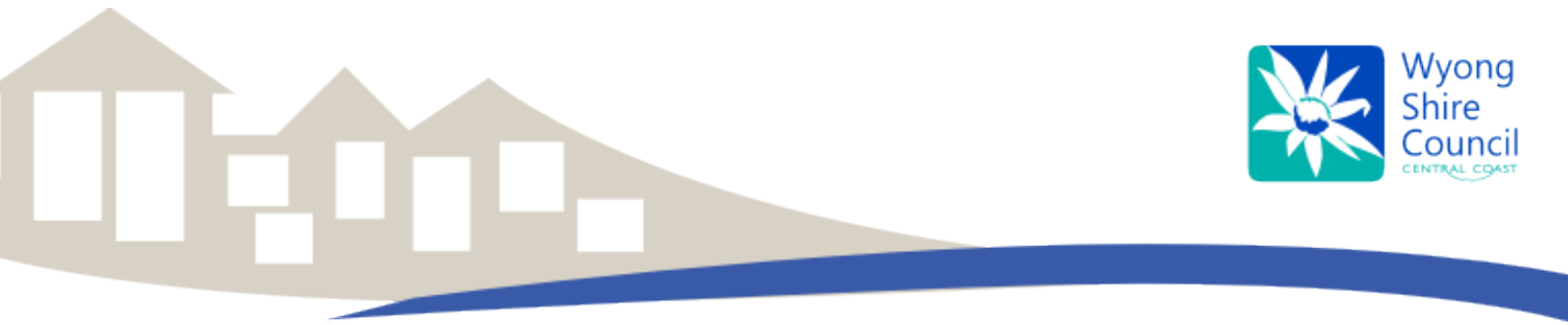


Wyong Shire Council

## **ORDINARY COUNCIL MEETING**

### **ENCLOSURES**

Wednesday, 24 September, 2014



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**WYONG SHIRE COUNCIL**  
ENCLOSURES TO THE  
**ORDINARY COUNCIL MEETING**  
TO BE HELD IN THE COUNCIL CHAMBER,  
WYONG CIVIC CENTRE, HELY STREET, WYONG  
ON WEDNESDAY, 24 SEPTEMBER 2014 ,  
COMMENCING AT 5.00PM

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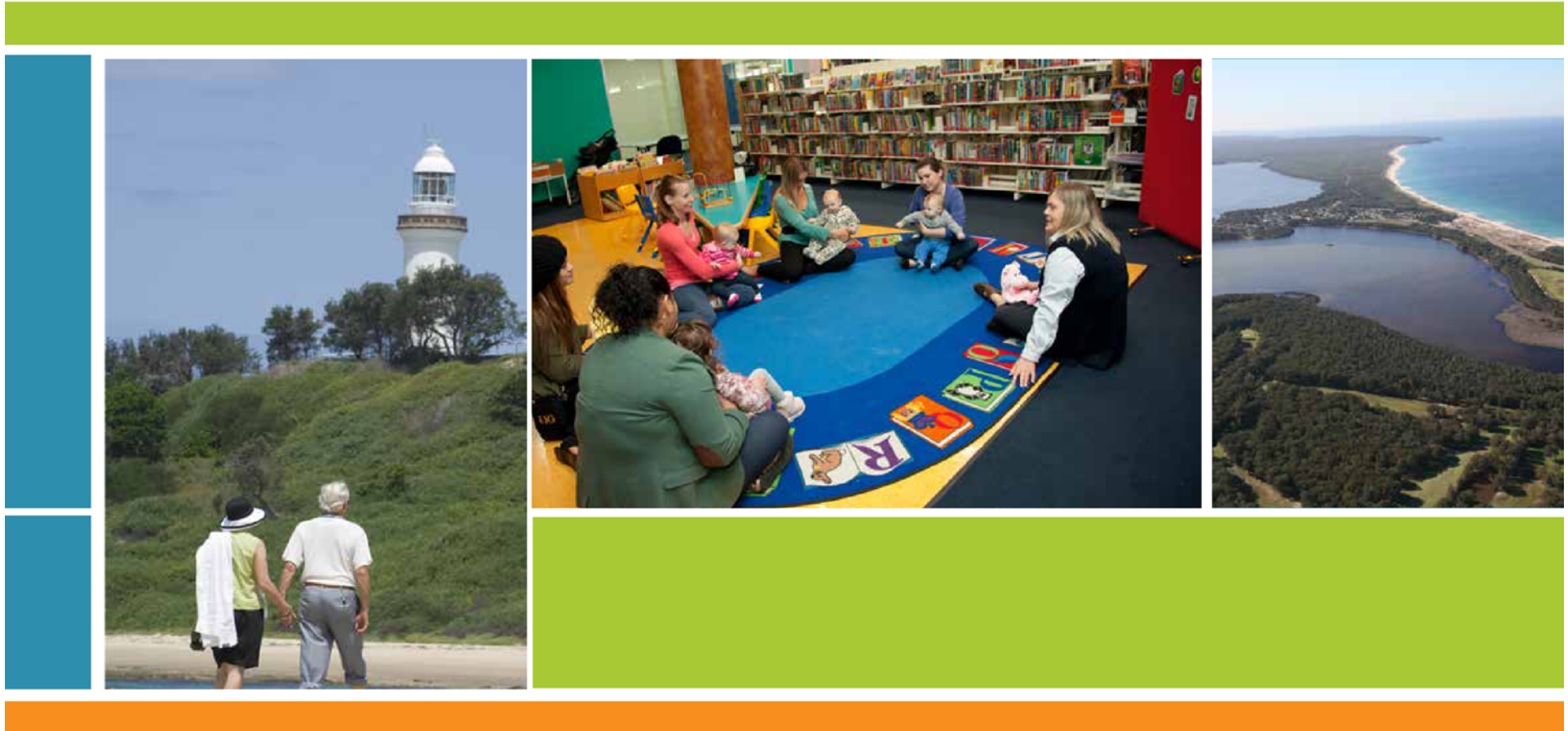
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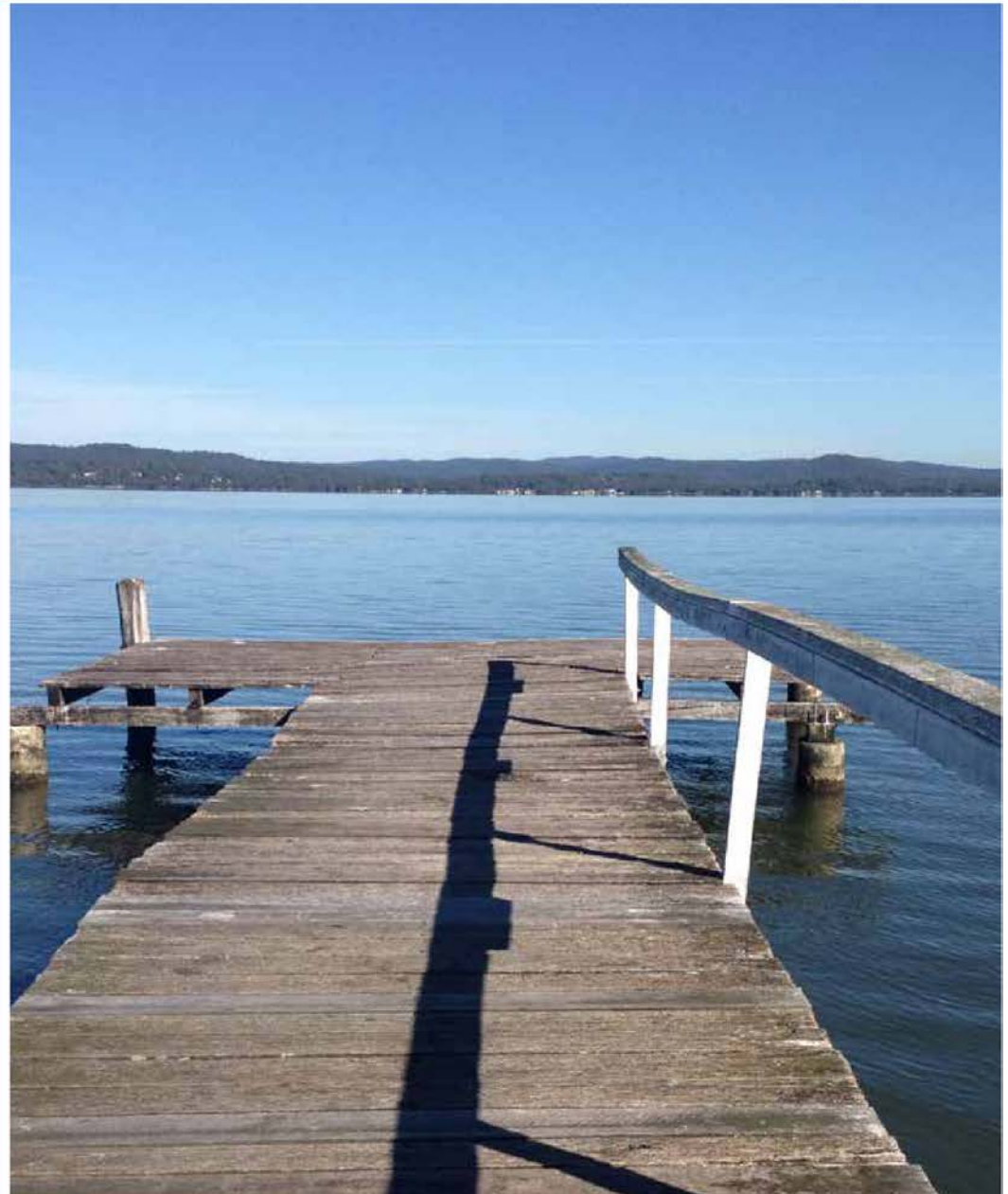
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Wyong Shire Council's Submission in Response  
to NSW Independent Local Government Review  
Panel Final Report

April 2014

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## Wyong Shire Council's Submission in Response to NSW Independent Local Government Review Panel Final Report

### EXECUTIVE SUMMARY

This document is Wyong Shire Council's comprehensive response to the final report titled '*Revitalising Local Government*' published by the NSW Independent Local Government Review Panel. Of the 65 numbered recommendations in that final report, Council rejects (in whole or in part) 8 of those recommendations, makes no comment (in whole or in part) in respect to 15 of those recommendations because those 15 recommendations do not affect Council or the Wyong local government area, and agrees (in some case conditionally or with further suggestion/clarification) to the remaining recommendations.

Council's detailed responses are set out in **Attachment A** to this document.

Recommendations 47 and 48 of the final report's recommendation have a direct impact on Council and its Community, and as such those two recommendations are addressed in further detail in this document.

Those 2 recommendations relate to a proposed boundary adjustment (which would involve land in the south of the Lake Macquarie local government area, in and about Morisset and Wyeec becoming part of the Wyong local government area), and secondly to the potential amalgamation of Wyong Shire Council with Gosford Council, and a recommendation in respect to the Central Coast Water Corporation.

Council strongly supports the boundary adjustment proposal with Lake Macquarie Council as it makes sense when analysed from the perspective of positive Community benefit. It is Council's view that as the boundary adjustment is not a material change, it should proceed without delay. As a matter of fact a boundary

adjustment between Lake Macquarie Council and Wyong Shire Council occurred as recently as 2007 when the Catherine Hill Bay area was transferred from Wyong Shire Council to Lake Macquarie Council. The process used was simple and undertaken with minimal cost and impact on the community. Wyong Shire Council has proven it is objective and professional in its approach with minor local government boundary changes, and recommends that the NSW Government acts to implement this outcome.

With the proposed merger of Gosford City Council and Wyong Shire Council this is a material change and as such Wyong Shire Council is prepared to support progressing this matter subject to the preparation of a detailed independent cost benefit analysis and for this information to be presented to the Central Coast community to canvass their views via a community poll. If a majority of the Central Coast community support the creation of a Central Coast Regional Council then Wyong Shire Council would endorse the merger occurring. Wyong Shire Council also concurs with the Independent Review Panel recommendation to not use the Central Coast Water Corporation to oversight the Central Coast Bulk Water arrangement.

## INTRODUCTION

Wyong Shire Council (Council) has reviewed the NSW Independent Local Government Review Panel's Final Report, that report identifies a number of key initiatives aimed at developing a stronger, more sustainable NSW local government sector to meet community needs over and beyond the next 25 years.

The Final Report includes a large number of recommendations made by Council that were submitted to the Panel during the consultation period. Of the 65 numbered recommendations, recommendations 47 and 48 directly affect Council and the Wyong Local Government Area (LGA). Those 2 recommendations pertain to a proposed boundary change to the Wyong LGA to include the lower area of Lake Macquarie around Wyee/Morisset, and the possible merger between Gosford and Wyong Councils.

Council supports taking action on both recommendations albeit using different processes.

The boundary adjustment with Lake Macquarie Council is not a material boundary change and should happen as soon as possible due to the positive public benefit that would arise.

On the proposed creation of a Central Coast Regional Council, Wyong Shire Council has two major conditions to be actioned to allow Council to be better informed before it makes any final decision:

- 1) That there is the preparation of a detailed analysis around the costs and benefits of such a proposal which justifies the net benefits to the Central Coast Community; and
- 2) The Central Coast community is engaged via a Community Poll to ascertain if there is a majority of voters in support of the proposed merger.

Council's response to the remaining 63 recommendations is outlined in a table annexed as **Attachment A**, and can be summarised as follows:

- Council rejects 8 of the Report's recommendations, albeit half of those are rejected in part only;
- Council offers no comment to 15 of the Report's recommendations, as those recommendations do not pertain to the Wyong LGA or affect Council and its functions; and
- Council supports or agrees to the remaining recommendations in the Report, some conditionally and some with additional suggestions/clarification.

### Recommendations directly affecting the Wyong LGA

Recommendations 47 and 48 directly affect Council and the Wyong LGA.

*Recommendation 47: Seek evidence-based responses from Hunter and Central Coast Councils to the Panel's proposals for mergers and boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (14.1 and 14.2)*

*Recommendation 48: Defer negotiations for the establishment of a Central Coast Joint Organisation pending investigation of a possible merger of Gosford and Wyong Councils (14.2)*

Council supports both recommendations, albeit subject to certain conditions for the proposed creation of a Central Coast Regional Council:

- 1 An independent cost benefit analysis that justifies a positive public benefit; and
- 2 A positive outcome (simple majority) from a community poll.

## **SUBMISSION**

### ***Amalgamation of Wyong and Gosford Councils to create a Central Coast Regional Council***

Council perceives the amalgamation of Wyong and Gosford Councils as a positive step in streamlining processes and improved delivery of services to the Central Coast region. Council is willing to consider a merger with Gosford City Council but requires an independent cost and community benefit analysis to be undertaken in order to make an informed decision. Council believes this analysis should be funded and undertaken by the NSW Government. Council also believes strongly that a decision on a merger should be one for the Central Coast Community and as such, requests a community poll to be undertaken. If the outcome results in both positive public benefits and support from the Central Coast community then Wyong Shire Council would support the merger proceeding.

### ***Changes to Wyong LGA Boundary to include part of the southern area of the Lake Macquarie LGA***

Council strongly supports the proposed change to its LGA boundary to encompass the lower/southern portion of the Lake Macquarie LGA, to include Morisset, Wyee and surrounding suburbs. The area that is proposed to be included in the Wyong LGA is not specified in the Report, and Council proposes that the area include the suburbs of Bonnells Bay, Brightwaters, Morisset, Morisset Park, Mandalong, Mirrabooka, Silverwater, Sunshine, Wyee and Wyee Point. Council has mapped a proposed boundary, which is set out in **Attachment B** and **Attachment C**.

Council believes a number of public benefits will arise for the region and the residents that are affected by the proposed boundary change if it proceeds. One benefit is the connection of unsewered lands to Council's sewer system and the ability to develop those lands for affordable housing.

### ***Connection and Maintenance of Sewer Services to Unsewered Land in the Lake Macquarie LGA***

Council has been approached by a number of people that own unsewered land in and around Wyee and Morisset. These people have expressed frustration at the inability to connect their lands to a reticulated sewer system, thereby impeding their ability to develop their lands, e.g. for residential subdivision.

These unsewered lands are currently located within the area of operation for Hunter Water. Owners of the unsewered lands inform Council that Hunter Water does not currently propose to undertake the "backlog" works required to connect their lands to the Hunter Water sewer system. This view appears to be correct, based on a review of Hunter Water's website and the submission (W12/944) made to the Independent Pricing & Regulatory Tribunal ("IPART") by Hunter Water. That submission to IPART includes the following:

- *"There are currently no backlog schemes that are approved to proceed": page 60.*
- *"Hunter Water estimates the cost of addressing backlog sewer within its area of supply is in the order of \$155 million. This includes both infill backlog areas within existing developed and sewerred areas and smaller rural villages. Hunter Water proposes a long-term plan that would address these issues progressively through an allowance of \$4.5 million (\$2012-13) over the coming determination period for strategic investment in a backlog sewerage projects. The Corporation recognises that the issue of backlog sewer has come about over many decades and therefore solutions may take many years to be fully realised. However, the allowance made by Hunter Water in this submission will establish a starting point to begin to address the highest priority areas and to undertake continual planning for future backlog works": at page 86.*

The impact on the ability to develop these lands for the purpose of affordable residential subdivision directly affects the supply of new housing land to the market.

Council is a “water supply authority” for the purpose of the *Water Management Act 2000*, with its area of operations under that Act being the Wyong LGA. As part of that role Council provides sewer services to 70,000 properties via a network of 1240 kilometres of sewer mains, 142 pumping stations and six treatment plants, including a treatment plant at Charmhaven.

Council has assessed its ability to provide sewer services to the abovementioned unsewered lands, and has established that it is capable of providing sewer services to those lands by way of extending its existing infrastructure to connect those lands to Council’s treatment plant at Charmhaven. Depending on the decision around the proposed boundary change, Council will progress the development of a Development Servicing Plan for the area.

***Other benefits of the proposed boundary amendment***

Wyong Shire Council believes that by 2020 it can deliver the following infrastructure works, to enhance the area affected by the proposed boundary change:

- upgrade to Wyee Road and Ruttleys Road intersection;
- reconstruction of Hue Hue Road;
- reconstruction and sealing of Palara Road;
- reconstruction program of Wyee Road;
- seal Bushells Ridge Road; and  
build new community facilities at Wyee, including additional community space (for general community activities as well as for youth activities).

The current boundary alignment between LGAs either follows or dissects a number of local and regional roads in the Wyee area thereby resulting in the responsibility for management of individual roads falling across two different road authorities. These include the Regional Roads of Ruttleys and Wyee Road in addition to the local roads of Bushells Ridge Road, Hue Hue Road, Gosford Road and Woods Road. The northern boundary adjustment, as proposed by Wyong Shire Council, will utilise Dora Creek to create a defined northern physical boundary between the two LGAs thereby removing these roads from joint responsibility. The benefits to the community include a more efficient service in the management and maintenance of local roads and other ancillary services.

Council believes there are other potential benefits that will arise from this minor boundary change. It is Council’s understanding that the NSW Government, and its related entities (which include Delta Electricity and UrbanGrowth), has land holdings that are partly within the Adjusted Area (and so are currently part of the Lake Macquarie LGA) with the majority of the Delta Electricity landholdings contained within the Wyong LGA. There is an advantage to having this important use within a single local government area, to allow for the consistent dealings with those lands.

It should be noted that the North Wyong Structure Plan has been recently adopted by the NSW Government and Wyong Shire Council. This plan caters for the growth from Sydney for around 70,000 people to be settled in the North Wyong area. The connectivity of North Wyong with the lands at Wyee/Morriset is strong due to the Pacific Highway, M1 and the Railway line and Railways stations. It makes good sense to have this area under the jurisdiction of one Council.



### Statutory Considerations

In February 2014, Council advised the Honourable Brad Hazzard, Minister for Planning and Infrastructure, by way of letter, that the following legislative actions would be required to enable the provision of sewer services to occur:

1. A boundary adjustment, pursuant to s. 218B of the *Local Government Act 1993*, to the boundary between the Wyong and Lake Macquarie local government areas so that the southern part of the Lake Macquarie local government area around Morisset becomes part of the Wyong local area. One consequence of that boundary adjustment is that the land that would become part of the Wyong local government area ("the Adjusted Land") and would then then fall within WSC's "area of operations" under the *Water Management Act 2000*. Council, as the "water supply authority" for the Adjusted Land, would then have the statutory authority to connect the Adjusted Land to its sewer system.
2. Amendment of the Operating Licence for Hunter Water to remove the Adjusted Land from Hunter Water's "area of operations" under the *Hunter Water Act 1991*. That amendment would be effected by the Governor publishing a notice in the NSW Government Gazette, in accordance with s. 15 of the *Hunter Water Act 1991* and cl. 1.5 of the Operating Licence.

Under the Act, changes to area boundaries are generally reviewed by the Boundaries Commission (the Commission). There are a number of statutory considerations the Commission need to address when assessing the merit of a proposed boundary change. Statutory considerations include the:

- financial advantages or disadvantages to residents and ratepayers
- community of interest and geographic cohesion

- impact on the historical and traditional values of the affected areas
- attitude of affected residents and ratepayers
- impact on the ability of the affected councils to provide adequate, equitable and appropriate services and facilities
- impact on the employment of the staff by the councils of the areas concerned
- other factors relevant to the provision of efficient and effective local government in the existing and proposed new areas.

Council has conducted a preliminary assessment of the statutory considerations which are detailed below:

1. Financial advantages or disadvantages to residents and ratepayers

A review of Wyong and Lake Macquarie Councils based on the Division of Local Government (as it was then named) Comparative data (2011), shows lower average residential and business rates in the Wyong LGA than in the Lake Macquarie LGA. Wyong Council is more self-sustaining than Lake Macquarie Council, with a higher rate of 'own source' revenue. Wyong Council also records a higher ratio of building and infrastructure renewal than Lake Macquarie Council.

Wyong Council demonstrates a greater focus on environmental and community services than Lake Macquarie Council. Lake Macquarie Council recorded greater governance and administration expenditure per capita than Wyong Council, whereas Wyong had greater expenditure on environmental, community services and amenities, housing and education, and public order, safety and health per capita than Lake Macquarie.

Wyong possesses a greater number of public halls and open space areas than Lake Macquarie, and experiences a lower population density, while also having greater potential for growth and development.

## 2. Community of Interest and Geographic Cohesion in the Existing Areas and in Proposed New Area

Wyong and Lake Macquarie are adjoining LGAs, with the Wyong LGA northern boundary line creating the southern and western border of Lake Macquarie.

"*The Concept of Community Interest*", a discussion paper prepared for the South Australian Department of Local Government, explores the concept of 'Community of Interest' as it applies to local government boundaries. The paper defined "community of interest" in the context of local government as a three-dimensional concept. It applies to a group of people in a residential locality and has one or more of these dimensions:

- A. Perceptual: a sense of belonging to an area or locality which can be clearly defined.
- B. Functional: the ability to meet with reasonable economy the community's requirements for comprehensive physical and human services.
- C. Political: the ability of the elected body to represent the interests and reconcile the conflicts of all its members.

The more clearly these attributes apply in a locality, the more confidently the people in it can be said to have a community of interest. The application of the criterion of community of interest to boundary reform is not aimed at making councils uniform units, rather it is about defining the diversity of local government units.

Since each council has a distinctive matrix of interests, the application of community of interest is concerned with identifying the distinctive interests of the community, and examining those interests in relationship to the existing Council boundary. Pursuant to the discussion paper, the concept of community of interest is fundamental to the view of local government as community government.

### A) *Perpetual Dimension*

Council believes the proposed boundary change will positively impact the perceptual dimension of the affected residents. The boundary change will see affected residents identify with a new LGA that although different, shares a number of parallel features, including similar natural environment, demographics and lifestyle. Council is prepared to undertake extensive community consultation and initiatives to aid the affected residents develop a sense of belonging and community identity. Wyee has the same post code as parts of the Wyong LGA and a large portion of that community see themselves already as part of the Central Coast; traveling to Wyong for shopping, sport and schooling. A large number of children from the Wyee area attend Warnervale Public School, Mackillop Catholic College and Lakes Grammar School in the Wyong LGA. It should be noted Council is presently developing a Branding Strategy which may result in a recommended name change for Council. If this proposed boundary change proceeds Council would ensure the Wyee/Morriset Community are engaged in the Branding Strategy Project so they may be able to contribute and influence the outcomes.

### B) *Functional Dimension*

Council has carefully considered its ability to meet with reasonable economy the community's requirements for comprehensive physical and human services. Council concludes that it can successfully accommodate the new assets, services and residents of the lower Lake Macquarie area.



The residents of Wyee and Morisset are close to a number of essential and key services including Wyong Town Centre, Wyong Hospital, Lakehaven Shopping Centre, a regional shopping centre at Tuggerah, Warnervale Town Centre, The University of Newcastle's Ourimbah Campus, GP Super Clinic Medical Centre and Wyong Employment Zone. It is clear these facilities and institutions already service the Wyee/Morisset Community. The North Wyong Structure Plan (**Attachment D**) and Settlement Strategy (**Attachment E**) clearly shows the population settlement pattern and spatial context with regards to catering for future growth and the associated necessary infrastructure which justifies the strong nexus that Wyee/Morisset has with Wyong. This clearly supports the notion of geographical and functional cohesion between Wyong and Wyee/Morisset.

#### C) Political Dimension

Council believes its elected councillors can adequately represent the interests and reconcile any conflicts the proposed new area residents may have. Lake Macquarie City Council (LMCC) governs 648 square kilometres and is divided into 3 wards, represented by 4 Councillors per ward. Wyong Shire Council governs 827 square kilometres and is divided into 2 wards, represented by 5 Councillors per ward. Council believes that the newly acquired area and its residents will be well represented by Council's existing number of Councillors. The area to be incorporated into Wyong falls within Lake Macquarie's West Ward. It is also noted that the Independent Local Government Review Final Report recommends the residual of Lake Macquarie Council merge with Newcastle City Council.

### 3. Demographics

Council believes the 'Community of Interest' is also supported by a review of the 2 Councils demographics. The demographics of the Wyong and Lake Macquarie LGAs are demonstrably similar and as such will integrate well if the proposed boundary change occurred. The 2011 census data identifies a number of similarities between

the residents of both local government areas, including gender, age, marital status, education and employment statistics, ancestry and birthplace and domestic situation:

#### 3.1 Gender and Population

In both the Wyong and Lake Macquarie LGAs approximately 48% of the population are males and 52% females. There are 156,000 residents in the Wyong LGA and approximately 200,000 residents in the Lake Macquarie LGA. The proposed boundary change is estimated to affect less than 20,000 Lake Macquarie residents, and if it progressed, would bring the populations of the two LGAs close to parity.

#### 3.2 Age

The median age of people in the Wyong LGA was recorded as 40 years, and 41 years in the Lake Macquarie LGA. People aged 65 years made up approximately 18% of the population in both the Wyong and Lake Macquarie LGAs. Children aged 0 - 14 years made up 20.2% of the resident population in the Wyong LGA and 18.6% in the Lake Macquarie LGA.

#### 3.3 Marital Status

In Wyong LGA the people aged 15 years and over, 46.4% were married and 15.0% were either divorced or separated. Similarly, of people in the Lake Macquarie LGA aged 15 years and over, 51.0% were married and 12.2% were either divorced or separated.

In the Wyong LGA 47.1% of married people were in a registered marriage and 9.6% were in a de facto marriage. In the Lake Macquarie LGA 51.8% of married people were in a registered marriage and 8.5% were in a de facto marriage. The median age of people in a registered marriage in both the Wyong and Lake Macquarie LGAs was recorded as 53 years, and the median age of people in a de facto marriage was 37 years.

The median age of married people was 53 years in Wyong and 54 years in Lake Macquarie. The median age of people never married was 25 in Wyong and 24 in Lake Macquarie.

### 3.4 Education & Employment

Close to 30% of people in both the Wyong LGA and the Lake Macquarie LGA were attending an educational institution. With similar population percentages enrolled in primary, secondary or a tertiary or technical institution.

Approximately 43% of people were reported to be in the labour force in Wyong, close to the recorded figure of 46% in Lake Macquarie. Of those in the labour force, 55.4% were employed full-time in Wyong and 57.1% in Lake Macquarie; 30.5% were employed part-time in Wyong, with 31.5% employed part-time in Lake Macquarie. Unemployment rates in both local government areas were within 2.5% of one another.

Technicians and Trades Workers represented 16.7% of occupations in both Wyong and Lake Macquarie, with similar percentages for Clerical and Administrative Workers and Community and Personal Service Workers in both areas.

The median weekly personal income for people aged 15 years plus varied by \$51 between local government areas, with both median incomes slightly below the state and federal average.

In Wyong and Lake Macquarie, the predominant method of travel to work was by car as a driver, followed by via car as a passenger.

### 3.5 Ancestry, Birthplace, Ethnicity and Religion

The most common ancestry in both local government areas was Australian. Both Wyong and Lake Macquarie had a significant amount of people of English, Scottish

and German ancestry. Over 80% of people in areas were born in Australia, with a significant and closely related proportion of the population born in England, New Zealand, Scotland or Germany.

Both populations overwhelmingly (over 90%) spoke only English at home. Other languages spoken at home included Italian and similar proportions of Cantonese and Spanish.

Both areas had similar numbers of Aboriginal or Torres Strait Islander populations, higher than the NSW average.

The major religion in both Wyong and Lake Macquarie was Anglican followed by Catholic, No Religion, Uniting Church and Presbyterian and Reformed.

### 3.6 Domestic Setting

Of the families in Wyong, 40% were couple families with children, similar to 41.8% in Lake Macquarie. In Wyong, couple families without children were recorded at 37.4% and 39.7% in Lake Macquarie. The rate of one parent families was similar in Wyong and Lake Macquarie.

In Wyong, of couple families, 17.3% had both partners employed full-time, similar to the 17.9% recorded in Lake Macquarie. Both areas recorded similar results for one partner employed part-time and one employed full-time.

Of all households in Wyong, 71.0% were family households, 26.2% were single person households and 2.7% were group households. In Lake Macquarie 73.8% were family households, 23.9% were single person households and 2.3% were group households.

Median weekly rental payments in both areas were extremely close and below the state and federal average.

Other similarities between the local government areas include the same average number of people per household and average motor vehicles per dwelling. The demographics of the 2 Councils show significant similarities and as such prove there is a common "Community of Interest".

#### 4. The Existing Historical and Traditional Values in the Existing Areas and the Impact of Change on Them

Both LGAs share close historical and traditional values. Both Wyong and Lake Macquarie are renowned for their large lakes and extensive waterways.

Wyong comprises a large estuary system including Tuggerah and Budgewoi Lakes and Lake Munmorah. It should be noted that the Wyong LGA already covers the Southern area of Lake Macquarie. Wyong encompasses, and is surrounded by, national parks and State forests, including Ourimbah State Forest and Wyrabalong National Park. Wyong offers the same abundance of recreation and leisure activities due to its access to numerous waterways and natural areas.

Wyong and Lake Macquarie were initially agricultural and forestry industry areas. Both areas were largely accessible by their extensive waterways. The town of Morisset and Wyong experienced rapid growth when the Sydney-Newcastle railway was built in the late 1880's. The railway enabled the growth of the timber industry in lower Lake Macquarie and Wyong.

Morisset, Wyee and Wyong are connected to Sydney and Newcastle by NSW rail services on the Central Coast & Newcastle Line. This is a critical point to identify a sense of community as development grew around the railway line and the Pacific Highway.

Both the lower area of Lake Macquarie and Wyong have experienced extensive mining operations. Both areas are significantly affected by mine subsidence.

Council does not foresee any substantial impact on the historical and traditional values of both areas as a result of the proposed boundary change and believes it will better respect the historical urban settlement patterns as the anticipated 70,000 new people settle into North Wyong over the next 20 years.

#### 5. Attitude of Residents and Ratepayers to Boundary Change

Wyong Shire Council requested input at the community consultation meetings held by Lake Macquarie Council regarding the proposed boundary change. The Mayor of Wyong Shire Council wrote to the Mayor of Lake Macquarie City Council (LMCC) and asked that:

- Wyong Shire Council be given equal time to put its case for the proposed boundary change at a public meeting at Wyee;
- That a member of the Independent Local Government Review Panel or Office of Local Government (OLG) explain the reasoning behind the recommendation in the Review Panel's report to shift the boundary; and
- An independent person chair the meeting.

LMCC did not grant this request and held a public meeting at Wyee without Wyong Shire Council's participation which resulted in an unbalanced and misinformed message to affected residents.

Council gives an undertaking to carry out extensive community consultation if the boundary change adjustment occurs as part of our Branding Strategy Project, and Strategic Planning process to ensure the affected residents have influence and ownership over the direction and operations of Wyong Shire Council.

Council believes there will be clear benefits to the affected residents based on Council's record of delivery and resident satisfaction. Council has previously

received overwhelming confirmation of resident satisfaction during recent community engagement initiatives. Extensive consultation was undertaken to create the “Wyong Shire Community Strategic Plan 2030” (Strategic Plan), Shire wide LEP (including the North Wyong Structure Plan and Settlement Strategy) and as part of our special rate variation application. The Strategic Plan and these other documents addressed the question of “Where do we, as a community, want to be in the future?” These Plans provide a roadmap for Council so we can achieve the community’s long term vision of: “creating a caring, prosperous and sustainable community”. The delivery of the Community Strategy is supported through the actions outlined in Council’s Corporate Strategic Plan and Business Plans.

Throughout the consultation process for the Strategic Plan, Shire wide LEP, the North Wyong Structure Plan (**Attachment D**), Settlement Strategy (**Attachment E**) and special rate variation application, our residents indicated their preference for the types of services, the standard of service, the infrastructure priorities and the future development areas within the Shire. The outcome from this work has resulted in Wyong Shire Council developing a corporate strategy that is fiscally responsible and supported by our community. It has also, given Council the financial capacity to develop an economic development strategy focused on increasing local employment, and enhancing environmental, social and economic sustainability.

## 6 The Impact on the Ability of the Councils of the Areas Concerned to Provide Adequate, Equitable and Appropriate Services and Facilities

In addition to the benefit provided to affected residents by the provision of sewer to unsewered lands, residents will also benefit from the following Council services and initiatives:

### 6.1 Waste Management Facility

Council operates the Buttoderry Waste Management facility which receives

approximately 250,000 tonnes of waste per annum, of which 110,000 tonnes is recycled and 140,000 tonnes go to landfill. The Facility includes a composting facility and drop off locations for various recyclable materials.

Council is currently constructing a new cell at the cost of \$9,000,000. The cell is 40,000 square metres at the base and will hold 1.1 million cubic metres of waste. At current rates, the cell will be filled in seven years, at which time a new cell will be constructed. Council anticipates this landfill operating until the year 2200.

### 6.2 Warnervale Airport

Council owns Warnervale airport; a single strip, highly utilised aerodrome, which is the operational base for a number of activities and businesses including pilot training and recreational and tourist aviation.

### 6.3 Animal Care Facility

Council operates a large animal care facility at its Charmhaven Depot, operating 6 days per week. The number of cats and dogs received by the Facility ranges from approximately one to two thousand per annum.

In recent years, the Facility has increased its rate of accommodation to reduce the number of animals euthanized. The Facility also establishes community based foster programs, pets for therapy programs for lonely and/or elderly residents and runs a responsible pet ownership campaign.

### 6.4 Major Projects

#### 6.4.1 Warnervale Town Centre

The State Government’s Central Coast Regional Strategy predicts that by 2031 the Central Coast will have an additional 100,000 residents, and this will require around 45,000 more jobs. Within this strategy the Warnervale Town Centre (WTC) has been



identified as a future centre within Wyong Shire that will help manage this growth in population, employment requirements and retail demand. On 7 November 2008, an amendment (Amendment No.24) to the *SEPP (Major Developments) 2005* was gazetted to incorporate the Warnervale Town Centre as a State Significant Site (SSS). The Warnervale Town Centre will become the regional centre for Wyee/Morriset.

The Warnervale Town Centre is approximately 119 hectares, extends west of the Great Northern Railway Line and is adjacent to the Sydney-Newcastle Railway. WTC site was rezoned to create approximately 15 hectares for retail and commercial uses, and 64 hectares for residential uses.

Warnervale Town Centre is focused on a vibrant main street that provides access to all the principal activities within the town centre. It has been designed with people in mind and will contain a balance of shopping, community facilities, entertainment facilities and open space. The town centre will include:

- A library/knowledge centre that incorporates a range of community functions.
- A mix of retail commercial and residential areas including cafes, restaurants and entertainment facilities on the main street.
- Transport upgrades including a new major railway station including bus interchange and commuter car park, new roads, cycleways, footpaths and more public transport.
- Employment opportunities for approximately 1,200 people in retail, commercial and bulky goods sectors.
- Open space and conservations areas.
- An Indoor Recreation Centre.

The town centre will also include housing for approximately 3,600 residents. It will create a diversity of housing choice to accommodate people in all stages of their

lives, including mixed used development, medium to high density residential flat buildings (located close to the railway station and commercial core) and smaller dwellings.

Council has, and will continue, to play a key role in attracting commercial offices and corporations to the area. Council has already attracted a \$100 million Woolworths Ltd. Distribution centre west of the Warnervale Town Centre in the Wyong Employment Zone.

The construction of the GP Super Clinic Medical Centre was completed in October 2012 and opened for business November 2012.

#### 6.4.2 Warnervale Town Centre Railway Station

North Warnervale Railway Station will be constructed by RailCorp adjacent to the Warnervale Town Centre, in order to best utilise the transport links to the site. The railway station will be located approximately 1.5km north of the existing Warnervale station. The draft Central Coast Transportation Strategy states that construction of the new railway station will be completed by 2016. This town centre along with Lakehaven Town Centre will service the Wyee/Morriset residents.

#### 6.4.3 Regional Airport

Council is proposing a regional airport for the Central Coast to be located in the north of Wyong to boost the Shire's economy and create local jobs. Detailed noise, environment, geotechnical and economic studies are set to commence in the 2014/15 financial year, and a masterplan will be developed showing the proposed location of the runway and other infrastructure and services.

It is estimated that a regional airport in Wyong would inject \$250 million annually into the Central Coast economy, create thousands of direct and indirect jobs, and boost tourism.

Council has made significant milestone achievements in promoting Wyong and the Central Coast to local and international investors. Keystone employment generating initiatives in sectors such as tourism (the Chinese Theme Park), Education (Wyong Education and Business Precinct) and Industrial Development (Wyong Employment Zone) would be enhanced by improved transport access. The Central Coast Regional Airport would also be a gateway to promote further investment in logistics, finance and agriculture.

Preliminary site analysis has been undertaken, as has the preparation of a detailed Project Plan for the proposal.

#### 6.4.4 Chinese Cultural Theme Park

Council has officially signed an agreement to sell land that will soon be developed into what's being described as one of the biggest tourism projects ever seen in NSW. In November 2012, Council formally approved the sale of 15.7 hectares of land at Warnervale to the Australian Chinese Theme Park Pty Ltd (ACTP) for \$10 million, for the purpose of constructing a \$500 million Theme Park.

#### 6.4.5 Other

Due to the scale of Wyong Shire Council we are able to undertake extensive construction and maintenance work of a complicated nature on the formal and informal road and drainage network. Council has over 160 engineering and technical staff working in the Roads and Drainage area. In addition Council undertakes the management of 5 cemeteries, 6 childcare centre, 6 libraries, 2 recreation centres and 3 public swimming pools. Wyong also has more than 300 kilometres of pedestrian and cycling paths. Council has also constructed more than 105 kilometres of off-road shared pathways, which can be used by both pedestrians

and cyclists; and more than 50 kilometres of on-road bicycle lanes. Council also has over 170 engineering and technical staff in its water and sewer operations area which are services that Lake Macquarie Council does not provide. This demonstrates Council's extensive engineering and technical capacity which places Wyong Shire Council at the forefront as a leader in Local Government Engineering and Infrastructure Management in NSW.

#### 7. The Impact of Any Relevant Proposal on the Employment of the Staff by the Councils of the Areas Concerned

The area proposed for incorporation into the Wyong LGA is a comparatively small portion of Lake Macquarie Council. Council has determined the addition of this area will create a number of job opportunities for maintenance and service delivery staff, as well as a number of temporary internal and external positions e.g. for the rolling out of sewer connections. Wyong Shire Council is prepared to accept all directly affected Lake Macquarie Council staff and will provide a guarantee for their job security if the boundary change proceeds.

The proposed boundary change will see the Wyong LGA gain an additional library branch (Morisset) and cemetery (Wye). As mentioned above, Council already successfully operate 6 libraries and 5 cemeteries. Council has assessed the impact of the addition of such services and assets and concludes the addition will be comfortably accommodated by Council and believes our extensive engineering and technical capacity will result in major enhancements and benefits to the affected residents.



#### 8 Other Factors Relevant to the Provision of Efficient and Effective Local Government in the Existing and Proposed New Areas

Council notes LMCC's response to the Final Report and its suggestion to incorporate the remainder of the southern catchment of Lake Macquarie water body into its administrative boundary. LMCC has cited the improved water quality of the Lake Macquarie system for this boundary change. This is a surprising statement as LMCC's role in managing Lake Macquarie waterway is no greater than Wyong Shire Council.

Further to reject this assertion Wyong Shire Council believes it has considerable more expertise in waterways management. The Tuggerah Lakes estuary is a unique environment and rich in biodiversity. Over the years the estuary has been influenced by many different human activities. In response to community concerns, Council developed the Tuggerah Lakes Estuary Management Plan (EMP), adopted in 2006. The EMP was developed over a nine year period and provides strategic direction for the management of the Tuggerah Lakes estuary and its catchment.

The EMP was developed to identify priorities, costs and likely timeframes for taking further action. It incorporated the social, economic and environmental values of Tuggerah Lakes.

Projects implemented from 2009-2013 as part of the EMP included;

- stream bank rehabilitation in Wyong River, Ourimbah Creek, Tumbi Creek and Wallarah/Spring Creek to reduce erosion and strengthen banks.
- Installation of improved systems into residential and industrial areas to reduce excess stormwater run-off in areas like Saltwater Creek.
- building of constructed wetlands and other catchment improvements to filter nutrients, sediments and stormwater run-off.

- rehabilitation of significant saltmarsh communities to assist with the reduction of 'smell and black ooze'.
- improving recreational amenities and foreshores for community use.
- continuing scientific investigations and monitoring of water quality.
- engaging the community in education programs and providing information on the estuary and works programs.

One of the EMP's greatest achievements was the implementation of improved stormwater treatment measures in over 300 hectares of urban catchment. This has led to an estimated 200 tonnes of pollutants being removed from the Wyong LGA's lakes. Wyong Shire Council owns and operates a dredge and wrack removal vessel. It also has a number of A class marine licenced staff as part of its day labour force. No other NSW Council would have the in house skills and plant to deal with waterways in a professional and scientific manner.

In addition to works in Tuggerah Lakes, Council has also implemented a variety of initiatives in the southern Lake Macquarie catchment to improve water quality and improve recreational amenity. Works have included foreshore stabilisation works at Summerland Point, Gwandalan and Chain Valley Bay in addition to a number of stormwater quality improvement devices. Council also has committed to funding an accelerated rollout of stormwater improvement works in the Lake Macquarie catchment over the next few years.

As mentioned previously Wyong Shire Council owns and operates specialist marine equipment such as dredge, wrack harvesting barge, Truxors, crane, boats with expert qualified day labour staff to maintain and enhance the water quality and use of our Lakes which Lake Macquarie Council does not presently have.

**Impact of Boundary Change on NSW Department of Planning and Infrastructure Strategies**

Council believes the incorporation of parts of Lake Macquarie Council into the Wyong LGA will not impede any current State Planning Strategies, rather the affected area will benefit from the flow on effects of the Central Coast Regional and Lower Hunter Regional Strategies, and the North Wyong Shire Structure Plan and Settlement Strategy to cater for the population growth plan for this area.

**Conclusion**

1. In Lake Macquarie Council's submission to the Independent Review Panel Final Report, it accused the Independent Review Panel of failing to provide reasoning for a boundary change on social, economic or environmental grounds. Wyong Shire Council believes it has demonstrated in this submission the material public benefit that would arise to the affected residents and thus provides the reasoning for the proposed boundary change by the Independent Review Panel.

Wyong Shire Council also believes the similar demographics of the 2 Councils and the adopted North Wyong Structure Plan to deal with the anticipated population growth for the area proves there is a clear Community of Interest between Wyong and Wyee/Morrisset and provides strong justification to proceed with the proposed boundary change.

Wyong Shire Council believes the Independent Local Government Review Panel has demonstrated vision and was correct in identifying this proposed boundary change as part of their recommendations to enable the proper planning for growth. The proposal will also allow the delivery of essential infrastructure efficiently by one local government to support the settlement and integration of the anticipated 70,000 new residents.

In conclusion Wyong Shire Council believes as the change is minor, sensible and will have positive public benefit it should progress as soon as possible.

2. Wyong Shire Council perceives the Independent Local Government Review Panel's recommendation of amalgamation of Wyong and Gosford Councils, as a positive step to regional governance. Wyong Shire Council believes the amalgamation will improve efficiency in the delivery of services to the Central Coast community.

Whilst Wyong Shire Council believes the amalgamation creates numerous benefits to the community, Wyong Shire Council would require an independent cost and community benefit analysis to be undertaken in order to make an informed decision about whether there is a positive public benefit. Wyong Shire Council believes the cost and community benefit analysis should be both managed and funded by the NSW Government.

Wyong Shire Council believes that the amalgamation should only go ahead if it has the support of the majority of the Central Coast community, and as such requires that a community poll also be undertaken.

Wyong Shire Council would support the amalgamation if the independent cost benefit analysis proved there is a positive public benefit, and that the community poll demonstrated overall support by the community.

3. Wyong Shire Council has considered all of the Independent Local Government Review Panel's recommendations detailed in the final report. Wyong Shire Council agrees to the majority of the recommendations (in some case conditionally or with further suggestion/clarification) and believes those recommendations provide for a more sustainable system of democratic local government and will strengthen the strategic capacity of Councils.

Wyong Shire Council has rejected (in whole or in part) a number of recommendations that it believes does not provide the flexibility/ empowerment to effectively compete and deliver efficient services to our community. Wyong Shire Council believes these recommendations would disadvantage those councils that are currently fiscally responsible and performing well. As such Council recommends these do not proceed or are amended to take into account Council's concerns.

4. Wyong Shire Council makes no comment (in whole or in part) in respect to 15 of the report's recommendations as those 15 recommendations do not affect Council or the Wyong local government area.

On the whole, Wyong Shire Council believes the Panel has created a final report that provides for a comprehensive systems approach to improving and strengthening local government. Wyong Shire Council believes the majority of the report's recommendations will create long-term sustainability and effectiveness of NSW local government.

Attachment A: Table of Council's Response to Remaining 65 Recommendations

Attachment B: Proposed Boundary Change Map

Attachment C: Proposed Boundary Change Map

Attachment D: North Wyong Structure Plan

Attachment E: Settlement Strategy





## Attachment A: Table of Council's Response to Remaining 65 Recommendations

# Finance and Governance

## Recommendations for fiscal responsibility

1

Establish an integrated Fiscal Responsibility Program, coordinated by DLG and also involving TCorp, IPART and LGNSW to address the key findings and recommendations of TCorp's financial sustainability review and DLG's infrastructure audit (5.1 and 5.3)

### Agree

Wyong Shire Council supports an integrated Fiscal Responsibility Program so long as it addresses the following:

- As part of this work, there is engagement with Council to develop the program and a thorough review of all other reporting requirements– we don't want to add another layer of reporting
- Information requested for benchmarking ratios is carefully chosen – e.g. from financial statements for consistency as we all comply with the Code of Accounting Practice.
- Issues around the costs of differing services provided by councils or the % of growth that a council is experiencing are properly considered (Wyong Shire Council has water & sewer services and a waste management facility which other councils may not provide) otherwise any comparisons will not be useful.
- Location and population of the Council will also impact on the cost of services – need to differentiate between Metro, Region and Rural councils. Also need to differentiate between councils with populations under and over 150,000 people.
- Collection of information for benchmarking purposes should be via a portal to save Council's time and effort in reporting. The portal should also have prior period information to allow Council to easily cross check the information provided and review trends.
- Provide relevant and cost efficient local government training to councillors – if the strategy is to make Local Government an employer of choice to attract new thinking we need to provide support to councillors in understanding the framework our services are delivered in.

## Recommendations for fiscal responsibility

2

As part of the program:

- Adopt an agreed set of sustainability benchmarks (5.1)
- Introduce more rigorous guidelines for Delivery Programs as proposed in Box 9 (5.2)
- Commission TCorp to undertake regular follow-up sustainability assessments (5.3)
- Provide additional training programs for councillors and staff (5.3)
- Require all councils to employ an appropriately qualified Chief Financial Officer (5.3)

**Agree**, subject to establishing different benchmarks that take into account the size of the council area, the anticipated population growth of the Council and any unique services offered by a council. It is also recommended that there needs to be differentiation for Metropolitan, Regional and Rural councils.

**Agree**, subject to these guidelines being developed by LGNSW and there is alignment to the 4 year council electoral timeframe.

**Suggest** TCorp/Treasury offers for Council to undertake integrated banking and financial services on a user pays basis with the objective of reducing Council's costs. However if the service is costly or of little value to a council it should not be an obligation.

**Agree**, however it should be at each council's discretion, where training is necessary and viable (considering costs for training, the location of training, the need for training for particular councillors / staff etc.) There should also be recognition of appropriate qualifications / competencies / experience of the individual councillor / staff member.

**Agree**, Wyong Shire Council already employes a Chief Financial Officer.



**Recommendations for fiscal responsibility**

3

Place local government audits under the aegis of the Auditor General (5.4)

**Agree** however suggest discretion should be given to council's for audits to be undertaken by the Auditor General or an agreed local contractor for efficient service delivery particularly in Regional and Rural areas. The cost should be competitively tested against private providers.

4

Ensure that the provisions of the State-Local Government Agreement are used effectively to address cost-shifting (5.5)

**Agree** however it should be mandated that any proposed funding mechanisms developed by State Government departments (e.g. dog rego, inspection charges, etc.) are required to be fully costed by State Government Departments/Agencies before any devolution/delegation occurs and that the proposed funding mechanism allows full cost recovery.

## Recommendations for Strengthening Revenues

5	<p>Require councils to prepare and publish more rigorous Revenue Policies (6.1)</p>	<p><b>Agree</b> yet flexibility is also required to recognise local economic benefits / issues in Regional and Rural areas. It should be no more onerous than private sector corporate obligations.</p>
6	<p>Commission IPART to undertake a further review of the rating system focused on:</p> <ul style="list-style-type: none"> <li>Options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long term sustainability (6.2)</li> <li>More equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable (6.3)</li> </ul>	<p><b>Disagree</b> Suggest IPART does not have adequate resources to deal fairly with the diversity of NSW Local Government particularly Regional and Rural areas.</p> <p><b>Support</b> a review on non-rateable land. There should be no exemptions established within legislation – this should be a decision of the respective council.</p> <p><b>Agree</b> An occupancy based system is not supported as it is impossible to obtain and maintain this information. The administration of such information would be cost prohibitive. So the Capital Improved Values would be a more equitable method for rating purposes.</p>

### Recommendations for Strengthening Revenues

7  
 Either replace rate-pegging with a new system of 'rate benchmarking' or streamline current arrangements to remove unwarranted complexity, costs, and constraints to sound financial management (6.5)

**Agree** Wyong Shire Council's preference is for rate pegging to be abolished and the rating system to be based on categories which are aligned with the zones defined in the Shire-wide Local Environment Plan. This proposal is based on the principle of 'user pays' where the uses of the land that have more impact on Council's assets and services pay more. In alignment with this principle, rating exemptions for Crown, Aboriginal and Church lands, etc. should be abolished. Land use rating should apply to all lands within the council area.

If rate pegging is not to be abolished then any increases in rates revenue (rate pegging or rate benchmarking) should be in line with cost increases for salaries and wages and the increases to the cost for materials/contracts for the region. This has not been the case for a number of years. There must be a loading for the extra cost that arises in regional and rural councils and for councils experiencing population growth in excess of the NSW average.

8  
 Subject to any legal constraints, seek to redistribute federal Financial Assistance Grants and some State grants in order to channel additional support to councils and communities with the greatest needs (6.6)

**Agree**, redistribution of the Federal FAG and State grants to support councils and communities with the greatest need or greatest growth – the focus of grants should be on new or unsatisfactory infrastructure. Where councils have taken the initiative to improve efficiencies by implementing Shared Services then financial assistance should be provided to councils for implementation costs and training to facilitate the outcome. It is suggested the NSW FAG \$ be handed over to LGNSW to establish the method for distribution to respective councils.

The minimum payment within FAG methodology should be reviewed and our preference is for it to be abolished. Recognition of growth and infrastructure backlog requirements must drive the formula. Recognition for regional and rural councils must also be given influence.

### Recommendations for Strengthening Revenues

9	Require councils to prepare and publish more rigorous Revenue Policies (6.1)	<p><b>Agree</b> Establish a State borrowing facility to encourage local government to make increased use of debt where appropriate by:</p> <ul style="list-style-type: none"> <li>• Reducing the level of interest rates paid by councils</li> <li>• Providing low-cost financial and treasury management advisory services (6.7)</li> </ul>
10	Encourage councils to make increased use of fees and charges and remove restrictions on fees for statutory approvals and inspections, subject to monitoring and benchmarking by IPART (6.8)	<p><b>Agree</b> to councils unilaterally setting their fees &amp; charges for the services provided to ensure that we are able to recover the costs associated with providing these services.</p> <p>Wyong Shire Council is not opposed to benchmarking to comparable councils (subject to recognising that Metropolitan, Regional and Rural councils have different cost structures and growth councils have a significant need to forward fund infrastructure requirements).</p>

## Recommendations for Meeting Infrastructure Needs

11	Factor the need to address infrastructure backlogs into any future rate-pegging or local government cost index (7.1)	<p><b>Agree</b>, support the inclusion of a factor into rate pegging to address infrastructure backlogs however guidelines need to be provided as to what constitutes infrastructure backlogs (IT infrastructure which impacts on the efficiencies council can make is not traditionally considered as infrastructure). There should also be a factor to cater for forward funding infrastructure required for growth.</p> <p>If special schedule 7 is used for determining asset/infrastructure backlogs then guidelines will need to be issued to ensure that all councils are reporting on a consistent basis and we have definitions for “estimated cost to bring up to a satisfactory condition / standard” and asset conditions. If special schedule 7 isn’t used for determining asset/infrastructure backlogs we will need other guidelines to ensure consistency in reporting.</p>
12	Maintain the Local Infrastructure Renewal Scheme (LIRS) for at least 5 years, with a focus on councils facing the most severe infrastructure problems (7.2)	<p><b>Suggest</b> LIRS be used on any infrastructure backlog not just severe. Also suggest the State Government maintains LIRS until there is no infrastructure backlog in NSW councils, not just for 5 years.</p>
13	<p>Pool a proportion of funds from the roads component of federal Financial Assistance Grants and, if possible, the Roads to Recovery program in order to establish a Strategic Projects Fund for roads and bridges that would:</p> <ul style="list-style-type: none"> <li>• Provide supplementary support for councils facing severe infrastructure backlogs that cannot reasonably be funded from other available sources</li> <li>• Fund regional projects of particular economic, social or environmental value (7.2)</li> </ul>	<p><b>Suggest</b> that a review of the FAG minimum payment methodology be undertaken as some councils no longer require any FAGs to assist them in delivering services to their communities and that any savings are redirected to address any infrastructure problems in communities that are financially disadvantaged or are going through significant growth.</p> <p><b>Agree.</b> For regional projects that create local jobs in Regional Australia.</p>



### Recommendations for Meeting Infrastructure Needs

14	Require councils applying for supplementary support from the Strategic Projects Fund to undergo independent assessments of their asset and financial management performance (7.2)	<b>Agree</b> , so long as the assessments and decision making processes do not take a long time or result in unnecessary costs.
15	Carefully examine any changes to development (infrastructure) contributions to ensure there are no unwarranted impacts on council finances and ratepayers (7.3)	<b>Suggest</b> remove capping of developer contributions. Infrastructure charges should be subject to independent audit by Council's external auditor, Auditor General or their contractor.  Clarification is required of what an "unwarranted impact" is.
16	Adopt a similar model to Queensland's Regional Roads and Transport Groups in order to improve strategic network planning and foster ongoing improvement of asset management expertise in councils (7.4)	<b>Agree</b> Wyong Shire Council supports this in principle. Further work should be done with RMS on this proposal.  Wyong Shire Council also supports fostering ongoing improvements in asset management expertise in councils but it should be focused on the asset categories that are at risk within each Council.
17	Establish Regional Water Alliances as part of new regional Joint Organisations proposed in section 11 (7.5).	<b>Disagree</b> Wyong Shire Council would only support the strategic planning for bulk water being with a regional joint organisation. Wyong Shire Council believes it is more efficient for staff, assets and all operations to remain under a council's direct management. There will be a need to repeal the legislation requiring a Central Coast Water Corporation.



## Recommendations for Improvement, Productivity and Accountability

18	Adopt a uniform core set of performance indicators for councils, linked to IPR requirements, and ensure ongoing performance monitoring is adequately resourced (8.1)	<p><b>Support</b> adoption of a uniform set of core performance indicators based on customer satisfaction, financial sustainability and staff satisfaction.</p> <p>However performance indicators and benchmarks for performance monitoring will only work where distinctions are made for councils which provide additional services (E.g water, landfills, etc) as this will impact on the reporting results. Wyong Shire Council considers consistent data collection is vital for the indicators to be of any use. It is recommended that the data collection is reviewed in line with existing reporting frameworks so as to reduce the burden of reporting. It is suggested there is a the need to have different performance indicators for Metropolitan, Regional and Rural councils with further refinement around populations greater than 150,000 and for population growth 10% above the State average.</p>
19	Commission IPART to undertake a whole-of-government review of the regulatory, compliance and reporting burden on councils (8.2)	<p><b>Agree</b> if it reduces the reporting burden on council, and so long as councils are engaged appropriately with sufficient time to make submissions. Any move to reduce the regulatory, compliance and reporting burden on councils would be welcomed. There should be investigations into a single reporting portal so information can be provided to all government departments efficiently and to remove duplication.</p>
20	Establish a new sector-wide program to promote, capture and disseminate innovation and best practice (8.3)	<p><b>Support</b> this proposal as any innovative practices which can assist us in delivering more with less would be welcome. However it must be voluntary and not mandatory.</p>
21	Amend IPR Guidelines to require councils to incorporate regular service reviews in their Delivery Programs (8.4)	<p><b>Support</b> Wyong Shire Council already reviews services as part of the strategic planning process. Any additional layer of reporting requirements would not be supported especially if this involved box ticking. We also need to consider how this would fit in with all of the other community consultation we engage in. Whatever is proposed should be able to be incorporated into Council's existing business planning and community engagement activities.</p>

## Recommendations for Improvement, Productivity and Accountability

22	Strengthen requirements for internal and performance auditing as proposed in Box 17 (8.5)	<p><b>Disagree</b> Wyong believes any audit and risk committee should have Councillors and externals in equal numbers. Currently our two independent members cost approximately \$30K per annum.</p> <p>Independent members of the Audit and Risk Committee must be accountable and respectful of the strategies in the IP&amp;R framework, approved by Council or by management. Wyong does not support the Audit and Risk Committee having any operational role. It should remain as advisory only.</p>
23	Introduce legislative provisions for councils to hold Annual General Meetings (8.6)	<p><b>Disagree.</b> There is adequate engagement via the IP&amp;R process, annual reports, 24 Council meetings, the Committees of Council structure and the plethora of other community engagement actions that Council undertakes. Leave this to the discretion of councils.</p> <p>Requiring a council to hold an AGM separate to a council meeting would only add additional cost.</p>
24	Develop a NSW Local Government Workforce Strategy (8.7)	<p><b>Agree.</b> The sector requires greater capability than currently exists to be relevant and sustainable.</p>
25	Explore opportunities for the Local Government Award to continue to evolve to address future challenges facing the sector and changing operational needs.	<p><b>Agree.</b> In addition, the process as to how Award negotiations are conducted should be amended. Most councils have minimal influence as the LGNSW is the signatory to the Award and as such the chief negotiator and decision making body.</p> <p>The Award needs a significant revision especially if Local Government is to deliver services to the community in an efficient and competitive manner.</p>

## Recommendations for Political Leadership and Good Governance

26

Amend the Local Government Act to strengthen political leadership:

- Require councils to undertake regular 'representation reviews' covering matters such as the number of councillors, method of election and use of wards (9.1)
- Before their nomination is accepted, require all potential candidates for election to local government to attend an information session covering the roles and responsibilities of councillors and mayors (9.1)
- Amend the legislated role of councillors and mayors as proposed in Boxes 19 and 21, and introduce mandatory professional development programs (9.2 and 9.3)
- Provide for full-time mayors, and in some cases deputy mayors, in larger councils and major regional centres (9.3)
- Amend the provisions for election of mayors as proposed in Box 22 (9.3)

**Agree**, but query what is 'regular?' Suggest it be every 4 years to align with the Council term.

**Disagree** Wyong does not support any obligations being placed on potential candidates. Wyong does support elected Councillors and Mayors having mandatory professional development programs. LGNSW and DLG could partner with the Australian Institute of Company Directors or similar organisations. However where Councillors have relevant knowledge, qualifications and/or experience then provisions should be made for a refresher course or for appropriate recognition to be given so training is not required.

**Agree** see above

**Agree** Make provision in the legislation for Councils to make the decision whether Councillors including the Mayor are to be full time. It would be beneficial to allow full-time Mayors and Councillors in any newly amalgamated Council where populations are greater than 150,000.

**Agree** - Wyong Shire Council has already resolved to have a popularly elected Mayor at the next Council elections.

### Recommendations for Political Leadership and Good Governance

27	Increase remuneration for councillors and mayors who successfully complete recognised professional development programs (9.2-9.4)	<b>Agree</b> , however remuneration should also be increased for Councillors who have appropriate competencies or qualifications and/or experience. There should also be the capacity for councils to pay more to Mayors/Councillors for their roles on committees, joint organisations, Boards, panels, county councils and corporations.
28	Amend the legislated role and standard contract provisions of General Managers as proposed in Boxes 23 and 24 (9.5)	<b>Agree.</b> Suggest GM protection measures be extended to all SDO's for the first 12 months of any newly elected Council.
29	Amend the provisions for organisation reviews as proposed in section 9.6	<b>Agree</b> subject to it being very clear that it is the "Council as a whole" that is the responsible decision making body after proper consultation with the General Manager.
30	Develop a Good Governance Guide as a basis for 'performance improvement orders' and to provide additional guidance on building effective working relationships between the governing body, councillors, mayors and General Managers (9.7)	<b>Agree</b>





# Structures and Boundaries

### Recommendations for Advance Structure Reform

31	Introduce additional options for local government structures, including regional Joint Organisations, 'Rural Councils' and Community Boards, to facilitate a better response to the needs and circumstances of different regions (10.1)	<p><b>Support</b> as optional, as councils may have other more appropriate methods to deliver services for their communities and resources.</p> <p>Need to ensure that the establishment and dismantling of any entity is a decision for the council and is simple and not costly to implement.</p>
32	Legislate a revised process for considering potential amalgamations and boundary changes through a re-constituted and more independent Boundaries Commission (10.3)	<p><b>Suggest</b> The need for a community poll should be optional for boundary adjustments involving less than 10% of the Council's population on the basis of cost and materiality.</p>
33	Encourage voluntary mergers of councils through measures to lower barriers and provide professional and financial support (10.4)	<p><b>Agreed</b>, Wyong Shire Council remains open minded in relation to this proposal if it provides better valued services to the community and the principles and processes outlined in 10.3 are actioned. Financial support needs to be provided by the State Government for planning, training and implementation of any merger plan. It is also recommended that full time administrators be considered for appointment for a set period to bed down any merger.</p>
34	Provide and promote a range of options to maintain local identity and representation in local government areas with large populations and/or diverse localities (10.5)	<p><b>Agree</b>. Wyong Shire Council already undertakes many of the options suggested.</p>

## Recommendations for Advance Structure Reform

Establish new Joint Organisations for each of the regions shown on Maps 2 by means of individual proclamations negotiated under new provisions of the Local Government Act that replace those for County Councils(11.5)

- Defer establishment of JOs in the Sydney metropolitan region, except for sub-regional strategic planning, pending further consideration of options for council mergers (11.5)
- Enter into discussions with 2-3 regions to establish 'pilot' JOs (11.5)
- Re-constitute existing County Councils as subsidiaries of new regional Joint Organisations, as indicated in Table 5 (11.2)
- Establish Regional Water Alliances in each JO along the lines proposed in the 2009 Armstrong-Gellatly report (11.3)
- Set the core functions of Joint Organisations by means of Ministerial Guidelines (11.6)
- Seek federal government agreement to make JOs eligible for general-purpose FAGs (11.6)

**Suggest** There should be no requirement for councils to transfer assets, staff or any operations to a Joint Organisation. The Joint Organisation must be able to be easily set up and dismantled by the Controlling Council/s. The governance of a joint organisation should be left to the respective councils. More emphasis should be placed on the value of leveraging strategy, planning, technology, technology skills and business acumen in a broader sense through any proposed Joint Organisation(s).

**No comment**

**Agree.** However resources from the State Government must be provided to the councils who undertake these "pilots". Also suggest it not be limited to 2-3.

**Disagree** Leave this to the respective councils.

**Disagree** Wyong Shire Council does not support the transfer of assets, operations or staff to a Joint Organisation. Wyong Shire Council does support having a joint organisation for the strategic planning of the Central Coast bulk water arrangements.

**Disagree.** It should be established by agreement between the Councils as situations and circumstances change.

**Disagree** All financial transactions including FAGS to any Joint Organisation must be via the respective councils.

### Recommendations for **Advance Structure Reform**

36	<p>Identify one or more regional centres within each Joint Organisation and:</p> <ul style="list-style-type: none"> <li>• Create a network of those centres to drive development across regional NSW (11.7)</li> <li>• Consider potential mergers of councils to consolidate regional centres, as indicated in Table 6 (11.7)</li> </ul>	<p><b>Disagree.</b> On the Central Coast both Councils are of similar size and population number. This will create unnecessary rivalry in regions and rural areas.</p> <p><b>No Comment</b></p>
37	<p>Develop close working partnerships between Joint Organisations and State agencies for strategic planning, infrastructure development and regional service delivery (11.8), and;</p> <ul style="list-style-type: none"> <li>• Add representatives of Joint Organisations to State agency Regional Leadership Groups (11.8)</li> <li>• Give particular attention to cross-border issues and relationships in the operations of Joint Organisations and in future regional strategies (11.9)</li> </ul>	<p><b>Agree</b> but only via the respective Councils.</p> <p><b>Suggest</b> this is unnecessary on the Central Coast as it is easier to have both councils represented. The Mayors and GM's of the two Central Coast Councils are already members of the Regional Leadership Group and many other State bodies.</p> <p><b>Agree</b> this is why the establishment of any Joint Organisation must be a matter for respective councils.</p>



### Recommendations for ‘Rural Councils’ and Community Boards

38	Establish a working party as part of the Ministerial Advisory Group proposed in section 18 to further develop the concept of ‘Rural Councils’ for inclusion in the re-written Local Government Act (12.1)	<b>No comment</b>
39	Include provisions for optional Community Boards in the re-written Act, based on the New Zealand model, but also enabling the setting of a supplementary ‘community rate’ with the approval of the ‘parent’ council (12.2)	<b>Agree.</b> However it needs to be optional for a Council and undertaken solely at the discretion of the Council. As such a Council needs to be able to establish and dismantle Community Boards easily.

### Recommendations for Metropolitan Sydney

40	Strengthen arrangements within State government for coordinated metropolitan planning and governance, and to ensure more effective collaboration with local government (13.1)	<b>Support</b> Wyong Shire Council supports the model where there is a representative from Premier and Cabinet as the primary NSW Government contact. Wyong Shire Council also suggests that a Minister be appointed for each NSW region with the exception of metro Sydney (this should be the Premier).
41	Seek evidence-based responses from metropolitan councils to the Panel's proposals for mergers and major boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (13.3)	<b>No comment</b>
42	Prioritise assessments of potential changes to the boundaries of the Cities of Sydney and Parramatta, and • Retain a separate City of Sydney Act to recognise its Capital City role • Establish State-local City Partnership Committees for Sydney and Parramatta along the lines of Adelaide's Capital City Committee (13.4)	<b>No comment</b>
43	Pending any future action on mergers, establish Joint organisations of councils for the purposes of strategic sub-regional planning (13.5)	<b>No comment</b>

### Recommendations for Metropolitan Sydney

44	Maximise utilisation of the available local government revenue base in order to free-up State resources for support to councils in less advantaged areas (13.6)	<b>No comment</b>
45	Continue to monitor the sustainability and appropriateness in their current form of the Hawkesbury, Blue Mountains and Wollondilly local government areas (13.7)	<b>No comment</b>
46	Promote the establishment of a Metropolitan Council of Mayors (13.8)	<b>Support</b> but question how this work would for Wyong Shire in that we are seen as metro Sydney in terms of catering for population growth but regional in terms of all other matters. If established, Wyong Shire would need to be a member on matters of significance that affect the Shire.

### Recommendations for Hunter, Central Coast and Illawarra

47	Seek evidence-based responses from Hunter and Central Coast councils to the Panel's proposals for mergers and boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (14.1 and 14.2)	<p><b>Support</b> Wyong Shire Council is open-minded in relation to a possible merger with Gosford City Council as long as this will provide better value services to the community and that is the direction that the majority of the Central Coast community wants. Funding must be provided for the State Government to undertake an independent evidence-based cost benefit analysis and a community poll must be undertaken to ascertain the views of our people. The independent cost benefit analysis must be clear with regards to any implementation plan and implementation costs.</p> <p><b>Agree</b> Wyong Shire Council supports the immediate adjustment of the boundaries between Wyong Shire and Lake Macquarie Councils as attached. This is a straight forward boundary adjustment and will allow sewerage to be provided to the area efficiently so as to allow affordable housing releases. In addition, there are many other positive public benefits that arise with this boundary change as detailed in our submission, particularly as we deal with the population growth in north Wyong.</p>
48	Defer negotiations for the establishment of a Central Coast Joint Organisation pending investigation of a possible merger of Gosford and Wyong councils (14.2)	<p><b>Agree</b> this should be deferred - if a Central Coast Regional Council is established it would negate the need for any joint organisation.</p>
49	Pursue the establishment of Joint Organisations for the Hunter and Illawarra in accordance with Recommendation 35 (14.1 and 14.3)	<p><b>No comment</b></p>

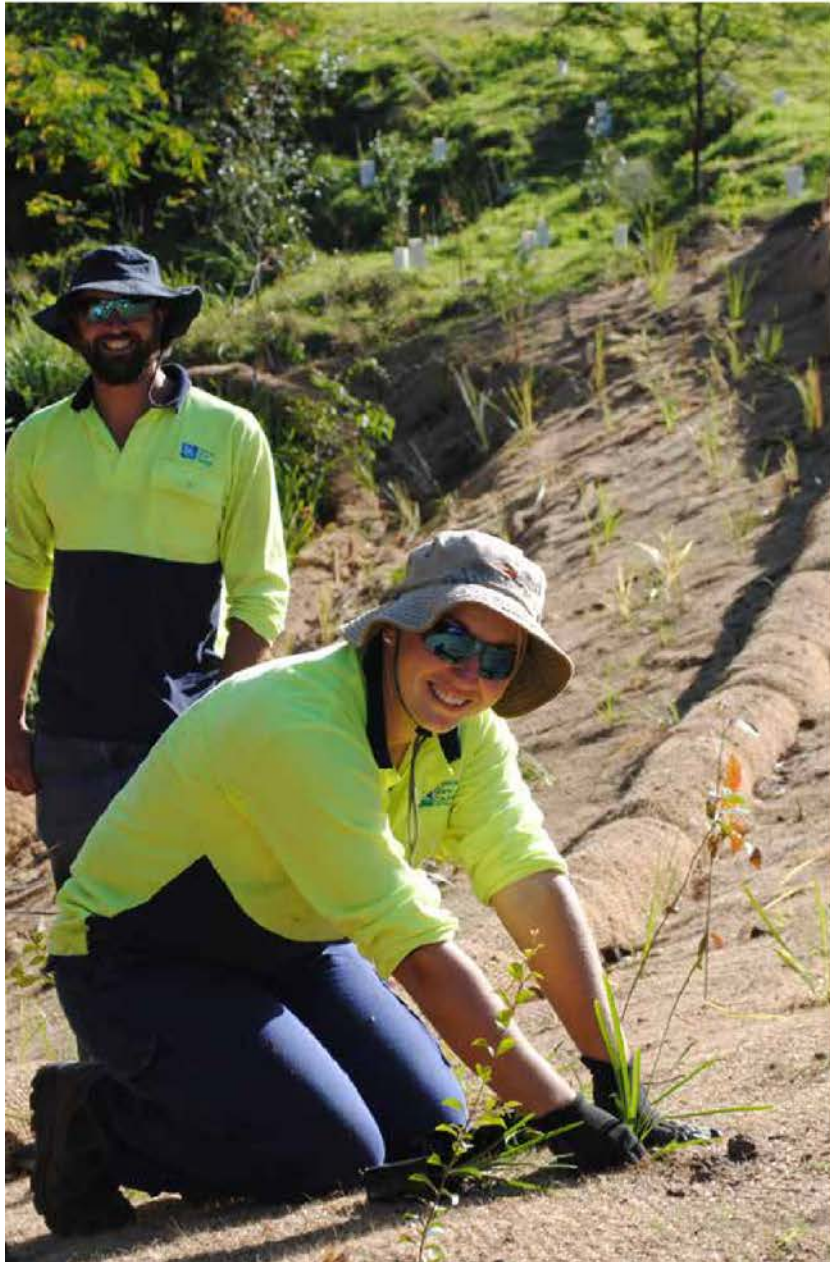


**Recommendations for Non-Metropolitan Regions**

50	Explore options for non-metropolitan councils in Group A as part of establishing the Western Region Authority proposed in section 16 (15.1)	No comment
51	Refer councils in Groups B-F to the Boundaries Commission in accordance with Table 11 and the proposed timeline (15.1)	No comment
52	Complete updated sustainability assessments and revised long term asset and financial plans for the 38 councils identified in Table 11 by no later than mid-2015 (15.2)	No comment

### Recommendations for Far West

53	Agree in principle to the establishment of a Far West Regional Authority with the functions proposed in Box 39 and membership as proposed in Figure 9 (16.3)	No comment
54	Adopt the preferred new arrangements for local government set out in Box 40 as a basis for further consultation (16.4)	No comment
55	Establish a project team and reference group of key stakeholders within the DPC Regional Coordination Program to finalise proposals (16.5)	No comment



# Implementation

### Recommendations for State-Local Government Relations

56	Use the State-Local Agreement as the basis and framework for a range of actions to build a lasting partnership, and negotiate supplementary agreements as appropriate (17.2)	<b>Agree</b> , however it is recommended that existing successful agreements, processes, and frameworks should be used to reduce duplication and costs.
57	Introduce new arrangements for collaborative, whole-of-government strategic planning at a regional level (17.3)	<b>Agree</b> that State and Local Government need to work more closely on strategic planning to ensure we maximise service delivery efficiencies. Wyong Shire Council believes that State Government Departments / Agencies will need to be directed to work with Local Government for this to be a success.
58	Amend the State Constitution to strengthen recognition of elected local government (17.4)	<b>Agree</b>
59	Seek advice from LGNSW on the measures it proposes to take to meet its obligations under the State-Local Agreement (17.5)	<b>Agree</b>
60	Strengthen the focus of DLG on sector development and seek to reduce its workload in regulation and compliance (17.6)	<b>Agree</b> but it must result in a reduction in documentation / duplication / regulation and there must be time and cost KPI's established for the activities of the Office of Local Government. These KPI's should be agreed with Local Government NSW and reported to all Local Councils each quarter.



### Recommendations for Driving and Monitoring Reform

61	Establish a Ministerial Advisory Group and Project Management Office (18.1 and 18.2)	<b>Agreed</b> – as per our previous submission we suggest that the MAG and the PMO be in place until December 2020 to provide support during the 2016 and 2020 elections. The Ministerial Advisory Group must have representation from regional NSW. Wyong is prepared to be considered as a representative on the MAG as it has responsibilities that cover both Metropolitan and Regional issues.
62	Refer outstanding elements of the Destination 2036 Action Plan to the Ministerial Advisory Group (18.1)	<b>Agreed</b> subject to all councils being kept informed on a monthly basis.
63	Adopt in principle the proposed priority initial implementation package set out in Box 42, as a basis for discussions with LGNSW under the State-Local Government Agreement (18.3)	<b>Suggest</b> This should be negotiated with affected stakeholders.
64	Further develop the proposals for legislative changes detailed in Boxes 43 and 44, and seek to introduce the amendments listed in Box 43 in early 2014 (18.5)	<b>Suggest</b> Timeframe should be changed to consider the budgetary and political processes of the NSW Government and councils.
65	Adopt in principle the proposed implementation timeline (18.6)	<b>Disagree</b> - An implementation plan needs to be developed in consultation with Local Government NSW. The timeline established must respect the resourcing, cost and political implications.

## General

**Financial and Policy Making Powers** Agreed

In general, Councils with populations over 150,000 and/or proven performance should be granted greater financial and policy making powers given the capacity of the Council.

**Facilities and Expenses**

Agreed

Remove requirement for Facilities and Expenses policies with prescriptive limits. Council to determine appropriate expense requirements and budget allocation in accordance with IPR framework.

**Full time Councillors**

**Agree**, at the discretion of each council. This could be mandated for any council with >150,000 people.

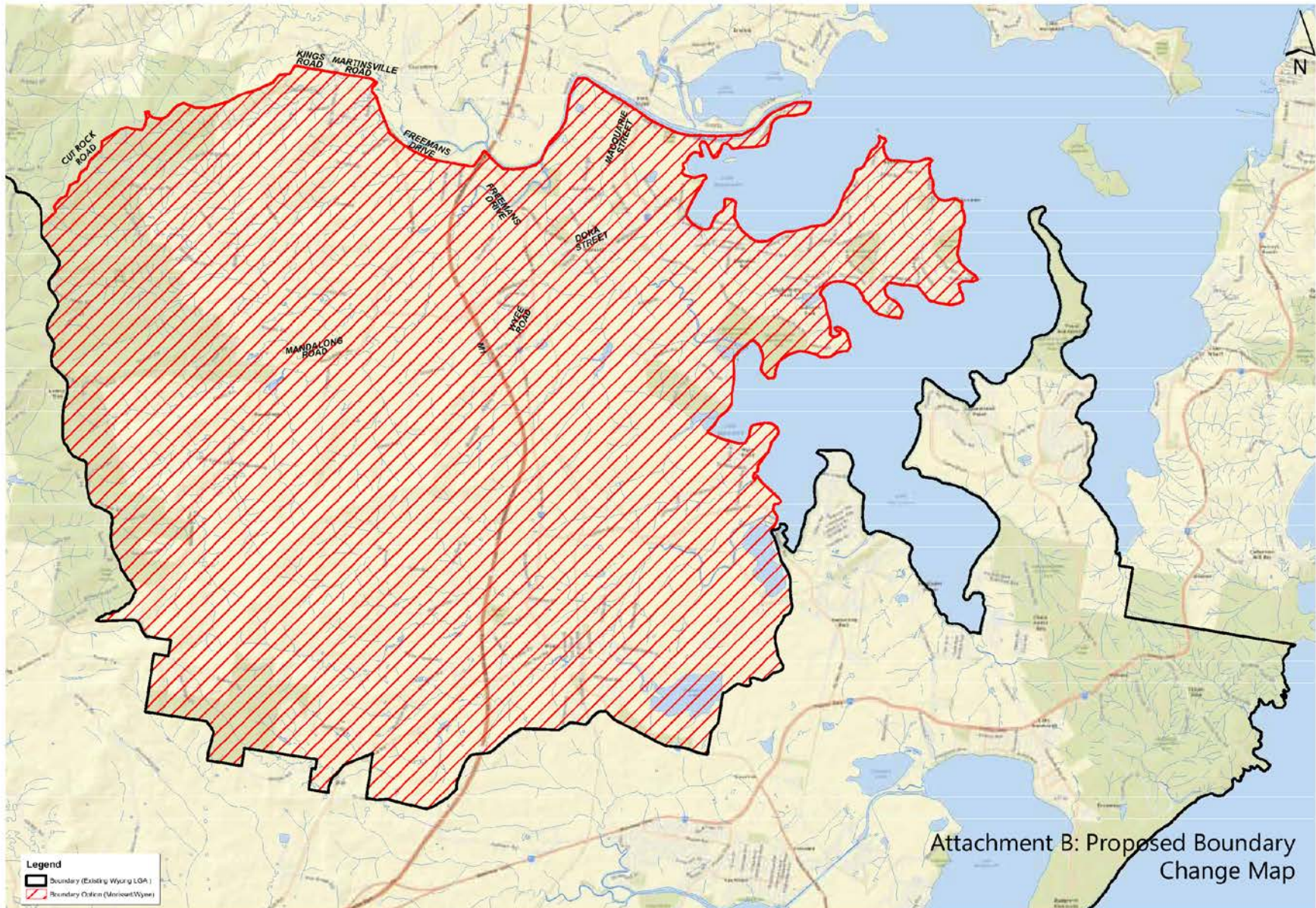
Councillors, especially those of larger organisations should be appointed to the role in a full time capacity and be remunerated accordingly, including appropriate support staff and vehicle.



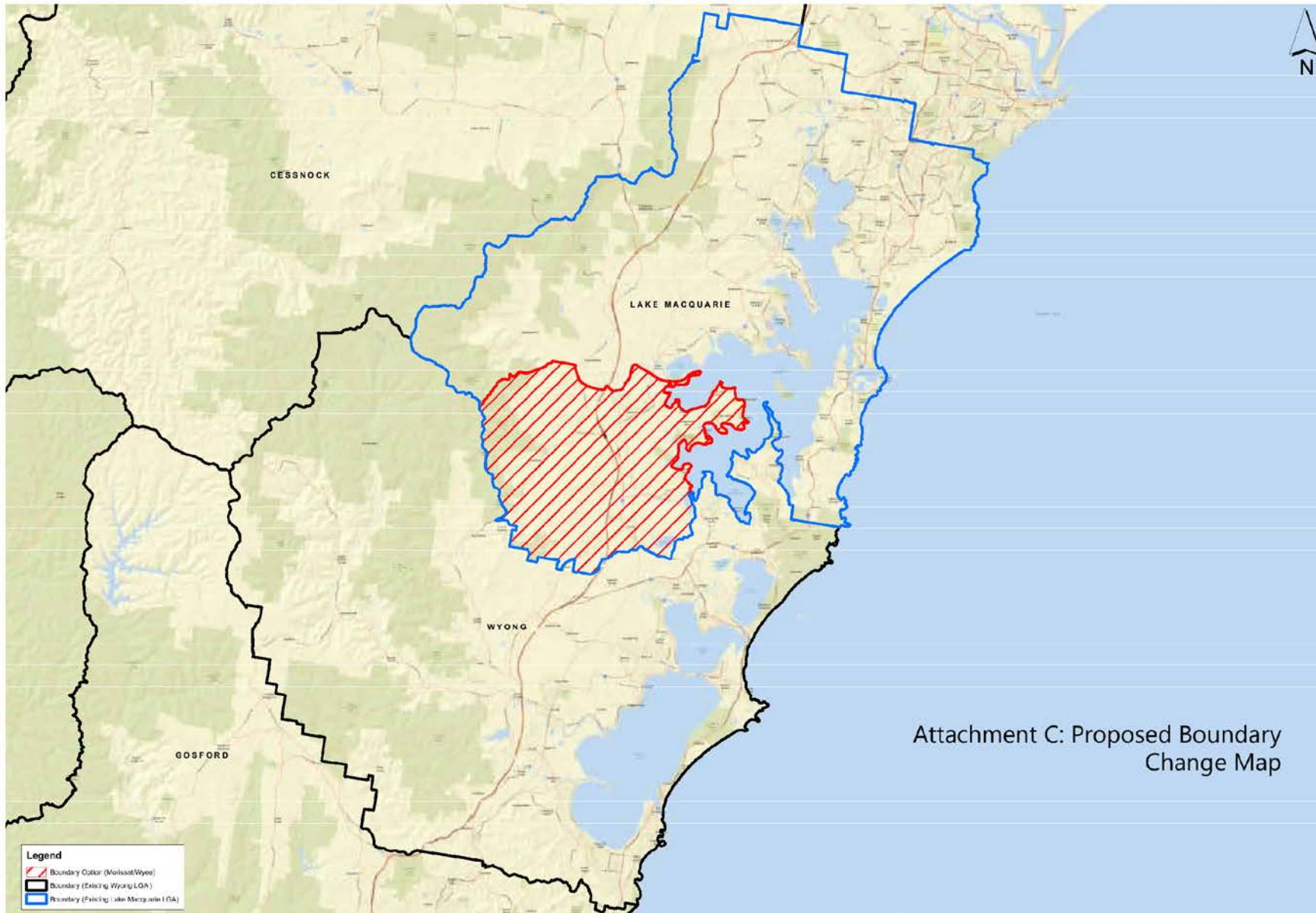
Attachment B:  
Proposed Boundary  
Change Map

Attachment C:  
Proposed Boundary  
Change Map











April 2014  
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September 2014



# Fit for the Future

## NSW Government Response

Independent Local Government Review Panel recommendations

Local Government Acts Taskforce recommendations

## Recommendations for local government reform

Three years ago, local councils from throughout NSW gathered for the Destination 2036 summit, to plan how local government could meet the challenges of the future.

Councils all agreed that change was needed, but there were various views as to how this could best be achieved.

Following Destination 2036, the (then) Local Government and Shires Associations asked the Minister to appoint an Independent Local Government Review Panel to develop options to improve the strength and effectiveness of local government in NSW. The Local Government Acts Taskforce was also appointed to review the *Local Government Act 1993* and the *City of Sydney Act 1988*.

### The Independent Panel

The Independent Local Government Review Panel, led by Professor Graham Sansom, conducted three rounds of public consultation and commissioned independent research to help develop its thinking.

The Panel considered options for governance models, structures and boundary change, as well as the wider questions of sustainability of the sector. It used the feedback it received from

councils and community members to help refine its final recommendations.

The NSW Government has considered the 65 recommendations presented by the Panel and developed its response, based on support for the majority of recommendations. The response to each recommendation is detailed in the table on the following pages.

### The Taskforce

The Taskforce looked at options to develop a new, modern Local Government Act that would meet the future needs of the local government sector and the community. It conducted several rounds of consultation to discuss options for streamlining the legislation and cutting red tape. The feedback received from councils, business and community members helped to inform the Taskforce's final recommendations.

The NSW Government response includes general support for the Taskforce recommendations and is detailed on the final page 20.



*Pictured are members of the Local Government Acts Taskforce and the Independent Local Government Review Panel:*

*From left: Ian Tiley, Taskforce Chair John Turner, Panel Chair, Graham Sansom, Gabrielle Kibble, Glenn Inglis, Stephen Blackadder and Jude Munro.*

## Government response to the Independent Local Government Review Panel recommendations

Area	Recommendation	Position	Government response
Fiscal responsibility	1. Establish an integrated Fiscal Responsibility Program, coordinated by DLG and also involving TCorp, IPART and LGNSW to address the key findings and recommendations of TCorp's financial sustainability review and DLG's infrastructure audit (5.1 and 5.3)	Supported	The Office for Local Government (OLG) has been consulting councils and key stakeholders to develop a Financial Sustainability Program that supports all councils to become financially sustainable. The program will include guidance, targeted capacity building and direct intervention in high-risk councils. The approach to implementation, including the involvement of key stakeholders, will be determined by the OLG through the program design and be subject to available funding. This program will commence once council 'fit for the future' proposals have been considered.
	2. As part of the program: <ul style="list-style-type: none"> <li>• Adopt an agreed set of sustainability benchmarks (5.1)</li> <li>• Introduce more rigorous guidelines for Delivery Programs as proposed in Box 9 (5.2)</li> <li>• Commission TCorp to undertake regular follow-up sustainability assessments (5.3)</li> <li>• Provide additional training programs for councillors and staff (5.3)</li> <li>• Require all councils to employ an appropriately qualified Chief Financial Officer (5.3)</li> </ul>	Supported	<p><u>Sustainability benchmarks</u> Supported - The OLG has, in consultation with the sector, commenced work on developing a performance measurement framework, including financial sustainability indicators. Once these indicators are defined and piloted, work will commence to identify appropriate benchmarks and council comparison groupings.</p> <p><u>Delivery Program guidelines</u> Supported - the Delivery Program guidelines will be amended to embed the principle of fiscal responsibility and improve financial and asset planning ahead of the next Integrated Planning and Reporting (IP&amp;R) cycle (2016), and be reflected in the new Local Government Act.</p> <p><u>TCorp sustainability assessments</u> Supported – Council financial sustainability will be assessed as part of the Fit for the Future proposal (see rec 33), with support from TCorp in the assessment process.</p> <p><u>Additional training</u> Supported - This will form an important part of the Financial Sustainability Program, focused on high risk councils.</p> <p><u>CFO requirement</u> Supported in principle – The Government recognises the importance of strategic financial management in ensuring financially sustainable councils, expects councils to have access to this expertise and encourages those councils with limited</p>



Area	Recommendation	Position	Government response
			resources to explore opportunities to share expertise to ensure they have access to the necessary skills. It does not intend to make the employment of a qualified CFO a mandatory requirement in order to provide local flexibility, however will use other available tools, such as the Fit for the Future process to ensure councils address financial sustainability.
	3. Place local government audits under the aegis of the Auditor General (5.4)	Supported	<p>The Government recognises the importance of a robust external audit process in improving financial management, fiscal responsibility and public accountability for how councils use taxpayer funds. It is concerned at the general quality of external audit, in particular timeliness and consistency. In particular it is concerned at the impact this has on the State and Local Government having a reliable picture of council financial sustainability, effective council decision making and the ability for the community to hold councils to account.</p> <p>The Government recognises the potential value in giving the Auditor General oversight of council financial audit to improve quality, consistency and timeliness and financial management more generally. The Government recognises however that this improvement will increase the cost of audit for councils. The OLG will therefore discuss the timing, cost and approach to implementation with the Auditor General and the sector, in accordance with the Intergovernmental Agreement, with a view to implementing the new regime following legislative change from mid-2016.</p>
	4. Ensure that the provisions of the State-Local Government Agreement are used effectively to address cost-shifting (5.5)	Supported	The Government will continue to use the formal engagement mechanisms specified in the Intergovernmental Agreement and specific consultation as appropriate.
Strengthening revenues	5. Require councils to prepare and publish more rigorous Revenue Policies (6.1)	Supported in principle	The OLG will consider what is required to improve council revenue policies in reviewing the IP&R guidelines.
	6. Commission IPART to undertake a further review of the rating system focused on: <ul style="list-style-type: none"> <li>• Options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long term sustainability</li> </ul>	Supported	The Government notes the issues raised by the Panel in relation to the equity of the current rating system. It remains committed however to protecting ratepayers from unfair rate rises and to providing rate concessions for pensioners. The Government will commission IPART to conduct a rating review to reflect these issues.



Area	Recommendation	Position	Government response
	(6.2) <ul style="list-style-type: none"> <li>• More equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable (6.3)</li> </ul>		
	7. Either replace rate-pegging with a new system of 'rate benchmarking' or streamline current arrangements to remove unwarranted complexity, costs, and constraints to sound financial management (6.5)	Supported	The Government is committed to a rating system that protects local ratepayers from unfair rate rises. It recognises however the improvements in council strategic planning under IP&R and therefore supports removing unwarranted complexity, costs and constraints from the rate-peg system, where there is evidence that the council has taken steps to reduce unnecessary costs before seeking to impose an increased burden on ratepayers. The OLG will work with IPART to amend the guidelines to develop a streamlined and more proportionate process for 'fit for the future' councils wanting to increase rates above the rate peg, and to offset revenue loss through Financial Assistance Grants (FAGs) redistribution.
	8. Subject to any legal constraints, seek to redistribute federal Financial Assistance Grants and some State grants in order to channel additional support to councils and communities with the greatest needs (6.6)	Supported in principle	The Government supports targeting Financial Assistance Grants to communities with the greatest need. It will ask the NSW Grants Commission (GC) to continue to identify opportunities to achieve this over time, within the constraints imposed by the national funding principles. It will also ask the GC to ensure transitional protection for those councils with lower levels of need, to minimise the impact of any redistribution.
	9. Establish a State- borrowing facility to encourage local government to make increased use of debt where appropriate by: <ul style="list-style-type: none"> <li>• Reducing the level of interest rates paid by councils</li> <li>• Providing low-cost financial and treasury management advisory services (6.7)</li> </ul>	Supported	The Government encourages councils to make increased use of debt to invest in critical infrastructure, improve financial sustainability and ensure intergenerational equity in providing services to the community. To support and encourage this, the Government will establish a State borrowing facility, managed by Treasury Corporation. This will provide 'fit for the future' councils, with a demonstrated capacity to borrow prudently, with access to low cost loans, saving councils up to \$600 million over ten years.

Area	Recommendation	Position	Government response
	10. Encourage councils to make increased use of fees and charges and remove restrictions on fees for statutory approvals and inspections, subject to monitoring and benchmarking by IPART (6.8)	Partially Supported	The Government encourages councils, in consultation with their community, to make appropriate use of fees and charges, in particular to ensure cost recovery, to enhance financial sustainability. The Government remains committed however to consistency and affordability in council fees, to minimise red tape, protect service users and avoid significant local variation. It does not therefore support removing restrictions on fees.
Meeting infrastructure needs	11. Factor the need to address infrastructure backlogs into any future rate-pegging or local government cost index (7.1)	Supported	The Government has invested heavily, through the Local Infrastructure Renewal Scheme and Infrastructure Audit, in helping councils to tackle the infrastructure backlog. This remains a top priority. The Government will develop a streamlined and more proportionate process for 'fit for the future' councils wanting to increase rates above the rate peg, allowing for example rate rises to fund infrastructure renewal.
	12. Maintain the Local Infrastructure Renewal Scheme (LIRS) for at least 5 years, with a focus on councils facing the most severe infrastructure problems (7.2)	Supported in principle	LIRS has been successful in encouraging greater use of debt to fund infrastructure renewal. The Government remains committed to encouraging and supporting councils to borrow to invest in infrastructure. The current LIRS scheme will fund projects approved in the first three rounds until 2025. To provide a longer term solution, the Government will establish a local government borrowing facility through TCorp that will provide a more cost effective way for 'fit for the future' councils to access this support on an ongoing basis, giving those councils greater certainty and flexibility. The Government is providing significant funding to 'fit for the future' councils to support the merger and provide the infrastructure that communities need.
	13. Pool a proportion of funds from the roads component of federal Financial Assistance Grants and, if possible, the Roads to Recovery program in order to establish a Strategic Projects Fund for roads and bridges that would: <ul style="list-style-type: none"> <li>• Provide supplementary support for councils facing severe infrastructure backlogs that cannot reasonably be funded from other available sources</li> </ul>	Supported in principle	The Government recognises the challenge particular councils face in tackling the infrastructure backlog.  The Government also recognises the need to invest in strategically significant road projects that can cut across council boundaries. The proposed establishment of Joint Organisations (JOs) will assist in improving regional infrastructure planning and provide a mechanism to fund regional projects in the future.  For new government funding initiatives, the Government will prioritise the delivery of these initiatives through those councils that have reformed and become 'fit for

Area	Recommendation	Position	Government response
	<ul style="list-style-type: none"> <li>Fund regional projects of particular economic, social or environmental value (7.2)</li> </ul>		the future’.
	14.Require councils applying for supplementary support from the Strategic Projects Fund to undergo independent assessments of their asset and financial management performance (7.2)	Supported in principle	Councils’ financial sustainability and management of infrastructure will be assessed to determine if they are ‘fit for the future’. Fit for the future councils will have priority access to State funding and grants.
	15.Carefully examine any changes to development (infrastructure) contributions to ensure there are no unwarranted impacts on council finances and ratepayers (7.3)	Supported	The Government has consulted extensively on the proposed changes to the planning system and associated development contributions, to enable consideration of the impacts on councils. This will continue to be considered as part of the future planning reforms.
	16.Adopt a similar model to Queensland’s Regional Roads and Transport Groups in order to improve strategic network planning and foster ongoing improvement of asset management expertise in councils (7.4)	Supported in principle	Improving strategic network planning and fostering ongoing improvement of asset management through sharing expertise will be a priority for the proposed Joint Organisations. As JOs develop, further consideration will be given to the lessons from the Queensland model in developing a regional approach.
	17.Establish regional water utility alliances as part of new regional Joint Organisations proposed in section 11 (7.5).	Supported in principle	The Government acknowledges the potential benefit from improving strategic planning and sharing expertise through regional collaboration. This recommendation will be considered further as JOs develop.
Improvement, Productivity and Accountability	18.Adopt a uniform core set of performance indicators for councils, linked to IPR requirements, and ensure ongoing performance monitoring is adequately resourced (8.1)	Supported	The Government believes that gathering information about council performance is important to assist councils in driving their own improvement and to enable the community to hold councils to account. It is working with councils to develop a core set of performance indicators to pilot and implement. This will include the Fit for the Future criteria. The Government will continue to monitor council performance and intervene in cases of extreme dysfunction.
	19.Commission IPART to undertake a whole-of-government review of the regulatory, compliance and reporting burden on councils (8.2)	Supported	The Government supports identifying opportunities to streamline the regulatory, compliance and reporting requirements on councils to improve outcomes for communities. The Government will commission IPART to conduct this review.

Area	Recommendation	Position	Government response
	20. Establish a new sector-wide program to promote, capture and disseminate innovation and best practice (8.3)	Supported in principle	<p>The Government believes that improvement and innovation is best driven by the local government sector itself and encourages the relevant representative bodies to develop capacity in this area. The OLG will continue to support councils to improve, focussing its efforts on developing a performance measurement framework and a Financial Sustainability Program.</p> <p>In addition, the Government will establish a \$4m grant program to assist small rural councils with populations below 10,000 that are 'fit for the future' to improve service delivery and governance through better use of technology and innovative approaches.</p>
	21. Amend IPR Guidelines to require councils to incorporate regular service reviews in their Delivery Programs (8.4)	Supported	<p>The Government strongly encourages councils to have a continuous focus on service quality and efficiency, to ensure the needs of communities are met and ratepayers get value for money. The Government recognises that many councils are already doing this. To reinforce and develop this culture further, the OLG will develop revised IP&amp;R guidelines to encourage a stronger focus on service efficiency and quality. The Government acknowledges the suggested 'Best Value' methodology suggested by the Panel but will develop, in consultation with the sector, principles suitable for NSW consistent with the principles of IP&amp;R and within the NSW industrial relations system.</p>
	22. Strengthen requirements for internal and performance auditing as proposed in Box 17 (8.5)	Supported	<p>The Government recognises that internal audit is an effective mechanism for driving accountability and improvement. Given this, and the existence of guidelines encouraging councils to put in place effective internal audit processes, it is concerned that only about half of councils have done so. The Government supports the Panel's recommendations on internal audit and plans to incorporate these provisions in the proposed new Local Government Act. Despite the potential efficiency gains internal audit can generate, the Government recognises that establishing an independent audit committee will impose a cost on councils. To minimise this burden and provide councils with maximum flexibility, it is proposed to allow all councils the ability to share an audit committee, rather than mandating a stand-alone committee.</p> <p>The Government recognises the value of the Auditor General undertaking performance audits of the sector, to identify trends and opportunities for</p>



Area	Recommendation	Position	Government response
			improvement. The OLG will therefore discuss the timing, cost, approach to implementation and interface with the proposed performance measurement framework with the Auditor General and the sector.
	23.Introduce legislative provisions for councils to hold Annual General Meetings (8.6)	Supported in principle	Strong accountability to the public is crucial in ensuring trust in democratic leadership and driving improvement in public services. The Government believes councils should use a range of mechanisms to ensure greater public accountability. In addition to the annual reporting that councils already do under the IP&R framework, the new performance measurement framework will further strengthen public accountability. Given this, the Government does not believe it is necessary to require councils to hold an Annual General Meeting. It does however encourage councils to consider this, and any other mechanism, that strengthens accountability to the local community.
	24.Develop a NSW Local Government Workforce Strategy (8.7)	Supported	Addressing skills shortages, such as financial management in rural communities and engineers to deliver critical infrastructure, is essential to the future success of local communities. So too is attracting and retaining high quality council staff. The Government strongly encourages the local government sector, led by the representative bodies, to prepare a NSW Local Government Workforce Strategy and more importantly to turn this plan into action to tackle these challenges.
	25.Explore opportunities for the Local Government Award to continue to evolve to address future challenges facing the sector and changing operational needs.	Supported	The Government encourages LGNSW and the unions, with the input of those from within the sector with the practical experience of managing and working within the award, to continue to negotiate an Award that provides opportunity for increased efficiency, productivity and flexibility.
Political Leadership and Good Governance	26.Amend the Local Government Act to strengthen political leadership: <ul style="list-style-type: none"> <li>Require councils to undertake regular 'representation reviews' covering matters such as the number of councillors, method of election and use of wards (9.1)</li> <li>Before their nomination is accepted, require all potential candidates for election to local government to</li> </ul>	Supported in principle	Stronger political leadership and effective representation are essential to strengthen local communities. In developing a new Local Government Act, the Government will consider how to embed these principles and achieve these outcomes.  In time for the next local government elections in 2016, the Government will: <ul style="list-style-type: none"> <li>Amend the legislated role of councillors and mayors to provide greater clarity generally in accordance with the Panel's recommendations</li> <li>Introduce minimum two year terms and compulsory voting in mayoral elections for mayors elected by councillors, to facilitate leadership stability</li> </ul>



Area	Recommendation	Position	Government response
	<p>attend an information session covering the roles and responsibilities of councillors and mayors (9.1)</p> <ul style="list-style-type: none"> <li>• Amend the legislated role of councillors and mayors as proposed in Boxes 19 and 21, and introduce mandatory professional development programs (9.2 and 9.3)</li> <li>• Provide for full-time mayors, and in some cases deputy mayors, in larger councils and major regional centres (9.3)</li> <li>• Amend the provisions for election of mayors as proposed in Box 22 (9.3)</li> </ul>		<p>In addition, the Government will give further consideration to:</p> <ul style="list-style-type: none"> <li>• Requiring representation reviews to ensure that communities are adequately represented, subject to consideration of the potential practical implications and cost</li> <li>• Greater powers for the community to decide if they wish to have a directly elected mayor</li> <li>• Ensuring councils comprise an odd number of councillors(including the mayor) to support decision making</li> <li>• Ensuring new mayors and first time councillors undergo induction training. The Government believes in addition to this that councils should encourage all councillors, mayors and candidates to undergo training to ensure they have the necessary information and skills to decide to stand for council and perform their role effectively.</li> </ul> <p>The Government recognises the important role of the Mayor in providing leadership to the council and the community. It recognises that the role of Mayor will inevitably vary given the size of the council and the nature of the community, and believes it is for the council to determine the appropriate time required to fulfil this important strategic role.</p>
	<p>27.Increase remuneration for councillors and mayors who successfully complete recognised professional development programs (9.2-9.4)</p>	<p>Not supported</p>	<p>The Government recognises the dedication of councillors across NSW to their local council and their community and supports councillors receiving a fair level of remuneration, which reflects the nature of the role and the communities' expectations of prudent use of ratepayer funds.</p> <p>The Government believes an independent process, currently undertaken by the Independent Remuneration Tribunal, provides a fair means of setting councillor remuneration, with the current criteria taking into account, among other things, the size and the significance of the council.</p> <p>The Minister for Local Government will ask the Tribunal to give further consideration to the criteria to better reflect the objectives of local government reform with a focus on those councils that have made the necessary changes to become 'fit for the future'.</p>

Area	Recommendation	Position	Government response
			The Government also believes that professional development, particularly for new councillors but importantly for all councillors, is essential for being an effective councillor rather than a justification for increasing councillor remuneration and expects all councils to have in place a professional development program for councillors.
	28. Amend the legislated role and standard contract provisions of General Managers as proposed in Boxes 23 and 24 (9.5)	Partially supported	<p>The Government recognises the important role that General Managers (GMs) play in ensuring the effective operation of the council and supports providing greater clarity of this role to improve decision making and relationships. It is proposed that this be clarified in the new Local Government Act and for those councils that have become 'fit for the future', the title of the position be 'Chief Executive Officer' as opposed to 'General Manager'.</p> <p>Given the importance of the relationship between the Mayor and the GM, the OLG will amend the standard contract for GMs to:</p> <ul style="list-style-type: none"> <li>• require the Mayor to lead the appointment and performance reviews of the GM</li> <li>• limit the ability of a council to bind a future council to a particular GM, by preventing councils from renewing a GM contract within 6 months of an election.</li> </ul>
	29. Amend the provisions for organisation reviews as proposed in section 9.6	Supported	The Government recognises that the current provisions are an ongoing source of confusion and conflict and will address this in the new Act, with changes generally in accordance with the Panel's recommendations.
	30. Develop a Good Governance Guide as a basis for 'performance improvement orders' and to provide additional guidance on building effective working relationships between the governing body, councillors, mayors and General Managers (9.7)	Supported	The OLG will work with LGNSW and LGMA (now Local Government Professionals Australia NSW) to produce a Good Governance Guide to support effective working relationships. The Government encourages both LGNSW and LGMA to take a strong role in supporting councils to improve governance.
Structural Reform	31. Introduce additional options for local government structures, including regional Joint Organisations, Rural Councils and Community Boards, to facilitate a better response to the needs	Supported	The Government recognises the significant potential to strengthen regional planning and service delivery through a new approach to regional cooperation and is committed to making this happen. To support the development of this model, the Government will invite applications from approximately four regions to become 'Pathfinders', working with the State to develop this new approach before

Area	Recommendation	Position	Government response
	and circumstances of different regions (10.1)		<p>making any necessary legislative change and implementing it. To assist councils the State Government will provide funding of \$5.3 million to support the creation of 15 Joint Organisations outside of Greater Sydney and the Central Coast.</p> <p>The Government recognises the unique pressures facing rural councils and the calls from the sector for a model of local government where one size does not fit all. It supports therefore the principle of creating different local government structures to provide greater flexibility for councils to continue to represent and serve diverse local communities.</p> <p>The Government expects councils to consider the recommendations of the Panel for the creation of Joint Organisations, Rural Councils and Community Boards in submitting a proposal to demonstrate how they will become 'fit for the future'.</p>
	32.Legislate a revised process for considering potential amalgamations and boundary changes through a re-constituted and more independent Boundaries Commission (10.3)	Not supported	The Government is committed to ensuring transparency and public confidence in any boundary review process. The Government will consider the suggestions made by the Panel in preparing a new Local Government Act, to identify opportunities to streamline the process whilst ensuring robust and transparent decision making. In the meantime, the Government will make it easier for councils wishing to merge voluntarily (see recommendation 33).
	33.Encourage voluntary mergers of councils through measures to lower barriers and provide professional and financial support (10.4)	Supported	<p>The Government expects all councils to reform to meet the needs of their community – to become financially sustainable, efficient, effectively manage infrastructure and deliver services and have the scale, resources and 'strategic capacity' to govern effectively. It calls on all councils to submit a proposal by 30 June 2015, outlining how they will achieve this.</p> <p>The Government encourages Fit for the Future proposals broadly in line with the structural changes proposed by the Independent Panel. To support councils to voluntarily merge, the Government is providing up to \$22.5 million for new councils in Greater Sydney, the Central Coast and the Newcastle/Lake Macquarie and up to \$13.5 million for new councils in regional areas.</p> <p>In addition, the Government will seek to amend the Local Government Act to provide an opportunity for councils choosing to merge voluntarily to undergo a streamlined application process. This would enable an application to be made</p>

Area	Recommendation	Position	Government response
			<p>direct to the Minister for Local Government to seek the Governor's approval of the voluntary merger, where all the councils involved support the proposal and can demonstrate adequate community consultation and consideration of the issues.</p> <p>Merging councils will have the opportunity to guide the merger process through the creation of a Local Transition Committees, comprising the Mayor and one other councillor of the merging councils, plus general managers, to allow local leadership of the merger process.</p> <p>Councils deemed 'fit for the future' will have access to a range of benefits reflecting their greater capacity, including special rate variation flexibility, access to borrowing through a State Finance Authority, priority access to State funding and other grants and a greater role in planning decisions.</p>
	34. Provide and promote a range of options to maintain local identity and representation in local government areas with large populations and/or diverse localities (10.5)	Supported in principle	See comment for recommendation 31
Regional Organisations	<p>35. Establish new Joint Organisations for each of the regions shown on Map 2 by means of individual proclamations negotiated under new provisions of the Local Government Act that replace those for County Councils (11.5)</p> <ul style="list-style-type: none"> <li>• Defer establishment of JOs in the Sydney metropolitan region, except for sub-regional strategic planning, pending further consideration of options for council mergers (11.5)</li> <li>• Re-constitute existing County Councils as subsidiaries of new regional Joint Organisations, as indicated in Table 5 (11.2)</li> </ul>	Supported in principle	<p>As described in the response to recommendation 31, the Government supports the creation of Joint Organisations. It will provide funding of \$5.3 million to support the creation of Joint Organisations outside of Greater Sydney and the Central Coast.</p> <p>It will work with up to four regions to develop and test the models, to improve regional strategic planning and service delivery. In designing and testing the model, the Government will:</p> <ul style="list-style-type: none"> <li>• Align the regional boundaries for council collaboration with the State planning boundaries to maximise the opportunity for effective strategic planning and reduce the costs of working across different boundaries, while exploring options to provide flexibility for councils to collaborate and share services across different boundaries</li> <li>• Examine ways to ensure State agencies collaborate with councils in strategic planning</li> <li>• Consider the relationship between existing county councils, water utilities and</li> </ul>



Area	Recommendation	Position	Government response
	<ul style="list-style-type: none"> <li>• Establish Regional Water Alliances in each JO along the lines proposed in the 2009 Armstrong-Gellatly report (11.3)</li> <li>• Set the core functions of Joint Organisations by means of Ministerial Guidelines (11.6)</li> <li>• Seek federal government agreement to make JOs eligible for general-purpose FAGs (11.6)</li> </ul>		<p>JOs, with the aim of maximising the benefits of the new collaborative model while minimising the disruption to existing collaborative arrangements</p> <ul style="list-style-type: none"> <li>• Work with the Pathfinder regions to identify appropriate core functions and the necessary legislative model to enable these functions to be carried out</li> <li>• Defer consideration of the proposal to seek federal government agreement to make JOs eligible for general-purpose FAGs until after the evaluation of the Pathfinders and consideration of the outcomes of the Commonwealth review of FAGs.</li> </ul>
	<p>36. Identify one or more regional centres within each Joint Organisation and:</p> <ul style="list-style-type: none"> <li>• Create a network of those centres to drive development across regional NSW (11.7)</li> <li>• Consider potential mergers of councils to consolidate regional centres, as indicated in Table 6 (11.7)</li> </ul>	Supported in principle	<p>The Government recognises the potential value of a strong regional centre to provide skills and capacity to the JOs and to drive growth in regional NSW through collaboration with other regional centres and the State. Subject to the outcome of the Pathfinder process, and following the establishment of JOs across the State, the Government will explore the establishment of a network of regional centres.</p> <p>As outlined in the response to recommendation 33, the Government will support voluntary mergers, including those driven by a desire to consolidate regional centres.</p>
	<p>37. Develop close working partnerships between Joint Organisations and State agencies for strategic planning, infrastructure development and regional service delivery (11.8), and</p> <ul style="list-style-type: none"> <li>• Add representatives of Joint Organisations to State agency Regional Leadership Groups (11.8)</li> <li>• Give particular attention to cross-border issues and relationships in the operations of Joint Organisations and in future regional strategies (11.9)</li> </ul>	Supported in principle	<p>Close working relationships between JOs and State agencies will be crucial to the success of this model of collaboration. The testing of the JO model will explore ways to ensure this, including a new approach to Regional Action Planning, possible amendments to the IP&amp;R guidelines and through the involvement of JO representatives in the relevant regional service delivery coordination body and Regional Planning Board.</p>
'Rural Councils'	38. Establish a working party as part of the	Supported in	As outlined in recommendation 31, the Government recognises the unique



Area	Recommendation	Position	Government response
and Community Boards	Ministerial Advisory Group proposed in section 18.1 to further develop the concept of 'Rural Councils' for inclusion in the re-written Local Government Act (12.1)	principle	pressures facing rural councils and the calls from the sector for a model of local government where one size does not fit all. The OLG will therefore work with rural councils to further develop the concept of a rural council for possible inclusion in the re-written Local Government Act as an option available to rural councils. This option will be available in sufficient time for councils to consider as part of their 'fit for the future' proposal.
	39. Also include provisions for optional Community Boards in the re-written Local Government Act, based on the New Zealand model, but also enabling the setting of a supplementary 'community rate' with the approval of the 'parent' council (12.2)	Supported in principle	The Government supports the principle of not having a one size fits all approach to service delivery and local representation, and is therefore willing to work with councils, to further develop the concept of community boards for possible inclusion in the new Act. In particular, the Government encourages councils considering voluntary mergers to consider whether this option might be useful in maintaining local representation.
Recommendations for Metropolitan Sydney	40. Strengthen arrangements within State government for coordinated metropolitan planning and governance, and to ensure more effective collaboration with local government (13.1)	Supported	The Government recognises the importance of Sydney remaining a global city and the need for more effective strategic planning and collaboration between State Government and councils to drive economic growth and ensure delivery of the NSW State Plan. The Government is providing support to councils to voluntarily merge to facilitate more effective collaboration and strategic planning and will consider ways of working more proactively with 'fit for the future' councils in the metropolitan area. 'Fit for the future' councils will also have the option of playing a stronger role in planning decisions.
	41. Seek evidence-based responses from councils to the Panel's proposals for mergers and major boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (13.3)	Supported in principle	As per the response to recommendation 33, the Government expects all councils to become 'fit for the future' and encourages proposals for structural change broadly consistent with the recommendations of the Panel.
	42. Prioritise assessments of potential changes to the boundaries of the Cities of Sydney and Parramatta, and <ul style="list-style-type: none"> <li>Retain a separate City of Sydney Act</li> </ul>	Partially supported	The Government recognises the unique role of the City of Sydney in ensuring Sydney remains a global city and therefore supports retaining a separate City of Sydney Act. Similarly, harnessing the potential of Parramatta as Sydney's second CBD is

Area	Recommendation	Position	Government response
	<p>to recognise its Capital City role</p> <ul style="list-style-type: none"> <li>Establish State-local City Partnership Committees for Sydney and Parramatta along the lines of Adelaide's Capital City Committee (13.4)</li> </ul>		essential to economic growth in Sydney, and in western Sydney in particular. In submitting a 'fit for the future' proposal, councils will need to demonstrate it has the scale and capacity consistent with the recommendations of the Independent Panel.
	43. Pending any future action on mergers, establish Joint organisations of councils for the purposes of strategic sub-regional planning (13.5)	Not supported	The Government acknowledges the Panel's recommendations for voluntary amalgamation in Sydney, and will therefore support voluntary mergers, as outlined in response to recommendation 33.
	44. Maximise utilisation of the available local government revenue base in order to free-up State resources for support to councils in less advantaged areas (13.6)	Not supported	The Government encourages councils to work in partnership with the State to deliver better outcomes for communities and welcomes financial contributions from councils to support shared priorities. The Government acknowledges the Panel's view that this approach would work best with the proposals for voluntary mergers. The Government will therefore defer consideration of this recommendation, while councils consider options to voluntarily merge.
	45. Continue to monitor the sustainability and appropriateness in their current form of the Hawkesbury, Blue Mountains and Wollondilly local government areas (13.7)	Supported	The Financial Sustainability Program and performance measurement framework will provide an important means of understanding council performance to drive improvement and ensure these councils identify options to ensure a sustainable future.
	46. Promote the establishment of a Metropolitan Council of Mayors (13.8)	Supported in principle	The Government is committed to stronger partnership working and building closer relationships with the political leadership of Sydney councils, to improve strategic planning and better meet the needs of Sydney communities and business. The Government encourages the sector to identify a way for the councils of Sydney to meaningfully engage with the State as a collective. In particular the Government will consider ways to more effectively collaborate with 'fit for the future' metropolitan councils.
Hunter, Central Coast and Illawarra	47. Refer possible mergers of Dungog-Maitland, Newcastle-Lake Macquarie and Gosford-Wyong to the Boundaries Commission for further investigation in	Not supported	See comments in relation to recommendation 33

Area	Recommendation	Position	Government response
	accordance with the new process proposed in section 10.3 (14.1 and 14.2)		
	48. Defer negotiations for the establishment of a Central Coast Joint Organisation pending investigation of a possible merger of Gosford and Wyong councils (14.2)	Supported in principle	The Government expects the proposals from Gosford and Wyong councils to demonstrate how they propose to become fit for the future, as per the definition. It is expected that this includes consideration of the recommendation for merger.
	49. Pursue the establishment of Joint Organisations for the Hunter and Illawarra in accordance with Recommendation 35 (14.1 and 14.3)	Supported	See comments in relation to recommendation 31 and 33
Non-Metropolitan Regions	50. Explore options for non-metropolitan councils in Group A as part of establishing the Western Region Authority proposed in section 16 (15.1)	Supported	The Government recognises the significant challenges faced by these councils and is committed to working collaboratively to explore options to ensure these communities face a sustainable future. Councils in this region will not be expected to submit a 'fit for the future' proposal, pending further work to develop a new model for this region.
	51. Refer councils in Groups B-F to the Boundaries Commission in accordance with Table 11 and the proposed timeline (15.1)	Not supported	See comments in relation to recommendation 33
	52. Complete updated sustainability assessments and revised long term asset and financial plans for the 38 councils identified in Table 11 by no later than mid-2015 (15.2)	Supported	'Fit for the future' proposals from these councils will be expected to address the issue of financial sustainability, and will be assessed on this basis.
The Far West	53. Agree in principle to the establishment of a Far West Regional Authority with the functions proposed in Box 39 and membership as proposed in Figure 8 (16.3)	Supported	The Government supports the principle of a new governance model in Far Western NSW to ensure the needs of these remote communities can be met into the future. To further develop the model and approach to implementation, it is proposed to conduct a forum with councillors and council staff from the region as a next step in developing a new model.
	54. Adopt the preferred new arrangements for local government set out in Box 40 as a basis for further consultation (16.4)	Supported in principle	See comment in relation to recommendation 53.

Area	Recommendation	Position	Government response
	55. Establish a project team and reference group of key stakeholders within the DPC Regional Coordination Program to finalise proposals (16.5)	Supported	The Government recognises the challenge of developing and implementing a new model for the Far West and the need therefore to involve key stakeholders. The Government will establish a project team and reference group to progress this work, following further consideration of the scope.
State-Local Government Relations	56. Use the State-Local Agreement as the basis and framework for a range of actions to build a lasting partnership, and negotiate supplementary agreements as appropriate (17.1)	Supported	The Government remains committed to the IGA and will identify opportunities to negotiate supplementary agreements as required.
	57. Introduce new arrangements for collaborative, whole-of-government strategic planning at a regional level (17.2)	Supported	The Government will give consideration to the opportunities identified by the Panel to establish effective strategic partnerships in designing the JO model.
	58. Amend the State Constitution to strengthen recognition of elected local government (17.3)	Supported in principle	The Government recognises the importance of democratic local government. It will therefore seek to embed this principle in the new Local Government Act and will consider strengthening recognition of local government through an amendment to the State Constitution.
	59. Seek advice from LGNSW on the measures it proposes to take to meet its obligations under the State-Local Agreement (17.4)	Supported	The Government strongly encourages LGNSW to continue to work as a driver of change and improvement, consistent with the commitment made in the IGA, and invites LGNSW to present its proposals at the IGA meeting with the Premier and Minister for Local Government in 2014.
	60. Strengthen the focus of DLG on sector development and seek to reduce its workload in regulation and compliance (17.6)	Supported	The OLG will strengthen its focus on sector development through establishing a Financial Sustainability Program and performance measurement framework. In addition it will establish a one-stop shop to assess 'fit for the future' proposals and support structural change
Driving and Monitoring Reform	61. Establish a Ministerial Advisory Group and Project Management Office (18.1 and 18.2)	Supported in principle	The Government strongly supports continuing the collaborative approach to reform, which begun with Destination 2036 (D2036). To achieve this it is proposed to: <ul style="list-style-type: none"> <li>establish a Ministerial Advisory Group, comprising an independent chair, and representatives of LGNSW, LGPA and USU to provide advice to the Minister for Local Government on the direction and implementation of the Fit for the Future program.</li> <li>continue to use the regular engagement mechanisms under the IGA; meetings</li> </ul>



Area	Recommendation	Position	Government response
			<p>between the Premier, Minister for Local Government and LGNSW President and the Chief Executive dialogue to review progress in implementing reform</p> <ul style="list-style-type: none"> <li>Establish a Project Management Office within the OLG</li> </ul>
	62.Refer outstanding elements of the Destination 2036 Action Plan to the Ministerial Advisory Group (18.1)	Supported in principle	The Government remains committed to the vision of D2036 of stronger communities through partnerships. All relevant actions from D2036 have now been dealt with or are incorporated, where appropriate, in the future agenda for reform.
	63.Adopt in principle the proposed priority initial implementation package set out in Box 42, as a basis for discussions with LGNSW under the State-Local Government Agreement (18.3)	Supported in principle	<p>The Government is committed to maintain momentum in the local government reform journey and is proposing to implement, working in partnership with the sector, many of the priority initiatives identified by the Panel, in particular:</p> <ul style="list-style-type: none"> <li>'Fit for the future' councils</li> <li>The development and eventual implementation of JOs, with associated improvements to strategic planning and service delivery</li> <li>Establishing a state wide local government finance facility</li> <li>Designing a new Local Government Act that strengthens IP&amp;R, internal audit, political leadership</li> </ul>
	64.Further develop the proposals for legislative changes detailed in Boxes 43 and 44, and seek to introduce the amendments listed in Box 43 in early 2014 (18.5)	Partially supported	The Government proposes legislative change as outlined in this response.
	65.Adopt in principle the proposed implementation timeline (18.6)	Not supported	Further details of the implementation timetable can be found at <a href="http://fitforthefuture.nsw.gov.au">fitforthefuture.nsw.gov.au</a> . The Government will assess the progress of councils in taking the necessary steps to become fit for the future towards the end of 2015.

## Government response: Local Government Acts Taskforce recommendations

The Local Government Acts Taskforce, in considering the provisions of the *Local Government Act 1993* and the *City of Sydney Act 1988*, formulated recommendations for an enabling, principles-based Local Government Act that simplifies the regulatory aspects of the legislation.

### Key recommendations

- Many aspects of the current Act still work well. However, its effectiveness has been eroded as a consequence of the manner in which the Act is structured which is as a result of incremental amendments over the past 20 years.
- The integrated planning and reporting provisions of the Act provide the primary strategic planning mechanism for local government in NSW and should be given much greater prominence in the new Act.
- There is an opportunity to streamline the Act and therefore the effectiveness of

councils through greater use of technology, streamlining of public land management, simplification of approvals, orders and enforcement, and revised procurement, capital expenditure framework and financial management.

- There is a need to retain a separate Act for the City of Sydney in recognition of the administrative and economic importance of the central business district of Sydney and its unique position in holding events of local, regional, national and international significance, but with some changes to the non-residential electoral roll.

### Government response

The NSW Government broadly supports the recommendations of the Taskforce. It will therefore commence work, in consultation with the sector and key stakeholders, to develop a new Local Government Act, with the aim of phasing it in from 2016/17. The new Act will be designed to:

- Give more prominence to the IP&R sections of the Act and use IP&R as its central framework
- Reduce unnecessary red tape and prescription in the Act
- Enhance community engagement
- Embed the principle of fiscal responsibility
- Improve financial and asset planning
- Strengthen representation and leadership
- Enables Government to have a differential approach to councils that have undergone the necessary changes to become 'fit for the future', for example reduce the reporting and compliance burden
- Include the agreed recommendations of the Independent Local Government Review Panel
- Take account of the expected reports by IPART into red tape and licensing and the recommendations made by the Joint Select Committee into the 2012 local elections.

## Government response: Local Government Acts Taskforce recommendations (cont.)

### Early amendments

In the short term, the Government will reduce red tape for councils by amending the Local Government Act to:

- Remove the restriction on the delegation of the acceptance of tenders to support regional procurement

- Lift the prescribed tendering threshold for councils to \$250,000 to align it with the approved State Government tendering threshold for 'fit for the future' councils
- Enable councils to be able to support registered Australian Disability Enterprises, by being able to procure directly without having to go to tender
- Clarify that the current exemption from tendering will apply where councils use standing offers established by the NSW Procurement Board, the Commonwealth Department of Administrative Services,

Local Government Procurement and Procurement Australia even where no rate is specified.

- Remove the mandatory newspaper advertisement requirements for recruitment and tenders
- Reduce the frequency with which councils are required to adopt an expenses and facilities policy from annually to once in each term of the council within 12 months of an ordinary election.



## Office of Local Government

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Your Reference:  
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Phone: 4428 4100

Mr Michael Whittaker  
General Manager  
Wyong Shire Council  
PO Box 20  
WYONG NSW 2259

11 September 2014

Dear Mr Whittaker

On 10 September 2014, the Premier and the Minister for Local Government announced the Fit for the Future local government reform package to help strengthen communities and ensure councils are Fit for the Future.

To ensure that Councils are fully aware of the support and incentives available through Fit for the Future, senior staff from the Office of Local Government will be conducting an information session for Mayors and General Managers from the following councils: Hornsby, Ku-ring Gai, Pittwater, Warringah, Manly, Ryde, Hunters Hill, Lane Cove, Willoughby, North Sydney, Mosman, Gosford, and Wyong.

This session will be an opportunity to hear more about the Fit for the Future package and the One Stop Shop which has been established by the Office of Local Government to assist councils. It will provide an opportunity to meet your Office of Local Government Relationship Manager who has been assigned as an ongoing point of contact for councils regarding Fit for the Future.

**Fit for the Future Information Session**  
Monday, 29th September 2014 at 10:00am  
MGSM Conference Centre  
99 Talavera Road, Macquarie Park NSW 2113

Could you please advise your attendance by email to [rsvp@olg.nsw.gov.au](mailto:rsvp@olg.nsw.gov.au) or telephone 4428 4100.

I look forward to working with you during this important time for local government in New South Wales.

Yours sincerely



**Steve Orr**  
Acting Chief Executive  
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Strengthening local government





## Office of Local Government

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Clr Doug Eaton  
Mayor  
Wyong Shire Council  
PO Box 20  
WYONG NSW 2259

11 September 2014

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I look forward to working with you during this important time for local government in New South Wales.

Yours sincerely



**Steve Orr**  
Acting Chief Executive  
Office of Local Government

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Strengthening local government