

ADDITIONAL ITEM

26 June 2013

To the Ordinary Council Meeting

2.3 Mayoral Minute - Wyong Shire Council Submission to Local Government Independent Review Panel

TRIM REFERENCE: F2004/06400 - D03423551

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The Independent Local Government Review Panel released its third report on 24 April 2013, *Future Directions for NSW Local Government*, setting out the options for creating stronger local government and stronger communities in NSW.

The report provides comprehensive draft options for the future of local government in NSW. It provides suggestions for improving the fiscal responsibility and financial sustainability of councils and the services and infrastructure that are critical to the sector and the State. It provides options for new structures and boundaries in local government, designed to make councils a stronger, and a more effective partner of the State.

The Panel has made its recommendations based on the research, analysis and consultation it has done to date, that 'no change, is not an option' to ensure stronger local government in NSW in the future.

The Panel's report provides local government, and its representative body Local Government NSW, an opportunity to continue to help shape the future direction of councils and communities.

The Panel acknowledges that this review also has impact on the review of the Local Government Act currently being undertaken by the Local Government Act Review Taskforce and it will consider any relevant matters concurrently.

The Panel has requested councils to make a submission by 28 June 2013.

Council has considered the options provided and met to discuss the submission to be made by Wyong Shire Council.

A copy of the proposed submission is attached.

I formally move:

That Council endorse the attached submission to the Local Government Independent Review Panel.

ATTACHMENTS

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| 1 | Wyong Shire Council Submission to Local Government Independent Review Panel | D03434602 |
| 2 | Attachment Submission to LGIRP proposed boundary change | D03434988 |

Wyong Shire Council supports proposals or initiatives which create jobs, attract investment and provide better value services to the Wyong Shire community.

To support this principle the state government should provide a cost benefit analysis with an implementation strategy (including costs) for any large scale changes. This will allow our community to be properly engaged regarding any significant proposals.

Wyong Shire Council's submission relating to the specific key proposals or options is provided in the attached table.

Item	Key Proposal or Option	Comment
Sustainability and Finance	Develop a standard set of sustainability benchmarks; require all councils to appoint a qualified Chief Financial Officer; strengthen the guidelines for councils' 4-year Delivery Programs; and place local government audits under the oversight of the Auditor General	<p>All aspects of this item are supported.</p> <p>It is noted that WSC has already has appointed a qualified CFO and has a robust 4 year delivery plan process in place.</p> <p>The contents and quality of four year delivery programs varies widely across NSW, demonstrating a variety of interpretations of the IP&R guidelines. A strengthened guide would be supported, as long as it allows flexibility in application.</p> <p>The set of sustainability benchmarks should reflect the stage of development that a Council and its community are at with regards growth. For example Regional Growth Councils with Water, Sewer and Landfill operations should have different debt structures than Sydney CBD and the benchmarking would need to take this into account.</p>
Sustainability and Finance	Improve the rating system and streamline rate-pegging to enable councils to generate essential additional revenue	<p>Preference is to abolish rate pegging and it is noted that NSW is the only state affected by pegging.</p> <p>The rating system should be based on categories which are aligned with the zones defined in the Shire wide Local Environmental Plan. This proposal is based on the principle of "user pays" where the uses of the land impact on Councils assets.</p> <p>In alignment with this principle, rating exemptions for Crown,</p>

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		Aboriginal and Church lands etc should be abolished. Land use rating should apply to all lands.
Sustainability and Finance	Progressively re-distribute grant funding to provide greater assistance to rural-remote councils with limited rating potential	<p>WSC submits that Financial Assistance Grants (FAGs) should not be given to councils with operational surpluses and little debt, nor should rural or remote Councils receive all the FAGS.</p> <p>It is strongly recommended that LGA's with significant population growth targets should have access to a higher percentage of grant monies to assist with forward funding infrastructure for new communities as well as rural and remote LGA's.</p>
Sustainability and Finance	Establish a State-wide Local Government Finance Agency to bring down interest costs and assist councils make better use of borrowings	<p>This proposal is supported. For example Sydney Water and Hunter Water have access to NSW Government Treasury interest rates whilst WSC Water and Sewer business has only been able to borrow at commercial rates.</p> <p>A local government finance agency providing lower than commercial interest rates would provide much needed assistance to clear infrastructure backlogs. In addition, the power of numbers would assist smaller councils with smaller loan requirements attracting lower than commercial interest rates given the large number of Councils in the scheme (ie. economies of scale.)</p>
Infrastructure	Maintain the Local Infrastructure Renewal Scheme (LIRS) for at least 5 years, with a focus on councils facing the most severe problems	WSC support this arrangement. WSC has successfully participated in the last two rounds of LIRS.

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Infrastructure	Create a Strategic Projects Fund for roads and bridges to help reduce the infrastructure backlog	WSC supports this proposal.
Infrastructure	Investigate the Queensland model of Regional Roads Groups, as well as options for cost savings through strategic procurement initiatives	WSC support this proposal in principle, however there is still some duplication between Councils and RMS in road management and this could further be streamlined. GCC and WSC work as a roads group to some degree already and we also participate in regional procurement so the Queensland model won't benefit WSC greatly, however better frameworks that will strengthen relationships with RMS would be of benefit.
Infrastructure	Require asset and financial management assessments of councils seeking special assistance	WSC supports this proposal.

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Productivity and Improvement	Introduce a requirement for regular 'best value' service reviews	<p>A better advantage to councils would be achieved through strengthening strategic frameworks rather than being a limited compliance approach. A strategic "whole of organisation" approach works best and should be incorporated into a business improvement framework to support planning cycles. This helps to identify cross departmental service advantages, reduce community fatigue from consultation, and introduce a culture and structure for continuous improvement. Reviews should not be so lengthy that they then become a waste of money and time. Flexibility is needed whereby reviews are strategic but components of services may be also reviewed in greater detail (progressively). Improvement plans should be integrated into business/service plans. Training should be provided to Council's who need assistance.</p> <p>The Panel's recommendation to reduce the burden on LGs of regulatory and compliance reporting is supported and the introduction of another range of reporting requirements would not be supported. However the concept of best value reviews should focus on innovation (as opposed to box ticking), as long as there is flexibility and practicality in application.</p>
Productivity and Improvement	Develop a consistent data collection and performance measurement system for NSW councils, and strengthen internal and performance audit processes	<p>Consistent data collection would enable more relevant benchmarking across the industry, providing opportunity to investigate best practice processes and drive continuous improvement across the industry. However the benchmarking must be with like organisations.</p> <p>WSC supports this proposal however the consistency should include agreed definitions - especially if Special Schedule 7 is to be used as a comparison.</p>

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		In addition, the current burden of reporting needs to be consolidated and reduced prior to introduction of more reporting requirements.
Productivity and Improvement	Commission a review by IPART of the regulatory and compliance burden on NSW local government	WSC supports this proposal. There is a raft of duplicative processes to collect data for different state agencies. A consolidation or single data entry source (that addresses data duplication) that can then disseminate information to various agencies could alleviate some of the burden faced by LG.
Better Governance	Mandate ongoing professional development for councillors	<p>WSC supports this proposal for mandatory professional development for councillors.</p> <p>It is further suggested that:</p> <ul style="list-style-type: none"> - Courses should have strong emphasis on strategic capability. - DLG should partner with the Australian Institute of Company Directors to provide an appropriate professional development course that can be provided in-house to Councillors; or - There should be opportunities for Councillors to be acknowledged for prior knowledge and experience (eg Councillors may already have prior qualifications)
Better Governance	Strengthen the authority and responsibilities of mayors and require popular election of mayors in all councils with a population of 20,000 or more	<p>Popularly Elected Mayor WSC supports this proposal. WSC has already resolved to have a PEM. Standardisation of this requirement across all NSW councils will assist with other areas of reform.</p> <p>Mayoral Powers Legislation should allow more powers around strategy and policy</p>

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		<p>monitoring for the Mayor subject to the resolution of the Council. That is; delegated authority granted to Mayor by the elected body (delegation of council). This would allow Council to monitor the performance of the Mayor and amend its delegated powers to the Mayor accordingly.</p> <p>Emergency Powers The Mayor and GM should have unrestricted powers to make decisions in times of Emergencies and disasters while ensuring what decisions they made are reported to the next Council meeting.</p>
Better Governance	Provide additional governance options for larger councils, including a mix of ward and 'at large' councillors and a 'civic cabinet' model	WSC considers that this model should be an option for large Councils (eg.>150,0000 persons).
Better Governance	Take steps to improve Council-Mayor-General Manager relations	WSC supports this item. There should be a clear reporting role by the GM to the Mayor and the Council.

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Structural Reform	Establish a network of around 20 'new look', multi-purpose County Councils to undertake regional-level functions outside the Sydney metropolitan area	<p>WSC supports the use of the County Council model to provide for specialist activities such as bulk water supply. WSC supports the move to a County Council with Gosford City Council for bulk water ASAP with the immediate discontinuance of the Central Coast Water Corporation.</p> <p>County Councils could also manage some current state functions such as Regional Development (RDA) and tourism (CCTI).</p>
Structural Reform	Introduce the option of Local Boards to service small communities and to ensure local identity and representation in very large urban councils	WSC has no submission in relation to this item.
Structural Reform	Encourage voluntary amalgamations of smaller rural councils to improve their sustainability, and convert small (in population) councils (generally less than 5,000) to Local Boards	WSC has no submission in relation to this item.
Structural Reform	Promote a series of voluntary amalgamations in the Lower Hunter and Central Coast regions, including Newcastle-Lake Macquarie and Gosford-Wyong	<p>Amalgamation</p> <p>WSC remains open minded in relation to this proposal and is supportive of any initiative that provides better valued services to the community.</p> <p>WSC requests a detailed cost and community benefit analysis is undertaken including a costed implementation plan being prepared.</p>

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		<p>This analysis should be prepared independently, in accordance with specifications agreed to by both Councils and funded by the State Government. This will then allow informed debate within the community.</p> <p>Boundary Adjustment WSC supports the adjustment of boundaries between Wyong Shire and Lake Macquarie, with two options as indicated on the attached map.</p> <p>The boundary adjustment is a reasonable option given that:</p> <ul style="list-style-type: none"> - Residents children attend schools in Wyong shire - Postcode is the same as many WSC suburbs - Sewer and water services can be serviced efficiently by Wyong Shire Council - Retail transactions occur in Wyong Shire - Residents use major shopping centres eg. Lake Haven and Tuggerah - Bus services travel to Wyong Shire - There is a more common community of interest - Sporting teams have common competitions - Emergency services are common to both areas - Residents use major medical facilities (ie Wyong Hospital)

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Structural Reform	Seek to reduce the number of councils in the Sydney basin to around 15, and create major new cities of Sydney, Parramatta and Liverpool, each with populations of 600-800,000	WSC has no submission in relation to this item.
Structural Reform	Introduce a package of incentives for voluntary mergers that offers a higher level of support to 'early movers	<p>Agreed funding should be provided by State government to provide an independent analysis of the benefits, costs and implementation plan to allow proper community debate.</p> <p>Should a merger be supported, there should be support, resources etc. given to councils to assist with mergers. Mergers also impact on service delivery and staff morale. Large scale change management is required and not all councils may be equipped to deliver on.</p> <p>Incentives and support should include</p> <ul style="list-style-type: none"> - Incentives to councillors and senior staff for the additional work involved (as was done in Queensland for Councillors) - Funding for systems mergers (such as IT systems) - funds and support to assist with new brand development, signage and additional community engagement / communications which will be required over the first three years to achieve a successful merger and assist with reputation management - Funding that provides for a staged change management process which allows for support over a number of years. - better remuneration and resourcing of Councillors will be required.

Item	Key Proposal or Option	Comment
Western NSW	Establish a Western Region Authority to provide a new governance and service delivery system for the far west of NSW, based on a partnership between local, State and federal governments and Aboriginal communities	WSC has no submission in relation to this item
Implementation	Appoint a Local Government Development Board for a maximum period of 4 years with a brief to drive and support a concerted program of reform	WSC suggests this be until December 2020 to enable support in the 2016 and 2020 elections.
Implementation	Build on the new State-Local Government agreement to secure increased collaboration and joint planning between councils and State agencies	WSC supports this item.
Implementation	Strengthen recognition of elected local government in the NSW Constitution	WSC supports this item.
Implementation	Focus Local Government NSW (the new single association of councils) and the Division of Local Government on sector improvement.	WSC supports this item.
General	Any other items	<p>Financial and Policy Making Powers</p> <p>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.</p>

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		<p>Facilities and Expenses Remove requirement for Facilities and Expenses policies with prescriptive limits. Council to determine appropriate expense requirements and budget allocation in accordance with IPR framework.</p> <p>Full time Councillors 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.</p>

