

# LATE REPORT - CM 15A - Officers Reports for Noting

Circulated under separate cover via iPad on Monday 21 December 2015

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## Fit for the Future - Local Government Reform Update (DOC15/119058)

DATE 20 December 2015

**CONFIDENTIAL** YES  NO   
Personnel Matters  Commercial  Legal  If yes please tick one of the following reasons  
Security  Personal Hardship

**ITEM FOR DECISION**   
Meeting Date

**ITEM FOR NOTING**   
Meeting Date 21 December 2015

**FURTHER ENQUIRIES TO** Frank Zaknich  
Executive

**PHONE** 6023 8270

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### Purpose of Report

The report provides an update to Council on the Fit for the Future Local Government reforms and the NSW Government's response of 18 December 2015.

### Background

The NSW Government released the IPART Assessment of Council Fit for the Future Proposals report on 20 October 2015.

AlburyCity was deemed "Fit" by the IPART assessment overall criteria of scale and capacity and the financial (sustainability, infrastructure and service management and efficiency) criteria.

AlburyCity's proposal to stand alone in a Joint Organisation was deemed consistent with the Independent Local Government Review Panel's (ILGRPs) options for Council.

AlburyCity's neighbouring council, Greater Hume Shire Council (GHSC), was assessed likewise as "Fit" satisfying the criteria overall.

A final 30-day consultation opportunity to inform the Government's position on local government reform and respond to the IPART findings concluded on 18 November 2015.

Council's submission to the NSW Government strongly supported Council's Fit for the Future status as assessed by IPART and confirmed Council's position to remain a stand-alone local government entity going forward.

The NSW Government considered responses from participating councils, decided on next steps and has now informed councils and the community by way of further announcements on 18 December 2015.

### Summary

The NSW Government response is to reduce the number of councils in NSW from 152 to 112 (reducing the number of regional councils from 109 to 87 and the number of councils in Greater Sydney from 43 to 25).

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AlburyCity has not been included in any of the merger proposals identified by the NSW Government in its response of 18 December 2015.

In early January 2016 the Minister for Local Government will refer detailed merger proposals to the Chief Executive of the Office of Local Government (OLG) for examination and report under the existing provisions of the Local Government Act (the Act).

The proposed mergers have been informed by four years of consultation with NSW Councils, independent assessment, council merger preferences, and feedback from communities and stakeholders based on the following review activities:

- Independent Local Government Review Panel
- IPART Assessment of Council Fit for the Future proposals
- Local Government reform – Merger impact analysis
- Process for creating new Councils

The Chief Executive of the OLG will delegate the function of examining and reporting on each merger proposal to other people (Delegates). In examining merger proposals Delegates will conduct a public inquiry, call for written submissions, and prepare a report with due regard to the factors in the Act.

The factors in the Act include financial considerations, communities of interest, elected representation, employment of staff, service and facilities, and the attitude of residents and ratepayers. The report of the Delegates will go to the Minister as well as the independent Local Government Boundaries Commission for comment.

Details of how the review of merger proposals will be conducted will be made available in January 2016. A summary of each of the proposed mergers can be found at [www.councilboundaryreview.nsw.gov.au](http://www.councilboundaryreview.nsw.gov.au)

Details of further reform initiatives to be passed in with proposed changes to the Act, including minimum two year Mayoral terms, are detailed at <http://lgnsw.org.au/files/imce-uploads/127/progress-report.pdf>

“Not fit” councils (as a result of financial criteria) not identified for merger will continue to undergo a review, support and if necessary intervention process to revise and implement their improvement plans.

“Not fit” councils (as a result of scale and capacity criteria) not identified for merger will undergo further review once the Joint Organisations are established.

The IPART review of the rating system will also commence and the Government is planning to freeze existing rate paths for four years for newly merged councils. See the Terms of Reference <http://lgnsw.org.au/files/imce-uploads/127/terms-of-reference.pdf>.

Details of a possible deferral of the September 2016 Local Government elections to March 2017 are yet to be confirmed including whether deferral will apply to all councils or limited to those undergoing a merger proposal review.

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## Risk

- Business Risk – no identified impact at this time unless the NSW Government seeks mergers of otherwise “Fit” councils – which could still occur in the medium term, however, would appear unlikely based on the next steps outlined above.

Notwithstanding some near regional councils are part of the boundary review proposals announcement and Council’s expression of support has been relayed to these councils as they traverse these challenging times.

The development of a Joint Organisation (JO) for the Murray Region will become a priority once the regional merger proposals are finalised.

AlburyCity will have access to the TCorp borrowing facility, be supported to implement our improvement plans and have access to other reform initiatives as will other “fit” councils.

- Corporate Risk – the IPART assessment has had a positive effect on AlburyCity’s public image as a strong and developing regional city with clear scale and capacity to meet the needs of a growing community.
- WHS and Public Risk – no identified impact at this time.
- Delivery Program Risk - no identified impact at this time.

## Community Engagement

Media release, media comment and direct email to AlburyCity Councillors and employees occurred on 18 December 2015 immediately following the NSW Government response announcement.

Nil further engagement proposed by AlburyCity as part of the latest NSW Government announcements.

## Conclusion

The report provides an update to Council on the Fit for the Future Local Government reforms and the NSW Government’s response of 18 December 2015.

## Recommendation

That Council receive and note the report on the Fit for the Future - Local Government Reform Update.

- **Attachments**

1. Email from President of Local Government NSW - Amalgamation Announcement. (DOC15/119155).

**ATTACHMENT TO CM 15A – 12/2015**

**FIT FOR THE FUTURE - LOCAL GOVERNMENT  
REFORM UPDATE**

**ATTACHMENT 1**

Email from President of Local Government NSW -  
Amalgamation Announcement

**From:** [LGNSW](#)  
**Subject:** Amalgamation Announcement  
**Date:** Friday, 18 December 2015 1:15:44 PM  
**Attachments:** [image001.png](#)  
**Importance:** High

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Dear Mayors and General Managers

Many of you will have been part of this morning's webinar briefing by the Premier and Minister for Local Government about the Government's amalgamation plans. More information about updating the Local Government Act was also provided. See [Premier's media release \(PDF, 912KB\)](#). The Minister briefed us just prior to the webinar and provided a number of documents which members will no doubt find of interest.

As per our message earlier today, the Government is planning to reduce the number of councils in NSW from 152 to 112 (reducing the number of regional councils from 109 to 87 and the number of councils in Greater Sydney from 43 to 25).

We were provided with a '[Fit for the Future progress report \(PDF, 7MB\)](#)' which contains details of the proposed mergers including maps, the process and timetable.

The Government's website is now live: [www.councilboundaryreview.nsw.gov.au](http://www.councilboundaryreview.nsw.gov.au).

The IPART review of the rating system will finally commence and the Government is planning to freeze existing rate paths for four years for newly merged councils. See the [Terms of Reference \(PDF, 1MB\)](#).

Lastly, we received a document: [Local Government Reform: Merger Impacts and Analysis \(PDF, 6MB\)](#) outlining the Government's case for the amalgamation process.

LGNSW is now reviewing all of this in detail. There are already many questions about funding and the amalgamation process itself. We plan to go back to the Government on these and will keep you informed. My message this afternoon will contain more information about our response to today's announcement and about ways we plan to help you, our members, through what is to come.

Yours sincerely



Cr Keith Rhoades AFSM  
**President**  
**LOCAL GOVERNMENT NSW**

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