation to it.

7.00-7.45pm. Discussing the agenda and caravan park item with Eric Green.

Tuesday May 15.

7.00-9.00am. Two hours perusing 2A returns and making questions for meeting that night.

Submission 10 page 5

5.00pm. Inspection of 137 Warriewood road. held over from previous meeting.

6.00-12.11am. Council meeting...with one hour break for dinner.

Following council, 1 1/4 hours filing and dictation.

This meeting included three items that had been held over from the previous meeting, and two for inspection and two because they simply were not reached before the meeting ended.

It also included Council's quarterly financial statements (Form 2A) for the year ended December 31 189 and for the quarter ended March 31 1990.

Both of these reports were overdue. At a previous meeting they could not be attended to because there was too much on the agenda.

Apart from the important 2A returns , there were 23 other items to be discussed in two committee meetings.

In addition there were two Presidential Minutes. Minute 13 involved a controversial matter concerning the Barrenjoey and Pittwater Environmental Study.

Other issues of vital concern to me that were discussed at the meeting were:

7:2. Mona Vale Memorial Hall - no previous consultation with "A" Riding councillors concerning the constitution and other matters which had led to the resignation enmasse of the 530A Committee.

7.4. Concern about the over-run on engineering works carried out by WSC and the failure to communicate this with the District Parks Committee. Apparently the estimate was exceeded by more than 40 percent.

Also concern about the assets of MacKellar Womens Bowling Club following winding up.

7.5. Minutes of the Public Housing Consultative Committee. Two items relating to Lot 100 Mona Street Mona Vale and to the extent of public housing in Wilandra Road.

7.6. Beach Watch Pollution Program. Certain matters requiring clarification.

7.7. Wanted to raise matters concerning the Parks and Recreation cost statement, the failure of the program to proceed, and the question of having to use independent contractors to finish off the work. However , since it was too late at night decided not to raise it at that time.

In the Public Works Committee Meeting, the following items were raised:

Submission 10 page 6

8.7. Pavement restoration Chiltern Road, Ingleside.  
Sought and got deferral for inspection.

8.8. Sought explanation as to why Council had approved a building which breached Council's own restriction as to user...no explanation given. Item deferred.

8.10. Minutes of Manly and Warringah Parks Joint Committee meeting. Question on litter and particular reference to MacDonalds.

8.13. Warringah Sullage Service. A hot item this one. A long discussion involving the Acting Shire Engineer on the report on the Sullage Service and criticisms made by a representative of the Users' Committee, Mr. Walter Wood.

Noted with concern that the number of customers had dropped by 25 percent, but there had been no reduction in staff. Indeed, mechanics were still at the same strength even though five new vehicles had been purchased. Some amazing statements in this report, including an admission that we had probably never done the job properly, and that teething problems with the new vehicles would continue for three months requiring keeping the mechanics. I found this amazing because I don't believe you know in advance that you are going to have teething problems for three months. Noted everyone agreed it should go out for private contract.

This will give you some idea of the complexity, the mass of paperwork, the diversity of meetings, the range of issues, and the hours worked. It is impossible to give crucial issues the time needed for study, research and debate to ensure good government. It is government on the run, and no matter how hard we try it is not efficient government. With all the best will in the world there is simply too much to cope with.

There is no way that the elected representatives can claim to be giving the people of this shire the supervision and control of staff operations that the electors are entitled to.

The Shire is too big, too complex, too diverse. The bureaucracy is too big, too clumsy and is generating too much paperwork.

And there is too much conflict between the staff and councillors, and between councillors from different areas with no significant community of interest.

The losers are the ratepayers.

To make a final point...consider this volume of council paperwork I received in one package on May 24.

It weighed three and quarter kilos.

Submission 10 page 7

It contained:

- \*Advance meetings notice - 2 pages.
- \*North Shore Strategic Transport Study by Dept of Transport for presentation at Council -86 pages.
- \*Minutes of special meeting of May 15 - 86 pages.
- \*Backyard burning report - 32 pages.
- \*Traffic Committee minutes - 86 pages.
- \*Development unit minutes - 61 pages.
- \*Bushfire Committee minutes - 3 pages.
- \*Financial statements - 101 pages.
- \*Amended 2A return - 75 pages.
- \*Sundry publications , Media Watch, Local Government and Shires Association circular. Pages not noted.
- \*Council agenda for meeting of May 29 - 320 pages.
- \*Correspondence in - 4.
- \*Correspondence out - 4.
- \*Incoming memoranda from Council Departments - one exceeding 10 pages and two of six pages each. In all 19 documents.
- \*Outgoing memoranda - 17.

Referring briefly to the Council meeting of May 29 with the 320 page agenda mentioned above, this meeting dealt with only one of the 23 items in the Corporate Finance Committee Agenda and five of 12 items in the Ordinary Meeting Agenda. Thirteen confidential items had not been reached, including three Presidential Minutes.

This is a clear indication of a work load that is inappropriate for good local government. Other councillors will endorse this. For example, Councillor Couvret, who is semi-retired and able to devote more time to the task, recently revealed details of a typical week , and I submit it as supporting evidence.

Now I want to turn to another facet of this case....

The theory of economies of scale.

Economies of scale...three powerful little words that are trotted out to supposedly crush every argument that might suggest big is bad or smaller is smarter. It's a good theory...and sometimes it works. But it is not an infallible theory...and there is a big difference between theory and practice.

Big business is starting to discover its fallibility. So too are governments, here and all over the world.

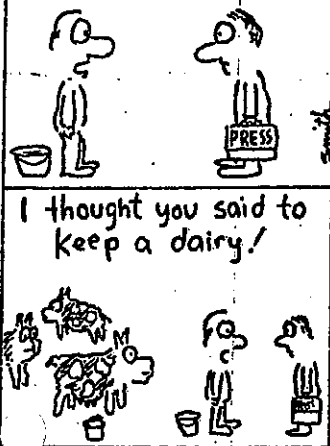
And there is no magic formula that guarantees the theory of Economies of Scale work infallibly in local government.

Yet its proponents regard the theory as beyond argument. It isn't.

It has been trotted out again recently to support the idea of merging Manly and Warringah Councils. The idea was quickly rejected by Manly whose far lower rates compared with Warringah seemed like a better argument.

# A week in the life of a northside councillor

## A DIARY?!



### From Page 1

do more than as a member of State or Federal Parliament.

"I get a great deal of satisfaction from the fact that I can achieve so many things for Warringah. Since I've been on the council I've had a hand in the construction of a large number of community facilities, such as the Forest Community Centre, and am constantly involved in council matters, right down to the small things such as house extensions."

Councillor Couvret laughs at the suggestion that the allowance he receives for his involvement is any incentive.

"After tax I get about \$500 a year. My latest quarterly phone bill, covering the time the elections were going on, came to ...00."

It's not money. It's not glory. Corny as it sounds, it appears to be civic pride. Read Councillor Couvret's diary and judge for yourself.

## MONDAY

- Dictating for one-and-a-half hours letters in reply to ratepayers' inquiries and complaints.

- Travelled to the council chambers to leave tapes for the typing pool.

- Spent two hours at council chambers talking to:

Town Planning Dept re:

- (a) Development application for one of the golf clubs.

- (b) Use of residential building for an art school.

- (c) Establishment of take-away food shop in a residential area.

Property Officer re vehicular access over council easement.

Reserves Section re establishment of play equipment in a small council reserve.

Community Services section re rebates of council rates for pensioners.

Community Arts Officer re entries in Community Services Directory.

- Lunch at home, then spent half-an-hour replying to phone calls received while absent.

- Remainder of afternoon gardening.

- Evening attended Rotary meeting where administrative assistant of Davidson Park State Recreation Area received a Pride of Workmanship Award for the outstanding contributions she has made in the administration of Davidson Park.

## TUESDAY

- Dictating letters for one hour. Spent two hours reading 197-page agenda for the council meeting that evening.

- Travelled to council chambers at 4 pm to sign a number of letters and at 5.30 pm special meeting of council which was followed by the community facilities committee and public works committee meetings. These meetings finished around 11 pm.

## WEDNESDAY

- Between 10 am and noon made an inspection of certain

works undertaken at a golf club and met with the board of that golf club to discuss a development application which is before council.

- Afternoon played a game of golf.

- Evening attended citizenship ceremony at council chambers where some 40 people received their Australian citizenship.

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Evening attended citizenship ceremony at council chambers where some 40 people received their Australian citizenship.

## THURSDAY

- Morning travelled to Narrabeen to studios of Radio Manly-Warringah to produce two radio programs — *Know Your Council* and *Rotary at Work*. The *Know Your Council* program had an interview by Alderman Joan Cook with Sergeant Keith Aiken, officer in charge of the new foot patrol division in Manly-Warringah.

- Returned home for lunch and answered a number of phone calls which had come in on Wednesday and this morning.

- Back at council chambers at 2.30 pm to chair a meeting of aged persons accommodation committee which has delegates of the Combined Pensioners' Association, the Federation of Senior Citizens, Vote of the Elderly and the Uniting Church. The committee is administered by a secretary from Warringah Shire Council staff. The committee completed its deliberations just in time for the full council meeting which was called for a budget review. This meeting ended at 8 pm.

## FRIDAY

- Spent one hour dictating letters and took tape to council chambers to hand to typing pool.

- Spoke to:

Town planners re:

- (a) Development application for three family restaurants.

- (b) Establishment of doctor's surgery in a residential area.

Health and Building Branch re:

- (a) Delays in having a building application approved.

- (b) Problems of loss of view by adjoining residents as a result of new buildings going up next door.

- (c) Control of jet skis on inland waters and beaches.

Rates branch re late payment of instalments of rates.

- Home for lunch.

- Returned to council chambers for interview at 5 pm with managing director of proposed development in Warringah.

- From 7.30 pm to midnight with my wife, was a special guest representing Warringah Shire Council at a Wakehurst Rugby Union function.

## SATURDAY

- Morning spent two hours reading council reports and correspondence which was delivered the previous day by council ranger.

- Number of phone calls from concerned citizens re proposal for three additional family restaurants in Belrose area.

- Afternoon bush walking in Davidson Park with one of my sons to inspect the alleged trail damage by horses.

- Evening, with my wife, represented the Shire President and his wife at the annual presentation night of the Ku-ring-gai Motor Yacht Club. This included making a speech and presenting the prizes.

## SUNDAY

- As usual quite a number of phone calls from residents who work during the week and wait for Sunday to call their local councillor.

- Spent two hours dictating letters.

- Afternoon went to see Manly defeat the competition leaders, Balmain, in great style at Brookvale Oval.

- Evening home for dinner with whole family.



For some more interesting information on economies of scale I ask Mr. Henry Wardlaw, a planning consultant, to address the Commission on his research into this subject.

Mr. Wardlaw:

### **Economies of Scale in Local Government.**

An argument sometimes used by opponents of proposals to reduce the size of local government areas is that economies of scale will thereby be lost. Specific hard evidence in support of this contention is, however, rarely presented.

A discussion paper entitled "Scale in Economies in South Australian Local Government" (Rose Bowey, Ed, March 1988) reports the results of a study commissioned by the Department to shed additional light on this question. Using data from Australian Bureau of Statistics "Standardised Local Government Finance Statistics", the study looked for evidence of scale economies in the more important categories of local government expenditure. It concluded that for metropolitan councils "there should be at least 10 000 persons whilst further operating gains are possible for councils up to about 20 000 persons". (Bowey, 1988 P 28.)

As local government councils in Adelaide are on average much smaller than those in Sydney, and as they operate under somewhat different legislation, it would be dangerous to apply these results here without confirmation of their validity.

Accordingly, a similar analysis of 1986 ABS data from 36 Sydney Metropolitan councils was undertaken. This analysis was confined to administrative expenditure per head of population, which was found by the South Australian study to be the spending category where economies of scale were most pronounced.

The co-relation between population and administrative expenditure ("General Public Services" expenditure in ABS terms) was examined using the Spearman Rank Difference Method. The resulting coefficient is 0.45, indicating a degree of correlation consistent with that found in Adelaide.

The Adelaide data suggested that administrative costs per head began to increase once a population of 60 000 was exceeded, but the sample of councils of this size was too small for statistically valid conclusions to be drawn.

The Sydney data was re-analysed for councils with a population in excess of 60 000 only and the resulting coefficient was -0.07, indicating that there is no correlation between population and administrative expenditure for these larger councils. The Proposed Pittwater council is in this range, and Warringah Shire, both before and after separation, lies within it.

The following figures give an indication of the range of administrative costs per head which is found in Sydney (1986):

LGA	POPULATION	ADMIN COSTS PER HEAD (\$)
Blacktown	200 000	29.6
Warringah	178 000	33.3
Bankstown	153 000	21.4
Baulkham Hills	105 000	36.1
Rockdale	84 000	21.5
Kogarah	47 000	26.9
Botany	35 000	54.1
Strathfield	27 000	27.0
Hunters Hill	12 000	37.0

It can be concluded that there can be no fear of diseconomies of scale disadvantaging Pittwater, or the remaining Warringah SHire on account of size alone. Efficiency of management and standard of service to residents will be much more important factors.

\*\*\*\*

#### Councillor Dunn resumes.

It should be noted that in the 1960s when it was proposed to amalgamate a number of north shore councils, the Lane Cove Council commissioned a firm of town planners to conduct a survey into the question of size in local government.

The firm, Messrs Loder, Dunphy and Hain reported ,in part:

"....and it would appear that we may conclude that the most desirable extent of operation for a local authority in the metropolitan area in terms of population size is between 50 000 and 80 000 persons, as the administration of less size would probably involve excess capacities in all departments, while in areas with resident populations in excess of 80 000 would tend to be exhibiting the diseconomies of large scale organisation previously mentioned".

To further illustrate the complexity of council accounting and reporting which councillors have to cope with, I attach a supporting document. It deals with the burden of interpreting and understanding accountancy procedures and report writing by the WSC staff.

It is another glaring example of how local government should not work....a classic example of how big can be bad. I commend it to you for reading. The attachment contains some fascinating letters from the General Manager about restricting the information flow to councillors.

\*\*\*\*

## SUBMISSION 11

Some comment on the actual setting up of a separate Pittwater Council.

The creation of a separate municipality in "A" Riding would not present any insuperable difficulties, and could be in operation very quickly and at no great cost.

A basic infra-structure exists in the Riding , with the exception of a council chambers and a pound. The major deficiency, a council chambers, can initially be met quite easily by the purchase of temporary demountable buildings which could be erected on park land near the Mona Vale library, or other suitable land in the Riding owned by council.

Rented premises are available , but these would cost more annually than the purchase price of the demountable buildings,. Renting the demountables would be more expensive over a two-year period. A suitable complex of demountable buildings could be erected on a site within 8 weeks.

The works depot at Mona Vale would need to be upgraded to accommodate the servicing of motor vehicles now carried out at Cromer Depot. Some use can also be made of servicing facilities at the sullage depot in Ingleside.

The library at Mona Vale will ultimately require some upgrading for administration and processing of books. Meanwhile there is considerable accommodation available in Avalon Library which could be utilised .

The "A" Riding rolls are maintained separately from other Ridings and by Warringah Shire and could be transferred easily to the new council.

Pending a review of policy matters following separation, the present controls applying within Warringah for "A" Riding could be applied immediately.

It is envisaged that the staff and premises of the Ingleside nursery would be transferred to the new council , subject to negotiation with WSC on possible joint use of the facility.

The same would apply to the Sullage Depot at Ingleside. This is a declining service and it would not justify WSC building a separate one.

It is envisaged that there may be a number of similar areas of joint co-operation for mutual advantage. For example, WSC has a modern computerised library system with links to Mona Vale. A new council could possibly agree to use and pay for the use of such facilities, since library policy in NSW calls for as much integration as possible between councils.

Finance for setting up the new administrative structure could be financed by an advance from WSC which would eventually be deducted from the entitlement under the Local Government Act.

Early appointment of senior staff , possibly on contract as suggested by the Oakes Committee, would facilitate a speedy start on building the administrative structure.

It is suggested that independent commissioners be appointed to oversee the separation and setting up of the new council. Mr. N Oakes and Sir Nicholas Shehadie, for example, could undertake these functions pending the election of the first Pittwater Council. They could be advised by a nominated committee of Pittwater area ratepayers and "A" Riding Councillors.

Until such time as the proposed new council had its own permanent chambers, Mona Vale Hall could be used for council meetings.

It would be presumptuous to pre-empt the decisions of an elected council for the Pittwater area, but if Government policy continues to endorse the ward concept, the following four wards , each with three councillors , could be established:

Ward A That area embracing Avalon, North Avalon, Taylors Point, Clareville, Careel Bay, Whale Beach, Palm Beach, and that part of the Western Foreshores of Pittwater, including Coasters Retreat, Currawong and Great Mackerel Beach.

Ward B Newport, Newport Beach, Bilgola Plateau and Bilgola Beach.

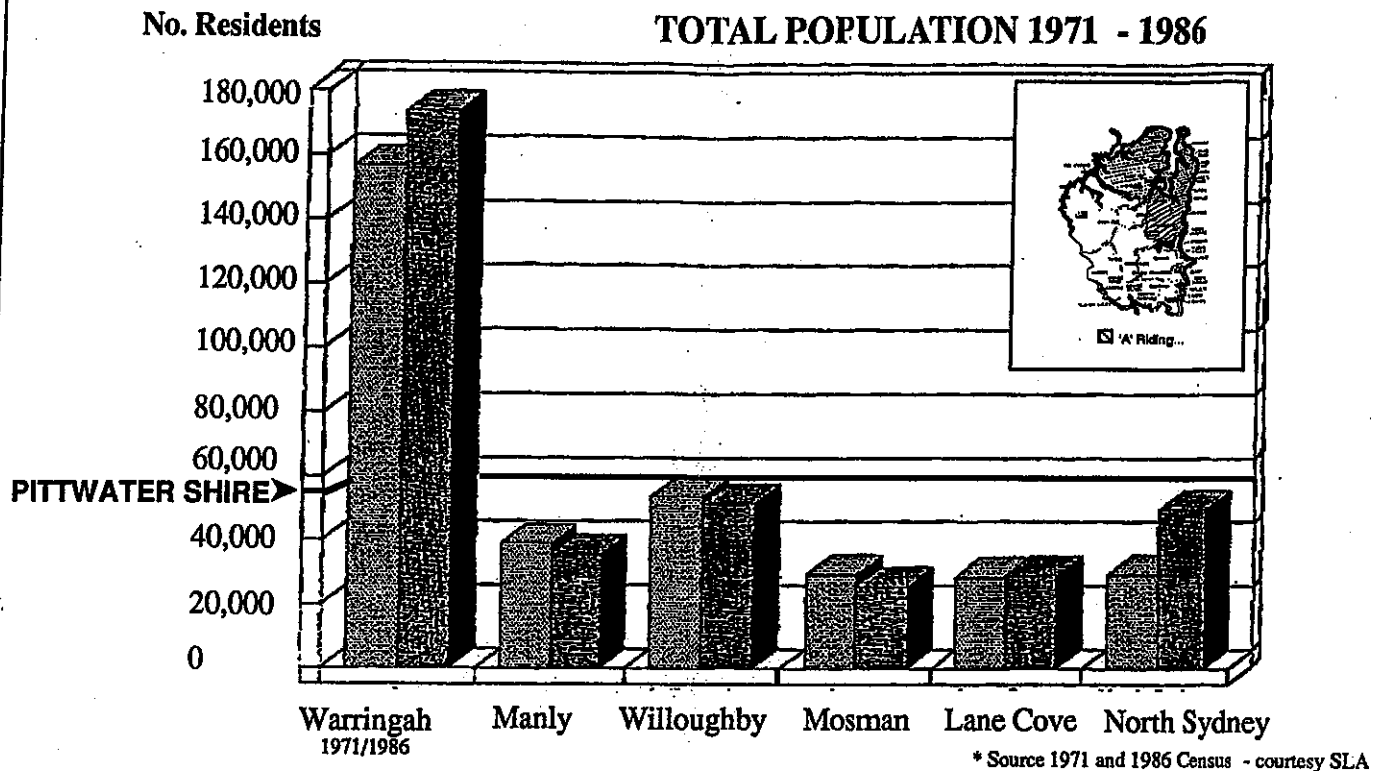
Ward C Mona Vale, north of the Golf Course, and north of Mona Vale Road, Bayview, Bayview Heights, Church Point, Scotland Island and that part of the Western Shores as far as Towlers Bay, and Ingleside north of Mona Vale Road.

Ward D Elanora Heights, North Narrabeen,, Warriewood, Warriewood Beach, Mona Vale and Ingleside south of Mona Vale Road.

The four ward concept would reduce campaign costs for candidates and no doubt encourage participation by good candidates who would be familiar with the area involved. Further there would be three councillors for each 8000 electors, rather than the existing situation of three for 32 000 electors. Electors will have a better chance of getting to know the candidates.

On the other hand, it could also be suggested that because of the common interest in community matters which permeates "A" Riding, the ward concept may not be relevant. Instead, an election of 9 to 12 councillors shire wide and the establishment of precinct committees in each suburb could be a more democratic approach which guarantees specific and true local participation in the democratic process. This approach would also avoid ward grouping and inter-ward rivalry. We would prefer to have the issue decided at a convention where all the issues and, more importantly, the residents views can be properly obtained and considered.

# LET'S CUT WARRINGAH DOWN TO SIZE !



## WHO'S OUT OF STEP ?

The Separation of Warringah Shire promises you smaller and less government where your elected members will have control - not the other way around!

The present Warringah Shire, with its huge bureaucracy, dwarfs all other North Shore councils.

Only separation of the Shire will enable a return to true local and democratic government and halt the uncontrolled growth and empire building of the present huge shire.

So, if you want **LESS** government, but **MORE** say in the spending of your rates dollar, and in the protection of your unique environment, then the breaking down and separation of Warringah is the only way.

## SHOW YOUR SUPPORT

AT THE PUBLIC MEETING

CALLED BY THE BOUNDARIES COMMISSION

**THURSDAY 12 JULY**

**MONA VALE HALL 7 PM**

**FREEDOM FOR PITTWATER**  
**- IT'S NOW OR NEVER!**

Submission 11 page 3.

The creation of the proposed Pittwater Council will bring residents into closer communication with council and the elected representatives. With local committees operating in each ward and close association with local councillors will ensure better and more democratic government.

\*\*\*\*

## SUBMISSION 12

### Summary.

Reference is made to six special criteria set out in the Local Government Act which the Boundaries Commission is required to consider.

a) With separation there will be considerable financial advantages for the ratepayers of "A" Riding, but there will be even greater disadvantages, increasing all the time, if separation does not take place.

As Mr. Creagh has demonstrated, three separate budgets over a period of years all confirm the tremendous amount of rates being taken from "A" Riding by WSC....more than enough to finance a new council without any hardship at all.

As indicated, the other ratepayers of Warringah will not have to pay for the long-awaited development of "A" Riding, and would also benefit from savings that would accrue by no longer having to build an expensive addition to the Dee Why Civic Centre. And the reformation of Warringah Shire Council brought about by the separation will benefit all its ratepayers.

Further it will be possible to even out ratings in Warringah, something that cannot be achieved under one council. The effect of future revaluations of Shire properties should not be overlooked in considering this financial aspect.

b) There is little geographic or social cohesion between "A" Riding and the rest of Warringah Shire. Its distance from Sydney, the natural boundary of the Narrabeen lagoon, and its community of interest give it a special identity.

On the other hand, the traditional closer association with Manly by the residents in the southern end of the shire underlines the difference between the two areas. The Pittwater people look north, the rest of the shire looks south.

c) On the historical side, for almost a century the Pittwater area was virtually cut off from Warringah. The main means of communication was by boat from Sydney. Church Point school opened in 1882 to cater for the needs of a fishing community. Bayview, Newport and Palm Beach were hardly occupied at all. Warringah Shire was created in 1906 but real integration did not start to take place until after World War Two with the Wakehurst Parkway and the replacement of trams to Narrabeen with buses.

The impact of change that would be a result of separation should be minimal for the rest of Warringah Shire, since most of its community needs have been met. As indicated in our submissions, the standard of service to these areas should improve further then staff no longer have the burden of "A" Riding.

d) The attitude of "A" Riding residents has been made very clear.

Submission 12 page 2

The petitions of 20 000 people asking the Governor for their own council speaks volumes. Our records indicate that well over 90 percent of those contacted signed these petitions.

e) So much is lacking in "A" Riding at present with only two resident councillors to attend to the 50 000 residents. Twelve councilors spread evenly throughout the ride would be a tremendous improvement.

It will mean a return of real democracy to the area. The local councillors will not be dictated to by ten councillors from other areas, as at present.

It is not insignificant that local folklore has stories that show this attitude has prevailed for a long time. The late Cedric Williams of Bayview , a shire councillor during World War Two experienced the bias against "A" Riding, and remembered his father , a councillor in the 1920s , also "fuming" at the way B and C Riding councillors ganged up on "A" Riding representatives.

Another benefit of the separation will be the opportunity for the number of councillors in the southern ridings to be increased from nine to 12, thus improving representation and enhancing democracy. In 1966, when the whole of the shire had a population of 113 000, there were 15 councillors.

Clearly there is a need for more councillors in the B C and D area with a population now of some 133 000.

f) Most matters as would fall under this heading have already been dealt with throughout our submission.

Attention has been drawn to the overcharging of ratepayers by Warringah Shire Council, and the bypassing of rate pegging restrictions determined by the Minister for local Government.

We have drawn attention to the growth of the bureaucracy , the unsatisfactory accounting methods, the inefficiencies, the mismanagement, and the waste of ratepayers funds.

We have highlighted the incredible environmental history of the Riding, the damage done, and the chance to do something really significant for future generations by building a new council on an environmentally sound philosophy. The opportunity is a rare one, and an important one.

So what is the message that you can take from this inquiry and pass on to the Minister for Local Government?

Councillor Eric Green.



Cr. Green.

You should advise the Minister that it is now time to grant our petition. It is time to move into the 21st century for the people of Pittwater. It is time for local democracy, not local bureaucracy.

In doing so we would urge you to seriously consider the obvious fallacy in the Big is Better Syndrome as pointed out in our submissions. We would also ask you to bear in mind that our submissions are the submissions of the people, not faceless bureaucrats with the resources of a multi-million dollar complex at their beck and call to obfuscate the issues and mislead the public with the obvious objective of preserving empires built at our expense.

We would urge caution by you when you view their elastic figures, and question the motives. Only three months ago these same people were shouting from the rooftops that the separation would cost \$89 per rate assessment. Now, because that scared no-one, they have increased their assessment to \$125 per ratepayer..an increase of 40 percent.( See Manly Daily 30.6.90 and Council report February 27 1990.)

And as you have seen from the figures presented to you in our case, there is no foundation whatsoever to conclude that a Pittwater Council will have to increase rates to get established. Indeed, the adequacy of funds from existing rates is one of our strongest arguments for separation. Our opponents have been talking financial nonsense as a scare tactic in the community.

Do you wonder at our cynicism and do you wonder why we ask you to look with concern at their claims. May I just emphasise this point a little. I refer you to the document entitled Local Government Boundaries Commission Draft Report on Proposed Pittwater Council.

Take the first paragraph of the Executive Summary, which is Caesar giving a report on Caesar. "The information contained in the following pages demonstrates a long and caring relationship between Warringah Shire Council, our residents, and the environment under Council's control. The Council has operated for many years with the active input and support of the community volunteer organisations and citizen participation committees. "

What nonsense!

The residents of this area support this caring relationship by 20 000 of them signing a petition to end it. Again, look at the comments that the council has operated for many years with the active input and support of community volunteer and citizen participation committees.

Mr. Commissioner, you yourself had to take over the reigns of this Council because these citizen committees rose almost in rebellion against the same people who are today managing the

council and continue to ignore the wishes of the residents....  
some support....some input....some relationship.

This didn't occur ten years ago. It was less than five years ago.

Not one such resident group is opposed to this separation and that should emphasise the false claims made in that paragraph and the vote of non-confidence than exists in the community.

You should ask yourself why there are over 20 resident groups in the "A" Riding and perhaps three or four in the rest of the ridings. The answer is obvious. Without wishing to give this report I am referring to any credit for being a valid document, may I also ask you to remember when reading the report that most if not all, of the environmental initiatives were the result of resident reaction and protest against council actions.... or were initiatives of individual councillors acting on resident concern about the lack of regard by the bureaucracy for our area. They were responses. They were the reluctant actions of non-caring bureaucrats who answer to no-one.

We ask that in reporting back to the Minister you acknowledge that local government is meant to be local.

It is meant to mean that locals govern the everyday matters which affect the local community. It is meant to reflect and cater for the needs of that local community and, more importantly, it is meant to involve and invite participation by that local community.

It would be foolish in any form of government to ignore the social evolution of countries which has taken place in the last 20 years. With the increasing demands of work and business, people now demand a higher quality of residential life to compensate for the increasing stresses of modern life. With higher education and personal aspirations, and an escalating concern about the environment, today's society requires - no..demands more involvement and participation in decision making, particularly in local government.

They question their leadership more often and are more cynical about government of any type. Nowhere is this more reflected than in the local community. You cannot satisfy this sociological fact of life with bureaucratic councils of the sort you have in Warringah Shire Council.

This is why to continue with the present council would be a folly...it simply cannot provide this relationship no matter how hard or sincere it becomes.

The Pittwater issue will not go away, simply because it directly reflects the needs of a modern society and community. To continue the present arrangement will mean continuing the ever-increasing conflict - not just between elected representatives, but between the community and their supposedly local government.

I believe I am a reasonably conscientious councillor. I was elected by this community on a landslide, winning every polling booth and obtaining a quota of over 6 000 primary votes very early in the counting. I was opposed by over 20 candidate. Amongst other things, I ran on a Pittwater Shire platform. I therefore believe I have a certain credibility when I speak of community concern and feeling. I would hope that when you hear other submissions by "politicians" or the bureaucrats, you apply a similar test to their credibility when they speak of community.

Yet it would be with reluctance that I submit that coping with the pressures of being one of the two resident "A" Riding councillors is a constant workload designed to discourage seeking re-election or conscientious attention to duty. Let me give you a brief idea of what I mean....

(Table last year's correspondence).

Like most people I have to work for a living . I normally would be classified as an executive. Therefore normal work is quite hectic and time consuming and stressful. Yet everyday and every weekend after work last year I attended over 120 council or committee or development meetings. I received and made over 1000 telephone calls just to residents and applicants. I wrote over 1000 letters and memos. In addition I had to read the same council material that Councillor Dunn has referred to.

By my reckoning each week I am required to read, digest and understand and be a watchdog on more than 300 pages of councilse, agendas, minutes and reports. The point here is that it has to be done between Friday and Monday for the meeting on Tuesday. So it is really not per week..but an intense four days. Add to all this our Saturdays with residents, official ceremonies, resident and public meetings, plus over 70 on-site inspections last year and you would not be surprised I'm sure that without a Pittwater Shire I would seriously consider ever nominating again.

Sure I spend a lot more time compared with others on council on resident contact, but isn't that what being a councillor is all about? Do you gentlemen really believe that two resident councillors, or three in total, can provide an effective and sincere and caring representation for 50 000 people?

And a really meaningful caring relationship is demanded by the people because , above all, they are worried about what is happening to their environment. We have shown how valuable it is, the people have repeatedly shown how much they care about it, and now they want control of it so that it can be managed for the general good of all Australians and future generations. Since the people care, who better to manage it?

Submission 12 page 6

So finally, in moving into the 1990s and towards the 21st century, I ask that you report to the minister that what is stake here is not Big is Better, but how the principles of true and meaningful local government and democracy for the people of Pittwater can be implemented, and how quickly. You might also mention that SMALL is SMARTER.

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## SUBMISSION NO. 13

The inadequate and unacceptable performance of services by Warringah Shire Council's Building, Town Planning and Engineers Departments.

### Introduction

This report accepts the current "across the board" problems experienced with the majority of Councils throughout Sydney, in the areas of time taken for D.A. and B.A. approvals, inconsistencies in planning guidelines and their assessment and application by Council officers, and serious difficulties experienced by applicants in gaining access and communication with said Council representatives.

These problems are well known to the various sectors of the Building Industry, Architects, Builders, Developers, and the resultant costs to the industry due to delays have caused tremendous concern often culminating in cancellation of projects and in extreme cases, financial losses extending to collapse of some developers.

A 1988 study of 4 Sydney councils, including Warringah Council carried out jointly by the Royal Australian Institute of Architects and the Master Builders Association, concluded that the time delay problem had become critical, and cost increases due to delay were able to be quantified as \$7,800/10,000 on an average residence, and the equivalent of 5% on commercial and industrial projects. A cost increase for the provision of new serviced residential sites was identified as \$6,000 for each year of delay in sub-division approval, based both on inflation in capital cost and the constant upgrading in council sub-division and engineering standards.

To fully understand the scale of delays in assessment by councils of Development and Building Applications, it is not uncommon for assessments, supposedly capable of being processed within 40 working days, to take up to 18 months to two years. Even the most simple and straightforward approvals constantly extend to a period of 4 - 6 months. Such delays result in aggravated relations between the council and the applicant who will be experiencing what he feels are unnecessary and unjustified cost increases. During the time of economic downturn, this aggravation turns to hostility and a break-down in communication between the two parties.

These circumstances however, in the main being a natural risk of any commercial decision by applicants should not be the direct concern or responsibility of ratepayers, nor specifically, of this submission.

The ability to incorporate the increase in building standards demanded by the community, within the tightening financial restraints to which the building industry has been subjected, is becoming more and more reliant on the maintenance of an overall profit margin sufficient to include the real cost of these higher standards.

Where delays in council assessment shave the profit margin due to the holding costs expanding, the applicant will in desperation, ultimately look to compliance with the minimum acceptable standard to achieve approval, while maximising the property's yield in numbers and area of factories, home units, shops etc.

As a result, the community forfeits its opportunity to have the softer, more altruistic end product that would have been achievable by negotiation were the developer to have been offered the commercial advantage of a quicker approval period.

**IT IS THE CONTENTION OF THE BUILDING INDUSTRY THAT FAILURE BY A COUNCIL TO PLACE DUE IMPORTANCE ON EFFICIENT AND SPEEDY ASSESSMENT OF APPLICATIONS AS A BALANCE TO SUPPORT THEIR DEMANDS FOR HIGHER BUILDING AND ENVIRONMENT STANDARDS, IS AN ABROGATION OF THEIR RESPONSIBILITY TO THE RATEPAYERS.**

To this point in the submission, the problems discussed are general throughout all of Local Government, and, more specifically to Warringah Council, are applicable not just to A Riding but to the whole of the Shire.

However on the contention that finding a solution to the problem is necessary to assist both sides, ratepayers and the building industry, who of course are often one and the same, the submission will now direct its attention to A Riding and the particular problems that are directly attributable to current administration of that area by Warringah Shire Council.

## A Riding

By its very nature, topography, proximity to Pittwater, steep terrain and large areas of bushland, the area is identifiably different to the rest of the Shire. Its natural features are highly regarded, although its distance from central Sydney means that ratepayers have made a conscious decision to balance the increased travelling times against the enjoyment of a unique living environment. Understandably, their commitment to the preservation of that environment has been historically "weighted" differently and with greater emphasis against other factors such as the infrastructure and amenities associated with growth in residential density, compared to the community demands in the other ridings. By way of example, instance the unanimous opposition of ratepayers and residents from Avalon to Palm Beach to the proposal to remove the Bilgola Bends, although on offer was a more direct section of a 4 lane road which would improve travelling times.

Accepting this difference in character and aspirations, achievement of the highest standards possibly in development of the A Riding area, would axiomatically require a specific set of codes and assessment procedures to allow efficient and time effective approvals of applicants proposals, with the resultant opportunity for ratepayers to benefit from this encouragement of developers and builders to accept a middle ground rather than maximising site potential due to the profit margin reducing unacceptably.

**WARRINGAH SHIRE COUNCIL'S CODES AND REQUIREMENTS  
AND COMMUNICATION PROCEDURES WITH APPLICANTS ARE  
"ACROSS THE BOARD" OVER ALL 4 RIDINGS, AND DO NOT  
REFLECT THE SPECIFIC DIFFERENCES IN A RIDING'S  
DEMANDS.**

The following examples are offered for illustration:

The following examples are offered for illustration:

Provision of Vehicle Access for Residential Blocks  
on Steep Terrain

Council's regulations covering both Subdivision and Building Applications require car parking to be provided for two vehicles behind the building line. This is a correct response to the preservation of a good residential streetscape in "traditional" suburbs such as constitute the majority case in B,C and D Ridings, i.e. Belrose, Frenchs Forest, Harbord, Collaroy, Cromer etc.

However on steep hillsides in A Riding, i.e. Palm Beach, Whale Beach, Bilgola Plateau etc., such strict and doctrinaire adherence to the general policy of the shire can be counter-productive, where a more pragmatic code designed for A Riding would allow the environment to be better preserved.

Instance Whale Beach road where the necessity to achieve parking behind the building line has resulted in the set-back containing not landscaping, but torturous suspended driveways and retaining walls.

Constant calls for a more environmentally sensitive approach over the years to allow individual case by case assessment to achieve the best practical solution that balances structure with existing ground form, tree cover and future landscaping have brought no response from Council.



. Council's Commercial Area Planning Codes

These have been drafted to control developments in the "shopping areas" of the shire. Once again standards appropriate for existing residential densities in much of B, C & D Ridings including allowances for considerable population growth, are not automatically applicable to A Riding where such centres naturally occurred in environmentally sensitive areas at a time when A Riding was more a "holiday" destination, instance Palm Beach, Avalon and Newport, where the centres border immediately on beaches or Mona Vale where development grew up ad-hoc on a village scale, and retained that character till recently.

An existing council or a new Pittwater Council that wished to preserve the unique character of these centres would develop guidelines and assess proposals specific to that aim. This would mean parking codes that satisfied the lower residential density, balancing tighter layouts with maximum landscaping, height limits and boundary setbacks that encouraged village style development rather than "side by side" main road style shopping centres, and finally, the restriction of historically inappropriate commercial areas, with their rezoning where appropriate, instance Palm Beach and Church Point.

On this last point, such changes could involve considerable expense in land acquisition, but the general consensus of opinion in A Riding would accept this as a reasonable price to pay for the ensuring environmental benefit.

Constant calls for a more appropriate set of codes to achieve these aims in A Riding have received no response from Council, instance the "Delmege Building" in Mona Vale.

**THE BRUTAL APPLICATION OF SHIRE WIDE COMMERCIAL  
AREA CODES TO APPROVE DEVELOPMENTS IN THE SPECIAL  
CIRCUMSTANCES OF A RIDING DISENFRANCHISES THE  
RATEPAYERS OF THAT RIDING FROM THE SUBJECTIVE  
ASSESSMENT THAT RESPONDS TO THEIR ASPIRATIONS.**

Warriewood Valley Redevelopment Codes

The development of this sensitive and valuable area of A Riding has been carried out over the past 2 years in response to planning controls that permitted medium density housing and Industrial and Commercial centres. Such controls included landscape setbacks, boundary off-sets, plot ratios, site coverage and residential density factors deemed appropriate for the area, and consistent with previous redevelopment in the southern ridings.

That the public horror among A Riding ratepayers after viewing the result of these controls is almost unanimous, is sufficient indictment. The controls were inappropriate for the simple reason that A Riding should have benefitted from the lessons of past overdevelopments, such as Dee Why residential flat areas, Brookvale industrial estates etc. rather than having a continuance of those mistakes inflicted on the Warriewood Valley.

Worst still, the controls are not even in line with contemporary commercial requirements to which other Councils throughout Sydney are currently responding.

THE HIGH STANDARD OF INDUSTRIAL DEVELOPMENT  
INDICATED TO THE A RIDING RATEPAYERS AT THE TIME  
OF RE-ZONING WAS NEVER ACHIEVABLE WITH THE  
APPALLING LOW BUILDING STANDARD SUBSEQUENTLY  
INCORPORATED IN THE CODES, INSTANCE ONLY  
10 METRE AND 5 METRE WIDE LANDSCAPE AREAS  
ADJOINING ROAD FRONTAGES.

THE HIGH STANDARD OF MEDIUM DENSITY HOUSING  
INDICATED TO THE A RIDING RATEPAYERS AT THE  
TIME OF RE-ZONING WAS NEVER ACHIEVABLE WITH THE  
SIMPLISTIC SITE DENSITY FIGURES AND MIN. STRAIGHT  
LANDSCAPING SETBACKS ADJOINING ROAD FRONTAGES.

## Potential Benefits from the Separation of A Riding

The preceding section has concentrated on situations that result from a basic failure by the existing Council to understand and respond to the specific needs of A Riding.

This failure, apart from its serious direct effects, has added to the work load of the existing Council Departments to the point where, based on the evidence of their overall performance, they are unable to cope with the assessment of applications within reasonable time limits. Ironically this failure throughout the Shire in turn exacerbates the A Riding problems, creating a classic "vicious circle".

THE ASSESSMENT PROCEDURES FOLLOWED BY THE CURRENT COUNCIL'S TOWN PLANNING, ENGINEERING AND BUILDING DEPARTMENTS HAVE REACHED A STAGE OF COMPLEXITY AND FAILURE OF COMMUNICATION BETWEEN DEPARTMENTS SUCH THAT CONSULTATION WITH APPLICANTS IS UNABLE TO OFFER FIRM GUIDELINES, AND RESULTANT PROCESSING OF APPLICATIONS WITHIN EITHER STATUTORY LIMITS OR EVEN REASONABLE PERIODS EXPECTED OF WELL MANAGED BUREAUCRACIES HAS BECOME IMPOSSIBLE.

APPROVAL PERIODS FOR SINGLE RESIDENCES OF 6-12 MONTHS ARE COMMON AND FOR COMMERCIAL APPLICATIONS 1 YEAR TO 18 MONTHS.

As a result of such unacceptable assessment periods, an increasing trend has emerged where applicants take the matters to the Land and Environment Court on the grounds of failure to assess within a statutory period, when there may be no other real differences between the applicant and the Council that were not capable of resolution by discussion. These cases are a particular tragedy, for they further drain the various departments overstretched resources through legal conferences and court appearances, and where the applicant is successful, burden the council with court approvals devoid of any negotiated middle ground that may have improved the final development on behalf of the ratepayers.

IT SHOULD BE A HIGH PRIORITY OF ALL COUNCIL STAFF TO ENSURE THAT NO APPLICANT HAS GROUNDS TO APPEAL BASED SOLELY ON THE FAILURE TO DEAL WITH AN APPLICATION WITHIN A STATUTORY TIME LIMIT.

The failure of the existing Council over a period of many years to modify their procedures to improve such services with the resultant loss of confidence, by all those who have had ongoing dealing with the Council, that any such improvements will eventuate, constitutes one of the main reasons why it is felt that a new responsive Pittwater Council may be the only solution.

**PITTWATER  
MUNICIPALITY  
COMMITTEE**

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**FINANCIAL SUBMISSION**

## INTRODUCTION

This segment of the Pittwater Submission relates particularly to those aspects affecting costs and services supplied to the ratepayers of Warringah Shire.

Summarised they are:-

- Submission 5. The inequitable effect of the present rating system within Warringah Shire.
- Submission 6. The disadvantages and neglect arising from the "Riding Syndrome" that has operated to the detriment of the "A" Riding since riding autonomy was abolished.
- Submission 7. The complete lack of control by the elected councillors over the budgeting and monitoring of the Shire's financial operations, and the distasteful result for all ratepayers.
- Submission 8. The complete viability of the proposed Pittwater Council as supported by three separate budgetings.
- Submission 9. The manner in which the Report of the Committee of inquiry into Local Government Rating and other revenue Powers and Resources, in its recommendations, fully supports our submission.

Figures quoted in this segment are those taken from Warringah's own financial statements and Budget Papers, and from the budgets of those councils referred to for comparison purposes.

The budgets, Quarterly 2A Returns and the Annual Financial Statements of Warringah Shire often show different figures, and there are many instances that do not appear to add up.

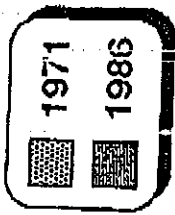
We do not wish to weary the Commission with a long list of apparent irregularities. Some of the major items dealt with in this submission should suffice to indicate that the size of Warringah Shire and its operations are inhibiting staff performances to the detriment of all shire ratepayers.

It is not desired to denigrate either councillors or staff of the Warringah Shire, but to show how the increased pressures referred to in Presidential Minute 4/78 adopted by council, coupled with fresh initiatives now considered the province of local government, have made it impossible to economically provide prompt and efficient services to the community.

# Total Population 1971 - 1986



Thousands  
number



SLA

Source: 1971 & 1986 Census

