



The Palm Beach & Whale Beach Association Inc.
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30 December 2024

Mr Scott Phillips

Chief Executive Officer

Northern Beaches Council

Dear Scott

We were grateful for the generous amount of time you gave us at our meeting on 22 November and we hope you found the meeting useful, too, from your point of view.

In relation to the major issue facing the Council at this point, and the “Funding our Future” consultation document, we understand better the position the Council faces and we will be seeking to advise our members about their appropriate course of action. Our feedback, at this point, is that the largest proportion of submissions is likely to favour Option 1, with no increase in the rates other than the annual increase permitted by IPART. We fail to see the point of supporting this option – this Council, like many other councils, is clearly running out of money through no major fault of its own and does not have the resources to bring its estate up to “good” condition. In addition, there is no guidance under this Option as to how the Council would proceed to reduce the services it provides and there is no indication in the papers of the methodology the Council would be likely to adopt in its approach to this task or to the detailed priorities under the other Options. In this context, we note that a number of other councils have already shared this information with their communities and this has led to a more informed discussion.

We should mention that the feedback from our community at this point in time covers four main issues: -

- The community almost universally believe that the Council should not cut back the basic services it provides for the community, such as waste collection and road repair, without which the community could not survive. As one of our members put it, “the Council needs to decide what business it is in and what its priorities are”. Maintenance of Council assets should be a priority. Other services such as, for example, sustainability education, multicultural diversity and renovation of the Manly Surf Club which might be nice to have can await a time when finances improve;

- The point is also made that this end of the Pittwater Ward continues to receive substantially less than its fair share of Council services, especially when compared to the southern end of the Ward; this situation has been true for a significant number of years, dating back at least to the amalgamation of the Councils. For example, the current 4-year budget includes road and drainage works on Scotland Island totalling \$2.757 million compared to \$Nil for Palm Beach and Whale Beach which have well-trafficked roads and drainage in poor condition due to weather and truck damage (and there is another \$1.8 million in the current year for new infrastructure for Church Point);
- The Council has not demonstrated that it has faced the looming shortage of funds with an appropriate response in terms of (a) cutting “nice to have” but non-essential programs; and (b) reducing its headcount – according to the Delivery Plan, salaries and employment costs of \$170.97m in 2024/2025 will account for 37.8% of total revenue; this would be an increase of 27.1% compared to the figure for 2021/2022 of \$134.56m when employment costs only accounted for 33.0% of revenue. Against this, reductions of wages costs already made of around \$2.8 million are relatively minimal. The FTE figures reinforce this argument – from 1246.5 in 2021/2022 after the statutory freeze on redundancies finished to 1283 in 2023/2024 to 1301.6 in 2024/2025 (there were 1315 FTE’s at amalgamation); there is said to have been a reduction of 28 positions which might have saved some \$2.8 million but the figures quoted above for FTE’s do not bear this out;
- Further to the last point, the community remains unconvinced that the Council has diligently reviewed all its major assets post-amalgamation and made appropriate decisions about which of them to sell. Likewise the question must be asked whether existing major assets, such as land and buildings, are providing sufficient returns, or in the language of business, are being “sweated”?
- Given the relatively high salaries being paid to senior staff, there is a perception that consultants are being awarded work that arguably could be done “in house”;
- Among the “nice to have” items which should or could have been deferred are, for example, the current community strategy review (only 3 years after the policy was approved, there is little track record to review), multicultural policy, sustainability education, connecting communities cycleways and the Manly Surf Club renovations. Against a background of increasing costs and increasing lack of funds, the decision for the rebuilding of the Warriewood Community Centre (almost none of which is grant-funded) could well have been postponed also.

A special Council meeting has been called for 28 January to consider additional information requested at the Council’s meeting of 10 December, with that information being made available to councillors by 21 January. We believe that this information and the information on likely cuts to services should be in the hands of the community before the closing date for submissions on the four Options. We would therefore suggest that the closing date be extended to 21 January 2025 and the additional information provided as soon as possible before that date.

We will also then be in a position to make a recommendation to our members and the Palm Beach and Whale Beach community and, with the additional information, would be unlikely to support Option 1. In addition to detailing likely cuts, we will need information about which additional services would be prioritised under Option 3. This requires priorities to be determined at this point in the process, not

after the closing of the Have Your Say program. As a side issue and to be clear, it would seem to us to be unwise to list closure of rock pools (\$2.5m over 3 years) as a priority cut in services whilst retaining the rebuilding of Manly Surf Club (\$10.3 m over the same 3 years).

The Surf Clubs are very important structures in the community but they are membership bodies and not available to be used by the community as a whole. Given their origins, it would not be unfair to expect their membership to contribute financially to their maintenance and renovation. The rock pools are universally available and used.

Option 2 ticks almost all the boxes listed on the Council's web-site and enables the Council to restore its estate to a "good" condition, at time when Council's resources are stressed

What it would take to persuade us to recommend Option 3 to our members would be more detailed disclosure of the main items of expenditure which the Council would be considering with the significantly greater sums of money involved. Without this additional information, and without some commitment by the Council to carry out the projects, we doubt that more than a few residents would support either of these options. At present, the lists with Options 3 and 4 read as no more than mere possibilities. As a side issue, it is disappointing to see that expenditure on providing female changing facilities at sporting grounds which lack them does not appear until Option 4.

We acknowledge that a combination of a rigid central rates review system, sharply rising inflation and cost-shifting have placed the Council in its current position and that the problems faced by the Council are faced by all NSW councils. There is no suggestion that poor management practices by Northern Beaches Council have produced the current situation.

Having said that, we are of the view that more measures could have been taken to trim the Delivery Plan and Budgets for the current and following 2-2 ½ years while the Special Rate would be in operation. We are also strongly of the view that insufficient information has been made available to the public at this point to assist in the formation of their opinions and this is the overwhelming view of our members.

We look forward to your response.

Your truly

A/Prof Richard West AM

President