



14 January, 2016

Council Meeting Notice

I hereby give notice that the Ordinary Meeting of the Murrumbidgee Shire Council is to be held in the Murrumbidgee Shire Council Meeting Rooms at Coleambally on Wednesday, 20 January, 2016 at 4.00pm.

Kerry McMurray
Acting General Manager

AGENDA

APOLOGIES

1. MINUTES OF THE EXTRAORDINARY MEETING OF MURRUMBIDGEE SHIRE COUNCIL FROM 7 DECEMBER, 2015	1
2. BUSINESS ARISING FROM MINUTES.....	3
3. MINUTES OF THE ORDINARY MEETING OF MURRUMBIDGEE SHIRE COUNCIL FROM 9 DECEMBER, 2015.....	4
9. GENERAL MANAGER'S REPORT.....	6
4. BUSINESS ARISING FROM MINUTES.....	11
5. DECLARATIONS OF INTEREST.....	11
6. INFORMATION REPORTS	12
6.1 INCOMING CORRESPONDENCE	12
6.2 COMPANION ANIMALS REPORT	13
6.3 DEVELOPMENT APPLICATIONS APPROVED UNDER DELEGATION.....	13
7. COMMITTEE MINUTES	14
7.1 MINUTES OF ORDINARY MEETING OF HERITAGE DARLINGTON POINT, 13 DECEMBER 2015.....	14
7.2 COLEAMBALLY AUSTRALIA DAY 2016 COMMITTEE MEETING MINUTES 7 TH JANUARY, 2016	17
8. MAYORAL MINUTES.....	18
9. GENERAL MANAGER'S REPORT.....	19
9.1 COUNCIL DECISION MAKING DURING MERGER PROPOSAL PHASE	19
9.2 REVIEW OF NSW LOCAL GOVERNMENT RATING SYSTEM	30
9.3 PHASE 1 AMENDMENTS TO THE LOCAL GOVERNMENT ACT 1993.....	36
9.4 COUNCIL POLICIES.....	34

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING AGENDA

20 JANUARY, 2016

9.5	QUOTATION FOR DRAINAGE APPLICATION FOR BARWIDGEE BOULEVARD	64
9.6	FINANCE AND INVESTMENT REPORT FOR JANUARY, 2016	66
10.	LATE REPORTS	69
	GENERAL MANAGER'S REPORT	69
	LR1: FIT FOR THE FUTURE – MOVING FORWARD.....	69
	LR2: MURRUMBIDGEE SHIRE COUNCIL AUDIT COMMITTEE AMENDMENTS	134
	LR3: DARLINGTON POINT FLOODPLAIN MANAGEMENT – RECONSTRUCTION OF LEVEES (AREAS 3 – 5A) GRANT FUNDING	142
	LR4: DARLINGTON POINT FLOODPLAIN MANAGEMENT – FLOOD STUDIES FUNDING	147
	LR5: FUNDING FOR COLEAMBALLY LANDFILL FACILITY	149
10	MOTIONS PURSUANT TO NOTICE.....	151
11	QUESTIONS PURSUANT TO NOTICE	151
12	COUNCILLOR QUESTIONS	151
14.	NOTICE OF INTENTION TO DEAL WITH MATTERS IN CONFIDENTIAL SESSION	151
14.1	CONFIDENTIAL ATTACHMENT – GENERAL MANAGER'S REPORT ITEM 9.4.....	152
14.2	IC1 – DARLINGTON POINT CARAVAN PARK.....	152
1.1	IN COMMITTEE:MAYORAL MINUTE – ACTING GENERAL MANAGER	152
	PLEASE NOTE: CONFIDENTIAL INFORMATION TO BE CONSIDERED IN CLOSED COUNCIL IS NOT PUBLISHED ON COUNCIL'S WEBSITE	152

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Extraordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 7 December 2015

**1. MINUTES OF THE EXTRAORDINARY MEETING OF MURRUMBIDGEE
SHIRE COUNCIL FROM 7 DECEMBER, 2015**

PRESENT: Councillors Austin Evans, Phillip Wells, Robert Black,
Christine Chirgwin and Robert Curphey

IN ATTENDANCE: Kerry McMurray (Acting General Manager)
Sue Mitchell (Director Corporate Performance and Community)
Alison Balind (Executive Assistant – Minute Secretary)

The meeting opened at 4.08pm with Mayor Austin Evans reading the Council Prayer.

APOLOGIES

Cr Gavin Gilbert

15233. Resolution
Moved Cr Curphey Seconded Cr Chirgwin
That Council note the apology and a leave of absence be granted.

Carried (4-0)

NOTICE OF INTENTION TO DEAL WITH MATTER IN CONFIDENTIAL SESSION

15234. Resolution
Moved Cr Curphey Seconded Cr Chirgwin

*That the meeting is closed during the discussion of the matters Item Mayoral Minute 1 as on balance, the public interest in preserving the confidentiality of information outweighs the public interest in maintaining openness and transparency in Council decision-making because the disclosure of this information would prejudice Council and individuals from achieving a 'best' outcome for the community and individuals involved;
The decision to close the meeting to consider; is recorded as follows:
Mayoral Minute 1 – Legal Action
(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege*

Carried (4-0)

Having so resolved, the meeting was closed to the public, the time being 4.12pm.

This Is Page 1 Of The **DRAFT** Minutes Of The Extraordinary Meeting Of Murrumbidgee Shire Council, Held In The
Council Chambers Darlington Point at 4.08pm on 7 December, 2015.

.....
MAYOR

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Extraordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 7 December 2015

Mayoral Minute

Cr Black entered the meeting at 4.14pm

MAYORAL MINUTE – LEGAL ACTION

15235. Resolution

Moved Cr Evans

Seconded Cr Curphey

That Council resolve to immediately commence a legal challenge (including taking interlocutory proceedings to stay) against any decision by the State Government, including but not limited to any decision or order made by the Minister for Local Government or Chief Executive of the Office of Local Government, to place Murrumbidgee Shire Council into administration pending forced amalgamation or implementation of the State Government's Fit for the Future policy in respect of amalgamations.

Carried (5-0)

15236. Resolution

Moved Cr Chirgwin

Seconded Cr Wells

That Open Council be resumed.

Carried (5-0)

Having so resolved, Council was re-opened to the public at 4.19pm. The Mayor then read the resolutions passed in Closed Session.

15237. Resolution

Moved Cr Curphey

Seconded Cr Chirgwin

That the resolution as read is a true and accurate record of the matters resolved in Closed Council.

Carried (5-0)

The General Manager advised that he had been handed a Rescission Motion for Resolution No.15235 requesting that the Rescission Motion be dealt with as a matter of urgency at the next meeting of Murrumbidgee Shire Council. As such, no further action will be taken on this resolution until such time as the Rescission Motion had been considered by the Council.

There being no further business, the meeting closed at 4.22pm.

This Is Page 2 Of The **DRAFT** Minutes Of The Extraordinary Meeting Of Murrumbidgee Shire Council, Held In The
Council Chambers Darlington Point at 4.08pm on 7 December, 2015.

.....
MAYOR

2. BUSINESS ARISING FROM MINUTES

3. MINUTES OF THE ORDINARY MEETING OF MURRUMBIDGEE SHIRE COUNCIL FROM 9 DECEMBER, 2015

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In The Council Chambers Darlington Point at 4.08pm on 9 December 2015

PRESENT: Councillors Austin Evans, Phillip Wells, Christine Chirgwin, Gavin Gilbert and Robert Curphey

IN ATTENDANCE: Kerry McMurray (Acting General Manager)
Sue Mitchell (Director Corporate Performance and Community)
Alison Balind (Executive Assistant – Minute Secretary)
Stephen Goodsall (GIS/Assets Officer)
Gary Randhawa (Project Officer)

The meeting opened at 4.08pm with Mayor Austin Evans reading the Council Prayer.

APOLOGIES
Nil

1. Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council from 18 November, 2015

15238. Resolution

Moved Cr Chirgwin Seconded Cr Gilbert

That the Minutes of the Ordinary Meeting of Murrumbidgee Shire Council Held on 18 November, 2015 be confirmed

Carried (5-0)

2. Business Arising from Minutes

Cr Wells asked whether there should be a note included about the Auditor reporting on Council's Annual Finances at the Workshop. The Acting General Manager advised that this was not necessary.

3. Draft Minutes of the Extraordinary Meeting of 26 November, 2015

15239. Resolution

Moved Cr Chirgwin Seconded Cr Curphey

That the Minutes of the Extraordinary Meeting of Murrumbidgee Shire Council Held on 26 November, 2015 be confirmed.

Carried (5-0)

This Is Page 4 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

4. Business Arising from Minutes

Nil

5. Draft Minutes of the Extraordinary Meeting of 7 December, 2015

15240. Resolution

Moved Cr Wells

Seconded Cr Chirgwin

That the Minutes of the Extraordinary Meeting of Murrumbidgee Shire Council
Held on 7 December, 2015 be confirmed.

Carried (5-0)

6. Business Arising from Minutes

6.1 Rescission Motion

15241. Resolution

Moved Cr Curphey

Seconded Cr Wells

That Council rescind resolution Number 15235, which states *“That Council resolve to immediately commence a legal challenge (including taking interlocutory proceedings to stay) against any decision by the State Government, including but not limited to any decision or order made by the Minister for Local Government or Chief Executive of the Office of Local Government, to place Murrumbidgee Shire Council into administration pending forced amalgamation or implementation of the State Government’s Fit for the Future policy in respect of amalgamations”*.

Lost (0-5)

7. Declarations of Interest

General Manager’s Report Item 3 - Cr Austin Evans declared a less-than-significant non-pecuniary interest in this matter. Having made the declaration, Cr Evans will stay in the meeting, participate in the debate and vote on the item. The description of the conflict is that access to the back carpark at CICL, where the Councillor works, will be affected by the possible changes to the median strips.

General Manager’s Report Item 5 – Cr Christine Chirgwin declared a significant non-pecuniary interest in this matter. Having made the declaration, Cr Chirgwin will not participate in the item, leave the meeting during discussion and/or consideration of the matter and not return until the matter is resolved. The description of the conflict is that the Councillor’s daughter and partner have bought a property off Britts Rd.

This Is Page 2 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In The
Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

MAYOR

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

8. Information Reports

15242. Resolution

Moved Cr Curphey

Seconded Cr Gilbert

That Council notes the contents of the Incoming Correspondence, Companion Animals Report, Development Applications Approved Under Delegation, Installation of Telecommunications Equipment, Bangerang Aboriginal Corporation and the Christmas Message from the General Manager for information.

Carried (5-0)

9. General Manager's Report

1. COUNCIL MEETING DATES 2016

15243. Resolution

Moved Cr Wells

Seconded Cr Gilbert

That Council adopt the following Council Meeting and Workshop Schedule for 2016:

Meeting Date	Location
20 January	Council Meeting Room, Coleambally
17 February	Council Chambers, Darlington Point
17 March	Council Meeting Room, Coleambally
20 April	Council Chambers, Darlington Point
11 May	Council Meeting Room, Coleambally
15 June	Council Chambers, Darlington Point
20 July	Council Meeting Room, Coleambally
17 August	Council Chambers, Darlington Point

This Is Page 3 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

21 September	Council Meeting Room, Coleambally
19 October	Council Chambers, Darlington Point
16 November	Council Meeting Room, Coleambally
14 December	Council Chambers, Darlington Point

Carried (5-0)

4. COUNCIL POLICY - DRAFT STAFF RECOGNITION POLICY – YEARS OF SERVICE

15244. Resolution

Moved Cr Chirgwin Seconded Cr Gilbert

1. That Council adopt the HR.06.02.06 (Attachment A) – Staff Recognition Policy – Years of Service with the deletion of 4.2.

Carried (5-0)

5. COLEAMBALLY COMMUNITY MEETING OUTCOMES

15245. Resolution

Moved Cr Chirgwin Seconded Cr Gilbert

That Council;

1. Not change the parking arrangements in Brolga Place, Coleambally from rear to kerb to front to kerb.
2. Proceed with the detailed design of the footpath in front of the Brolga Place shops under the awning to address the current problems with disabled access to the shops.
3. Write to the shop owners advising that they should look at increasing the size of the down pipes to round 150mm and to look at additional drainage points (similar to the Council offices) to address the current stormwater overflow issues.
4. Prepare a design and costing for the removal of part of the median strips in Kingfisher Avenue in front of the Brolga Hotel, Doctors Surgery, Community Hall, Church and Primary School to reduce congestion and improve traffic flow.

This Is Page 4 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In
The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

5. Remove the current plantings in the median strips and replace with low shrubbery.
6. Investigate the establishment of a B-Double route along Kingfisher Avenue and extended from Kestrel Road.
7. That the costing for work required to enable this B-Double Route to operate be bought back to Council prior to enactment.

Carried (5-0)

6. COMMEMORATIVE SERVICE AT DARLINGTON POINT CEMETERY

15246. Resolution

Moved Cr Wells

Seconded Cr Chirgwin

That Council:

- a) Notes the correspondence from 2nd Battalion Royal Australian Regiment Association and its plans to commemorate the service of Lance Corporal Peter McDuff
- b) Upgrades the area surrounding the Returned Soldiers Section of the Darlington Point Cemetery ahead of the proposed commemoration date, that being 22 April, 2016.
- c) Be advised of the additional costs associated with the upgrade, if any, through the Quarterly Review Process.

Carried (5-0)

Having declared a significant non-pecuniary interest in this matter, Cr Chirgwin vacated the Chamber, the time being 4.41pm.

7. REQUEST FOR SEALING OF BRITTS RD, DARLINGTON POINT

15247. Resolution

Moved Cr Gilbert

Seconded Cr Wells

That Council:

- a) Investigate the complaint which has been raised with Council
- b) Prepare details of designs and costings for the sealing of one (1) kilometre of Britts Road.
- c) A report on the designs and costings be brought to a future meeting of Murrumbidgee Shire Council for consideration during the March Quarterly Review Process

Carried (4-0)

This Is Page 5 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In
The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

Cr Chirgwin returned to the Chamber at 4.45pm.

8. REQUEST TO LEASE LANEWAY

15248. Resolution

Moved Cr Gilbert Seconded Cr Curphey

That Council:

- a) Investigate the lease of the proposed laneway as well as the need for easements over Council assets**
- b) Report back to Council to advise on options for the laneway**

Carried (5-0)

9. REDUCTION IN FUNDING FOR WEED ACTION PLAN 2015-2016

15249. Resolution

Moved Cr Curphey Seconded Cr Chirgwin

That Council:

- a) Note the reduction of funding for delivery of the 2015-16 Weed Action Plan.**
- b) Review the Weed Action Plan as it relates to Murrumbidgee Shire and a report prepared to allow for additional funding provisions to be budgeted for should it be required.**

Carried (5-0)

10. FINANCE AND INVESTMENT REPORT FOR NOVEMBER, 2015

15250. Resolution

Moved Cr Curphey Seconded Cr Wells

- a) That Council notes the investment income for November, 2015.**
- b) Note the investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulations and Council's investment policy.**
- c) Adopt the Investment Report for the month of November, 2015.**

Carried (5-0)

This Is Page 6 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In
The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

DRAFT Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council Held In
The Council Chambers Darlington Point at 4.08pm on 9 December 2015

11. APPOINTMENT OF LOCAL SES CONTROLLER, COLEAMBALLY

15251. Resolution
Moved Cr Chirgwin Seconded Cr Curphey

That Council:

- a) Write to Regional Controller, NSW SES Murrumbidgee Region acknowledging its support of the appointment of Craig Hodge as Local Controller, NSW SES Coleambally Unit.**
- b) Write to Mr Hodge congratulating him on his appointment to the role of Local Controller, NSW SES Coleambally Unit.**

Carried (5-0)

12. MURRAY DARLING REGIONAL ECONOMIC DIVERSIFICATION PROGRAM

15252. Resolution
Moved Cr Chirgwin Seconded Cr Curphey

That Council:

- a) Identify opportunities within Murrumbidgee Shire for funding to be sourced through the Murray Darling Regional Economic Diversification Program.**
- b) Liaise with local business and industry representatives to prepare submissions under the funding stream to create economic growth within the Shire.**

Carried (5-0)

There being no further business, the meeting closed at 5.01pm.

This Is Page 7 Of The **DRAFT** Minutes Of The Ordinary Meeting Of Murrumbidgee Shire Council, Held In
The Council Chambers Darlington Point at 4.08pm on 9 December, 2015.

.....
MAYOR

4. BUSINESS ARISING FROM MINUTES

5. DECLARATIONS OF INTEREST

6. INFORMATION REPORTS

6.1 Incoming Correspondence

Correspondent	Subject	Date received	Action Officer
1. Crown Lands	Road Closure Application	30/11/2015	EA
2. St Peter's Primary School	Seeking Sponsorship from Murrumbidgee Shire Council for Annual Speech Night 10th December 2015	30/11/2015	GM
3. Darlington Point APEX Club	Erection of Riverina Classic Banners	30/11/2015	GM
4. NSW Public Libraries Association	NSWPLA Achievements	1/12/2015	FM
5. Darlington Point Public School	Annual Presentation Night	1/12/2015	GM
6. Parliament NSW	Council Amalgamations – Fit for the Future	4/12/2015	GM
7. RMS	Distribution of Road Traffic Crash Data	4/12/2015	GM
8. Waddi Housing & Advancement	RE: Large Tree Concern & Water Meter	4/12/2015	GM
9. Susan Appleyard	Darlington Point War Memorial Pool Inspection	9/12/2015	GM
10. NSW Government Premier & Cabinet	Public Service Medal	11/12/2015	GM
11. ALGA	National State of the Assets 2015	11/12/2015	GM
12. IPRT	Your Application for access to Government information		
13. NSW Government Office of Environment & Heritage	Darlington Point Floodplain Management	16/12/2015	GM
14. Heritage Darlington Point	Re: Annual Contributions to Heritage Darlington Point	16/12/2015	FM
15. NSW Government	Fit for the Future package has been forwarded to the Hon Paul Toole MP	23/12/2015	GM
16. Griffith City Council	Food Re-Inspection	23/12/2015	GM
17. Department of Primary Industries Food Authority	Food Surveillance Activity Report for the period 1 July 2014- 30 June 2015	5/01/2016	GM
18. Premier & Cabinet Division of Local Government	NSW Local Government Amalgamation Proposal – Letter from Delegate, 9 January 2016	9/1/2016	EA
19. Premier & Cabinet Division of Local Government	Slides from DPC Briefing , Merger Proposal	8/1/2016	EA
20. Premier & Cabinet Division of Local Government	Letter from Tim Hurst	14/1/2016	EA

6.2 Companion Animals report

Companion Animals

Since 9th December, 2015 the following has transpired in relation to companion animal activity within the Shire:

Dogs newly registered	0	Cats newly registered	0
Dogs impounded	2	Cats impounded	0
Dogs released to owner	1	Cats released to owner	0
Dogs rehomed	1	Cats rehomed	0
Dogs currently impounded	0	Cats currently impounded	0
Dogs euthanized	0	Cats euthanized	0

6.3 Development Applications Approved Under Delegation

DA No.	Property Location	Works Undertaken	Description	Value
CDC 141516	Lot 1 DP 597458, 4 McBratney Street, Darlington Point	Construction	Garage	\$20,000
CDC 171516	Lot 116 DP 527599, Kingfisher Avenue, Coleambally	Construction	Doctors Surgery Refurbishment	\$100,000
DA 161415	Lot 1 DP 1177368, Old Morundah Road, Coleambally	Construction	Dwelling	\$400,000

RECOMMENDATION

That Council notes the contents of the Incoming Correspondence, Companion Animals Report and Development Applications Approved Under Delegation for information.

7. COMMITTEE MINUTES

7.1 Minutes of Ordinary Meeting of Heritage Darlington Point, 13 December 2015

Meeting held at Finley residence and opened 11.55 a.m.

Present: Ken Geltch (chair), Roger McGann, Laurie Finley, Mona Finley, and guest Bruce McGann.

Apologies: Shirley and Wayne Kennedy.

Minutes of meeting of 11 October were read; accepted (Ken/Roger).

Business from Minutes: 1. Enquiry from (?) Germany – no further progress (deciphering).

2. Moving of wagon -- no further progress.

3. Andrew Wales (MSC) -- nothing heard since meeting, 9 Sept.

4. Museum Security -- new lock fitted, front door of Old Shire Chambers, in addition to the one in place.(Cost, \$72.97 (purchased by secretary, reimbursed from HDP Trust acct). Two extra keys cut, \$11.00 (paid from Petty Cash)

Correspondence:

Outward :

1. 12 Oct. – MSC; re moving wagon to museum grounds.
2. 12 Oct. -- MSC; re avoiding delays in payments to Origin Energy.
3. 1 Nov. –John Winterbottom, Wagga ; re possible lecture/presentation at D.Pt.
4. 1 Nov. – Harry Hill, Tumut; re possible lecture/presentation at D.Pt.

Inward:

1. 14 Oct. – MSC – acknowledging our letters of 12 Oct., matters referred to officers responsible in each case.
2. 26 Oct. – MSW; Water account, \$45.75 (paid 4 Nov.)
3. 28 Oct. Dept. Family & Community Services (email) – notification of payment of grant, CPB 14-2085 (\$667.70).
4. 5 Nov. – National Trust (email notice) –Heritage Festival 2016, 16 Apr.-29 May; theme: 'Discoveries and Rediscoveries'. Register by 13 Dec. for inclusion in brochure. *
5. 9 Nov. – RAHS – Affiliation dues, \$82.00, before 1 Jan 2016 (paid 23 Nov.)
6. 9 Nov. – Origin Energy – circular, re changes; will send us information pack.

7. 16 Nov. –MSC –granting us annual allowance, \$900, in lieu of Community Grant. **
8. 30 Nov. – National Trust; reminder re 2016 Heritage Festival and registration date.
9. 7 Dec. – Origin Energy, account, \$155.47 (paid 9 Dec.).

RAHS e-newsletters: (previously circulated electronically)

1 15 Oct .— Annual conference, Bankstown – NSW Gov. Gaz. Soon to be on Trove – winner of 2016 Deen De Bortoli Award for Applied History (Meg Foster, ‘Online and Plugged In? Public history and historians in the digital age’) – item re Riverview Cottage, Berrima and Heritage Register.

2. 5 Nov. – conference report – Regional seminars on Land Research, expressions of interest called for. ***

3. . 26 Nov. –News and events, Shoalhaven-Nowra, Doll’s Point, Milthorpe, Blue Mountains.

4. 10 Dec. – resume of 2015 events – link to Calendar of Events 2016 – Christmas party 15 Dec. at History House – facsimiles of Christmas cards from 1900 and 1909.

*Item 4, to Gen Bus.

** Item 7, Letter of thanks to MSC.

*** Newsletter 2, to Gen. Bus.

Correspondence accepted and actions endorsed (Ken/Mona).

Treasurer’s Report: Statement of Income and expenditure since Oct. 2015 was tabled, showing a balance of \$7,130.73. (\$4,292.73 of which is Anz. Cent. Grant from DVA, received July 2015).

DFAT grant CPB14-2085, \$607.00, received 28 Nov. 2015.

General Business:

1. 2016 Heritage Festival, theme ‘Discoveries and Rediscoveries’ – discussion, planning for Open Day: Date selected, Sunday 1 May 2016.

-- Event title to be “Remember When ? Rediscovering the recent past.”

– Display of items now obsolete, out of fashion, or illegal? etc., from recent decades: e.g., manual typewriter, radiogram, vinyl recordings, round-dial telephone, outdated models of baby cots, cigarette boxes, ‘housewife-y’ aprons, stockings held on suspenders, certain toys, etc. Many possibilities, to be further investigated.

Heritage Festival/Open Day plans approved (Roger/Ken). Secretary to register event with National Trust.

2. Land Research Seminar -- having received no response from potential speakers John Winterbottom or Harry Hill, it was suggested we offer to host a seminar. Secretary has made

preliminary enquiry to RAHS (Graeme Sciberras), told that costs, presenter's travel, etc will be covered by RAHS. We are invited to submit preferred dates.

Discussed and agreed. Preferred dates selected: early to mid-April. (Mona/Roger).

3. Repair and/or Replacement of Roof Guttering. The poor condition of guttering of both Old Shire Chambers and storage shed (erected 1984) was mentioned at August meeting.

Secretary has obtained quotes from S. and K. Engineering -- \$3,795.00 for both buildings; \$2,057.00 for Chambers only. Guttering on shed is in worst condition; that on Chambers less severe but more urgent, to avoid risk of water damage to fabric of building or to foundations.

Moved we apply for \$2,057.00 in next round of MSC Community Grants (Laurie/Ken).

4. ' Marketing' –Mona drew attention that we offer nothing for visitors to purchase (e.g. postcards, small mementos) at Open Days or other events. Such items serve as promotion, raise our public profile, also a potential source of income. Suggested we investigate postcard costs, designs, and ratio of return on money invested.

Moved the secretary investigate (Ken/Laurie).

5. Photographs in Punt Hotel -- Licensee Cyril Alchin has expressed interest in having captions and information added to historical photographs on display. Mona has been to see him, will arrange for this to be done at time yet to be confirmed. (Note: it had been our intention at time the photos were purchased from our collection, 2005, that all be correctly labelled. However, purchaser did not follow the desired procedure).

6. Toganmain Woolshed Precinct Inc. -- Graeme Nalder of TWP Inc. has contacted secretary, 9 Dec.; will send newsletter of their activities.

7. Dennis Fire Truck : Ken drew attention that the Dennis Fire Truck in care of Rural Fire Brigade, Darlington Point, is now standing outdoors, vulnerable to the elements and possible vandalism. Truck was transferred by HDP to their care in August 2008. Ken to make enquiries re their intentions -- if Fire Brigade are unable/ unwilling to continue as custodians we may need to resume keeping and care of the vehicle, avoid the risk it may fall into unauthorised hands.

There being no further business the meeting closed 12. 50 p.m., to be followed by a Christmas lunch.

Next meeting: Sunday 14 February 2016, 10a.m., at museum.

7.2 COLEAMBALLY AUSTRALIA DAY 2016 COMMITTEE MEETING MINUTES 7th January, 2016

Present: P. Sheppard, C. Martin, K. Sheppard, K. Boyle, K. Mannes, A. Hayes, C. Chirgwin, E. Rooks, K. Rossato

Apologies: K. Hardy, T. Breed (both received by email after meeting.)

- Minutes of previous meeting confirmed as accurate.
- Correspondence read – RSL will do flag break; Community Bank will sponsor competition prizes; Lions' Club will do breakfast, help with seating and sound system; CDP CEF will run raffle.
- Poetry reading chosen – Smithy's Australia Day poem by Warren Dakin
- Ambassador – we do not have one assigned as yet. Some mix up with registration. Discussed some options if we do not have an ambassador.
- Australia Day ambassador's dinner –at this stage DP committee want to go ahead with it.
- Nominations were judged. Letters to go out to all nominees (Penny.) Two nominations for Lifetime Achievement Award this year.
- Engraving of medallions, boards etc can be done after 18th.
- Decided not to include nominees on flyer just total number (27.)
- Judged colouring-in. Decided to include an additional K-1 award in colouring-in and one less best decorated thong prize. Thongs also judged. Kim to notify winners.
- Decorating of town square from 6.30am on the day.
- Kim, Kylie, Kate and Tom to look after best decorated cupcake competition on the day.
- Alison to emcee.
- Committee members to make green and yellow iced cupcakes (2 dozen) for day. Fruit cake for cutting of cake.
- Kim and Kylie to announce winners of competitions on the day.
- Nominations to be read by: Sporting Team of Year – Kim; Event of the Year – Christine; Sportsperson of the Year – Kim; Junior Sportsperson of the Year – Kylie; Sub-junior Sportsperson of the Year – Chris; Cultural – Penny; Citizen of the Year – Sue Inglis (Penny to check); Young Citizen of the Year – Tim Hayes (Alison to check with Tim.) Chris Chirgwin to present Lifetime Achievement awards.
- Kevan to collect breakfast money. Penny to organise float.
- Eddie to read Affirmation.
- Flyer to go out on Wednesday 20th and in Observer. Penny to contact Catherine Demamiel about including something on TTT's activities for the day.

8. MAYORAL MINUTES

9. GENERAL MANAGER'S REPORT

9.1 COUNCIL DECISION MAKING DURING MERGER PROPOSAL PHASE

Council Meeting
20 January, 2016
KM:AGM – Council Decision Making During Merger Proposal Phase

EXECUTIVE SUMMARY

Earlier this year, a merger proposal relating to Murrumbidgee Shire Council was forwarded to the Office of Local Government for examination. As such, under section 23A of the Local Government Act 1993, Council has a requirement to make determinations according to specific guidelines.

RECOMMENDATION

That Council:

- a) Note the information contained within the report.**

BACKGROUND

On January 6, NSW Minister for Local Government Paul Toole referred a merger proposal relating to Murrumbidgee Shire Council to the the Chief Executive of the Office of Local Government (OLG) for examination and report under the *Local Government Act 1993*. The proposal, should it be adopted, will see Murrumbidgee Shire Council merge with the parts of Jerilderie Shire that lie to the north of Yanco Creek. Although a merger proposal is now being investigated by the OLG, Council is still required to operate appropriately, effectively and efficiently to meet the needs of the community.

To assist Councils to do this, the OLG has issued Guidelines (Attachment A) under section 23A of the Local Government Act 1993 which set out the scope, principles and process for the management of Council business to the proposal period. These Guidelines provides clear guidance on what is and is not appropriate and permissible during the merger proposal period. The document states that "Councils should not make decisions that needlessly impose avoidable costs on a new council" and provides information on Council processes as they relate to, in summary:

- Integrated Planning and Reporting – Councils should continue to implement and operate in accordance with their adopted Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy
- Financial Management – Only expend monies in accordance with the detailed budget adopted for the purposes of implementing their Operational Plans for the relevant year. Councils should not enter into new contracts of an amount equal to or greater than \$250,000 or 1% of the council's revenue from rates (whichever is larger)
- Workforce Management – Councils should not appoint or reappoint a person as the council's general manager other than in an acting or temporary capacity. Organisation structures should also remain intact unless there are compelling operational grounds for changes to be made, nor should decisions be made in relation to staffing redundancies or employment terms and conditions unless in accordance with Section 354C and 354E.

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

- Regulatory Functions – Such functions should be exercised in accordance with statutory requirements as well as the *Model Code of Conduct for Local Councils in NSW*.
- Merger-related information campaigns - Any information campaigns Council may wish to run during the proposal phase should be approved by councils at an open council meeting. This includes publicly approving any budgets for such campaigns

COMMENT

Although Council is expected to comply with the Guidelines as issued by the Officer of Local Government, the primary consideration for Murrumbidgee Shire Council is in relation to the appointment of senior staff. As Council is aware, the only senior staff position within the organisation is that of the General Manager - a role which is currently filled by a locum.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY

Local Government Act 1993.

GRPP 02.01.01 – Code of Conduct

FINANCIAL

Council's existing Long-Term Financial Plan accommodates the current Operational Plan and there is not expected to be any financial implications on Council at this time.

INTEGRATED PLANS

A2.1 We have access to a range of services which support our needs

C3.1 - We manage our infrastructure responsibly

C3.2 - The infrastructure we provide is responsive to community needs

D1.1 – Council leads the community by example demonstrating a high level of leadership and accountability

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

ELT

OPTIONS

N/A

ATTACHMENTS

Attachment A: Council Decision Making During Merger Proposal Periods

Kerry McMurray

ACTING GENERAL MANAGER

Attachment A: Council Decision Making During Merger Proposal Periods



Office of
Local Government

Office of Local Government

**COUNCIL DECISION MAKING DURING
MERGER PROPOSAL PERIODS**



DECEMBER 2015

Strengthening local government

ACCESS TO SERVICES

The Office of Local Government is located at:

Levels 1 & 2
5 O'Keefe Avenue
NOWRA NSW 2541

Locked Bag 3015
NOWRA NSW 2541

Phone 02 4428 4100
Fax 02 4428 4199
TTY 02 4428 4209

Level 9, 6 – 10 O'Connell Street
SYDNEY NSW 2000

PO Box R1772
ROYAL EXCHANGE NSW 1225

Phone 02 9289 4000
Fax 02 9289 4099

Email olg@olg.nsw.gov.au
Website www.olg.nsw.gov.au

OFFICE HOURS

Monday to Friday
8.30am to 5.00pm
(Special arrangements may be made if these hours are unsuitable)
All offices are wheelchair accessible.

ALTERNATIVE MEDIA PUBLICATIONS

Special arrangements can be made for our publications to be provided in large print or an alternative media format. If you need this service, please contact our Executive Branch on 02 9289 4000.

DISCLAIMER

While every effort has been made to ensure the accuracy of the information in this publication, the Office of Local Government expressly disclaims any liability to any person in respect of anything done or not done as a result of the contents of the publication or the data provided.

© NSW Office of Local Government 2015
ISBN 978-1-922001-42-9

Produced by the Office of Local Government



www.olg.nsw.gov.au

TABLE OF CONTENTS

PURPOSE OF THESE GUIDELINES.....	4
THE SCOPE OF THESE GUIDELINES.....	4
COUNCIL DECISION MAKING DURING MERGER PROPOSAL PERIODS – GENERAL PRINCIPLES	5
INTEGRATED PLANNING AND REPORTING.....	5
FINANCIAL MANAGEMENT	6
WORKFORCE MANAGEMENT.....	7
REGULATORY FUNCTIONS	8
MERGER-RELATED INFORMATION CAMPAIGNS	8
ENFORCEMENT OF THESE GUIDELINES.....	9

PURPOSE

These Guidelines provide guidance to councils that are the subject of merger proposals on the appropriate exercise of their functions during the period in which a merger proposal is under consideration by the Chief Executive of the Office of Local Government, the Boundaries Commission and the Minister for Local Government under the Act.

It is important during any merger proposal period that councils continue to operate appropriately, effectively and efficiently to meet the needs of their communities. The Office of Local Government recognises that councils, councillors and council staff all share the desire to continue to serve their communities effectively during the merger proposal period and will have many questions about how to do this in a manner that is appropriate and permissible. These Guidelines seek to assist councils to do this and to provide clear guidance on what is and is not appropriate and permissible during the merger proposal period.

These Guidelines are issued under section 23A of the Act meaning that all councils must consider them when exercising their functions.

THE SCOPE OF THESE GUIDELINES

These Guidelines apply to decisions made by councils the subject of a merger proposal during a merger proposal period.

For the purposes of these Guidelines:

“the Act” – means the *Local Government Act 1993* (NSW).

“a decision” - includes the exercise by the council of any function (including the expenditure of monies and the use of resources) and includes functions exercised under delegation by council officials.

“council officials” – includes a councillor (including the Mayor), a member of council staff or a delegate of a council.

“merger proposal” – means a proposal for the amalgamation of two or more local government areas or the alteration of the boundaries of one or more local government areas initiated by the Minister for Local Government, a council affected by the proposal or an appropriate minimum number of electors under section 218E of the Act.

“merger proposal period” – means the period of time during which a council is affected by a merger proposal, commencing on the day a proposal is made with respect to the council's area under section 218E of the Act and concluding on:

- the day after the Minister decides to decline to recommend to the Governor that a proposal referred to the Boundaries Commission or the Chief Executive be implemented under section 218F(8), or
- the date specified in the proclamation implementing the proposal if the Minister

recommends to the Governor that the proposal be implemented.

“new council” – means a new council created as a result of a merger proposal.

COUNCIL DECISION MAKING DURING MERGER PROPOSAL PERIODS – GENERAL PRINCIPLES

During a merger proposal period, councils and council officials should be mindful of the need to act in the best interests of their community and for the purposes of meeting the needs of that community. Councils should not make decisions that needlessly impose avoidable costs on a new council.

In particular, councils and council officials should not make decisions during a merger proposal period for the following purposes:

- to prevent or disrupt the consideration of merger proposals by the Chief Executive of the Office of Local Government or his delegate, the Boundaries Commission or the Minister for Local Government other than through the legitimate exercise of legal rights of review or appeal
- to exercise their functions or use council resources to oppose or support a merger proposal for personal or political purposes (see below for more information on merger-related information campaigns)
- to seek to damage or impede the operational effectiveness of a new council including by (but not limited to):
 - making significant and/or ongoing financial commitments that will be binding on a new council
 - making other significant undertakings or commitments that will be binding on a new council
 - making decisions that are designed to limit the flexibility or discretion of a new council
 - deliberately and needlessly expending council resources to minimise the resources available to a new council on its commencement.

INTEGRATED PLANNING AND REPORTING

During a merger proposal period, councils should continue to implement and operate in accordance with their adopted Community Strategic Plan, Delivery Program, Operational Plan and Resourcing Strategy.

Annual reporting requirements continue in accordance with the Act, and a report on the progress on implementation of the Community Strategic Plan should be presented at the final meeting of each of the outgoing councils.

Preparation of Operational Plans

Should councils prepare Operational Plans during a merger proposal period, these should be prepared as a sub-plan of the council's adopted Delivery Program and should not depart from the council's adopted Delivery Program.

The Operational Plan should directly address the actions outlined in the council's adopted Delivery Program and identify projects, programs or activities that the council will undertake within the financial year towards addressing these actions.

The Operational Plan should include a detailed budget for the activities to be undertaken in that year.

FINANCIAL MANAGEMENT

Expenditure during merger proposal periods

During a merger proposal period, councils should only expend monies in accordance with the detailed budget adopted for the purposes of implementing their Operational Plans for the relevant year.

There should be clear and compelling grounds for any expenditure outside of a council's adopted budget. Expenditure outside of the adopted budget should be approved by the council at a meeting that is open to the public.

The council's resolution approving the expenditure should disclose the reasons why the expenditure is required and warranted.

Should such expenditure be outside of a council's adopted budget and be of an amount equal to or greater than \$250,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger), then such a variation shall be advertised and public comments invited.

Councils the subject of merger proposals should not make decisions that will impose a significant and/or ongoing financial commitment on a new council.

Entry into contracts and undertakings

Councils the subject of merger proposals should not enter into a contract or undertaking involving the expenditure or receipt by the council of an amount equal to or greater than \$250,000 or 1% of the council's revenue from rates in the preceding financial year (whichever is the larger), unless:

- the contract or undertaking is being entered into as a result of a decision made or procurement process commenced prior to the start of the merger proposal period; or
- entry into the contract or undertaking is reasonably necessary for the purposes of:
 - meeting the council's ongoing service delivery commitments to its community; or

- o to implement an action previously approved under a council's Delivery Program or the Operational Plan for the relevant year

WORKFORCE MANAGEMENT

Appointment and termination of employment of general managers and senior staff

A council affected by a merger proposal should not during a merger proposal period appoint or reappoint a person as the council's general manager, other than:

- appointing a person to act as general manager under section 336(1) of the Act, or
- temporarily appointing a person as general manager under section 351(1) of the Act.

Councils affected by merger proposals should also avoid making appointments of senior staff other than temporary or "acting" appointments unless there are compelling operational reasons for doing so. Outside of these circumstances, where possible, councils should make temporary appointments to fill vacancies to senior staff positions during the merger proposal period.

There is no restriction on councils' ability to terminate the employment of general managers and other senior staff during a merger proposal period. However, in doing so, councils must comply with the standard contracts of employment for general managers and senior staff and the 'Guidelines for the Appointment & Oversight of General Manager' (July 2011).

Organisation restructures

Councils affected by merger proposals should not undertake organisation restructures unless there are compelling operational grounds for doing so.

No forced redundancies of non-senior staff

Councils affected by a merger proposal should not during a merger proposal period terminate the employment of non-senior staff on grounds of redundancy without their agreement (see section 354C).

Determination of employment terms and conditions for council staff

Determinations of the terms and conditions of employment of council staff members (including in an industrial agreement, in an employment contract or in an employment policy of the council) made during a merger proposal period will not be binding on a new council unless the determination has been approved by the Minister for Local Government (see section 354E).

The Minister's approval is not required for the following determinations:

- determinations authorised by an industrial instrument, or employment policy of the former council, made or approved before the merger proposal period
- determinations in, or authorised by, an award, enterprise agreement or other

industrial instrument made or approved by the Industrial Relations Commission or Fair Work Australia

- determinations that comprise the renewal of an employment contract (other than for the general manager) entered into before the proposal period.

As a general rule, the Minister will approve determinations unless he is satisfied that the determination arises from or is in anticipation of a merger proposal and would result in an unjustifiable increase or decrease in the obligations of the new council in relation to transferred staff members (see section 354E(3)).

REGULATORY FUNCTIONS

Councils and council officials should exercise their regulatory functions strictly in accordance with statutory requirements and the requirements of the *Model Code of Conduct for Local Councils in NSW* and solely on the basis of relevant considerations.

Councils should not exercise their regulatory functions (including in relation to development applications or strategic land use planning) for the purposes of campaigning for or against a merger proposal.

Councils should not make decisions that would not otherwise withstand legal challenge on the basis that the new council and not the outgoing one would need to defend any such challenge.

MERGER-RELATED INFORMATION CAMPAIGNS

Any public information campaigns conducted by councils with respect to merger proposals:

- should be conducted for the purposes of informing the local community about the merger proposal and should be proportionate to this purpose
- should not involve disproportionate or excessive expenditure or use of council resources
- should be conducted in an objective, accurate and honest manner and should not be deliberately misleading
- should not be used to endorse, support or promote councillors, individually or collectively, political parties, community groups or candidates or prospective candidates at any election, Local, State or Federal.

Merger-related information campaigns should be approved by councils at an open council meeting. Councils should also publicly approve a budget for the campaign at an open council meeting before incurring any expenditure on the campaign.

Any variations to the budget should also be publicly approved by the council at an open meeting.

Councils should account fully and publicly for the costs of merger-related information campaigns, including staff and contractor costs. This information should be accessible to the community on councils' websites.

ENFORCEMENT OF THESE GUIDELINES

These Guidelines are issued under section 23A of Act. Councils are required to consider the Guidelines in exercising their functions. The Office of Local Government will be monitoring compliance with these Guidelines.

Failure to comply with the Guidelines may result in the Minister for Local Government issuing a performance improvement order under section 438A of the Act against a council to compel them to comply with the Guidelines or to correct any non-compliance.

The Chief Executive of the Office of Local Government may also surcharge a council official under section 435 the amount of any deficiency or loss incurred by the council as a consequence of the negligence or misconduct of the council official.

9.2 REVIEW OF NSW LOCAL GOVERNMENT RATING SYSTEM

Council Meeting 20 January 2016 KM:AGM – Review of NSW Local Government Rating System
--

EXECUTIVE SUMMARY

This report is to provide Councillors with information on a recently commission review of the NSW Local Government Rating System to be undertaken by the Independent Pricing and Regulatory Tribunal (IPART).

RECOMMENDATION

That Council:

- a) Note the report for information.**

BACKGROUND

As part of the Local Government Reform Process, the NSW Government the implementation of an efficient and equitable rating system is a key component. In December, 2015 Premier Mike Baird charged IPART with the task of undertaking the review in accordance with a set Terms of Reference (Attachment A). In his correspondence to the Tribunal, the Premier stated that an efficient and equitable rating system would “ensure all councils are able to implement sustainable fiscal policies and reforms over the longer-term”. The Premier is seeking IPART’s guidance on recommendations for “a legislative or regulatory approach to support the Government’s policy of freezing existing rate paths for a period of four years for councils that merge as part of the Fit for the Future process”.

As part of the Review Process, IPART is expected to provide the Minister for Local Government with an Interim Report by June 2016 with the final report to be presented by December 2016. IPART is expected to consider the current rating system and identify improvements which can be made, examples of best practice rating policies and schemes as well as the impact the current and any alternative framework would have on communities and businesses, particularly around their capacity to pay.

Consultation on the review is expected to be held with relevant stakeholders and NSW Government agencies through the release of an Issues Paper and Draft Report. The Ministerial Advisory Group is also expected to have input into the process. Should IPART determine it necessary, it may also hold public hearings for the purposes of the review. The Minister for Local Government will make the final determination on the release of IPART’s report and recommendations.

COMMENT

The commissioning of IPART to undertake a review of the current rating system is in keeping with the NSW Government’s response to the Independent Local Government Review Panel’s (ILGRP) recommendations to reform the sector. It is expected that as part of this process that IPART will take into consideration the recommendations by the ILGRP on options to strengthen the revenue base of local government.

MSC needs to conduct a rate review in its own right. There are a number of issues that need to be reviewed including rate categories particularly rural residential and farmland. Council

ORDINARY MEETING

20 JANUARY, 2016

also needs to examine the issue of moving from a minimum to base amounts or alternatively bring the minimum amount up to a more realistic and equitable value. DCCS and her staff have the skills and knowledge to conduct the review potentially without the need for consultants except for peer review. This should be a priority over the next 2 months.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY
Local Government Act 1993.

FINANCIAL
Nil

INTEGRATED PLANS
Nil

RISK MANAGEMENT
Nil

CONSULTATION / ENGAGEMENT
ELT

OPTIONS
N/A

ATTACHMENTS

Attachment A: Letter of Engagement and Terms of Reference for IPART Review of NSW Rating Structure

Kerry McMurray
ACTING GENERAL MANAGER

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

Attachment A: Letter of Engagement and Terms of Reference for IPART Review of NSW Rating Structure



Dr Peter Boxall AO
Chairman
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240



Reference: A1444504

18 DEC 2015

Dear Dr Boxall

Pursuant to section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, I am writing to request the Tribunal undertake a review of the Local Government rating system in accordance with the attached Terms of Reference.

The implementation of an efficient and equitable rating system is a key component of the Government's *Fit for the Future* reforms, and will ensure all councils are able to implement sustainable fiscal policies and reforms over the longer-term.

Critically, the Tribunal's review should seek to recommend a legislative or regulatory approach to support the Government's policy of freezing existing rate paths for a period of four years for councils that merge as part of the *Fit for the Future* process.

An interim report outlining options and recommendations to achieve this commitment should be provided to the Minister for Local Government within six months. A final report addressing all aspects of the terms of reference should be provided to the Minister within 12 months.

Should you have any questions or wish to discuss this matter further, please contact Mr John Clark, Executive Director, Local Government Reform on 9228 3570 or john.clark@dpc.nsw.gov.au

Yours sincerely

MIKE BAIRD MP
Premier

Encl: Terms of Reference, Local Government Rating System in NSW

Terms of Reference

The Local Government Rating System in NSW

I, Mike Baird, Premier of New South Wales, approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act) to the Minister for Local Government for the review of the local government rating system in accordance with these 'terms of reference'.

General

IPART is to undertake a review to identify and make recommendations for potential reforms to the rating system for local government in NSW. These recommendations will aim to:

- Enhance the ability of councils to implement sustainable and equitable fiscal policy and
- Provide the legislative and regulatory approach to achieve the Government's policy of freezing existing rate paths for four years for newly merged councils.

In investigating and making recommendations for this review, IPART is to consider:

- a) the performance of the current rating system and potential improvements, including consideration of:
 - the rating burden across and within communities, including consideration of apartments and other multi-unit dwellings;
 - the appropriateness and impact of current rating categories and exemptions, mandatory concessions and rebates;
 - the land valuation methodology used as the basis for determining rates in comparison to other jurisdictions;
 - the impact of the current rating system on residents and businesses of a merged council and the capacity of the council to establish a new equitable system of rating and transition to it in a fair and timely manner,
 - the objectives and design of the rating system according to recognised principles of taxation.
- b) current examples of municipal best practice rating policies and schemes;
- c) the impact of the current and alternative frameworks for the rating system on communities and businesses and their capacity to pay; and
- d) any other matter IPART considers relevant.

In undertaking its review under these Terms of Reference, IPART is to take account of:

- the importance of Integrated Planning and Reporting in determining the revenue required to deliver services and infrastructure;
- the current financial sustainability of local government in NSW, including the findings and deliberations of the NSW Treasury Corporation report Financial Sustainability of the NSW Local Government Sector, 2013;
- the findings and deliberations of the Independent Local Government Review Panel and subsequent Government response;
- the NSW Government's policy of encouraging urban renewal; and
- the NSW Government's commitment to protect NSW residents against excessive rate increases and to providing rate concessions to pensioners.

Public consultation

IPART should consult with relevant stakeholders and NSW Government agencies by releasing an Issues Paper and Draft Report for their review on the IPART website. IPART should also consult with the Fit for the Future Ministerial Advisory Group.

IPART may also hold public hearings for the purposes of this review.

Timeframe

An interim report with recommendations on the legislative and regulatory approach to achieve the Government's policy of freezing existing rate paths for four years for newly merged councils should be submitted to the Minister for Local Government within 6 months of signing of the Terms of Reference.

A final review report should be formally submitted to the Minister for Local Government within 12 months of signing of the Terms of Reference.

Governance

IPART should provide progress briefings at regular intervals or as requested to the Chief Executive, Office of Local Government.

The Minister for Local Government will decide on the timing of release of the final report.

Supporting information and recommendations

IPART is to collect relevant material and data to establish the impacts to councils, communities and NSW of the current rating system, and to provide reasons for any recommendations for reform.

Background

The Independent Local Government Review Panel (Panel) made a number of recommendations regarding general reform of the local government system in NSW, including options to strengthen the revenue base of local government.

As part of its response to the Panel, the NSW Government has agreed to commission IPART to undertake a further review of the rating system reflecting on issues raised by the Panel regarding the equity of the current system.

The Government also committed to introduce a new Local Government Act from 2016. This review will inform the rating provisions in the new Act.

9.3 PHASE 1 AMENDMENTS TO THE LOCAL GOVERNMENT ACT 1993

**Council Meeting
20 January, 2016
KM:AGM – Phase 1 Amendments To The Local Government Act 1993**

EXECUTIVE SUMMARY

The Local Government Reform process currently underway in New South Wales has a number of elements, one of which is a review of the Local Government Act 1993 and the development of proposed amendments. This report provides Council with information as it relates to the Phase 1 amendments to the Act and the steps required to make a submission on those changes.

RECOMMENDATION

That Council:

- a) Notes the information contained within this report**
- b) Prepares a collective response to the proposed amendments to the Local Government Act 1993 for endorsement at the February 17 meeting of Council.**

BACKGROUND

In October 2013, the Independent Local Government Review Panel and the Local Government Acts Taskforce released reports on their findings. Contained within the reports were a number of recommendations to the NSW Government to shape *“A more sustainable system of democratic local government with added capacity to meet the needs of local and regional communities, and to be a valued partner of State and federal governments”*.

In September 2014, the Government released its response to the reports. This *Fit for the Future* response considered the 65 recommendations presented by the Panel and developed its response, based on support for the majority of recommendation as well as general support for the Taskforce recommendations. In keeping with those responses, the NSW Government's Fit for the Future reforms continue as public consultation begins on the first phase of developing new local government legislation.

On January 8, 2016 the Acting Chief Executive from the Office of Local Government advised via a Council Circular (Attachment A) that Phase 1 of the New Local Government Act Development was to commence. In conjunction with this, an Explanatory Paper (Attachment B) outlining the process was also released. This Paper states:

Phase 1 is designed to:

- *embed strategic business planning principles across the range of council functions and practices;*
- *promote independent and sustainable councils engaged with and accountable to their local communities that have the capacity to deliver on local and regional needs; and*
- *support a culture of continuous improvement in councils to ensure the effective and efficient delivery of the strategic goals agreed to with their local communities.*

The Paper provides an overview of the proposed amendments to the Local Government Act as they relate to:

- Guiding principles for the Act and local government
- Structural framework of local government
- The governing body of councils
- Elections
- Council's workforce
- Ethical standards
- Council's strategic framework
- Council performance

Each of the amendments proposed is described within the explanatory paper and cross-referenced to any relevant recommendation of the Panel or Taskforce. The opportunity to provide feedback to the Government on the proposed amendments is through an online survey on the Fit for the Future website and consultation on Phase 1 amendments to the Local Government Act 1993 will close on March 15, 2016. It is anticipated that the amendments will be put to the NSW Parliament during 2016.

COMMENT

Should Council be of the view that it wishes to make comment on the proposed amendments, there is opportunity for such this to occur ahead of the March 15 close of consultation period. Councillors can elect to make submissions individually or a collective response to the amendments can be prepared and presented for endorsement at the February 17 meeting of Council.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY
Local Government Act 1993.

FINANCIAL
N/A

INTEGRATED PLANS

RISK MANAGEMENT
N/A

CONSULTATION / ENGAGEMENT
ELT

OPTIONS

- a) The recommendation as printed.
- b) Council could resolve to submit individual responses to the proposed amendments to the Local Government Act 1993.
- c) Council could resolve to prepare a collective response to the proposed amendments to the Local Government Act 1993 as well as prepare individual responses.
- d) Council could resolve to note the report only and take no further action.

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

ATTACHMENTS

Attachment A: Council Circular, January 8, 2016.

**Attachment B: Towards New Local Government Legislation Explanatory Paper:
proposed *Phase 1* amendments**

Kerry McMurray

ACTING GENERAL MANAGER

Attachment A: Council Circular, January 8, 2016.

Office of
Local Government

Circular to Councils

Circular Details	Circular No 16-01 / 8 January 2016 / A456067
Previous Circular	
Who should read this	Councillors / General Managers / All council staff
Contact	Office of Local Government Relationship Manager
Action required	Information

New Local Government Act Development Consultation

What's new or changing

- Consultation has commenced on the first phase of amendments to the *Local Government Act 1993*.

What this will mean for your council

- Details of proposed phase 1 amendments are available through the Fit for the Future website at www.fitforthefuture.nsw.gov.au, which also provides the opportunity to submit comments online.
- The Office invites feedback from councils and their communities on the proposed amendments via this online facility.

Key points

- Consultation on phase 1 amendments to the *Local Government Act 1993* has commenced. The proposed amendments will:
 - clarify roles and responsibilities of councillors, mayors, administrators and general managers;
 - introduce new guiding principles for local government;
 - improve governance of councils and professional development for councillors;
 - expand on the framework for strategic business planning and reporting;
 - prioritise community engagement and financial accountability; and
 - streamline council administrative processes, including in relation to delegations and community grants.
- While the fundamentals of the *Local Government Act 1993* remain sound, both the Independent Local Government Review Panel and Local Government Acts Taskforce recommended changes to modernise the legislation and to ensure it meets the future needs of councils and communities.
- Phase 1 of the reform program focuses mainly on changes to the governance and strategic business planning processes of councils. Phase 2 will focus on the way in which councils raise revenue and exercise their regulatory functions.

Office of Local Government
 5 O'Keefe Avenue NOWRA NSW 2541
 Locked Bag 3015 NOWRA NSW 2541
 T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
 E olg@olg.nsw.gov.au W www.olg.nsw.gov.au ABN 44 913 630 046

2

- In the initial consultation stage, details of the phase 1 amendments to the *Local Government Act 1993* will be available at the Fit for the Future website at www.fitforthefuture.nsw.gov.au with an opportunity to provide online feedback on those proposals.
- Consultation on phase 1 amendments to the *Local Government Act 1993* will close on 15 March 2016.

Where to go for further information

- For more information, contact your Office of Local Government Relationship Manager.



**Tim Hurst
Acting Chief Executive
Office of Local Government**

Attachment B: Towards New Local Government Legislation Explanatory Paper:
proposed *Phase 1* amendments



Towards New Local Government Legislation
Explanatory Paper: proposed Phase 1 amendments

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



ACCESS TO SERVICES

The Office of Local Government is located at:

Levels 1 & 2
5 O'Keefe Avenue
NOWRA NSW 2541

Locked Bag 3015
NOWRA NSW 2541

Phone 02 4428 4100
Fax 02 4428 4199
TTY 02 4428 4209

Level 9, 6 – 10 O'Connell Street
SYDNEY NSW 2000

PO Box R1772
ROYAL EXCHANGE NSW 1225

Phone 02 9289 4000
Fax 02 9289 4099

Email olg@olg.nsw.gov.au
Website www.olg.nsw.gov.au

OFFICE HOURS

Monday to Friday
8.30am to 5.00pm
(Special arrangements may be made if these hours are unsuitable)
All offices are wheelchair accessible.

ALTERNATIVE MEDIA PUBLICATIONS

Special arrangements can be made for our publications to be provided in large print or an alternative media format. If you need this service, please contact our Executive Branch on 02 9289 4000.

DISCLAIMER

While every effort has been made to ensure the accuracy of the information in this publication, the Office of Local Government expressly disclaims any liability to any person in respect of anything done or not done as a result of the contents of the publication or the data provided.

© NSW Office of Local Government 2015

Produced by the Office of Local Government



www.olg.nsw.gov.au

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



Table of Contents

Foreword	1
Overview	2
We are seeking your feedback	2
How to give your feedback	2
1. Guiding principles for the Act and local government	3
1.1 Purposes of the Local Government Act	3
1.2 Role of local government	3
1.3 The guiding principles of local government	4
2. Structural framework of local government	5
2.1 The role of the governing body	5
2.2 The number of councillors	6
2.3 Rural Councils	6
3. The governing body of councils	7
3.1 The role of the mayor	7
3.2 The mayor's term of office	8
3.3 The role of councillors	9
3.4 Councillors' term of office	9
3.5 Oath or affirmation of office	9
3.6 Councillors' expenses and facilities	10
3.7 Mayor/councillor professional development	10
3.8 Role and functions of administrators	11
3.9 Financial controllers	11
3.10 Meetings	12
3.11 Delegation of functions	13
4. Elections	14
4.1 Extension of the option of universal postal voting to all councils	14
5. Council's workforce	15
5.1 Determination of the organisation structure	15
5.2 The role of general managers	16
5.3 The requirement to report annually to the council on senior staff contractual conditions	17
6. Ethical standards	18
6.1 Consolidation of the prescription of ethical standards	18
6.2 Investigation of pecuniary interest breaches	19
7. Councils' strategic framework	20
7.1 Integrated planning and reporting principles	20
7.2 Streamlining the existing integrated planning and reporting provisions	21
7.3 Council's integrated planning and reporting to reflect regional priorities	21
7.4 Expanded scope of delivery programs	21
7.5 Fiscal sustainability	22
7.6 Expanded scope of councils' community engagement strategies	22

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8. Council performance.....	23
8.1 Annual reports.....	23
8.2 State of the environment reports.....	23
8.3 Performance measurement	24
8.4 Internal audit.....	25
8.5 Sector-wide performance audits by the Auditor-General.....	26
8.6 Financial management.....	27
8.7 Financial reporting.....	28
8.8 External audit.....	28

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



Foreword



The journey towards stronger, more sustainable local government began in late 2011. Councils from throughout NSW came together for Destination 2036 to discuss their long-term future. The gathering considered how communities, economies and technologies might change over the next 25

years and how the local government sector might change to meet these challenges. This led to the appointment of the *Independent Local Government Review Panel* (the Panel) and *Local Government Acts Taskforce* (the Taskforce).

While the fundamentals of the *Local Government Act 1993* remain sound, both the Panel and the Taskforce recommended change. The Government's response to the Taskforce and Panel reports was released in 2014 and supported many important recommendations that had been made for legislative reform – including the development of modern, principles-based local government legislation.

The proposed phase 1 reforms are the first step in the process of modernising the Local Government Act, to ensure that it meets the future needs of councils and communities. Phase 1 of the reform program focuses mainly on changes to the governance and strategic business planning processes of councils. Later phases will focus on how councils raise revenue and how they exercise their regulatory functions, as well as a program of restructuring and updating the local government legislation.

I would like to invite councils and communities to provide your input and co-operation on this critical phase of the Fit for the Future reforms and I look forward to working with you as we continue the process of reform.



The Hon. Paul Toole
Minister for Local Government

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



Overview

We are seeking your feedback

The Office of Local Government is seeking input on important proposals by the NSW Government for legislative reform. The views of councils and their communities, and other stakeholders, are now being sought on phase 1 of the development of new Local Government legislation.

Phase 1 is designed to:

- embed strategic business planning principles across the range of council functions and practices;
- promote independent and sustainable councils engaged with and accountable to their local communities that have the capacity to deliver on local and regional needs; and
- support a culture of continuous improvement in councils to ensure the effective and efficient delivery of the strategic goals agreed to with their local communities.

How to give your feedback

Each of the amendments that is being proposed for phase 1 is described briefly in this explanatory paper and a cross-reference to any relevant recommendation of the Panel and/or the Taskforce is given. Most of these proposals have been the subject of stakeholder consultation in developing the Government's response to the Panel and Taskforce reports, so the paper is as streamlined as possible. The aim of this consultation is to use feedback received about the phase 1 amendments to inform the legislative drafting process.

The first stage of consultation is therefore an invitation to provide your feedback on each of these proposals through an online survey on the Fit for the Future website at www.fitforthefuture.nsw.gov.au. There will also be a link through the NSW Government's Have Your Say website at www.haveyoursay.nsw.gov.au.

Following consultation, it is anticipated that amending legislation could be introduced into and passed by the NSW Parliament in 2016.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



1. Guiding principles for the Act and local government

1.1 Purposes of the Local Government Act

Proposed Amendment

The purposes of the *Local Government Act 1993* should be:

- to establish a legal framework for the NSW system of local government, in accordance with section 51 of the *Constitution Act 1902* (NSW);
- to describe the nature and extent of the responsibilities and powers of local government; and
- to create a system of local government that is democratically elected, engages with and is accountable to the community, is sustainable, flexible, effective and maximises value for money.

Current provision:

Section 7

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.1.1 Purposes of the Local Government Act

Background

The current purposes of the Act will be updated and streamlined by the proposal.

1.2 Role of local government

Proposed Amendment

The council charter in section 8 should be replaced by provisions that:

- describe the role of local government; and
- establish guiding principles for local government.

The role of local government should be to enable local communities to be healthy and prosperous by:

- providing strong and effective elected representation, leadership, planning and decision making;
- working cooperatively with other bodies, including other levels of government, to pursue better community outcomes;
- effective stewardship of lands and other assets to affordably meet current and future needs;
- endeavouring to provide the best possible value for money for residents and ratepayers;
- strategically planning for and securing effective and efficient services, including regulatory services, to meet the diverse needs of members of local communities; and
- following the guiding principles of local government.

Current provision:

Section 8

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.1.2 Role and Guiding Principles of Local Government

Background:

The Taskforce's proposed role of local government was similar but has been modified in this proposal to:

- more closely reflect the vision for Local Government in NSW agreed to at Destination 2036, including a focus on achieving outcomes and working together within and outside local government;
- adopt clear and simple language and remove duplication;
- reflect the role of councils in enabling outcomes and shaping its local government area through external relationships; and
- focus on the context in which councils operate, rather than prescribe outcomes.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



1.3 The guiding principles of local government

Proposed amendment:

The council charter in section 8 should be replaced by provisions that:

- describe the role of local government; and
- establish guiding principles for local government.

The new guiding principles to be observed in local government should enable councils to:

- actively engage local communities, including through integrated planning & reporting;
- be transparent and accountable;
- recognise diverse needs and interests;
- have regard to social justice principles;
- have regard to the long term and cumulative effects of its actions on future generations;
- foster ecologically sustainable development;
- effectively manage risk;
- have regard to long term sustainability;
- work with others to secure services that are appropriate to meet local needs;
- foster continuous improvement and innovation;
- act fairly, ethically and without bias in the public interest; and
- endeavour to involve and support its staff.

Current provisions:

Section 8

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.1.2 Role and Guiding Principles of Local Government

Background:

The Taskforce's proposed role of local government was similar but has been modified in this proposal to:

- more closely reflect the vision for Local Government in NSW agreed to at Destination 2036, including a focus on achieving outcomes and working together within and outside local government;
- adopt clear and simple language and remove duplication;
- reflect the role of councils in enabling outcomes and shaping its local government area through external relationships; and
- focus on the context in which councils operate, rather than prescribe outcomes.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



2. Structural framework of local government

2.1 The role of the governing body

Proposed Amendment

It is proposed to replace the current prescribed role of the governing body under section 223 which is focussed only on the board-like function of the body. The governing body is the elected representatives of the council (the councillors).

It is proposed to use the Panel's more expansive list as a basis for describing the functions of the governing body:

- to provide effective civic leadership to the community;
- to consult regularly with community organisations and other key stakeholders and keep them informed of council's activities and decisions;
- to direct and control the affairs of the council in consultation with the general manager and in accordance with the Act;
- to ensure as far as possible the financial sustainability of the council;
- to determine and adopt the community strategic plan, delivery program and other strategic plans and policies;
- to determine and adopt a rating and revenue policy and operational plans that ensure the optimum allocation of the council's resources to implement the community strategic plan and for the benefit of the area;
- to make decisions in accordance with those plans and policies;
- to make decisions necessary for the proper exercise of the council's regulatory functions;
- to keep under review the performance of the council and its delivery of services;
- to determine the process for appointment of the general manager and monitor his/her performance; and
- to ensure that the council acts honestly, efficiently and appropriately in carrying out its statutory responsibilities.

Current provision:
Section 223

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 26 Political Leadership and Good Governance (Box 19)

T: 3.1.4 Roles and Responsibilities of Council Officials

T: 3.3.18(7)d Other Matters

Background:

The proposed amendments are intended to:

- provide greater clarity to the roles of councillors by describing their collective role as members of the governing body, as distinct from their individual role as elected representatives; and
- embed strategic principles and practices within the prescribed role of the governing body.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



2.2 The number of councillors

Proposed Amendment:

Section 224 prescribes the numbers of councillors a council may have (between 5 and 15) and the manner in which that number is to be determined.

It is proposed to amend section 224 to require that councils must have an odd number of councillors and mayor.

Current provisions:

Section 224 and 224A

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 26 Political Leadership and Good Governance (Box 22)

Background:

The proposed amendment would give effect to the Government's response to the Panel's recommendation that councils comprise an odd number of councillors. This change will reduce the risk of the mayoralty being determined by lot and decisions being made on the casting vote of the mayor.

2.3 Rural councils

Proposed Amendment

It is proposed to allow for small rural councils to apply to the Minister for Local Government for one-off approval to:

- reduce councillor numbers and abolish wards without the need for a constitutional referendum;
- omit the current restriction that prevents councils from making an application for a decrease in the number of councillors that would result in the number of councillors for each ward being fewer than 3; and
- reduce the number of council meetings to be held in a year to below the minimum of 10 currently required under section 365.

Current provisions:

Sections 224A and 365

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 12 Rural Councils (Box 33)

Background:

The Panel recommended that consideration be given to supporting the streamlining of some small rural councils' governance arrangements to allow efficiencies and savings. These councils are in rural-remote areas with small populations. It is proposed to provide a one-off voluntary process to allow the Minister to approve small rural council proposals to abolish wards, change councillor numbers and allow numbers of meetings that are less than the thresholds set out in the Act where proposed by some small rural councils in their Fit for the Future submissions.

This proposal is intended to facilitate a flexible response to the needs and circumstances of different regions.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3. The governing body of councils

3.1 The role of the mayor

Proposed Amendment

It is proposed to describe the role of the mayor differently.

The mayor should have all the prescribed responsibilities of a councillor in addition to the following additional responsibilities:

- to be the leader of the council and the community of the local government area, and advance community cohesion;
- to promote civic awareness and, in conjunction with the general manager, ensure adequate opportunities and mechanisms for engagement between the council and the local community;
- to be the principal member and spokesperson of the governing body and to preside at its meetings;
- to ensure that the business of meetings of the governing body is conducted efficiently, effectively and properly in accordance with provisions of the Act;
- to lead the councillors in the exercise of their responsibilities and in ensuring good governance;
- to ensure the timely development of the governing body's strategic plans and policies, and to promote their effective and consistent implementation, including by promoting partnerships between the council and key stakeholders;
- to exercise, in cases of necessity, the policy-making functions of the governing body between meetings of the council;
- to represent the governing body on regional organisations and in inter-government forums at regional, State and federal levels;
- to advise, manage and provide strategic direction to the general manager in accordance with the council's strategic plans and policies;
- to lead performance appraisals of the general manager;
- to carry out the civic and ceremonial functions of the mayoral office; and
- to exercise such other functions as the governing body determines.

Current provision:

Section 226

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 26 Political Leadership and Good Governance (Box 21)

T: 3.1.4 Roles and Responsibilities of Council Officials

T: 3.3.18(7)d Other Matters

Background

Some aspects of the prescribed role of the mayor recommended by the Panel have not been included in this proposal as a result of previous stakeholder consultation.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.2 The mayor's term of office

Proposed Amendment

The current length of term for a mayor is either:

- one year for mayors elected by councillors; or
- four years for mayors popularly elected by the electors.

This would be changed so that mayors elected by councillors are to hold office for a minimum of two years, as recommended by the Panel, with the option of electing a person to the office for the whole four year term.

Also in accordance with the Panel's recommendation, and the Government's response, it proposed that it be compulsory for councillors to vote in a mayoral election.

Section 230 will also be amended to clarify that the office of mayor becomes vacant upon the person holding the office ceasing to hold civic office or on the occurrence of a casual vacancy.

Current provision:

Section 230

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 26 Political Leadership and Good Governance (Box 22)

T: 3.3.1(8) Elections

Background

The proposed amendments will

- enhance political leadership and stable governance of council to give effect to the Government's commitment to extend the term of mayors elected by councillors to a minimum of two years, as well as make voting in mayoral elections compulsory; and
- address an existing ambiguity in the Act that has allowed some Mayors to purport to exercise the role of mayor after they cease to hold office as a councillor after an election.

Although the Panel and Taskforce did not describe a four year mayoral term option – just proposing a *minimum* of two years – this extension is being explored as a way to further support stable local government.

Compulsory voting by councillors for a mayoral election (as recommended by the Panel) may also address community concern that too many mayors are chosen by pulling lots out of a hat. However, it is important that a positive statutory obligation to vote does not undermine the democratic process (such as by excluding a person who has a genuine reason for being absent) or be too easy to avoid for reasons that are not bona fide. To meet those policy ends, the Act could provide:

- councillors may cast a vote in a mayoral election by proxy;
- councillors may cast a vote by telephone, video-conference, or electronic means;
- if a councillor is absent from the meeting at the time of the vote so that the number of remaining councillors voting is even-numbered, and has not cast a vote by proxy or electronic means, then another councillor must be excluded from voting by way of a 'draw from a hat'; and
- a regulation-making power in relation to process of electing mayors by councillors.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.3 The role of councillors

Proposed Amendment

It is proposed to recast section 232 so that it focuses on individual responsibilities of councillors, rather than their responsibilities as members of the governing body of a council. The role and responsibilities of an individual councillor, (including the mayor), should be:

- to be an active and contributing member of the governing body;
- to make considered and well informed decisions;
- to represent the collective interests of residents, ratepayers and the wider community of the local government area;
- to facilitate communication between the community and the governing body;
- to be accountable to the community for the local government's performance; and
- to uphold and represent accurately the policies and decisions of the governing body.

Current provision:

Section 232

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 26 Political Leadership and Good Governance (Box 19)

T: 3.1.4 Roles and Responsibilities of Council Officials

T: 3.3.18(7)d Other Matters

Background

Section 232 currently sets out a "dual role" for councillors as members of the governing body and as elected representatives and has been a source of confusion.

The proposed amendments are intended to provide greater clarity for councillors and communities by prescribing councillors individual roles as elected representatives separately from their collective roles as members of the governing body, as recommended by the Panel.

3.4 Councillors' term of office

Proposed Amendment

Section 234 prescribes the circumstances in which a civic office becomes vacant. Section 234 will be amended to clarify that a vacancy will occur in the civic office of a councillor where they are elected to another civic office in the council, (ie the office of a popularly elected Mayor) something that is currently not clear.

Current provisions:

Sections 233 and 234

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

None

3.5 Oath or affirmation of office

Proposed Amendment

It is proposed to require all councillors, including the Mayor to take an oath or affirmation of office in the prescribed form before commencing duties.

The oath or affirmation of office is to be taken within 1 month of election to office and councillors are not to undertake their duties until they do so. Where a councillor fails to take an oath or affirmation, his or her office will be declared vacant.

Current provision:

None

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.18(2) Other Matters

Background

An oath or affirmation of office operates as a mechanism for inducting councillors into their role and reinforcing the serious nature of the role and the chief responsibilities and duties the role entails. Both Victoria and Queensland require their councillors to take an oath of office. It is proposed that the NSW law should operate in a similar way to Victoria and Queensland.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.6 Councillors' expenses and facilities

Proposed Amendment

Sections 252 to 254 relate to the payment of expenses and provision of facilities to councillors and the adoption of policies governing this. It is proposed to amend sections 252 and 253 to:

- replace the requirement under section 252 for councils to annually adopt an expenses and facilities policy with one simply requiring councils to adopt a policy within the first 12 months of their terms; and
- remove the requirement under section 253 for councils to provide the Office of Local Government annually with a copy of their adopted policies and an assessment of public submissions made in relation to their adoption.

Current provisions:

Sections 235 – 254A and Schedule 1

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T)

recommendation:

T: 3.3.18(3) Other Matters

Background

The proposed amendments are designed to reduce the compliance burden on councils of being required to annually exhibit, consult and adopt their councillor expenses and facilities policies even where no change is made to them and to provide copies to the Office of Local Government. It is also noted that open access obligations apply now to councils under the *Government Information (Public Access) Act 2009*.

3.7 Mayor/councillor professional development

Proposed Amendment

New provisions are proposed to require the following:

- Councils are to develop an induction program for newly elected and returning councillors and a specialist supplementary program for the mayor to assist them in the performance of their functions. The induction program is to be available for delivery within 4 months of the election.
- Each year, councils are to develop an ongoing professional development program for the mayor and each councillor to assist them in the performance of their functions to be delivered over the coming year.
- In determining the content of the induction and ongoing professional development programs, the council is to have regard to the specific needs of each individual councillor (including the mayor) and of the governing body as a whole and the requirements of any guidelines issued by the Office of Local Government.
- The content of the induction and ongoing professional development program is to be determined in consultation with the mayor, the council as a whole and individually with each of the councillors.
- Councils are to include details of the content of the induction and ongoing professional development offered to the mayor and each councillor and whether or not they participated in the training or development offered in the council's annual report.

Current provisions:

None

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T)

recommendation:

P: 26 Political Leadership and Good Governance (requirement for mandatory professional development)

P: 27 Political Leadership and Good Governance (linking remuneration with completion of professional development program).

Background

Some aspects of the Panel recommendation have not been included in this proposal as a result of previous stakeholder consultation. The proposed approach has the following benefits:

- it places a responsibility on all councils to offer an induction and ongoing professional development programs to their councillors;
- it allows councils the freedom to determine the content of those programs based on local and individual needs at the same time as allowing the Office of Local Government to have input into content through guidelines; and
- it places responsibility for participation on councillors and makes them accountable to the community that elected them for any failure to do so.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.8 Role and functions of administrators

Proposed Amendment

Several provisions of the Act provide that the administrator is to exercise the functions of the council without articulating what the nature of their role is within a council.

It is proposed to address this ambiguity and align the role of the administrator with the proposed prescribed role of the mayor and councillors by amending these sections to provide that:

- Where a sole administrator is appointed to a council, they are to exercise the role and responsibilities of the mayor and a councillor as prescribed under the Act.
- Where more than one administrator is appointed, all administrators are to exercise the role and responsibilities of councillors as prescribed under the Act and one, as specified by the relevant instrument of appointment, is to exercise the role and responsibilities of the mayor as prescribed under the Act in addition to those of a councillor.

Current provisions:

Sections 255-259, 438L, 438M and 438Y

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

None

Background

The proposed amendments are designed to address an existing ambiguity in the legislation that has been unhelpful in councils under administration. Providing greater clarity in relation to the roles of administrators aligns with the new descriptions that are being proposed for mayors and councillors.

3.9 Financial controllers

Proposed Amendment

A financial controller is responsible for implementing financial controls and related duties. Where a financial controller is appointed, a council may only make payments that are authorised or countersigned by the financial controller.

It is proposed to allow the Minister for Local Government to appoint a financial controller to a council that is performing poorly with respect to its financial responsibilities and/or is at high financial sustainability risk, in conjunction with issuing a performance improvement order.

A financial controller would only be appointed through the existing performance improvement order process after information is gathered or an investigation undertaken that shows the council is not performing; a notice of the proposed remedial action has been issued to a council and the Minister has considered the council's submissions with respect to the notice.

Current provision:

None

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

None

Background:

The Minister has an existing power to issue a performance improvement order against poorly performing councils to compel them to take steps to improve their performance. Before issuing a performance improvement order, the Minister must first give the council notice of his intention to do so and consider submissions by the council.

As part of the exercise of these powers, the Minister may appoint a temporary adviser to the council. If a temporary adviser is appointed, the council, councillors and members of the staff of the council are required to co-operate with the temporary adviser and to provide any information or assistance the temporary adviser reasonably requires to exercise his or her functions.

It is proposed to complement these powers with a new power for the Minister to appoint a financial controller to a council. These powers will be modelled on those that exist in Queensland.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.10 Meetings

Proposed Amendment

In relation to conduct of meetings, amendments consistent with the following are proposed :

- provide that the Regulation may prescribe a Model Code of Meeting Practice (a Model Meeting Code);
- provide that the Model Meeting Code may include mandated and non-mandatory "best practice" provisions;
- require councils to adopt a Code of Meeting Practice (an adopted meeting code) that at a minimum incorporates the mandated provisions of the Model Meeting Code;
- allow a council's adopted meeting code to supplement the provisions contained in the Model Meeting Code;
- provide that a provision of a council's adopted meeting code will be invalid to the extent of any inconsistency with the mandated provisions of Model Meeting Code;
- require council and committee meetings to be conducted in accordance with the council's adopted meeting code;
- require councils to review and adopt a meeting code within 12 months of each ordinary election; and
- retain the existing requirements under sections 361 - 363 in relation to the adoption and amendment of a meeting code and public consultation in relation to this.

Aspects of the current meetings provisions in the Act and the Regulation will be updated and incorporated into a new Model Meeting Code.

Current provisions:

Sections 9-11, and 360-376
Clauses 231-273

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.2 Meetings

Background

The Model Meeting Code will comprise mandatory provisions and non-mandatory best practice provisions. Councils will be required to adopt meetings codes that incorporate the mandatory provisions but will not be obliged to adopt the non-mandatory best practice provisions in order to respond to local requirements. The mandatory provisions will largely incorporate the existing meetings provisions, which will be updated to:

- address existing procedural ambiguities; and
- modernise procedural requirements.

It is expected that the new Code will initially include the provisions relating to meeting processes now found in the Act and Regulation, but be reordered to reflect the order in which events usually occur in meetings.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



3.11 Delegation of functions

Proposed Amendment

It is proposed to include amendments to section 377, which were introduced into Parliament previously but lapsed prior to the 2015 election, to remove the restriction on the delegation of the acceptance of tenders.

It is also proposed to allow councils to delegate the provision of community financial assistance for the purpose of exercising its functions where:

- the financial assistance is part of a specific program;
- the program's details have been included in the council's draft operational plan for the year in which the financial assistance is proposed to be given;
- the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year; and
- the program applies uniformly to all persons within the council's area or to a significant proportion of all persons within the area.

Amendments may be required facilitate the proposal to allow councils to delegate a regulatory function to another council or a joint organisation of councils, to support future collaboration and resource sharing.

Current provisions:

Sections 377-381

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.8 Delegations

T: 3.3.10 Procurement

Background

The amendments are designed to:

- Reduce red tape
- Remove impediments to collaboration, and
- Support the use of Integrated Planning and Reporting to guide council decisions on financial assistance.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



4. Elections

4.1 Extension of the option of universal postal voting to all councils

Proposed Amendment

It is proposed to amend section 310B to provide that the option of universal postal voting is available to *all* councils after the next ordinary election.

Current provisions:

Sections 310B
Clauses 313 and 321

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.1(1) Elections

Background

The Taskforce's election-related recommendations have largely been implemented through the *Local Government Amendment (Elections) Act 2014* which was legislated to give effect to the recommendations of the Joint Standing Committee on Electoral Matters' inquiry into the 2012 Local Government elections.

The one outstanding action arising from the Government response to the Committee's recommendations is the extension of the option of universal postal voting to all councils. Currently this is only available to the City of Sydney. In its response to the Committee's recommendation to give councils the option of universal postal voting, the Government indicated that this option would be made available to all councils following the 2016 elections. For councils that do not choose universal postal voting, the existing postal and pre-poll voting qualifications will remain.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



5. Council's workforce

5.1 Determination of the organisation structure

Proposed Amendment

It is proposed to amend the Act to provide that:

- the organisation structure is to be determined on the advice of the general manager;
- the adopted structure must accord with the priorities set out in the council's community strategic plan and delivery program;
- the adopted structure may only specify the roles and relationships of the general manager, designated senior staff and other staff reporting directly to the general manager; and
- the general manager is to be responsible for determining the balance of the organisation structure but must do so in consultation with the governing body.

Current provisions:

Sections 332-333

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T)

recommendation:

P: 29

T: 3.3.3 (1)

Background

The current provisions are unclear about the respective roles of general managers and councils in determining the organisation structure. This has been the source of conflict within councils.

The proposed approach has the benefit of:

- addressing this ambiguity making it clear what the respective responsibilities of the council and the general manager are;
- making it clear that the organisation structure has to be determined on the advice of the general manager (ie councils cannot unilaterally restructure without the input of the general manager); and
- clearly aligning the determination of the organisation structure with the delivery of a council's Integrated Planning and Reporting objectives.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



5.2 The role of general managers

Proposed Amendment

It is proposed to describe the role and responsibilities of the general manager in the Act consistent with the following:

- to conduct the day-to-day management of the council in accordance with the governing body's strategic plans and policies;
- to advise the mayor and the governing body on the development and implementation of policies and programs, including the appropriate form and scope of community consultation;
- to prepare, in consultation with the mayor and governing body, the community strategic plan and the council's resourcing strategy, delivery program and operational plan, annual report and community engagement strategy;
- to certify that Integrated Planning and Reporting requirements have been met in full, and that council's annual financial statements have been prepared correctly;
- to ensure that the mayor and councillors receive timely information, advice and administrative and professional support necessary for the effective discharge of their responsibilities;
- to implement lawful decisions of the governing body in a timely manner;
- to exercise such of the functions of the governing body as are delegated by the governing body to the general manager;
- to appoint staff in accordance with an organisation structure and resources approved by the governing body
- to direct and dismiss staff;
- to implement the council's workforce management strategy; and
- to undertake such other functions as may be conferred or imposed on the general manager by or under the Act or any other Act.

Current provision:

Section 335

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 28: Political Leadership and Good Governance (Boxes 23 and 24)

T: 3.1.4 Roles and Responsibilities of Council Officials

T: 3.3.3 Appointment and Management of Staff

T: 3.3.18(7)d Other Matters

Background

The current provisions are unclear about the respective roles of general managers and councils in determining the organisation structure. This has been the source of conflict within councils.

The proposed approach has the benefit of:

- addressing this ambiguity making it clear what the respective responsibilities of the council and the general manager are;
- making it clear that the organisation structure has to be determined on the advice of the general manager (ie councils cannot unilaterally restructure without the input of the general manager); and
- clearly aligning the determination of the organisation structure with the delivery of a council's Integrated Planning and Reporting objectives.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



5.3 The requirement to report annually to the council on senior staff contractual conditions

Proposed Amendment

It is proposed to omit the requirement under section 339 for general managers to report annually to the council on the contractual conditions of senior staff.

Current provision:

Section 339

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

None

Background

Senior staff are now all employed under the approved standard contract for senior staff rendering this requirement redundant.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



6. Ethical standards

6.1 Consolidation of the prescription of ethical standards

Proposed Amendment

Provisions in the Act and the Regulation relating to the disclosure of pecuniary interests and the management of pecuniary conflicts of interests will be replicated in the Model Code of Conduct.

Current provisions:

Sections 441 – 459
Clauses 180 - 192

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.6 Code of Conduct
T: 3.3.7 Pecuniary Interest

Background

The proposed amendments are designed to consolidate the imposition, administration and regulation of the ethical obligations of council officials into a single instrument, the *Model Code of Conduct for Local Councils in NSW* (the Model Code).

Currently council officials need to be familiar with their obligations under both the Model Code and the pecuniary interest provisions of the Act. The separate regulation of the obligation of council officials to disclose and appropriately manage pecuniary conflicts of interests is a historical anomaly that arose from the fact that these provisions predated the prescription of a Model Code of Conduct and the provision for a disciplinary regime with respect to councillor misconduct. Replication will allow the consolidation of ethical standards into a single instrument.

The current misconduct investigative provisions in the Act will apply to pecuniary interest matters and replace the pecuniary interest investigative procedures (see [6.2] below). The prescribed *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* (the Model Code Procedures) will continue to require the referral of pecuniary interest breaches to the Office of Local Government and these will be dealt with under the misconduct provisions of the Act.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



6.2 Investigation of pecuniary interest breaches

Proposed Amendment

It is proposed to omit the provisions relating specifically to the investigation of complaints alleging breaches of the pecuniary interest provisions. These will instead be dealt with under the existing misconduct provisions.

General managers (and mayors in the case of allegations concerning general managers) will continue to be obliged to refer pecuniary interest breaches to the Office of Local Government under the prescribed Model Code Procedures. These will continue to be investigated by the Office and referred to the NSW Civil and Administrative Tribunal (NCAT) under the misconduct provisions where appropriate. As is currently the case with respect to misconduct matters, it will also be open to the Chief Executive to take disciplinary action with respect to less serious pecuniary interest breaches instead of referring them to the Tribunal.

The Tribunal's powers to take disciplinary action against council staff, committee members and advisors with respect to pecuniary interest breaches are to be retained. The provisions that apply to proceedings before the NCAT generally and the NCAT's consideration of misconduct matters will also be retained.

Current provisions:

Sections 440F – 440P
Sections 460 – 486A

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act
T: 3.2.1 Integrated Planning and Reporting

Background

The proposed amendments are required to give effect to the amendments that will see the prescription of all ethical standards under the Model Code of Conduct for Local Councils. All breaches (including in relation to the obligation to disclose and appropriately manage pecuniary conflicts of interests) will be dealt with under the existing misconduct provisions of the Act.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



7. Councils' strategic framework

7.1 Integrated planning and reporting principles

Proposed Amendment

New provisions will be included to establish overarching Integrated Planning and Reporting principles and require councils to undertake strategic business planning in accordance with those principles.

The proposed Integrated Planning and Reporting principles will provide that councils (together with their communities, other councils and stakeholders) are proposed to include:

- lead and inspire residents, businesses and others to engage with their council;
- identify and prioritise key community needs and aspirations;
- develop strategic goals to meet these needs and aspirations;
- identify activities and prioritise actions to work towards these strategic goals;
- plan holistically to deliver on strategic goals within their resources;
- foster community participation to better inform local and state decision making;
- manage council's current and future financial sustainability;
- appropriately adapt to changing circumstances, evidence and priorities;
- proactively manage risks to the community and its council;
- be transparent and accountable for decisions and omissions;
- maintain an integrated approach to planning, delivery, monitoring and reporting;
- collaborate to maximise achievement of key community outcomes; and
- honestly review and evaluate progress on a regular basis.

Current provisions:

Sections 402 – 406 (Note there are mandatory guidelines)

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act

T: 3.2.1 Integrated Planning and Reporting

Background

The proposed amendments will ensure that the purpose and principles of Integrated Planning and Reporting as a strategic business planning tool are clearly reflected in the Act. These provisions will:

- set out the overarching principles of Integrated Planning and Reporting;
- require strategic business planning to be undertaken by councils in accordance with the prescribed Integrated Planning and Reporting principles and provisions;
- guide how Integrated Planning and Reporting documents are to be adopted/endorsed and reviewed; and
- require integrated planning to be directed to achieving better outcomes through continuous improvement.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



7.2 Streamlining the existing integrated planning and reporting provisions

Proposed Amendment

The current Integrated Planning and Reporting provisions are contained in sections 402 to 406. These provisions will be amended so that they are confined to setting out the purpose of each document and when they must be delivered. Detailed process requirements for how this must be done will be moved to the Regulation.

Current provisions:

Sections 402 – 406

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act
T: 3.2.1 Integrated Planning and Reporting

Background

These amendments are designed to give effect to the Taskforce's recommendations that the existing Integrated and Planning and Reporting provisions be simplified with prescriptive detail contained in the Regulation.

7.3 Council's integrated planning and reporting to reflect regional priorities

Proposed Amendment

Amendments are proposed to ensure that regional priorities are reflected in individual councils' strategic business planning. In particular, amendments are proposed to:

- require council's community strategic plans to identify key regional priorities and strategies for the council, developed with adjoining councils and agencies; and
- require delivery programs to address key regional strategies including council actions and any proposed joint programs agreed regionally.

Current provisions:

Sections 402 and 404

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act
T: 3.2.1 Integrated Planning and Reporting

7.4 Expanded scope of delivery programs

Proposed Amendment

Section 404 will be amended to clarify that delivery programs are to capture all council activities.

Current provisions:

Section 404 and 406

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act
T: 3.2.1 Integrated Planning and Reporting

Background

This amendment is designed to embed in the Act a requirement that is currently reflected in the mandatory Integrated Planning and Reporting Guidelines.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



7.5 Fiscal sustainability

Proposed Amendment

The *Local Government (General) Regulation 2005*, which provides for an annual statement of revenue policy in each operational plan, will be amended to require councils to:

- establish revenue policies with a view to ensuring fiscal sustainability; and
- provide a clear rationale for how rating systems are structured and what they are designed to achieve.

The Regulation will also set out in more detail what is required of councils' resourcing strategy to clarify the purpose and objectives of workforce, asset and long term financial planning. This will draw on the essential elements in the current Integrated Planning and Reporting guidelines to help councils produce more robust and useful strategies in these key areas.

Current provision:

Clause 201

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T)

recommendation:

P: 2 Fiscal Responsibility (Box 9)
P: 5 Strengthening Revenues

Background

The amendments will give effect to the Panel's recommendations to embed the principle of fiscal sustainability through Integrated Planning and Reporting.

7.6 Expanded scope of councils' community engagement strategies

Proposed Amendment

It is proposed to broaden the existing requirement that a council must adopt a community engagement strategy to inform the development of its community strategic plan. If amended, the Act would require the adoption of a community engagement strategy to inform *all* council activities (other than routine business-as-usual operations), not only those directly associated with development of the council's Integrated Planning and Reporting framework.

This would be done by making the adoption of a community engagement strategy a general legislative obligation.

A council's community engagement strategy would need to meet minimum prescribed requirements. It is anticipated, for example, that guidelines would prescribe minimum public consultation requirements for specific activities including the development of the components of a council's Integrated Planning and Reporting framework, and include a requirement to periodically evaluate the efficacy of consultation methodologies.

It is proposed to accommodate the existing provisions relating to community polls within the proposed standalone community engagement provisions.

Current provisions:

Sections 14, 18 – 20, 402

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T)

recommendation:

T: 3.0.0 Approach and Principles for the Development of the New Act
T: 3.2.2 Community Engagement
T: 3.3.18(7)b Other Matters

Background

The requirement for a single overarching community engagement strategy provides a framework for councils to engage with their communities in a strategic, ongoing, flexible and locally appropriate way. It also provides a single, consistent point of reference in the Act for other provisions requiring councils to undertake consultation for specified activities.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8. Council performance

8.1 Annual reports

Proposed Amendment

It is proposed to require the information reported in councils' annual reports to be endorsed as factually accurate by an internal audit committee. As noted below (at [8.4]), councils will be required to establish internal audit committees with a majority of independent members and an independent Chair.

Current provisions:

Sections 428-428A

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 22 Improvement, Productivity and Accountability (Box 17)

T: 3.2.3 Performance of Local Government

Background

The proposed amendment is designed to provide an assurance mechanism and to give communities confidence in the integrity of the information their councils report about their council's performance through its annual report.

8.2 State of the environment reports

Proposed Amendment

It is proposed to remove the requirement under section 428A for a council to include a State of the environment report in its annual report every 4 years. Councils would instead be required to report on environmental issues relevant to the objectives established by the community strategic plan in the same way they are currently required to report on the achievement of other objectives set in their community strategic plans (that is, through their annual reports and the 4-yearly end of term report).

Current provision:

Section 428A

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.2.1 Integrated Planning and Reporting

Background

This amendment is designed to:

- reduce the compliance burden on councils arising from the preparation of a separate state of the environment report every 4 years; and
- help councils achieve their environmental objectives by consolidating the reporting of those objectives into their Integrated Planning and Reporting frameworks.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8.3 Performance measurement

Proposed Amendment

It is proposed to allow for the introduction of a performance management and reporting framework that should:

- provide a statutory basis to establish new indicators and benchmarks for reporting purposes;
- expressly require councils to collect and report against these indicators in accordance with guidelines;
- establish annual performance statements as part of council annual reports, which will be subject to oversight and attestation requirements;
- align performance reporting to the Integrated Planning and Reporting cycle; and
- provide the capacity to establish a state-wide community satisfaction survey.

Current provision:

Section 429

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 2 Fiscal Responsibility

P: 18 Improvement, Productivity and Accountability

T: 3.2.3 Performance of Local Government

Background

The proposed framework is a modified version of the one recently adopted by Victoria. Further work will be undertaken with the local government sector to develop the performance management framework in the coming months.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8.4 Internal audit

Proposed Amendment

It is proposed to introduce a mandatory requirement for councils to have an internal audit function. To this end, it is proposed that new provisions will require all councils to have an internal audit function:

- with broad terms of reference covering compliance, risk, fraud control, financial management, good governance, performance in implementing their community strategic plan and delivery program, service reviews, collection of required indicator data, continuous improvement and long term sustainability; and
- that focuses on councils adding value to, and continuous improvement in, the performance of their functions.

All councils will be required to comply with guidelines issued by the Chief Executive of the Office of Local Government with respect to the implementation of their internal audit functions. All councils will appoint an audit, risk and improvement committee that meets the following requirements:

- audit committees must have a majority of independent members and an independent chair;
- general managers may not be members of audit committees (but may attend meetings unless excluded by the committee); and
- the Chair of the audit committee must report at least biannually to a council meeting on the organisation's performance in financial management, good governance and continuous improvement.

Councils will be permitted to have joint arrangements for internal audit and share audit committees.

Current provisions:

Discretionary guidelines issued under section 23A

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 22 Improvement, Productivity and Accountability (Box 17)

Background

Mandating internal audit will:

- entrench within each council an internal assurance mechanism that offers an alternative to prescription and external oversight as a means of addressing risk, ensuring compliance and promoting best practice;
- drive and inform a culture of continuous improvement;
- facilitate reporting; and
- promote increased accountability.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8.5 Sector-wide performance audits by the Auditor-General

Proposed Amendment

To identify trends and opportunities for improvement across the sector as a whole, it is proposed to compliment the mandated requirement for internal audit by empowering the Auditor-General to conduct issue-based performance audits in key areas of local government activity.

Current provision:

None

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 22 Improvement, Productivity and Accountability (Box 17)

Background

As noted by the Panel, such audits have been conducted by the Victorian Auditor-General for many years. Topics are selected in consultation with the sector, and recent audits have covered important issues such as rating practices, sustainability of small councils, business planning, fees and charges, and use of development contributions. They usually involve a small sample of representative councils. The audits do not question the merits of councils' policy objectives. Rather, the purpose of the audit is to assess whether councils are achieving their objectives and operating economically, efficiently and effectively.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8.6 Financial management

Proposed Amendment

It is proposed to adopt a more 'principles-based' approach to the management of council funds by moving detailed requirements to the Regulation and the *Local Government Code of Accounting Practice and Financial Reporting*, which is prescribed under the Act.

New provisions in the Act will set out objectives and principles that are to inform councils' financial management practices and that align them with the objectives set through councils' Integrated Planning and Reporting frameworks. These provisions will ensure that the financial targets for councils are to be those reflected in their long term financial plans, delivery programs and operational plans.

They will also establish the following principles of sound financial management:

- responsible and sustainable spending, aligning general revenue and expenses as per the councils' planning documents.
- responsible and sustainable infrastructure investment for the benefit of its community.
- effective financial and asset management, including sound policies and processes for:
 - performance management and reporting, and
 - asset maintenance and enhancement, and
 - funding decisions, and
 - risk management practices.
- achieving intergenerational equity, including ensuring that:
 - policy decisions are made having regard to their financial effects on future generations, and
 - the current generation funds the cost of its services.

Current provisions:

Sections 408 – 411

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.9 Financial Governance

Background

The proposed amendments are designed to start to give effect to the Taskforce's recommendations for a more "principles-based" approach to the regulation of councils' financial governance in the Act, with prescriptive detail moved to the Regulation and other subordinate instruments wherever practical.

The proposed principles of sound financial management are modelled on those contained in the *Fiscal Responsibility Act 2012*.

Towards New Local Government Legislation
Explanatory Paper: proposed *Phase 1* amendments



8.7 Financial reporting

Proposed Amendment

Consistent with the proposal that councils' financial obligations be recast to establish a "principles-based" approach in the Act detailed reporting requirements should be specified instead in the Regulation and the *Local Government Code of Accounting Practice and Financial Reporting*.

Current provisions:

Sections 412-421

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

T: 3.3.9 Financial Governance

Background

The proposed amendments are designed to give effect to the Taskforce's recommendations for a more "principles-based" approach to the regulation of councils' financial governance in the Act, with prescriptive detail moved to the Regulation and other subordinate instruments.

8.8 External audit

Proposed Amendment

It is proposed to place Local Government audits under the aegis of the NSW Auditor-General.

There will also need to be transitional arrangements in the Bill to ensure that existing auditor appointments can be brought to an orderly conclusion, with minimal disruption to councils, current auditors and the Audit Office of New South Wales.

Current provisions:

Sections 422-427

Independent Local Government Review Panel (P)/Local Government Acts Taskforce (T) recommendation:

P: 3 Fiscal Responsibility

Background

As noted in the Government response to the Panel and Taskforce, giving the Auditor-General oversight of council financial audit will improve quality, consistency and timeliness and financial management.

The Office of Local Government is currently working with the Audit Office on the development and implementation of the proposed amendments, including transitional arrangements.

9.4 COUNCIL POLICIES

Council Meeting Date January 20, 2016 KM:AGM – Council Policies
--

EXECUTIVE SUMMARY

This report is for Murrumbidgee Shire Councillors to formally endorse policies and place them on public exhibition for comment from the community.

RECOMMENDATION

- a) That Council endorses the following documents:
 - 1. DRAFT GRPP.02.01.08 Privacy Management Policy (Attachment A)
 - 2. DRAFT GRPP.02.01.10 Complaints Management Policy (Attachment B)
 - 3. DRAFT GRPP.02.01.11 Record Management Policy (Attachment C)
- b) That Council place the documents on Public Exhibition in accordance with Section 160 of the Local Government Act to allow for input into the policy documents from the community.

BACKGROUND

In May 2014, Council was written to by the Office of Local Government in relation to a number of recommendations which remained outstanding from the Promoting Better Practice Review undertaken in 2011. Since that time, Council has formally acted on a number of the recommendations and the documents included as attachments were among those requiring attention.

These documents set clear guidelines for the way Council manages information from the point the information is collected through to how the information will be retained, used and disposed of. The Complaints Management Policy also establishes clear processes and timelines for the manner in which Murrumbidgee Shire Council deals with specific issues from the community.

The DRAFT GRPP.02.01.08 Privacy Management Policy details how the organisation deals with personal information and health information it collects to ensure that it complies with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

DRAFT GRPP.02.01.10 Complaints Management Policy provides guidance on the management of complaints that ensures Council's response to complaints is a consistent, fair and equitable process for resolution.

DRAFT GRPP.02.01.11 Record Management Policy purpose is two-fold in that it sets the framework:

- To ensure the management of Council's information resources and Records Management System, to provide timely and comprehensive information to meet

operational business needs, accountability requirements and community expectations.

- To ensure the preservation of Council's corporate records through sound recordkeeping practices and the accurate capture of information to meet legal, evidential and accountability requirements.

Section 160 of the Local Government Act states that council must give public notice of a draft local policy after it is prepared by placing the document on exhibition for a period not less than 28 days and allow a period of not less than 42 days for the community to make submissions. The section also states that Council should provide information that is "appropriate or necessary to better enable the draft local policy and its implications to be understood". During the public consultation period, the policies will also be presented to Council's Consultative Committee for consideration and input.

COMMENT

In formally endorsing these policies, Council will be addressing issues identified during the Promotion Better Practice Review which were recognized as being of a high priority. Council has previously reviewed correspondence from the Office of Local Government in relation to its non-compliance with a number of recommendations and staff are currently working progressively through these matters.

CONSIDERATIONS (Compliance/Risk Management)

Statutory:

Local Government Act 1993; Independent Commission Against Corruption Act, 1988; Public Interest Disclosure Act, 1984; Government Information (Public Access) Act 2009, Privacy And Personal Information Protection Act 1998

FINANCIAL

There will be minimal cost to Council, with advertising costs having previously accounted for within the organisation's budget.

INTEGRATED PLANS

D1.1.3 Ensure transparent, accountable and responsible leadership throughout Council
D1.1.2 Provide strong and effective governance

RISK MANAGEMENT

Fraud & Corruption Prevention, Business Continuity

CONSULTATION

ELT

Consultative Committee – to be presented to the Meeting of February 4, 2016 for input.

OPTIONS

- a) The recommendation as printed is the preferred option.
- b) Council could determine not to endorse the policies as presented, amend them and then place them on public exhibition.

ATTACHMENTS

Attachment A: DRAFT GRPP.02.01.08 Privacy Management Policy

Attachment C: DRAFT GRPP.02.01.10 Complaints Management Policy

Attachment D: DRAFT GRPP.02.01.11 Record Management Policy

Kerry McMurray

Acting General Manager

Attachment A: DRAFT GRPP.02.01.08 Privacy Management Policy

PRIVACY MANAGEMENT POLICY



DRAFTGRPP.02.01.08 PRIVACY MANAGEMENT POLICY

	Name	Position	Signature	Date
Document Author	Kerry McMurray	General Manager		
Document Owner	Kerry McMurray	General Manager		
Authorised By	Council	N/A	N/A	

Document Revision History	
Revision Number:	1
Previous Reviews:	
Next Review Date:	October 2017

Adoption Date: Month Year

Amended Date: N/A

Name: GRPP.02.01.08

Revises: Murrumbidgee Shire Council – **GRPP.02.01.08**

Review Date: Day Month Year

© GM-SecurePolice/Corporate Privacy Management Policy

Page 1 of 8

	Council Policy	
	Privacy Management Policy	
Policy Number: GRPP.02.01.08 Effective Date: January 2016	Department: Governance and Risk	Division: Governance

TABLE OF CONTENTS

1. PURPOSE AND SCOPE	2
2. REFERENCE	2
3. INFORMATION PROTECTION PRINCIPLES	2
4. MANAGEMENT AND TRAINING	3
5. DEFINITIONS.....	3
6. POLICY STATEMENT	3
6.1 Privacy Principles	3
6.2 Health Privacy Principles.....	4
6.3 Other Legislation.....	4
6.4 Public Registers Principles.....	4
6.5 Internal Review Principles.....	5
7. PERSONAL INFORMATION HELD BY COUNCIL	5
8. PUBLIC REGISTERS.....	5
9. SECONDARY PURPOSE OF ALL PUBLIC REGISTERS.....	6
10. APPLICATIONS FOR ACCESS TO OWN RECORDS ON A PUBLIC REGISTER.....	7
11. PROCEDURE FOR INTERNAL REVIEW	7
12. SERVICE GUARANTEE	7
13. THE ROLE OF THE PRIVACY CONTACT OFFICER	7
14. IMPLEMENTATION.....	8
15. POLICY REVIEW	8

Adoption Date: January 2016
 Revoked: Murrumbidgee Shire Council
 Review Date: October 2017
 G:\M-Section\Policy\ Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 2 of 8



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

1. PURPOSE AND SCOPE

Council collects and records a great deal of personal information on residents and customers. Consequently it needs to ensure it is applying best practice in how it handles this personal information to ensure that privacy is maintained. This Privacy Management Policy details how the organisation deals with personal information and health information it collects to ensure that it complies with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

1.0 Applies to.

This policy is to apply to all councillors, council staff, contractors and consultants of the Council and Council Committees including those established under Section 355 of the Local Government Act 1993 and Privacy and Personal Information Protection Act 1998 (PPIPA). The PPIPA will be the overriding reference for any matters where they are not specifically referenced by this document.

2. REFERENCE

Legislation / Recognized Standards	<ul style="list-style-type: none"> • <i>Privacy and Personal Information Protection Act 1998</i> • <i>Health Records and Information Privacy Act 2002</i> • <i>Local Government Act 1993</i> • <i>Murrumbidgee Shire Council Code of Conduct</i> • <i>Government Information (Public Access) Act 2009</i>
Risk Assessment	

3. INFORMATION PROTECTION PRINCIPLES

Council's procedures shall comply with the following protection principles identified under Section 33 of the PPIPA:

- (a) Collection of personal information for lawful purposes
- (b) Collection of personal information directly from the individual
- (c) Requirements when collecting personal information
- (d) Other requirements relating to collection of personal information
- (e) Retention and security of personal information
- (f) Information about personal information held by agencies
- (g) Access to personal information held by agencies
- (h) Alteration of personal information
- (i) Agency must check accuracy of personal information before use
- (j) Limits on use of personal information
- (k) Limits on disclosure of personal information

Adoption Date: January 2016
 Review Date: October 2017
 G:\GM-SecurPolicy\Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 2 of 9



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

4. MANAGEMENT AND TRAINING

Council shall maintain a 'Privacy Management Plan' to guide the organisation in privacy management.

Council will ensure that Councillors and staff undergo relevant training in the provision of privacy management.

5. DEFINITIONS

Personal Information

Personal information is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion. This information can be on a database and does not necessarily have to be recorded in a material form.

Council considers the following to be publicly available publications:

- Information about an individual that is contained in a publicly available publication is not considered personal information.
- An advertisement containing personal information in a local, city or national newspaper.
- Personal information on the Internet.
- Books or magazines that are printed and distributed broadly to the general public.
- Council Business papers, or that part that is available to the general public.
- A public display on view to the general public.

Health information is defined as "personal information that is information or an opinion about;

- (i) The physical or mental health or a disability (at any time) of an individual, or
- (ii) An individual's express wishes about the future provision of health services to him or her, or
- (iii) A health service provided, or to be provided, to an individual."

6. POLICY STATEMENT

The following key principles form the basis of this policy:

6.1 Privacy Principles

- Council will not collect personal information unless it is for a lawful purpose directly related to a function or activity of council
- Council will only collect information from the individual to whom the information relates.
- Council will notify an individual that it has collected information on him/her.
- Council will take reasonable steps to ensure the information collected is not

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: October 2017
G:\GM-Security\Policy\ Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 3 of 9



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

excessive and is accurate.

- That the information is kept no longer than necessary and is disposed of securely.
- Council will take reasonable steps to ensure the accuracy of personal information prior to use.
- Council will not use personal information for a purpose other than for which that information was collected.
- Council will take reasonable care not to disclose personal information.

6.2 Health Privacy Principles

- Council will not collect personal health information unless it is for a lawful purpose directly related to a function or activity of the council.
- The information must be relevant, not excessive, accurate and not intrusive.
- Collection of health information will be in accordance with guidelines issued by the Privacy Commissioner.
- Council will make the individual aware of the information it has collected and the purpose it will be used for.
- Council will ensure that health information is kept no longer than necessary it is securely protected, and is disposed of securely.
- If Council holds health information that an individual can ascertain the nature of that information and can assess the accuracy of that information.
- That limits are applied on the use of health information so that it can only be used for its primary purpose unless consent has been obtained for secondary purpose uses.
- That limits are applied on the disclosure of health information unless consent has been obtained for a secondary purpose.
- Wherever lawful and practicable individuals will be given the opportunity of anonymity when entering into transactions or receiving health services from an organisation.
- Council will not transfer health information about an individual to any person or body who is in a jurisdiction outside of NSW or to a Commonwealth Agency unless there is a legal requirement to do so or consent has been given.
- Council will not provide health information to a health records linkage system unless consent has been provided.

6.3 Other Legislation

- Council will fulfil its obligations under the *Government Information (Public Access) Act 2009* which can override the *Privacy and Personal Information Protection Act, 1998*.

6.4 Public Registers Principles

- Council will not disclose personal information held in a public register unless the information is to be used for a purpose relating to the purpose of that register, or an Act under which the Register is kept.



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

6.5 Internal Review Principles

- Where a person who has requested information is aggrieved by the conduct of Council such a person is entitled to apply for an Internal Review which will be dealt with by Council's Public Officer.
- Council will notify the applicant in writing within 14 days of the completion of the review.

7. PERSONAL INFORMATION HELD BY COUNCIL

The Council holds personal information concerning Councillors such as:

- Personal contact information
- Complaints and associated matters
- Pecuniary interest returns
- Entitlements to fees, expenses, facilities and reimbursements
- Personal contact information

The Council holds personal information concerning its customers, ratepayers and residents such as:

- Rates records
- Names and addresses of suppliers, including bank details, names & addresses of customers which may include financial details.
- Development Applications and objections
- Details of office bearers on various Council committees.

The Council holds personal information concerning its employees such as:

- Recruitment material
- Leave and payroll data
- Disciplinary matters
- Pecuniary interest returns
- Wage and salary entitlements
- Health history
- Workers Compensation History

8. PUBLIC REGISTERS

A public register is defined in section 3 of the PPIPA:

Public register means a register of personal information that is required by law to be, or is made, publicly available or open to public inspection (whether or not on payment of a fee).

Section 57 of the PPIPA provides:

1. The public sector agency responsible for keeping a public register must not disclose any personal information kept in the register unless the agency is satisfied that it is to be used for a purpose relating to the purpose of the register or the Act under which the register is kept.
2. In order to enable the responsible agency to comply with subsection (1), the agency may require any person who applies to inspect personal information contained in the

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: October 2017
G:\GM-SecuraPolicy\Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 6 of 9



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

public register to give particulars, in the form of a statutory declaration, as to the intended use of any information obtained from the inspection.

Council holds the following public registers under the LGA: (Note – this is purely indicative, Council may, by virtue of its own practice, hold other Public Registers, to which PPIPA applies)

Section 53 – Land Register – The primary purpose is to identify all land vested in Council, or under its control. The secondary purpose includes a consideration of public accountability as to the land held by Council. Third party access is therefore a secondary purpose.

Section 113 – Records of Approvals – The primary purpose is to identify all approvals granted under the LGA.

Section 450A – Register of Pecuniary Interests – The primary purpose of this register is to determine whether or not a Councillor or a member of a council committee has a pecuniary interest in any matter with which the council is likely to be concerned. There is a corresponding public accountability purpose and third party access is a secondary purpose.

Section 602 – Rates Record – The primary purpose is to record the value of a parcel of land and record rate liability in respect of that land. The secondary purpose includes recording the owner or lessee of each parcel of land.

Council holds the following public registers under the Environmental Planning and Assessment Act:

Section 100 – Register of consents and approvals – The primary purpose is to identify applications for development consent and other approvals, confirm determinations on appeal and identify applications for complying development certificates.

Section 149G – Record of building certificates – the primary purpose is to identify all building certificates.

Council hold the following public register under the Protection of the Environment (Operations) Act:

Section 308 – Public Register of licenses held – The primary purpose is to identify all licenses granted under the Act.

Council holds the following public register under the impounding Act 1993:

Section 30 & 31 – Record of Impounding – The primary purpose is to identify any impounding action by Council.

Members of the public may enquire only in accordance with the primary purpose of any of these registers.

9. SECONDARY PURPOSE OF ALL PUBLIC REGISTERS

Due to the general emphasis (to be found in the LGA and elsewhere) on local government processes and information being open and accountable, it is considered that a secondary purpose for which all public registers are held by Council includes the provision of access to members of the public. Therefore disclosure of specific records from public registers would normally be considered to be allowable under section 57 of the PPIPA.

However, requests for access, copying or the sale of the whole or a substantial part of the Public Register held by Council will not necessarily fit within this purpose. Where Council officers have

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: October 2017
G:\GM-Secretary\Policy\Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 6 of 9



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

doubt as to the intended use of the information, an applicant may be requested to provide a statutory declaration so that Council may satisfy itself as to the intended use of the information.

Council will make its assessment as to the minimum amount of personal information that is required to be disclosed with regard to any request.

10. APPLICATIONS FOR ACCESS TO OWN RECORDS ON A PUBLIC REGISTER

A person wishing to have access to a public register to confirm their own details needs only to prove their identity to Council before having access to their own personal information.

11. PROCEDURE FOR INTERNAL REVIEW

Complaints or requests for an internal review must be made within 6 months of the complainant being first aware of the issue.

Complaints must be made in writing and addressed to:

The Privacy Officer
Murrumbidgee Shire Council
PO Box 5
Darlington Point NSW 2706

When a complaint or request for a review is received by the Privacy Officer, the process for the review is as follows:

1. The Privacy Officer notifies the Privacy Commissioner that a complaint/request for internal review has been received
2. The Privacy Officer appoints a Reviewing Officer to handle the complaint/request for internal review
3. The Reviewing Officer investigates the complaint/review and reports the determination back to the Privacy Officer
4. The Privacy Officer notifies the Complainant and the Privacy Commissioner of the determination.

12. SERVICE GUARANTEE

1. The review must be completed within 60 days of the lodgement of the complaint/request for internal review
2. The Complainant will be notified in writing within 14 days of the determination. Should a Complainant not be satisfied, he or she may lodge an appeal to the Administrative Decisions Tribunal, which will hear the matter and impose its own decision. It may also impose substantial damages for a breach of an information protection principle.

13. THE ROLE OF THE PRIVACY CONTACT OFFICER

The role of Privacy Contact Officer/s (Privacy Officer/s) has been delegated by Council to the General Manager who has sub-delegated it to the Director Corporate Performance and Community as Public Officer.

The role carries primary responsibility for the following:

Adoption Date:	January 2016	Amended Date:	N/A	Name:	GRPP.02.01.08 Privacy Management Policy
Revises:	Murrumbidgee Shire Council				
Review Date:	October 2017				
G:\GM-SecurPolicy\Privacy Management Policy					

Page 7 of 9



GRPP.02.01.08 PRIVACY MANAGEMENT POLICY

1. Assigning, monitoring and reporting internal review matters
2. Liaising with all staff to ensure their needs are met in relation to the PPIPA
3. Assisting with training and induction
4. Assisting staff in developing processes and procedures to enable staff, councillors, contractors and consultants to meet their obligations under the Act

14. IMPLEMENTATION

This policy will be implemented with reference to Council policies including, but not limited to:

- GRPP .02.01.01 - Code of Conduct
- GRPP .02.01.02 – Enterprise Risk Management Policy and Tool Kit
- GRPP .02.01.04 – Business Continuity Policy

As additional policies which may impact this document are update/created, this section of the Privacy Management Policy will be amended.

15. POLICY REVIEW

It is intended that this Policy will be reviewed periodically, at a minimum once every term of an elected Council, taking into account any further information or developments that may be to hand at that time.

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: October 2017
G:\M-Sec\Policy\Privacy Management Policy

Amended Date: N/A

Name: GRPP.02.01.08 Privacy Management Policy

Page 8 of 9

COMPLAINT MANAGEMENT POLICY



**DRAFTGRPP.02.01.10
COMPLAINT
MANAGEMENT POLICY**

	Name	Position	Signature	Date
Document Author	Kerry McMurray	Acting General Manager		
Document Owner	Kerry McMurray	Acting General Manager		
Authorised By	Council	N/A	N/A	

Document Revision History	
Revision Number:	1
Previous Reviews:	
Next Review Date:	October 2017

Adoption Date: Month Year

Amended Date: N/A

Name: GRPP.02.01.10

Revises: Murrumbidgee Shire Council – NAME?? Policy

Review Date: Day Month Year

	Council Policy	
	Complaint Management Policy	
Policy Number: GRPP02.01.10	Department: Governance and Risk	
Effective Date: January, 2016	Division: Governance	

TABLE OF CONTENTS

1. PURPOSE AND SCOPE	3
2. REFERENCE	3
3. DEFINITIONS.....	3
3.0 Complaint.....	3
3.1 Complainant.....	3
3.2 Compliment.....	3
3.3 Grievance	4
3.4 Public Interest Disclosure.....	4
4. TYPES OF COMPLAINTS.....	4
4.1 General Complaints.....	4
4.2 Complaints against staff.....	4
4.3 Complaints with statutory reporting requirements	4
4.4 Trivial, frivolous, vexatious complaints and those not made in good faith.....	5
4.5 Anonymous Complaints.....	5
5. TIMEFRAME FOR COMPLAINT HANDLING	5
6. UNREASONABLE COMPLAINANT CONDUCT	6
7. ABUSIVE OR THREATENING COMPLAINANTS.....	6
8. COMPLAINANT RIGHTS OF APPEAL	6
9. POLICY IMPLEMENTATION.....	6
10. POLICY REVIEW	6

Adoption Date: January 2016
 Revoked: Murrumbidgee Shire Council
 Review Date: November, 2017
 G:\M-Section\Policy\ Complaint Management Policy

Amended Date: N/A

Name: GRPP02.01.10 Complaint Management Policy

Page 2 of 6



GRPP.02.01.10 COMPLAINT MANAGEMENT POLICY

1. PURPOSE AND SCOPE

To provide guidance on the management of complaints that facilitates a consistent, fair and equitable process for resolution.

1.0 Applies to:

This Policy applies to complaints covered by the following definition.

A complaint is generally any formal expression of dissatisfaction with Council's policies and procedures, quality of service or follow up communication. It includes dissatisfaction with the outcome of a decision, level or quality of service, the failure to adhere to a policy or a procedure or the behaviour of an employee or agent that can be acted upon.

The following are regarded by Council as requests rather than complaints and as such are not covered by this Policy.

- Requests for service eg collection of waste, repairing of pothole or clearing of drains
- Reports of hazards eg fallen trees
- Requests for information or explanation of policies, procedures or decisions of Council
- Concerns about neighbours or neighbouring properties eg barking dogs, unauthorised works
- An objection to a Council decision
- Submissions relating to an item on public exhibition or a notification
- An internal grievance (Governed by Council's internal policy framework)

2. REFERENCE

Legislation / Recognized Standards	<ul style="list-style-type: none"> • Ombudsman NSW complaint handlers toolkit • Practice Note 9 – Complaints Management in Councils
Risk Assessment	<ul style="list-style-type: none"> •

3. DEFINITIONS

3.0 Complaint

An expression of dissatisfaction with the Council's policies, procedures, charges, agents, or quality of service presenting the opportunity to improve in these areas.

3.1 Complainant

Person or organisation making a complaint.

3.2 Compliment

An expression of praise or appreciation of the actions, quality of service or behaviour of the Council, an employee or department.

Adoption Date: January 2016
 Review Date: November, 2017
 G-GRPP.02.01.10 Complaint Management Policy

Amended Date: N/A

Name: GRPP02.01.10 Complaint Management Policy

Page 3 of 8



GRPP.02.01.10 COMPLAINT MANAGEMENT POLICY

3.3 Grievance

An expression of dissatisfaction by an employee of Council about the way in which they have been treated by another member of staff (including a supervisor).

3.4 Public Interest Disclosure

An allegation of corrupt conduct, maladministration, and serious and substantial waste that may be subject to the Public Interest Disclosures Act 1994.

4. TYPES OF COMPLAINTS

Listed below are the different types of complaints that may be received by Council. Complaints classified as 'General complaints' will be dealt with under this policy. The other types of complaints listed below are covered under separate policies because they may have external reporting requirements or they may be required to be dealt with by an external agency therefore are not dealt with under this policy.

4.1 General Complaints

General complaints are an expression of dissatisfaction with Council's policies, procedures or quality of service. They will be dealt with and resolved by the organisation and have no specific statutory reporting obligations.

4.2 Complaints against staff

Complaints made against a member of staff are to be directed to the Public Officer in writing. The complaint will then be referred to the Executive Manager People and Performance and managed in accordance with the Local Government State Award and the appropriate policy or protocol (see above for related policies/protocols/procedures).

All complaints made against staff will be documented on the employee's personnel file. A response regarding the complaint will be provided to the customer in writing.

If a complaint against a staff member is in breach of the Code of Conduct the complaint will be managed under section 4.3 of this policy.

4.3 Complaints with statutory reporting requirements

4.3.1 Complaints concerning the Code of Conduct

Complaints concerning corrupt conduct, maladministration, serious or substantial waste or misuse by Councillors or Staff are covered under the Code of Conduct and will be dealt with in accordance with these requirements. The complaint handling procedure for code of conduct complaints is specified in Council's Code of Conduct.

4.3.2 Public Interest Disclosures

Public Interest Disclosures are covered by Council's Public Interest Disclosures – Internal Reporting Policy and will be handled in accordance with that policy.

4.3.3 Allegations Under Child Protection Legislation

Complaints relating to child protection are dealt with in accordance with Council's Child Protection Policy.

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: November, 2017
G-GM-Security/Policy/ Complaint Management Policy

Amended Date: N/A

Name: GRPP02.01.10 Complaint Management Policy

Page 4 of 6



GRPP.02.01.10 COMPLAINT MANAGEMENT POLICY

4.3.4 Competitive Neutrality Complaints

An actual or potential competitor of a Council business may make a complaint if it believes that it is being adversely affected through a failure to adopt competitive neutrality – that is, Council is operating with an unfair competitive advantage. Competitive Neutrality complaints must be in writing and will be referred to Council's Public Officer who will acknowledge and investigate the complaint and will provide a response within twenty-one (21) days.

4.3.5 Privacy Complaints

Complaints relating to privacy and breaches of the Privacy & Personal Information Protection Act 1998 are to be referred to the Public Officer. Complaints regarding privacy are dealt with in accordance with Council's Privacy Management Plan.

4.4 Trivial, frivolous, vexatious complaints and those not made in good faith

Complaints that the public officer determines to be trivial, frivolous, vexatious or not made in good faith will not be investigated. These complaints will be recorded in Council's Corporate Information System and the complainant will be notified that the matter will not be investigated and the reasons for this decision.

4.5 Anonymous Complaints

While anonymous complaints will be recorded, Council will generally only act on them where the matter is of a safety or serious nature and there is sufficient information in the complaint to enable an investigation to be undertaken. The decision on whether to investigate will be made at the discretion of the Public Officer.

5. TIMEFRAME FOR COMPLAINT HANDLING

Timeframe	Action
Immediate	Complaints lodged by phone and 'in person' will be acknowledged at time of receipt.
Within 1 day	All complaints will be recorded in Council's electronic document management system. All complainants who provide contact details will be provided with written acknowledgement of the complaint.
Within 10 days	Written or electronic complaints - the staff member dealing with the complaint will provide acknowledgement and aim to give a timeframe for resolution of the matter where it is complex or requires investigation.
Within 28 days	Council will aim to address the full complaint or keep the complainant informed of progress. For long and complicated issues updates will be provided at periodic intervals with the interval determined by the nature of the issue.

Please note: Where a complaint relates to matters of a criminal nature, the investigation of such complaints is at the behest of an agency external to Council and the above timeframes should only be used as a guide.

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: November, 2017
G-GIS-Service Policy/ Complaint Management Policy

Amended Date: N/A

Name: GRPP02.01.10 Complaint Management Policy

Page 5 of 5



GRPP.02.01.10 COMPLAINT MANAGEMENT POLICY

6. UNREASONABLE COMPLAINANT CONDUCT

Unreasonable complainant conduct is any behaviour by a complainant which, because of its nature or frequency raises substantial health, safety or resource issues for the organisation or staff. Such conduct can be categorised as unreasonable persistence, unreasonable demands, unreasonable lack of co-operation, unreasonable arguments or unreasonable behaviour. Council's strategy will depend on the circumstances of the unreasonable conduct but may include terminating unproductive conversations, refusing to respond to correspondence on issues that have been previously addressed or requiring contact with a specific officer only or via a particular medium.

7. ABUSIVE OR THREATENING COMPLAINANTS

Abusive and threatening behaviour by complainants will not be tolerated. Where personal abuse or vulgar language is used the communication may be terminated at the discretion of the subject employee and may involve the employee walking away from the complainant, termination of a telephone call, blocking future emails from the sender or returning offending letters to the sender unanswered.

8. COMPLAINANT RIGHTS OF APPEAL

Internal Review - Should the complainant be dissatisfied with the handling or determination of a complaint, they will be provided with the relevant information regarding rights of appeal and may request that an internal review of the complaint be conducted.

External Review – should the complainant be dissatisfied with the internal review they will be provided with the relevant information regarding rights of appeal and may seek a review by the:

- NSW Ombudsman on 1800 451 524 or at www.ombo.nsw.gov.au - for complaints about the conduct of staff, enforcement matters and the administrative conduct of Council itself.
- Independent Commission Against Corruption (ICAC) on 1800 463 909 or at www.icac.nsw.gov.au - for complaints that a Council official has acted corruptly.
- Division of Local Government (DLG) on 4428 4100 or at www.dlg.nsw.gov.au - for complaints about the overall functioning of Council, pecuniary interest issues, tendering or Councillor misconduct

9 POLICY IMPLEMENTATION

This policy will be implemented with reference to Council policies including, but not limited to:

- GRPP.02.01.01 - Code of Conduct
- GRPP.02.01.08 – Privacy Management Policy

As additional policies which may impact this document are update/created, this section of the Privacy Management Policy will be amended.

10 POLICY REVIEW

It is intended that this Policy will be reviewed periodically, at a minimum once every term of an elected Council, taking into account any further information or developments that may be to hand at that time.

Adoption Date: January 2016
Revises: Murrumbidgee Shire Council
Review Date: November, 2017
G-Gab-Seam/Policy/ Complaint Management Policy

Amended Date: N/A

Name: GRPP02.01.10 Complaint Management Policy

Page 6 of 6



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

	Name	Position	Signature	Date
Document Author	Kerry McMurray	Acting General Manager		
Document Owner	Kerry McMurray	Acting General Manager		
Authorised By	Council	N/A	N/A	

Document Revision History	
Revision Number:	1
Revision Purpose	Meeting time amended (Resolution No.)
Previous Reviews	N/A
Next Review Date	September 2017

Adoption Date: January 2016

Amended Date: N/A

Name: GRPP.02.01.11 Records Management Policy

Revisions: N/A

Review Date: September 2017

© 014-SecurePolicy/ Records Management Policy

Page 1 of 12

	Council Policy	
	Records Management Policy	
Policy Number: GRPP.02.01.?? Effective Date: January 2016	Department: Governance and Risk	
	Division: Governance	

TABLE OF CONTENTS

1. PURPOSE AND SCOPE	4
2. REFERENCE	4
2.0 Record Management	4
2.1 Records Management Program	4
2.1 Creation and control	5
2.2 Storage and retrieval	5
3. DEFINITIONS	6
4. POLICY STATEMENT	9
5. POLICY IMPLEMENTATION	10
6. POLICY REVIEW	12



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

1. PURPOSE AND SCOPE

- To ensure the management of Council's information resources and Records Management System, to provide timely and comprehensive information to meet operational business needs, accountability requirements and community expectations.
- To ensure the preservation of Council's corporate records through sound recordkeeping practices and the accurate capture of information to meet legal, evidential and accountability requirements.

1.0 Applies to.

This policy applies to all Council officials and relates to both physical and electronic records. This policy applies to all aspects of organisational business, all records created during business transactions and all business applications used to create records including email, databases and websites.

2. REFERENCE

Legislation / Recognized Standards	<ul style="list-style-type: none"> • State Records Act 1998 • Australian Standard AS/ISO 15489 – Records Management • Local Government Act 1993 • Government Information (Public Access) Act 2009 • Privacy and Personal Information Protection Act 1998 • Health Records and Information Privacy Act 2002 • Evidence Act 1995 • State Records General Retention and Disposal Authority: Local Government Records GA39
Risk Assessment	

2.0 Record Management

2.1 Records Management Program

In accordance with s 12(2) of the *State Records Act*, Council will establish and maintain a records management program for the organisation. This is an identifiable organisational program directed towards achieving relevant corporate objectives.

These objectives are:

- Council maintains records to support its ongoing business activity and customer services, meeting accountability requirements and community expectations
- Records are managed as efficiently and effectively as possible
- Records are stored and able to be retrieved and used in a way which meets Council's needs
- Council complies with all external requirements concerning its records and

Adoption Date: January 2016
 Review Date: September 2017
 G. CRM-Security/Policy/ Records Management Policy

Amended Date: N/A

Name: GRPP.02.01.11 – Records Management Policy

Page 4 of 12



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

records management practices including legal obligations under the *State Records Act*, the *Local Government Act 1993* and other relevant legislation.

2.1 Creation and control

Records must be created in all instances where there is a need for Council or an individual to be accountable for, and/or provide evidence of decisions made or actions taken.

Records should be uniquely identified, classified and registered into the corporate records management system as soon as they are received or created.

The location of physical records should be kept up to date at all times to ensure that physical items can be located as required.

The records management system should be monitored regularly to ensure that the identification and retrieval of information meets the needs of the organisation.

Mail handling procedures should ensure that mail is dealt with in a timely manner and that the flow of correspondence throughout the organisation is as efficient as possible.

2.2 Storage and retrieval

Records must be stored in conditions which ensure that they are accessible and readily retrievable for the length of time that they are required.

Records which are no longer required for day-to-day access and which have been identified as having a specified temporary retention period (via the general disposal authorities) should be removed from the working office area.

To ensure their longevity, records which have been identified as having permanent or continuing value should be stored in conditions which satisfy minimum standards for permanent records.

Records should be stored in conditions which take into account their physical characteristics, sensitivity, retention period and expected access rate..

2.3 Retention and disposal

Council will take all reasonable steps to reduce the cost of storing records through the implementation of an appropriate disposal program. The program will include sentencing and the regular culling, transfer to archives and physical destruction of appropriate records in accordance with approved disposal schedules.

Disposal of official public records is governed by the *State Records Act 1998* and must only be carried out in accordance with the appropriate General Retention and Disposal Authority (GA39) by authorised officers.

Council records are State Records and may only be disposed with written authority of the General Manager.

Disposal must be documented in such a way to explain the rationale for the decision as well as provide evidence of their ultimate destruction.

Regardless of any legislative authority to dispose of a record, Council will not destroy records relating to a matter where it has been notified of impending litigation, application under the *Government Information (Public Access) Act* or other reason for legal discovery proceedings.

In regard to electronic records, Council's official record is regarded as the electronic

**GRPP.02.01.11 RECORDS MANAGEMENT POLICY**

image stored within the records system and not the 'paper' original.

2.4 Electronic record keeping

The business processes and systems of Council must operate to capture records which provide evidence of all business transactions conducted electronically and to ensure that those records are retained.

Consideration of the maintenance and disposal of official electronic records will be incorporated into the planning for Council's Information Technology systems.

Council officials are required to adhere to adopted procedures and ensure that electronic mail messages are managed in the same way as other mail.

2.5 Disaster recovery/business continuity

All reasonable steps are to be taken to ensure that Council's records are at minimal risk of damage or loss due to accident or disaster.

Council will develop and maintain a disaster recovery plan or business continuity plan which details all procedures to be followed in the event of a disaster. The plan will include all information necessary to implement the procedures.

In the event of an accident or disaster Council will take all reasonable steps to ensure records are conserved according to current best practice.

2.6 Ownership

All records which are made or received by Council, or Council Officials, during the conduct of Council's business are corporately owned by Council and, consequently, are subject to the recordkeeping practices and procedures of Council.

Any contractual agreement for any operation or service contracted out by Council must include a consideration of recordkeeping issues.

3. DEFINITIONS

Accountability	The principle that individuals, organisations and the community are required to account to others for their actions. Organisations and their employees must be able to account to appropriate regulatory authorities, to shareholders and members, and to the public to meet statutory obligations, audit requirements, relevant standards and codes of practice.
Active Records	Records in frequent use required for current business. These records are usually stored in office space and equipment close to hand.
Administrative Records	These records include all aspects of the organisation's internal administration, including budget and finance matters, general correspondence, staff matters, Ministerial and Parliamentary papers, accommodation and management information systems, and the organisation's own agendas, minutes and business papers.
Appraisal	The process of evaluating business activities to determine which records need to be captured and how long the records need to be kept to meet the business needs, the requirements of organisational accountability and community expectations.



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

Archives	The whole body of records of continuing value of an organisation or individual. Sometimes referred to as 'corporate memory'.
Business Activity	<p>An umbrella term covering all the functions, processes, activities and transactions of an organisation and its employees.</p> <p>To support the continuing conduct of business, comply with the regulatory environment and provide necessary accountability, organisations should create and maintain authentic, reliable and useable records and protect the integrity of those records for as long as required. (AS ISO 15489 def 7.1)</p> <p>Records that document business activity are vital for supporting informed decision making, corporate memory and ensuring accountability.</p> <p>Records, including email, containing evidence of business transactions must be captured into EASE such as:</p> <ul style="list-style-type: none"> • A directive or approval for a particular course of action • Formal communications between internal officers or external agencies • Final versions of reports • Policy documents and statements • Formal minutes of Council and Committees <p>This material is distinct from:</p> <ul style="list-style-type: none"> • Information only messages • Duplicates or working copies • Private messages or personal comments between officers
Classification	The process of devising and applying schemes based on the business activities which generate records, whereby they are categorised in a systematic and consistent ways to facilitate the capture, retrieval, maintenance and disposal. Classifications includes determining document or file naming conventions, user permission and security restrictions on records
Council Official	Includes Councillors, member of staff of Council and delegates of Council.
Disposal	A range of processes associated with implementing appraisal decisions. These include the retention, deletion or destruction of records in or from recordkeeping systems. They may also include the migration or transmission of records between recordkeeping systems, and the transfer of custody or ownership of records.
Documents	Structured units of recorded information, published or unpublished, in hard copy or electronic form, and managed as discrete units in information
Electronic Mail-Email	Email is a computer based message sent over a communications network to one or more recipients. It may be transmitted with attachments such as electronic files containing text, graphics, images, digitised voice and video or computer programs.



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

Electronic messaging	Electronic messaging is a generic term encompassing all forms of electronically generated communication. This includes electronic mail for text messages, voice mail, electronic document exchange (Faxes), electronic data interchange (EDI), and multi-media communications such as tele/video conferencing and video text. It involves the electronic transmission of information as discrete electronic messages over computer-based data communication network or voice messages over a telephone network.
Evidence	Information that tends to prove a fact. Not limited to the legal sense of the term.
File	A file is a collection of documents, which show organisational activities through an identifiable sequence of transactions. Individual documents on the file have relationships with each other, for example a letter and a reply, and a reply to that etc., which are preserved by being kept on file in the right order and are part of the evidence in the records. A file can be physical or
File Desktop Audit	A process conducted by Records staff on a weekly basis using a hand held device to detail the current location of files.
Functional Records	Records relating to the functional activities of the Organisation.
Inactive Records	Those records no longer required for the conduct of business and which may therefore be transferred to intermediate storage, archival custody or destroyed.
Recordkeeping	Making and maintaining complete, accurate and reliable evidence of business transactions in the form of recorded information.
Recordkeeping System	Recordkeeping systems are business information systems capable of capturing, maintaining and providing access to records over time.
Record	Any document or other source of information compiled, recorded or stored in written form or on film, or by electronic process, or in any other manner or by any other means.
Records	Recorded information, in any form, including data in computer systems, created or received and maintained by an organisation or person in the transaction of business or the conduct of affairs and kept as evidence of such activity.
Records Disposal Authority	A systematic functional listing of records created by State Records which plans the life of those records from their creation to their disposal.
Records Management	The discipline and organisational function of managing records to meet operational business needs, accountability requirements and community expectation.
Registration	The act of giving a record a unique identity in a recordkeeping system.



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

Semi-active Records	Records that are no longer frequently used by the organisation in the conduct of its activities and functions (ie once or twice a year).
State Archive	Records that are appraised as having continuing value and have been selected for permanent preservation. When they are no longer required for use by an organisation, custody of the record is transferred to the State Records Authority.
State Record	Any record made and kept, or received and kept, by any person in the course of the exercise of official functions in a public office, or for any purpose of a public office, or for the use of a public office, whether before or after the commencement of the State Records Act.
Storage	The function of storing records for future retrieval and use.
Tracking	Capturing and maintaining information about the movement and uses of records.
Transaction	The smallest unit of business activity; uses of records are themselves transactions.

4. POLICY STATEMENT

4.0 Policy relevance

Council has defined formal recordkeeping responsibilities in accordance with the State Records Act 1998 (NSW), which requires public officers to 'make and keep full and accurate records of their activities and to establish and maintain a records management program in conformity with standards and best practice'. Council recognises its regulatory requirements as a NSW Local Government Authority, and is committed to the principles and practices set out in the Australian Standard for Records Management (AS ISO 15489).

The policy aims to:

- promote an integrated framework for dealing with Records Management;
- ensure consistency and fairness in the manner in which the council deals with Records Management;
- ensure compliance with legislative requirements under the Local Government Act 1993 and the State Records Act 1988;
- promote awareness of the requirements of the relevant Acts with respect to Records Management;
- make council's policies and requirements for Records Management readily accessible and understandable to the public.

The management of records is an essential part of any organisation and by implementing best recordkeeping practice, Council can ensure the creation, maintenance, protection, identification and retrieval of accurate and reliable records. Good record management practices are vital for ongoing day to day Council business activities and for internal and public accountability.

Council's records are both electronic and paper and they need to fully support Council's

Adoption Date: January 2016
 Review Date: September 2017
 G:\CM-Systems\Policy\Records Management Policy

Amended Date: N/A

Name: GRPP.02.01.11 - Records Management Policy

Page 9 of 12



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

business activities, accountability and cultural and historical heritage. Council currently uses the Synergysoft document management system for the storage of electronic records. Synergysoft is used to manage the registration, tracking, retrieval, security, storage and archiving of Council's files and documents.

Council is concerned with:

- managing records from the time they are created, for as long as they are required
- designing and managing systems to ensure that records are authentic and reliable
- providing a service to meet the needs and protects the interest of the organisation, its employees and ratepayers/clients
- capturing complete, accurate, reliable and useable documentation
- managing records as an asset and information resource.

5. POLICY IMPLEMENTATION

Staff members are to follow Standard Practice Notes and procedures in carrying out Records Management functions and use of records. In particular:

- Staff shall not alienate, relinquish control over, or destroy Records of the Organisation without authorisation to do so.
- Staff should ensure that Records in any format, including electronic documents and electronic messages, are captured into the organisation's Recordkeeping Systems.
- Staff are to handle Records sensibly and with care and respect in order to avoid damage to the Records and prolong their existence. Smoking, eating and drinking should not occur near Records or in Records storage areas.

Elected members, too, must display sound recordkeeping practices. In the "good Conduct and Administrative Practice" document prepared by the NSW Ombudsman, the following is recommended:

Agencies are obliged to make and keep full and accurate records of their activities. Public officials should help their agency meet this obligation by creating and maintaining full and accurate records of the work in which they are involved and of the decisions they make, including the reasons for those decisions. They should ensure the routine capture of these records into recordkeeping systems (Synergysoft), in the course of their duties. They should comply with requirements to keep and manage records which appear in relevant legislations, formal directives and guidelines.

Public officials should also be aware of the legal and administrative requirements which apply for the retention of public records. In this regard 'state records' include all documents of any kind made or received in the course of official duties by any person employed in a public office.

Adoption Date: January 2016
Revised: N/A
Review Date: September 2017
G:\CM-Software\Policy\Records Management Policy

Amended Date: N/A

Name: GRPP.02.01.11 - Records Management Policy

Page 10 of 12



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

Public officials responsible for or in possession of public records must ensure that they are kept secure against unauthorised access, alteration, loss or destruction.

Further State Records makes the following recommendations:

Meetings

Make sure that someone has been delegated to make a record of the meeting, whether minutes or a simple summary of decisions. Ensure that decisions are clearly recorded. Record any dissent by participants.

Circulate the minutes or record of the meeting to other participants and sign or otherwise confirm the accuracy of the records.

Conversations

Make a record of significant business you conduct via the telephone or face to face.

Significant business can include:

- *Providing advice, instructions or recommendations;*
- *Giving permissions and consent; and*
- *Making decisions, commitments or agreements.*

Transcribe voicemail messages, or capture the message directly into your organisation's official records system.

Decisions and recommendations

Document the reasons for decisions or recommendations that you make.

Correspondence

File or attach email, letters, faxes and internal memos (sent or received) that relate to the work you do onto official files within your organisation's paper or electronic records system.

Drafting documents

File copies of drafts submitted for comment or approval by others, and drafts containing significant annotations, into your organisation's official records system.

Elected Members are to keep thorough notes of meeting with the public as well as any meeting with developers or potential developers.



GRPP.02.01.11 RECORDS MANAGEMENT POLICY

6. POLICY REVIEW

The policy will be automatically revoked at the expiration of twelve months after the declaration of the poll for the next general NSW local government election, unless council revokes it sooner. **Note:** Automatic revocation of the policy is provided for by section 165(4) of the Local Government Act 1993. The next general local government election is expected to be held in September 2016.

This policy may also be reviewed and updated as necessary when legislation requires it; or council's functions, structure or activities change; or when technological advances or new systems change the way that council manages Records.

9.5 QUOTATION FOR DRAINAGE APPLICATION FOR BARWIDGEE BOULEVARD

Council Meeting

20 January, 2016

KM:GM – Traffikdrain Drainage proposal quotation for Barwidgee Boulevard

EXECUTIVE SUMMARY

Barwidgee Boulevard road and drainage reconstruction will commence in February, 2016. As part of the construction, a new concept of drainage, Traffikdrain is proposed to be used. ACO Polycrete Pty Ltd is currently the only manufacturer of this type of drainage and has provided Council with a quotation to supply and deliver the product.

RECOMMENDATION

That Council, accept the Quotation of ACO Polycrete Pty Ltd for the amount specified (excluding GST) for the supply and delivery of *Traffikdrain*, under section 55 (3) (i) of the Local Government Act 1993.

BACKGROUND

Council has previously considered information in relation to drainage issues experienced at Barwidgee Boulevard on occasions when heavy rainfall has eventuated. A community consultation and engagement process was undertaken with residents in Barwidgee to discuss options for mitigating the drainage issues and, as a result of these discussions, it is now proposed that a new concept of drainage be used to rectify the problem.

TraffikDrain combines the benefits of polycrete channels with purpose designed grates to minimise ponding and other dangers for road users. Traffikdrain is a product solely manufactured by ACO Polycrete Pty Ltd. The total purchase price of the product needed for the project exceeds the Tender limit. However, ACO Polycrete being the only manufacturer for this product should be accepted to supply the product.

Under the Local Government Act 1993, Council can determine to accept a quotation of an amount in excess of the Tender Regulations under certain circumstances. Those circumstances, as outlined in Section 55 (3) (i) are as follows:

“a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders”

COMMENT

As the only supplier of the product, acceptance of the quote from ACO Polycrete Pty Ltd will ensure the work on Barwidgee Boulevard can proceed in a timely fashion.

CONSIDERATIONS (Statutory compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY

ORDINARY MEETING

20 JANUARY, 2016

The total cost of the works is above the tendering limit of \$150,000. But under section 55 (3) (i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.

FINANCIAL

The cost to Murrumbidgee Shire council will be as per the quotation. Additional cost will be involved in the installation which is covered in the construction cost of the project.

INTEGRATED PLANS

C3.1 - We manage our infrastructure responsibly

C3.2 - The infrastructure we provide is responsive to community needs

RISK MANAGEMENT

CONSULTATION / ENGAGEMENT

ELT

Residents of Barwidgee Boulevard

ATTACHMENTS

CONFIDENTIAL ATTACHMENT – PAGE 109

Attachment A: Quotation from ACO Polycrete Pty Ltd.

Author:

Kerry McMurray

General Manager

9.6 FINANCE AND INVESTMENT REPORT FOR JANUARY, 2016

Ordinary Meeting of Council 20 January, 2016 SM:SM – Finance and Investment Report of December, 2015

EXECUTIVE SUMMARY:

The purpose of this report is to provide Council with a snapshot of the financial activity within the organisation for the month of December, 2015.

RECOMMENDATION:

- a) That Council notes the investment income for December, 2015.
- b) Note the investments have been made in accordance with the Local Government Act 1993, the Local Government General Regulations and Council's investment policy.
- c) Adopt the Investment Report for the month of December, 2015.

BACKGROUND

In accordance with Section 212 of the Local Government (General) Regulation, 2005 it is hereby certified that the investments detailed in the attached schedules have been made in accordance with Section 625 of the Local Government Act, 1993, its regulations and Council's current investment policy and strategy.

Management is striving to continue to build up cash and investment returns to provide ongoing financial stability and liquidity into the future.

Council's current investments stand at an amount of \$10,569,540.50 as at the end of December, 2015. It has collected 56% of its total rate income across all funds and the Statement of Bank Balances as at the end of December, 2015 shows an amount of \$10,565,143.54

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

Reconciliation of Rates and Charges

301. RECONCILIATION OF RATES AND CHARGES LEVIED WITH THAT OUTSTANDING AS AT 31 DECEMBER 2015							
	ARREARS	15/16 LEVY	REBATES	TOTAL	PAYMENT	BALANCE	% COLLECTED
General Rates	59,642	1,878,121	-13,618	1,924,145	-1,053,638	870,507	55%
Garbage Charges	24,898	109,120	-7,218	126,800	-70,773	56,027	56%
Recycling Charges	21,126	95,736	-7,054	109,809	-61,777	48,032	56%
Lease Rental	27,969	20,236	0	48,205	-8,899	39,306	18%
Town Imp.	11,609	49,023	-3,346	57,285	-29,775	27,510	52%
Water Supply	95,583	138,325	-5,568	228,340	-160,983	67,358	71%
Sewer Service	36,474	267,727	-11,113	293,089	-168,294	124,795	57%
Overpayments	-17,303	0	0	-17,303	9,800	-7,504	0%
Total	259,997	2,558,289	-47,916	2,770,370	-1,544,340	1,226,030	56%
* Compared to percentage collected at the January Council Meeting 2015 - 53%							

Council Investments

INVESTMENTS AS AT 31 DECEMBER 2015								
Invest. No.	Invest. Type	S & P Rating	Institution	Invest. Date	Invest. Amount	Int Rate	Maturity Date	Terms Days
18/16	Term Deposit	A-1+	ANZ	06-Oct-15	609,140.97	2.70%	06-Jan-16	92
14/16	Term Deposit	A-2	IMB	29-Sep-15	503,691.78	2.75%	12-Jan-16	105
2/16	Term Deposit	A-1+	NAB	14-Jul-15	500,477.40	3.05%	14-Jan-16	184
19/16	Term Deposit	A-2	IMB	13-Oct-15	300,000.00	2.75%	19-Jan-16	98
16/16	Term Deposit	A-1+	ANZ	29-Sep-15	379,316.81	2.90%	29-Jan-16	122
20/16	Term Deposit	A-2	IMB	27-Oct-15	421,731.70	2.75%	02-Feb-16	98
21/16	Term Deposit	A-2	IMB	03-Nov-15	400,000.00	2.75%	09-Feb-16	98
22/16	Term Deposit	A-1+	ANZ	10-Nov-15	503,691.78	2.90%	16-Feb-16	98
23/16	Term Deposit	A-2	Bendigo Bank	18-Nov-15	696,471.32	2.45%	18-Feb-16	92
24/16	Term Deposit	A-2	Bendigo Bank	22-Nov-15	1,211,875.56	2.45%	22-Feb-16	92
25/16	Term Deposit	A-1+	NAB	24-Nov-15	530,155.94	2.90%	23-Feb-16	91
26/16	Term Deposit	A-1+	ANZ	01-Dec-15	960,045.15	3.00%	01-Mar-16	91
27/16	Term Deposit	A-1	METWAY	08-Dec-15	1,018,098.25	2.95%	08-Mar-16	91
28/16	Term Deposit	A-1	METWAY	15-Dec-15	1,275,170.88	2.95%	15-Mar-16	91
29/16	Term Deposit	A-1+	NAB	23-Dec-15	800,000.00	2.95%	22-Mar-16	90
30/16	Term Deposit	A-1+	ANZ-Les Wallis	29-Dec-15	52,280.90	2.15%	29-Mar-16	91
31/16	Term Deposit	A-2	Bendigo Bank	30-Dec-15	220,576.01	2.45%	30-Mar-16	91
				CBA	154,155.66			
				Bendigo	32,649.99			
				ANZ	10.40			
					10,569,540.50			

The above investments have been made in accordance with the Local Government Act 1993, the Accounting regulations and Murrumbidgee Shire Council's investment policy.

Bank Balances

302. STATEMENT OF BANK BALANCES AS AT 31 DECEMBER 2015					
Unpresented Cheques					-4,396.96
Outstanding Deposit					0.00
Combined Investment Account					10,569,540.50
Total					<u>10,565,143.54</u>
Dissection of Combined Bank Account/Investment					
General Fund Bank A/C					-1,204,071.35
Bendigo Bank A/C					24,855.19
General Fund Investments					8,168,315.38
General Fund - Externally Restricted Funds					97,925.31
Coly Town Improvement Fund - Council Restricted Funds					431,702.86
Water Fund Bank					694,369.29
D/Point Water - Council Restricted Funds					173,000.00
Coly Water Fund - Council Restricted Funds					324,000.00
Sewer Fund Bank					547,671.79
D/Point Sewer Fund - Council Restricted Fund					789,000.00
Coly Sewer Fund - Council Restricted Funds					346,500.00
Trust Fund Bank					119,594.17
Trust Fund - Externally Restricted Funds-Les Wallis					52,280.90
					<u>10,565,143.54</u>

CONSIDERATIONS (Statutory compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY

Local Government Act 1993, Accounting Regulations

FINANCIAL

The actions taken comply with Council's current investment policy and strategy, and the Ministerial Order as provided by the NSW Office of Local Government.

INTEGRATED PLANS

D1.1.3 Ensure transparent, accountable and responsible leadership throughout Council

D1.1.2 Provide strong and effective governance

RISK MANAGEMENT

Nil

CONSULTATION / ENGAGEMENT (Who was involved in the process prior to writing the report)

N/A

OPTIONS

Nil

ATTACHMENTS

Author:

Sue Mitchell

Responsible Accounting Officer

**10.LATE REPORTS
GENERAL MANAGER'S REPORT**

LR1: FIT FOR THE FUTURE – MOVING FORWARD

Council Meeting 20 January, 2016 KM:AGM – Fit for the Future – Moving Forward
--

EXECUTIVE SUMMARY

As Council is aware, Murrumbidgee Shire is the subject of a merger proposal that the Minister for Local Government has referred to the Office of Local Government for investigation. The purpose of this report is to provide an overview of the proposal as well as identify options for Council in relation to the merger.

RECOMMENDATION

That Council:

- d) Support the proposed merger of Murrumbidgee Shire Council and the part of Jerilderie Shire Local Government Area north of Yanco Creek.**
- e) Make a submission on the proposed merger.**
- f) Council register to present to the Public Inquiry on February 11 at the Coleambally Community Club.**
- g) Request the General Manager to prepare the submission and submit it to the February 17, 2016 Council meeting for consideration.**

BACKGROUND

Since the release of the NSW Government's response to the Independent Local Government Review Panel and the Local Government Act Taskforce Reports in September, 2014 - Murrumbidgee Shire Council has investigated a range of merger options and developed submissions to retain its identity and continue to provide cost-effective services and facilities to the local community. The release of the Independent Pricing and Regulatory Tribunal's (IPART) assessment on Council's submission to the Fit for the Future process acknowledged Council's ability to be fiscally prudent but maintained the organisation did not meet the Scale and Capacity element of the assessment process. Council has lodged a request with IPART for information under the Government Information (Public Access) Act 2009 for details of how the determination was reached, although it may be some weeks before the information is available.

IPART ASSESSMENT

Following the release of the IPART assessment, Council was provided an opportunity to respond to the assessment and did so in accordance with the Council resolutions 15222 and 15223 of November 18, 2015 which were:

15222. Resolution

Moved Cr Chirgwin

Seconded Cr Gilbert

- a) That in box one, Murrumbidgee Shire Council respond to the errors in the IPART assessment.
- b) That Council nominate no merger partners to indicate Murrumbidgee Shire Council is to stand alone as a Rural Council in the Murrumbidgee Joint Organisation.
- c) That Council indicate its willingness to extend the Murrumbidgee Shire Local Government Area south as far as Yanco Creek to align with the State Government's Local Lands Service Boundary and place the entire Coleambally Irrigation Area in the Murrumbidgee Local Government Area.

Carried (6-0)

15223. Resolution

Moved Cr Curphey Seconded Cr Gilbert

That Council write to the Premier, Minister for Local Government, Member for Murray and all Members of the Legislative Assembly and Legislative Council containing the details of Council's Community Consultation during the past 30 days and the responses received through the Community Survey.

Carried (6-0)

Council's response to the IPART assessment, as submitted via the online portal, is included with this report as **Attachment A**. The Mayor's letter to the Premier, Minister for Local Government and Members of the NSW Parliament is **Attachment B**.

MERGER IMPACT AND ANALYSIS

On December 18, 2015, the Premier and Minister for Local Government released the Government's Progress Report Stronger Councils, Stronger Communities (**Attachment C**) which outlined its intentions to reduce the number of regional councils from 109 to 87 and metropolitan Councils from 43 to 25. This will bring an overall reduction on Local Government Areas in NSW from 152 to 112. The Government recommendation for Murrumbidgee was that it extend its boundary to the south to merge with those parts of Jerilderie Shire which lie to the north of Yanco Creek. The remainder of Jerilderie Shire was proposed to merge with Berrigan Shire to the south.

At the time, information was also released that provided an analysis of the impact mergers would have across the State (**Attachment D**). This report was prepared by KPMG with information sourced from annual returns and long term financial plans of individual councils as well as other publicly available sources. Among other things, the KPMG report indicated that mergers would produce:

- \$2.0b in total financial benefits to councils over 20 years
- Improved scale and capacity to plan and deliver on future community needs
- A more regional approach to support strategic planning and economic development
- Better infrastructure and improved community amenities

In the weeks following the Government's December 18 announcement, Councils were advised of section 23A of the Local Government Act 1993 and provided with Guidelines on its decision making requirements during merger proposal periods. This document has been explored further in item 9.1 of the General Manager's Report to the 20 January 2016, meeting.

IMPACT FOR MURRUMBIDGEE

Murrumbidgee Shire was included among those Councils slated for a merger and on January 6, 2016 this proposal - to join Murrumbidgee with part of Jerilderie Shire north of Yanco Creek - was referred by the Minister to the Chief Executive Officer of the Office of Local Government. The proposal (**Attachment E**) has subsequently been delegated for investigation with public submissions to be received by the OLG up to 5pm on Sunday, February 28, 2016. The delegate appointed to investigate the Murrumbidgee-part Jerilderie merger proposal is Tim Stubbs, a Director and Principal Environment Engineer of Wolfpeak with over 19 years' experience in environmental engineering. Mr Stubbs has had extensive involvement in political lobbying, natural resource management, policy development and environmental management and planning on large international and local infrastructure projects.

The role of the delegate is to examine the proposal and, as part of this process, there is a requirement under the Act for a public inquiry into the proposal to be held. The date for this public inquiry has been set for February 11 with a session in Coleambally at the Community Club from 9-11am followed by a session at Jerilderie Sports Club from 2-4pm. Any person may speak at the public inquiry but in order to do so, they must register beforehand.

Written submissions will be one of the most important ways for Delegates to gather information. People who make written submissions are encouraged (but are not required) to focus on the factors listed in section 263(3) of the Act. Submissions should refer directly to the proposal and submission authors are encouraged (but not required) to focus on one or more of the factors in section 263(3) of the Act, being:

- the financial advantages or disadvantages of the proposal to the residents and ratepayers of the areas concerned;
- the community of interest and geographic cohesion in the existing areas and in any proposed new area;
- the existing historical and traditional values in the existing areas and the impact of change on them;
- the attitude of the residents and ratepayers of the areas concerned;
- the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected
- representatives and ratepayers and residents and such other matters as considered relevant in relation to the past and future patterns of elected representation for that area;
- the impact of the proposal on the ability of the council to provide adequate, equitable and appropriate services and facilities;
- the impact of the proposal on the employment of the staff by the council;
- the impact of the proposal on any rural communities in the resulting area;
- the desirability (or otherwise) of dividing the resulting area or areas into wards
- the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented; and
- Any other factors relevant to the provision of efficient and effective local government in the existing and proposed new areas.

Submissions can be made in writing or via an on-line portal that has been set up on the Council Boundaries Review website. Once this examination has been completed their report will be presented to the Independent Boundaries Commission and the Minister. The

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

Commission will review the report and provide comments to the Minister who will make a determination as to whether the proposal should be recommended for implementation or not.

MERGER PROPOSAL PERIOD

On Friday, January 8, a teleconference was held incorporating General Managers from those Councils identified in a merger proposal. Among other information provided was the timeline from this point which has been indicated as follows:

Estimated Merger proposal timeline**

DATE	DAY	ACTION	SUGGESTED RESPONSE
06.01.16	Wednesday	Merger proposals forwarded to CEO of OLG and delegates appointed	Provide information report and background documents to councillors
19.1.16		Delegates invite the councils to meet	
11.02.16		Delegate holds public inquiry	
28.02.16	Sunday	Closing date for submissions	Report to Council and draft submission addressing section 263(3) factors for adoption OM 22.02.16
March		Delegate prepares report	NA
TBA		Delegate refers report to Minister and Boundaries Commission	NA
TBA		Boundaries Commission provides comments on report to Minister	NA
TBA		Minister considers report from Delegate and comments from Boundaries Commission	NA
TBA		Minister makes recommendation to Governor	NA
30.06.16		Intended Proclamation Date	NA
30.06.16		Governance structure of new entities yet to be determined, likely to be included in proclamation	NA
01.07.16		New entity commences	NA
04.03.17	Saturday	Council elections more than likely to be deferred until March 2017	NA

***Please note that all dates after 28.02.16 are not official but a best guess indicator only.*

The above timeline, coupled with the IPART review of Local Government rating systems and the proposed Phase 1 amendments to the Local Government Act (subject of reports 9.2 and

9.3 to 20 January 2016 meeting) provides an indication as the commitment of the NSW Government to progress its Local Government Reform agenda.

KEY ISSUES FOR CONSIDERATION

There are a number of key elements to which the Chief Executive's delegate is required to have regard when investigating the merger proposals to factors as set out within the Local Government Act 1993 Section 263 (3). These are the criteria against which any amalgamation or boundary change must be assessed. Should Council wish to make a submission to the inquiry, it would be required to address these factors and present its submission accordingly. The elements to be considered are:

1. Financial advantages or disadvantages
2. Community of interest and geographic cohesion
3. Historical and Traditional Values
4. Attitude of the residents and ratepayers
5. Elected representation
6. Services and Facilities
7. Employment of staff
8. Impact on Rural communities
9. Division of the area into wards
10. Opinions of diverse communities
11. Provision of efficient and effective local government

There is also provision for 'Other Factors' within legislation which states any merger proposal should have due regard for *(f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas*. These factors are at the discretion of the delegate however the Independent Local Government Review Panel suggested that consideration of boundary changes should be outcome focused. As a result, its suggestion was that other factors should include:

- Sustainability and Strategic Capacity
- Efficiency and Effectiveness
- Integrated Planning
- Local Identity and Sense of Place
- Population Growth
- Accessibility
- Strong Centre
- Key Infrastructure
- Combining existing Municipalities

DELEGATE MEETING

On January 19, 2016 a meeting was held between representatives of Murrumbidgee Shire Council and the Delegate, Tim Stubbs and his Executive Officer. Attending the meeting were four Murrumbidgee Shire Councillors – Crs Evans, Black, Chirgwin and Wells. Mr Stubbs advised his role as the delegate was to investigate the proposal as put forward by the Minister and that anything beyond minor boundary adjustments would be the subject of a new proposal which would then need to be referred to the Minister. The delegate's report to the Minister, which is to be provided by the end of March, would be evidence based and that submissions made during the inquiry phase, whether they be verbal or written, should be supported by relevant information. He confirmed that Council, should it so choose, would be afforded approximately 15 minutes to present at

ORDINARY MEETING

20 JANUARY, 2016

the public inquiry while individuals that registered to present would be given approximately five minutes – depending on the number of individuals registered.

COMMENT

Many of the elements for consideration can be addressed at a local level in collaboration with merger partners. Comparing the existing Integrated Planning and Reporting documentation will provide specifics around community aspirations, financial positions and delivery programs. In addition to this, Council has the draft Merger Business Case developed by SGS Economics and Planning which could be used as a starting point for any merger process.

Should Council resolve to make a submission to the inquiry, either at the public hearing on February 11 or via the online process, it would need to provide a clear and concise message as to what the positive and negative aspects of the proposal. In so doing, the delegate will be better able to assess the proposal on its merits.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY

Local Government Act 1993 - Sect 218

Local Government Act 1993 – Sect 23A

Local Government Act 1993 – Sect 263(3)

FINANCIAL

At this point in time, the cost of the proposed merge would be difficult to quantify. The Government has indicated that merger costs up to \$5 million would be met by the State and, in addition to this, Council would have access to the Stronger Community Fund of \$10 million.

INTEGRATED PLANS

A3.1 - Our community is connected across geographic, interest, cultural and social groups

D1.1 – Council leads the community by example demonstrating a high level of leadership and accountability

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

Murrumbidgee community

Murrumbidgee Shire Council

Jerilderie Shire Council representatives

ELT

OPTIONS

- a) Support the proposed merger and lodge a submission accordingly.
- b) Object to the proposed merger

ATTACHMENTS

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016

Attachment A: Council's response to the IPART assessment

Attachment B: The Mayor's letter to the Premier, Minister for Local Government and Members of the NSW Parliament

Attachment C: Government's Progress Report Stronger Councils, Stronger Communities

Attachment D: Merger Impact and Analysis

Attachment E: Murrumbidgee-Jerilderie Merger Proposal

Kerry McMurray

ACTING GENERAL MANAGER

Attachment A: Council's response to the IPART assessment

Merge with Griffith OR a rural council in Murrumbidgee JO

FACT ONE: Murrumbidgee Shire Council ACHIEVES ALL SEVEN Financial Benchmarks well inside required timeframes. In all three of the financial criteria – sustainability, infrastructure and service management, and efficiency - Murrumbidgee is in the top 4 (four) Rural Councils in NSW. To demonstrate how Murrumbidgee Shire's performance against the financial benchmarks is significant – and to validate its claim to remain a Rural Council – a comparison has been done with a neighbouring Rural Council which has been deemed "Fit as a Rural Council", Carrathool Shire. In all seven financial benchmarks, Murrumbidgee Shire OUTPERFORMED Carrathool. This is a clear indication of the organisation's Scale and Capacity to manage the financial matters to ensure its "rural communities continue to be served by (a) sustainable council providing the services, infrastructure and value for money that (community) deserves".

Murrumbidgee Shire Council's response to the IPART report is as follows:

1 - IPART has determined that Murrumbidgee Shire Council (MSC) does not meet the majority of characteristics of a rural council. MSC is the only rural council that has been determined not to meet the rural council characteristics. Therefore IPART have OVER RULED what the Independent Local Government Review Panel and the Office of Local Government Classification of Murrumbidgee Shire Council (OLG Group 9 – Rural) – a ruling which, in Murrumbidgee Shire's case, is principally and factually WRONG.

2 – IPART's Terms of Reference were to undertake an assessment of whether each council is Fit for the Future (FFTF), consistent with the published methodology, which must:

- a) operate with consistency, fairness and impartiality
- b) have an online portal for all councils to submit their FFTF proposals
- c) publish all councils' proposals and supporting documentation, subject to confidentiality, as soon as practicable after 30 June 2015
- d) ensure local government knowledge and expertise in the technical assessment of each proposal
- e) RELY ON THE EVIDENCE PROVIDED BY COUNCILS through the online submission process, and additional relevant information
- f) give councils the opportunity to provide additional information, which may include the opportunity for councils to present in person. (Extract from the IPART Assessment). Murrumbidgee Shire was NEVER asked for additional information.

In light of the Terms of Reference, IPART DID NOT have the power to change the classification of Murrumbidgee Shire Council by deeming it “NOT a Rural Council”.

3 - IPART further stated that:

“Murrumbidgee’s proposal to be a Rural Council did not satisfy the majority of the Rural Council Characteristics.”

MURRUMBIDGEE SHIRE COUNCIL MET 5 (FIVE) OF THE 9 (NINE) and therefore MET THE MAJORITY, which is all those submitting a Rural Council Template were required to do. The subsequent response from IPART was “IPART has completed their report and presented it to the State Government, any issues with the report needs to be taken up with Premier and Cabinet.”

To further support Murrumbidgee Shire Council’s claim to Rural Council status, a comparative study was undertaken with Carrathool Shire Council, which IPART deemed “Fit as a Rural Council”, against the Rural Council Characteristics. This research revealed the following:

CHARACTERISTIC ONE - SMALL AND STATIC OR DECLINING POPULATION SPREAD OVER A LARGE AREA

Murrumbidgee Shire Council’s population statistics are as follows Population Figures (ABS) 2013 at 2,503, (Increase since 2009 at 2,406), its Density is 0.7, its projected population for 2031 is 1800 and is Classified as a Rural Council by the Office of Local Government and the Independent Local Government Review Panel Classified it as a Group B Council – a population under 4,000 (2031).

Carrathool Shire Council did not provide detail for this characteristic, however research indicates Population Figures (ABS) 2013 at 2,792, (Increase since 2009 at 2,778), its Density is 0.1, its projected population for 2031 is 2100 and is Classified as a Rural Council by the Office of Local Government and the Independent Local Government Review Panel Classified it as a Group C Council – a population under 5,000 (2031).

CHARACTERISTIC TWO LOCAL ECONOMIES THAT ARE BASED ON AGRICULTURAL OR RESOURCE INDUSTRIES

Murrumbidgee Shire Council currently has 32.4% employed in agriculture, forestry and fishing (2013 ABS) and manufacturing (to support Agricultural industry) - 11.8%, a combined total of 44.2.

Carrathool Shire Council no detail provided in submission currently has 46.6% employed in agriculture, forestry and fishing (2013 ABS) and manufacturing (to support Agricultural industry) - 4%, a combined total of 50.6%.

CHARACTERISTIC THREE HIGH OPERATING COSTS ASSOCIATED WITH A DISPERSED POPULATION AND LIMITED OPPORTUNITIES FOR RETURN ON INVESTMENT.

Murrumbidgee Shire has 685km road network across 3,507 square kilometres (19%).

Carrathool Shire - no detail provided in submission but has 2740 km road network across 14,820 square kilometres (18%)

Further to this, approximately one third of the Murrumbidgee's population live in the regional areas of the shire while less than 20% of Carrathool's population is rurally based.

CHARACTERISTIC FOUR – HIGH IMPORTANCE OF RETAINING LOCAL IDENTITY, SOCIAL CAPITAL AND CAPACITY FOR SERVICE DELIVERY

Murrumbidgee Shire Council Survey results (November, 2015) showed 97.5% of respondents request Murrumbidgee remain a standalone Council – from 594 respondents representing a 38.47% of enrolled voters. Additional feedback comments from this survey are included at the end of this section.

Carrathool Shire Council Survey results showed 98% requested Carrathool remain a standalone Council.

CHARACTERISTIC FIVE - LOW RATE BASE AND HIGH GRANT RELIANCE.

Murrumbidgee Shire Council has own source revenue at 48% in 2014-2015 increasing to 56% in 2019-2020. The number of rateable properties within the shire is 1321 with 718 residential and 521 rural properties.

Carrathool Shire Council - no answers provided against Rural Characteristics, however has own source revenue at 40% in 2014-2015 increasing to 44% in 2019-2020. The number of rateable properties within the shire is 1803 with 876 residential and 927 rural properties.

CHARACTERISTIC SIX - DIFFICULTY IN ATTRACTING AND RETAINING SKILLED AND EXPERIENCED STAFF.

Murrumbidgee Shire Council - Of the 39 FTE staff at Murrumbidgee Shire, there are two with Tertiary and/or Post Graduate Qualifications at an Australian Qualification Framework level of 7 or higher. A further staff member is finalising studies for a Bachelor of Civil Engineering. Planning services contracted from neighbouring shire

Carrathool Shire Council - no answers provided against Rural Characteristics

CHARACTERISTIC SEVEN - CHALLENGES IN FINANCIAL SUSTAINABILITY AND PROVISION OF ADEQUATE SERVICES AND INFRASTRUCTURE

Murrumbidgee Shire Council - TCorp assessment 2013: Moderate/Neutral

Carrathool Shire Council - no answers provided against Rural Characteristics - TCorp assessment 2013: Week/Neutral

CHARACTERISTIC EIGHT - LONG DISTANCE TO A MAJOR OR SUB-REGIONAL CENTRE

Murrumbidgee Shire Council - Darlington Point to Griffith 37 kms, Coleambally to Griffith 68 kms. North Boundary Road (furthest point of Shire) to Griffith, 165 kilometres.

Carrathool Shire Council - No detail provided in submission - Goolgowi to Griffith 50kms, Hillston to Griffith 117kms, Willandra National Park (furthest point of Shire) to Griffith, 178kms.

CHARACTERISTIC NINE – LIMITED OPTIONS FOR MERGER

Murrumbidgee Shire Council – Griffith.

Carrathool Shire Council – Griffith - No detail provided in submission.

Quite clearly, this analysis would indicate that in comparing like with like, Murrumbidgee Shire is as much a Rural Council as Carrathool Shire. Our population is more rurally based with over 30% of residents living within the pastoral areas of the shire.

4 - The IPART assessment states the following:

“Our analysis indicates the merger is a superior outcome for managing strategic issues along the Murrumbidgee River, such as agriculture and other primary industries” We also observe the merger will further promote the close economic and social ties between the two councils.”

This analysis by IPART is FUNDAMENTALLY FLAWED as, apart from a five kilometre frontage included within Willbriggie National Park, NO PART OF GRIFFITH CITY LGA TOUCHES ANY PART OF THE MURRUMBIDGEE RIVER, unlike our other neighbours of Narrandera and Leeton. In addition to this, the only elements

5 - The IPART assessment stated that:

“Griffith and Murrumbidgee do not meet the scale and capacity criterion as they did not sufficiently explore the preferred option for these councils to merge”

Despite the claims made by Griffith City Council in their submission, the preferred option WAS considered in the following ways;

X - Meetings held on MARCH 10, AT DARLINGTON POINT, & March 31, at Griffith, INITIATED by Murrumbidgee Shire Council as the result of a letter sent to Griffith City Council on February 23, 2015. These meetings highlighted that the insurmountable issues/

challenges were local representation, alignment of community aspirations, protection of Murrumbidgee Shire Council's financial reserves and the staffing moratorium.

X - A further Merger Business Case INITIATED AND FULLY FUNDED BY MURRUMBIDGEE SHIRE COUNCIL indicated that a merger with Griffith City Council would decrease representation for those within the Murrumbidgee region significantly – currently at 421 per councillor, potentially at 3,194 per councillor in a merged entity.

X - Murrumbidgee residents have been consulted extensively throughout the Local Government Reform process and, in particular, in relation to the proposed merger with Griffith. The community has overwhelmingly voiced its opposition to such a merger. Consultation by Griffith City Council on a proposed merger has been limited to one public meeting attended by three people external to the Council organisation.

X - Both Community Strategic Plans have different community aspirations more associated with their function within the Region.

X - The merging of Murrumbidgee and Griffith would produce a number of risks but the key element would be addressing the needs of different communities of interest within a merged council area.

X - Murrumbidgee is protected by section 218C of the Local Government Act and, as such, the maintenance of staff in rural centres would ensure the retention of the number of positions within the Murrumbidgee community. This would indicate that any potential staff changes would occur within the employment ranks at Griffith.

X – The merger Business Case prepared on behalf of Murrumbidgee Shire Council indicated that an amalgamation with Griffith City Council was not “superior” in comparison to other scenarios – particular with regards to cost savings.

6 - IPART referred to Murrumbidgee Shire Council's meeting of the Financial Indicators in the following manner:

“based on forecast modest surpluses to meet the benchmark for the operating performance ratio. This is assisted by an SV in 2017-18 and 2018-19”

This is NOT TRUE, without the SRV, reserves over 10 years will be reduced by \$1.2M or 18% and the SUSTAINABILITY CRITERIA WILL STILL BE MET.

7 – “Councils that have done the right thing by their community”

Murrumbidgee Shire Council has provided every opportunity for its community to indicate its preference for the future with surveys delivered to every residence within the LGA. 594 respondents representing a 38.47% of enrolled voters indicated overwhelmingly a preference (97.5%) for Murrumbidgee to be a Rural Council. Murrumbidgee Council has continued to do the right thing by its community by providing “fit for purpose” services while remaining financially sustainable into the 21st Century. Our proposal ensured that the

Murrumbidgee Shire retained its local community identity and local representation. Rates and charges within Murrumbidgee Shire, compared to other like Councils, are at an affordable level. While the Independent Local Government Review Panel placed our organisation in the “at risk” category, this assumption was made on data that we have demonstrated as flawed, in particular population trends taken during severe drought. Clearly demonstrate that this Council should NEVER have been classified “at risk” and the recommendation for Murrumbidgee Shire should have **ONLY** been a “rural council as part of the Murrumbidgee Joint Organisation”. If the NSW Government is truly “strongly committed to ensuring ratepayers get value for money and the services and infrastructure they deserve” it must do “the right thing” by our community and deem Murrumbidgee Shire Council as a Rural Council that is Fit for the Future.

Attachment B: The Mayor's letter to the Premier, Minister for Local Government and Members of the NSW Parliament

OCR1511578

19 November, 2015

The Hon. Mike Baird, MP
Premier
52 Martin Place
SYDNEY, NSW, 2000



21 Carrington Street, PO Box 5,
Darlington Point NSW 2706

☎ 02 6960 5500 📠 02 6968 4252
✉ mail@murrumbidgee.nsw.gov.au
🌐 www.murrumbidgee.nsw.gov.au

ABN 61 072 076 726

SHIRE OF PROGRESS AND OPPORTUNITY

Dear Premier

I write to you today, as duly elected Mayor of Murrumbidgee Shire Council, to urge you to fully consider your Government's stance in relation our Local Government Area and the Fit for the Future process. As you may well be aware, our Council was deemed "Not Fit as a Rural Council" by the Independent Pricing and Regulatory Tribunal. The reasons provided to Murrumbidgee Shire for this determination were that this Council "did not meet the majority of the Rural Council Characteristics". Murrumbidgee was the ONLY Rural Council deemed unfit on this basis despite meeting 5 (five) of 9 (nine) characteristics. In addition to this, Murrumbidgee Shire Council met all seven of the financial benchmarks as well as the three financial criteria of sustainability, infrastructure and service management, and efficiency.

Our Council fully engaged in the Local Government Reform Program, undertook and funded merger business cases with four of our neighbouring Councils – three of which were completely at our own cost. None of the business cases provided sufficient evidence for our Council to pursue a merger with any of our neighbours. While the reports on the possible mergers indicated some savings with regards to staffing costs, as a small (under 5,000) area, the savings for our ratepayers in the area of staff costs would be minimal as staff numbers are required to be retained under Section 218C of the NSW Local Government Act. The one thing that was obvious from the reports was that rates for those within our Local Government Area, particularly with regards to water and sewer, would increase – in some cases almost doubling. This outcome is completely at odds with what the whole reform process was designed to achieve - ensuring ratepayers get value for money and the services and infrastructure they deserve.

The initial merger costs could not be quantified by the business cases and while we accept that your government has promised substantial funds to cover the costs associated with the transition to a new entity, the long-term savings for our community were not evident. Conversely, the costs to social cohesion, community identity and local representation were substantial. Similarly, the assurances around service delivery, sustainability, asset management and efficiency targets as required by this reform process, were not obvious and our Council currently complies with this criteria.

In addition to the Business Cases, Council undertook an extensive community engagement program across several years, commencing at the time of the release of the Independent Local Government Review Panel report in October 2013 through until as recently as

Page 1 of 4



WATER • HERITAGE • INNOVATION

Monday, November 16, 2015 when over 300 residents attended a public meeting on Fit for the Future (see attached article from the local paper). As part of that process, Council has undertaken several surveys. The most recent of these saw survey forms delivered to every residence within our Local Government area – some 915 properties – and responses received from 594 individuals (39% of voters in the shire) with 97.5% indicating their preference for Murrumbidgee Shire Council to remain a Rural Council. In addition to this, a large number of the respondents (91%) were adamantly opposed to a merger with Griffith City Council, which was the preferred option identified by the ILGRP.

In accordance with the guidelines issued by the Office of Local Government and the assessment methodology from IPART, Murrumbidgee Council submitted a Rural Council Template. In its wisdom, IPART chose to ignore the classification of Murrumbidgee as a Rural Council by both the ILGRP and the OLG and deemed that it was NOT a Rural Council. IPART substantiated its argument by stating that Murrumbidgee did not meet the majority of Rural Council characteristics. However, when further asked to explain this ruling and which of the characteristics were not met – Murrumbidgee was advised that it did not meet four of the nine characteristics – those being:

1. High Importance Of Retaining Local Identity, Social Capital And Capacity For Service Delivery
2. Challenges In Financial Sustainability And Provision Of Adequate Services And Infrastructure
3. Long Distance To A Major Or Sub-Regional Centre
4. Limited Options For Merger

Given the overwhelming response from the Murrumbidgee community, the first of these four characteristics has quite clearly been met. Additionally, Murrumbidgee obviously met the remaining five of nine Rural Council Characteristics. In anybody's assessment, five out of nine would be considered a majority.

To add further weight to Murrumbidgee Shire Council's argument, and to ensure a comparison of like with like, an analysis was undertaken of the Rural Council Characteristics of a neighbouring LGA deemed "Fit as a Rural Council". This analysis indicated that the differential in the measures used by IPART between that Council and ours were negligible.

It is my argument that Murrumbidgee Shire DOES meet the majority of the Rural Council Characteristics which is proven by it clearly meeting at least five and possibly six, of the nine. In all three of the financial criteria – sustainability, infrastructure and service management, and efficiency - Murrumbidgee is in the top 4 (four) Rural Councils in NSW. In addition to this, Murrumbidgee meets all seven of the financial benchmarks, despite this not being a requirement of a Rural Council. Our Council is ready willing and able to play an active role in any future Murrumbidgee Joint Organisation.

By combining Murrumbidgee Shire and the communities of Darlington Point and Coleambally with the larger Griffith City Council area, you will effectively remove representation at a local level, potentially and substantially increase rating costs for the rural community of our shire and provide little, or no, guarantee that services currently delivered within our community will be sufficiently maintained from a regional centre that fails to adequately meet the service needs of its own community. I am more than willing to come and present to both yourself and the Minister for Local Government, with whom I met during

the 30-day consultation period following the release of the IPART report, to further demonstrate why Murrumbidgee Shire Council must be deemed Fit as a Rural Council.

If the NSW Government is truly "strongly committed to ensuring ratepayers get value for money and the services and infrastructure they deserve" it must do "the right thing" by our community. As such, I respectfully request that you use your Executive Powers in conjunction with the Minister for Local Government to deem Murrumbidgee Shire Council as a Rural Council that is Fit for the Future. In so doing, you will rectify a grievous wrong that has been perpetrated upon the community of Murrumbidgee Shire – one of the longest standing rural communities within New South Wales.

Yours sincerely



Cr Austin Evans

MAYOR

Attachment C: Government's Progress Report Stronger Councils, Stronger Communities

PROGRESS REPORT

Fit for the Future

Stronger Councils,
Stronger Communities



Office of
Local Government



PROGRESS REPORT

Fit for the Future



KEY ACHIEVEMENTS



Assessed 139 Fit for the Future proposals

Councils assessed operations and identified ways to improve them.



Established five Joint Organisation pilot regions

A new model for regional collaboration to deliver for regional communities.



Established the TCorp borrowing facility

To provide cheaper infrastructure loans for "fit" councils and improve financial management.



Commenced review of councils' compliance and regulatory burden

To help reduce council reporting requirements and red tape.



Progressed the Far West Initiative

Developing solutions that meet the unique needs of the Far West communities.

WHAT'S NEW IN THIS UPDATE

Modernising the Local Government Act

Consultation on Phase 1 amendments to streamline legislation will begin in January

New financial intervention powers

Consultation will occur on new powers to appoint a financial controller for councils with a high financial sustainability risk

Stronger Communities Fund

All new councils will have access to the Stronger Communities Fund and funding for merger costs.

Joint Organisations

Fast-tracking the involvement of up to two additional regions in early 2016.

Review of the rating system

IPART commissioned to commence a review of the rating system.

Flexibility for Rural Councils

Tailored support for each rural council and opportunity to streamline governance.

Stronger councils, stronger communities

Creating a new system of local government



All communities across the state deserve high-quality infrastructure and services – now, and for generations to come. That's why the NSW Government is transforming the system of local government to ensure councils have the strength and capacity to deliver this.

Four years of industry and community consultation and independent assessments, including the recent IPART report, has told us the current system is not working as well as it should and that we can no longer sustain 152 councils.

The time has come to create a stronger, modern system of local government that removes waste and duplication; a new system that generates savings to be reinvested into services and infrastructure, while stabilising rates.

This document outlines our proposals for new councils and next steps in creating a stronger system of local government – a system that puts ratepayers and communities first.

Our actions will ensure we have stronger, future-focused councils that can respond to the challenges posed by changing populations in metropolitan, regional and rural areas. We want councils that will meet the unique housing, jobs and transport needs of their communities.

We've listened to what communities want – quality services, vital infrastructure, value for money and responsible leadership from their local council.

We are pleased that many councils have shown leadership and supported a merger, recognising the benefits this will bring to communities.

Our reforms will generate up to \$2 billion in benefits over the next 20 years – money better invested in new infrastructure and improved services for local communities.

This is a significant opportunity for the local community and ratepayers – and one that they deserve.

Premier of NSW



The NSW Government has been working with local councils since 2011 to achieve our shared vision of strengthening local communities. The Fit for the Future program, launched in September 2014, has seen significant progress in working towards this vision.

Key priorities within the Fit for the Future program have been delivered, including the assessment by IPART of 139

Fit for the Future proposals, the piloting of new models of regional collaboration and commencement of the Far West Initiative.

This progress report outlines what has been achieved and the next steps in the reform.

The next phase of reform builds on the consultation, research and independent reviews conducted since 2011 and focuses on three key programs of reform:

- Creating stronger councils;
- Improving performance and governance of local councils; and
- Strengthening the system of local government.

There is no 'one-size-fits' all approach to local government and we are ready to deliver on the next phase of our plan for stronger councils across Sydney and regional NSW that will help our communities grow and prosper.

I would like to thank councils and communities for their input and co-operation on this critical reform and I look forward to continuing to work with them as we enter the next phase of reform.

Minister for Local Government



Making Local Government Fit for the Future

The NSW Government is committed to rebuilding NSW - and local councils have a vital role to play in shaping communities and helping them to grow and prosper.

The Fit for the Future Blueprint, launched in September 2014, outlined the NSW Government's plan for local government reform, including key milestones for delivery that have all been achieved.

This progress report outlines the next steps of reform, creating stronger councils and stronger communities. It includes new initiatives to create new councils across NSW, supporting "not fit" councils to become "fit" and the opportunity for two more regions of councils to participate in the Joint Organisation program.

The reforms will be delivered through three key programs, each working to build stronger councils and stronger communities.

Key Reform Programs

 <h4 style="margin: 0;">1 Creating stronger councils</h4>	 <h4 style="margin: 0;">2 Improving council performance and governance</h4>	 <h4 style="margin: 0;">3 Strengthening the system of local government</h4>
<ul style="list-style-type: none"> Proposals to create new councils for Sydney and regional NSW Establish Joint Organisations for regional NSW Develop whole-of-government solutions for Far West communities 	<ul style="list-style-type: none"> Support "not fit" councils to become "fit" Deliver programs to improve council capability, with an initial priority on financial sustainability Support rural councils to deliver the services their communities need New powers to intervene in financially unsustainable councils Deliver tools to support improved leadership and governance 	<ul style="list-style-type: none"> Create streamlined, modern legislation Improve financial systems, including rating, access to TCorp and Financial Assistance Grants Develop stronger accountability systems for councils, including Auditor-General oversight and performance improvement tools and frameworks

PROGRAM 1: CREATING STRONGER COUNCILS

The NSW Government is ready to take the next steps towards creating new and stronger councils to realise the benefits that are available for local communities – \$2 billion in benefits that can be reinvested in better services, more infrastructure or lower rates.

The Fit for the Future program will ensure that every council in NSW can meet the future needs of communities, is financially sound and operating efficiently. Councils will be in a strong position to guide community growth, deliver quality services, infrastructure and provide value for money.

The Government's reforms will ensure councils:

- are stronger, future-focused and able to help deliver the housing, jobs and transport that communities need;
- have the capability to be accountable, efficient, and deliver quality services and facilities; and
- can minimise the cost of borrowing and not be burdened by red tape and duplication, so that they can deliver the things communities want.

The Government is offering new councils and their community significant funding, with:

- up to \$15 million from the Stronger Communities Fund providing new councils a head start on services and infrastructure; and
- up to \$10 million to cover the upfront costs of council mergers.

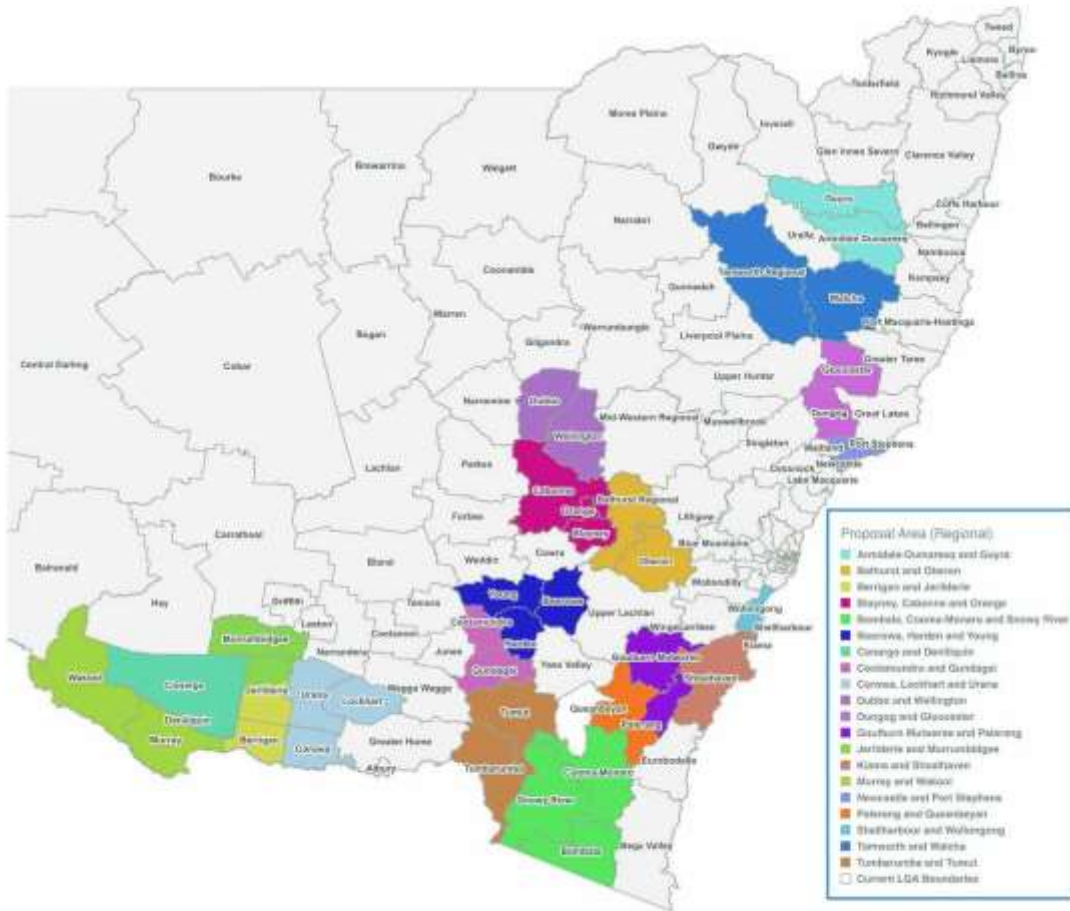
"\$2 billion in benefits that can be reinvested in better services, more infrastructure or lower rates."



(Picture courtesy of Destination NSW)

CREATING NEW COUNCILS

Proposed New Regional and Rural Councils



Reducing the number of regional councils from 109 to 87

20 new regional councils will be created by merging 42 councils

Stronger councils helping to build tomorrow's Sydney

Sydney is Australia's fastest-growing capital city. We are leading the way with new enterprise and investment, new suburbs are opening up, new employment precincts are being developed, and new hospitals and schools are on the way to serve our growing population. Over the next 20 years, an additional two million people will call Sydney home and most of them will settle in the city's west.

Our map is based on achieving as much consensus as possible and creating councils of

150,000 or more to deliver efficiencies and reduce red tape, but still ensuring effective local representation.

Sydney will need more homes, more jobs, more services and facilities, and better roads and transport to help people move about. That's why we are proposing to create new councils across Sydney.

The map on page 7 shows our vision for what the new Sydney will be like: stronger councils, offering better services and value for money for our growing communities.



(Picture courtesy of Destination NSW)

Stronger councils, stronger regional communities

Regional communities play a vital role in supporting the State's economy, providing the food for growing communities and sustaining our major export industries. The NSW Government has a plan to revitalise regional NSW and provide the infrastructure, jobs and services country communities need and deserve. Our proposal is to create new councils as a key part of that plan.

The map on page 6 shows our vision for creating new councils in regional NSW. Our map is based on high priority mergers, council merger preferences and opportunities to strengthen councils financially and strategically.

We recognise that there is no 'one-size-fits all' solution for regional NSW.

Creating new Joint Organisations

New regional organisations will help councils work with the State Government to deliver the things that matter to regional communities – local jobs, and better transport, services and facilities.

We are providing more than \$5 million in seed funding to help establish this new system and five groups of councils are already enjoying the benefits. Joint Organisations boundaries will be considered once council boundaries are finalised and implemented in regional areas from 2016.

The Far West Initiative

The recently-appointed Far West Initiative Advisory Committee is working with the councils and communities of Far Western NSW to develop solutions that improve the way all levels of government work together to deliver services to the communities of the region. The initial focus of the Far West Initiative is to strengthen the financial sustainability and strategic capacity of the eight Far West councils.



(Picture courtesy of Destination NSW)

THE PROCESS FOR CREATING NEW COUNCILS

- | | | |
|-----------------|-----------|--|
| January
2016 | 1 | Minister for Local Government refers merger proposals to the Chief Executive of the Office of Local Government for examination and report under the Local Government Act 1993 (NSW). Proposals will explain the impacts and benefits of a proposed merger. |
| | 2 | Chief Executive of the Office of Local Government delegates the examination of merger proposals under the Local Government Act 1993 (NSW) to Delegates. |
| | 3 | Communities will have a chance to have their say during a public consultation process for merger proposals, including through submissions and at public hearings. |
| | 4 | Local Government Boundaries Commission membership is confirmed. |
| | 5 | Delegates examine proposals, including reviewing public submissions, and after having regard to the factors listed in the Local Government Act 1993 provide a report to the Minister. |
| | 6 | Delegates will also provide their reports to the Boundaries Commission who will review and comment on the reports. |
| | 7 | Boundaries Commission provides its comments on the Delegate's reports to the Minister for Local Government. |
| | 8 | Minister for Local Government considers the reports from the Delegates and comments on those reports from the Boundaries Commission, and makes a decision for each proposal. |
| | 9 | The Minister may or may not recommend to the Governor of NSW that the proposed merger be implemented. |
| Mid
2016 | 10 | New councils commence. |

Further information about the process, including information about delegates, where to lodge a public submission, and individual merger proposals, will be available on the Local Government Reform website:
www.councilboundaryreview.nsw.gov.au

PROGRAM 2: IMPROVING PERFORMANCE AND GOVERNANCE

Creating stronger councils is only part of making local government Fit for the Future. The NSW Government is committed to working with councils to deliver programs to improve local services and infrastructure.

The Fit for the Future assessments have shown that some councils are in a strong position, meeting all the Fit for the Future criteria, while others need support to address specific challenges or issues that impact that council's operations.

The NSW Government will work with all councils to improve performance over time. Early priorities will be to:

- Support "not fit" councils to become "fit" at the earliest opportunity;
- Improve the financial sustainability of councils; and
- Support rural councils to implement the required changes they identified to improve their performance,

Improving council financial sustainability

There has been widespread recognition amongst councils that the Fit for the Future process has improved council operations. The Office of Local Government will work with councils to share the learnings from this process.

Councils that did not perform well in their Fit for the Future assessment, due to sustainability, efficiency or asset management issues, will be supported to improve. The Office will be working with them individually to identify and implement the changes required to improve their performance, with an initial priority on financial sustainability.

The aim is to see all councils improve their performance over time. Councils will get the help they need to become stronger and provide better outcomes for their communities.

Access to the TCorp borrowing facility

Councils that have met performance benchmarks and been deemed "fit" now have access to the new TCorp borrowing facility, reducing the cost of finance for infrastructure projects. Providing more councils with access to the TCorp borrowing facility is a priority for the NSW Government.

Opportunity for reassessment

In 2016, councils assessed as "not fit" because they did not meet financial criteria will have the opportunity to revise their Fit for the Future proposals and resubmit them for assessment. The Office of Local Government will work with these councils to support them through this process and, following a "fit" assessment, will then have access to the benefits on offer.

New financial intervention powers

For those councils that have demonstrated a consistent record of poor financial performance, the Government will introduce stronger intervention powers to protect local ratepayers, businesses and communities and get the council back on track.

This will empower the Minister to appoint a financial controller with responsibility for implementing financial controls.



Working with rural councils

The NSW Government recognises the unique challenges facing councils and communities in rural areas, and will continue to collaborate with these councils to explore new ways of working that deliver the services their communities need.

Those councils assessed as "fit" as a Rural Council will have access to the benefits on offer to "fit" councils.

Rural councils not part of an amalgamation proposal will have the opportunity to streamline governance arrangements, if they choose, following legislative change to provide this option.

Rural councils will be supported to improve their capability and performance.

Central to this support is the \$4 million Innovation Fund, providing eligible councils with the opportunity to implement innovative solutions to improve service delivery.

Strengthening local leadership

Local leaders work hard to act in the best interest of their communities and secure community confidence of their local representatives. Communities expect their local leaders to perform in an honest and professional manner. Local leadership in NSW councils will be strengthened by:

- ensuring elected leaders get the support they need to build leadership skills and learn the regulations and requirements;
- encouraging more people to be involved in standing for local office, especially women and young people, who are currently under-represented on councils;

- providing more stability in local leadership by clearly defining the roles of councillors and mayors, and extending the minimum mayoral term;
- providing clear guidelines on how councillors should conduct themselves in council meetings and manage any perceived or actual conflicts of interest; and
- tougher measures for local leaders who don't do the right thing. This includes suspension or exclusion from office for councillors who repeatedly engage in misconduct.

To help attract high quality candidates, the Government will review councillor remuneration during 2016.

"The NSW Government will work with all councils to improve performance over time."



PROGRAM 3: STRENGTHENING THE SYSTEM

The NSW Government is committed to working with councils to strengthen the system of local government. Most importantly, this means strengthening the legislation that governs councils.



Modernising local government legislation

The NSW Government will introduce more streamlined legislation to implement key reforms recommended by the Independent Panel and Acts Taskforce to enhance our local government system.

Consultation on Phase One of the streamlined legislation will commence in January.

Proposed amendments will focus on reforms that provide much-needed support for councils, allowing them to connect with their communities and build their capability.

In particular, the Phase One Bill will:

- Increase the term for mayors elected by councillors from one to a minimum of two years;
- Place external audit of councils under the auspices of the Auditor-General; and
- Ensure all councils have an odd number of members to reduce deadlocks.

Subsequent phases in the legislative reform process will address recommendations arising from reviews being undertaken by IPART about the regulatory burden imposed on councils and the rating system.

In each phase, opportunities will be identified to streamline the shape and structure of the legislation to ensure that our whole system of local government is fit for the future.



Improving financial systems

The NSW Government is committed to real and substantial reforms and has now engaged IPART to review the rating system. IPART will provide its report to Government by the end of 2016.

The NSW Government will continue to work with the Grants Commission to redistribute Financial Assistance Grants to those councils most in need. A detailed review of the current allocation methodology has identified the opportunity for significant improvement. The Grants Commission will be supported to implement these improvements for 2016/17 grant allocations.

Work will also continue to develop a streamlined Special Rate Variation process for potential implementation in 2017/18.

Improving accountability

We will also implement a new robust system of council reporting so the community can be fully informed about their council's performance and make comparisons with others.

The NSW Government has been working with councils to develop a new way of measuring performance and reporting progress. We have already launched the first stage of this work with the annual Your Council report. Further improvements are planned, including State-wide community satisfaction surveys.

The strategy to improve accountability and performance will include the development of a range of tools and frameworks to support councils, including:

- a performance measurement framework;
- revised Integrated Planning and Reporting guidelines;
- governance and performance guidelines; and
- stronger council auditing, including a new role for the Auditor-General in monitoring council performance.



(Picture courtesy of Destination NSW)

WHAT THIS MEANS FOR MY COUNCIL

Councils that are part of a merger proposal

- Delegates will listen to your council and community through the consultation process
- Public hearings on merger proposal will be held
- If the merger is approved councils will be given assistance with implementation and declared fit
- Councils declared fit can access TCorp borrowing facility

Councils assessed as "fit" with no merger proposal

- Access TCorp borrowing facility
- Implement Fit for the Future proposals
- Participate in other reform initiatives

Councils assessed as "not fit" due to scale and capacity with no merger proposal

- For some councils, the Government considers the council does have sufficient scale and capacity and therefore deems the council fit
- For others, the Government will reassess scale and capacity once Joint Organisations are operating effectively

Councils assessed as "not fit" due to financial criteria with no merger proposal

- The Government will support your council and consider financial intervention if the council is not fit after the 2016 reassessment

Rural Councils assessed as "fit" with no merger proposal

- Access TCorp borrowing facility
- Commence implementation of Fit for the Future proposal
- OLG will work with your council to implement the legislative changes that you have identified in your proposal or wish to consider further, and will closely monitor improvements
- Participate in other reform initiatives

Far West Councils

- Continue to participate in Far West Initiative Advisory Group
- Participate in other reform initiatives

Details on what this means for each council can be found at: www.fitforthefuture.nsw.gov.au

14

(Picture courtesy of Destination NSW)

NEXT STEPS: KEY MILESTONES

December 2015	<ul style="list-style-type: none"> • Government announces next steps on local government reform • IPART Rating Review process commences • Fit for the Future Progress Report released
Jan - Mar 2016	<ul style="list-style-type: none"> • Merger proposals assessment and consultation • Fit councils can access TCorp borrowing facility • Expression of interest for Early Starters Joint Organisations • Innovation Fund call for applications • Consultation on Phase One Local Government Act amendments and Joint Organisation Framework • Not Fit councils advised of opportunities to revise proposals • Early Starter Joint Organisations identified • Consultation on Phase One Act Amendments and Joint Organisations closes • Targeted financial sustainability programs commenced
Apr - June 2016	<ul style="list-style-type: none"> • Round one Innovation Fund grants advised • FAGS reallocations consultation with councils • Far West Initiative Discussion Paper released • Commence consultation on performance measurement and improvement frameworks • IPART Regulation Burden report to Government • "Not fit" councils submit revised FFTF proposals for assessment • Phase One Act Amendments and Joint Organisation legislation introduced to Parliament
July - Dec 2016	<ul style="list-style-type: none"> • Phase One Act amendments commence implementation • Joint Organisations commence roll out • Revised FFTF proposals assessed • New councils commence • Aim for Local Government elections • IPART Rating Review Report to Government
Jan - July 2017	<ul style="list-style-type: none"> • Preparation for new Integrated Planning and Reporting cycle

15

(Picture courtesy of Destination NSW)

For more information visit:
www.fitforthefuture.nsw.gov.au

Attachment D: Merger Impact and Analysis

DECEMBER 2015



Local Government Reform

Merger impacts
and analysis



Local Government in NSW

152
local councils

43
metropolitan councils
109
regional councils

1,480
number of councillors
44,846
full time equivalents

FINANCIALS

\$10.1b
expenses from continuing operations

\$510m
financial assistance grants allocated to local councils

37%
of total expenditure is on employee costs

111 councils
reported an operating deficit

\$535m
total state-wide operating deficit reported by councils

ASSETS & INFRASTRUCTURE

\$139.0b
value of total assets

\$78.4b
value of infrastructure

\$5.6b
value of infrastructure backlog

GEOGRAPHY

53,534km²
Central Darling
largest council by area

5.7km²
Hunters Hill
smallest council by area

325,185
Blacktown City Council
largest council by population

1,157
Urana Shire Council
smallest council by population

464
public pools

586km
of levee banks

60,791
development applications determined

1,787
community centres and public halls

45,103
food inspections

165,636km
of roads

Source: Office of Local Government (2015), Your Council - profile and performance of the NSW local government sector, Sydney.

- i -

Local Government Reform Impacts

112
local councils

25
metropolitan councils
87
regional councils

merger impacts of
\$2.0b
in total financial benefits to
councils over 20 years

FINANCIALS



3 years

payback period when merger
benefits will exceed merger costs



\$100m

average annual total financial
benefit to local councils from merger



**Stronger
balance sheets**

to fund and deliver local
community priorities



\$1.3b

in net financial savings generated
by the proposed mergers over a
20 year period

STRONGER LOCAL COUNCILS



**Improved scale
and capacity**

to plan and deliver on future
community needs



A stronger voice

to represent local community needs



**Effective
representation**

to meet the future needs of
the community



**A more regional
approach**

to support strategic planning
and economic development

COMMUNITY BENEFITS



Better infrastructure

invest in enhanced local infrastructure
and improved community amenities



Better services

redirect resources to
improve frontline services



Less red tape

reduce inconsistencies in
council regulations



Rates

reduce local council
reliance on rate increases

Introduction

The profile of local communities has changed too, and this will challenge a council's ability to meet the service and infrastructure needs of local residents and businesses. For example, both population growth and an ageing population impact how some metropolitan and regional councils will manage competing priorities and plan for the future.

To deliver these services and maintain local amenities more than 44,800 people are employed in local councils across NSW. Each year these councils spend more than \$10 billion – making NSW councils an important part of the state economy.¹

Many local councils are grappling with the changes taking place in the NSW and Australian economies. These changes include urban development that is placing pressure on local amenities, planning, and road and transport infrastructure.

The profile of local communities has changed too, and this has challenged a council's ability to meet the future service and infrastructure needs of local residents and businesses. For example, both population growth and an ageing population will impact how some metropolitan and regional councils manage competing priorities and plan for the future.

Councils are under increasing pressure to deliver services and infrastructure quickly and efficiently. Further, a lack of resources means that many local councils are unable to plan effectively to meet the changing needs of local people. In 2013-14, 111 out of 152 local councils in NSW reported an operating deficit and the financial outlook for many local councils is poor and not sustainable.²

These financial constraints have created a gap between what services and infrastructure local people want, and what their local council is able to deliver. One key example is the current backlog in maintenance and upkeep of council-owned assets across NSW that requires a \$5.6 billion investment to bring it to a satisfactory condition. Many councils are unable to service and maintain existing community infrastructure – such as local roads, pools and town halls – and are not in a position to invest in the new infrastructure that communities need.

These pressures are often particularly felt by smaller councils that are less able to achieve efficiencies associated with scope and scale. Conversely, a larger council should be able to negotiate better prices for the goods and services they purchase. There is also a growing need for local councils to partner with other councils as well as the NSW Government on major projects. By working collaboratively with other key partners, local councils can play a more strategic role in the development of their region and NSW, while also providing a stronger voice for local communities.

1 Annual Council Data Returns (2013-14).

2 Office of Local Government (2015), 'Your Council - profile and performance of the NSW local government sector', Sydney.



Proposed reforms and mergers

In response to the wide-ranging challenges facing the sector, the NSW Government has developed a comprehensive reform package. The package aims to create a stronger, higher-capacity and more sustainable local government sector.

To achieve this, council mergers are needed in metropolitan Sydney and regional NSW to help fund better services and infrastructure, improve resilience and reduce reliance on rate increases. The NSW Government has announced a funding package to support merging councils which will result in up to \$665 million being made available to newly created councils.

These proposed mergers will take place as part of a broader package of reforms to modernise the local government sector.

This report assesses the potential impacts of local council mergers – including the impacts on councils' financial performance, as well as potential local community impacts. The key findings of this analysis include:

- the proposed mergers have the potential generate a net financial benefit to local councils of around \$2.0 billion across NSW over the next 20 years;
- an estimated \$1.3 billion in net financial savings will be generated over a 20 year period;
- the estimated costs of the mergers are expected to be absorbed by efficiencies generated by the mergers within three years of implementation;

- the proposed mergers are expected to generate, on average, \$100 million in benefits to local councils every year;
- savings generated by the proposed mergers will be used to improve frontline services, and fund new community amenities and infrastructure – from better local roads and cycleways, to upgraded parks and recreational facilities;
- savings can also be used to repair and replace council-owned assets, many of which are in poor condition; and
- the proposed mergers will result in simplified council regulations through the removal of inconsistencies that currently exist between councils. This will benefit local residents and businesses and streamline the way the community interacts with councils. Reduced layers of regulations will make it easier for people to do business, build homes and access services they need.

This report has been prepared by KPMG on behalf of the NSW Government. Its preparation has relied upon information sourced from annual data returns and long term financial plans of individual councils, and a variety of other publicly available sources. Neither KPMG nor the NSW Government has independently verified such information.







Merger analysis

A comprehensive analysis was undertaken to evaluate the impacts of the proposed local government reforms. These include quantified and non-quantified impacts, including:

- a financial appraisal of how a merger impacts a council's Long-Term Financial Plans (LTFPs) based on the potential savings and costs generated by the merger;
- an assessment of state-wide merger impacts, including net financial benefits and the overall benefit cost ratio (BCR)³ of the proposed local government reforms;
- other potential impacts and scenarios following council mergers (e.g. regulatory outcomes); and
- scope for increased infrastructure investment.

These impact streams are summarised in Table 1 with an indication of the beneficiaries and bearers of costs.

Table 1. Summary of merger impact streams

Impact stream	Description	Bearer / beneficiary
Financial impacts		
Savings from wages expenditure and redeployment of staff	Mergers will enable councils to eliminate duplication of governance and administration functions and streamline senior management roles. This will lead to savings to wages and salaries expenditure for merged council entities compared to the status quo. Alternatively, reducing the duplication of backoffice functions could allow councils to achieve efficiencies by improving community services through the redeployment of staff to frontline positions.	Local council
Savings from materials and contracts	Mergers will generate scale efficiencies and increased purchasing power resulting in reduced per unit operating costs for some council procurement activities. This will lead to savings in materials and contract expenditure for merged council entities compared to the status quo.	Local council
Savings from councillor fees	Mergers will reduce the total number of elected councillors resulting in reduced councillor fee expenditure compared to the status quo.	Local council

³ The BCR measures the ratio of discounted benefits to discounted costs. It is calculated by dividing the total incremental benefits by the total incremental costs.

MURRUMBIDGEE SHIRE COUNCIL

ORDINARY MEETING

20 JANUARY, 2016



Impact stream	Description	Bearer / beneficiary
Financial impacts (continued)		
Costs from redundancies	In some instances, mergers will lead to reduced staffing levels for selected functions, such as governance, administration and senior management. This will require upfront redundancy costs in accordance with industrial laws and regulations. Costs include adhering to a three-year moratorium on forced redundancies for non-executive council employees. Redundancy expenses will therefore be higher for merged council entities compared to the status quo.	Local council
Costs from information and communications technology (ICT)	Mergers will require short-term ICT enhancements enabling new entities to operate with, for example, access to key financial accounts and a single web portal and email domain for the new merged entity.	NSW Government
Costs from merger transition	Mergers will require upfront and one-off transition costs. These include staff retraining, new branding, office relocation expenses, revised business processes and local media and communication initiatives to keep communities informed of developments and changes. These are one-off expenses for merged council entities compared to the status quo.	NSW Government
Broader merger impacts and scenarios		
Reduced regulatory burden	Mergers will lead to a reduction in overlapping and/or inconsistent regulations currently enforced at a local level across council boundaries. Reducing the regulatory burden will result in financial, time and administrative savings for local businesses and residents of merged council entities.	Local communities and businesses
Increased infrastructure investment	Mergers provide an opportunity to re-direct net financial savings generated by the merger toward local infrastructure priorities – either through asset renewal and/or new capital works programs.	Local communities and state-wide
Human capital	Mergers provide an opportunity for councils to reinvent themselves as strong, innovative, dynamic employers that can attract a higher-calibre workforce. This is especially important in regional areas where skills shortages can impact local council operations.	Local council employees

Source: KPMG.

- 5 -

Financial appraisal

The proposed reforms to the local government sector were compared to a 'business-as-usual' base case (status quo) using a discounted cash-flow analysis of local councils' published LTFPs.⁴ The evaluation period for the financial appraisal was 20 years (from 2016 to 2035). All values were expressed in present terms (2015) using a nominal discount rate of 9.5 per cent. It is assumed mergers will be implemented from July 2016.

Table 2 provides the overall results of the financial appraisal of the proposed mergers. Table 3 shows the full merger savings and costs for metropolitan and regional local councils in present value terms. There are potentially significant net benefits associated with the proposed local council mergers. As expected, the aggregate benefits are higher for metropolitan councils compared with councils in regional NSW. This reflects the larger operating budgets of metropolitan councils.

Table 2. Results of the financial appraisal of local government mergers

Measure	Result
Total merger benefits (present value \$m)	\$1,579.3 m
Total merger costs (present value \$m)	\$259.4 m
Net present value (\$m)	\$1,319.9 m
Benefit-cost ratio (BCR)	6.09

Source: KPMG analysis.

⁴ The most recent published LTFPs for most local councils were from the 2013-14 financial year. For some councils, published LTFPs were incomplete and historical / trend data was used to extrapolate financial projections over a ten year period.

Table 3. Merger costs and benefits by category (\$m in present value terms)

Benefit/cost	Metropolitan councils	Regional councils	Comment
Savings category (\$m)			
Savings from wages expenditure and redeployment of staff	\$938.7 m	\$366.3 m	Mergers generally generate savings from a reduction in total wage and salary expenses for both general staff and senior management. Efficiencies are also achieved for those councils that redeploy duplicated backoffice positions to frontline service positions.
Savings from materials and contracts	\$160.1 m	\$69.0 m	Efficiencies generated by larger scale councils and increased purchasing power will lead to reduced costs for council materials and contracts.
Savings from councillor fees	\$374 m	\$78 m	A reduction in the number of councils (and associated councillors) will lead to reduced councillor fees.
SAVINGS SUBTOTAL	\$1,136.2 m	\$443.1 m	
Costs category (\$m)			
Costs of redundancies	\$48.8 m	\$15.7 m	Redundancies are expected for senior management in the first year and for duplicate backoffice staff following the end of a moratorium on compulsory redundancies in three years.
Costs of ICT	\$54.5 m	\$51.3 m	A modest ICT solution is needed to enable each merged entity to be functional and operational post-merger.
Costs of merger transition	\$56.5 m	\$32.6 m	One-off expenses for transitioning to new merged entities include office relocation, staff training, and other administrative changes.
COSTS SUBTOTAL	\$159.8 m	\$99.7 m	
TOTAL (\$m)	\$976.5 m	\$343.4 m	

Source: KPMG analysis.

**Local community impacts
of council mergers**

Council mergers may generate broader impacts across the community, including:

- improved regulatory outcomes;
- increased infrastructure investment;
- reduced reliance on rate increases;
- scope to improve human capital outcomes for local councils; and
- improved outcomes and services in regional NSW.



**Potential for enhanced regulatory
outcomes**

The NSW Government has made a commitment to reduce the regulatory burden on communities and businesses. There is potential to do this by reducing red tape relating to local councils through both council mergers and an associated increase in the scale and capacity of the sector.

A key regulatory outcome that could be achieved following council mergers is streamlined requirements for businesses operating across local government areas. Research commissioned by the Productivity Commission in 2012 revealed that 28 per cent of small and medium businesses had dealings with multiple local councils and, for these businesses, typically three different local councils were dealt with on regulatory matters.⁵ Key areas where a local council is responsible for enforcing regulations, include:

- building and construction (including planning, zoning and development assessment);
- parking and road transport (access and use);
- food safety (including registration and inspection);
- public health and safety (including public swimming pools); and
- environmental regulation (including coastal management and weed control).

The benefit in establishing councils with larger boundaries and catchment areas is a reduction in potentially inconsistent regulations between councils. For example, currently, businesses that operate in multiple councils (such as tradespersons and shop owners with multiple outlets) are often required to comply with divergent regulatory requirements and obligations. The cost for a business of both monitoring and complying with multiple and varying local council regulations can be reduced through the removal and streamlining of regulatory requirements following a merger of neighbouring councils.

It is acknowledged that in the short term, mergers may create additional complexity and uncertainty for businesses as they respond to changing regulatory requirements. This uncertainty is likely to be addressed early in the transition period.

**Scope for increased infrastructure
investment**

Meeting the current and future infrastructure needs of the community is a priority for the local government sector. The net financial savings generated from council mergers, outlined in the previous section, provide an opportunity to increase investment in local community needs. This can be achieved either through additional investment in asset renewal or new capital works programs.

Modelling indicates that, depending on the extent of financial savings diverted toward new infrastructure expenditure, up to \$100 million could be invested in new capital and community infrastructure every year across NSW. Note that these potential infrastructure investment benefits are based on how the net financial gains generated by a merger could be utilised and should not, therefore, be viewed as additional benefits above and beyond the net financial impacts of councils mergers.

It is important to note that metropolitan council mergers deliver the majority of the net financial savings. The net financial benefits of regional council mergers are significantly smaller in comparison. As a result, the infrastructure backlog reported in regional NSW will likely require additional support.

⁵ Productivity Commission (2012), Performance Benchmarking of Australian Business Regulation: The Role of Local Government as Regulator, Research Report, Canberra.



Potential improved human capital outcomes

The proposed merger of local councils offers opportunities to increase local council capacity to drive improved employment outcomes. These include:

- the ability to employ a wider range of skilled staff;
- greater creativity and innovation;
- access to resources to cope with complex and unexpected change; and
- high quality political and managerial leadership teams.⁶

A key driver of the financial benefits of the reform is the ability for councils to reorganise and prioritise functions, consolidate and streamline back-office positions and reduce overlapping governance and administration roles.⁷ The community may also see benefits from the reorganisation of council activities including redeployment of personnel towards more direct service provision roles. This could improve customer service and response times.

⁶ Sansom Report (2013), Revitalising Local Government: Final Report of the NSW Independent Local Government Review Panel, October 2013.

⁷ It is assumed there are no net job losses for regional councils on an FTE basis, with any opportunities to reduce duplication of back office functions leading to FTEs being re-deployed to frontline service delivery.

Box 1. Case study: Improved outcomes and services in regional NSW

Improved outcomes and services in regional NSW

In the early 2000s, five local councils in northern inland NSW merged to form the Tamworth Regional Council. The merger resulted in a council entity with improved strategic capacity and the transformation of the region as a whole in terms of employment, economic contribution, community and social outcomes. Key outcomes and benefits attributable to the merger include:

- service and infrastructure improvements funded by a more robust revenue base;
- investment in regional infrastructure previously not possible;
- increased capacity to take on more large scale projects;
- increased capacity to be an effective political advocate;
- a stronger and more equitable rating system;
- greater capacity to stimulate and promote growth of the local economy;
- significant increase in staff employment opportunities and career development. The merged council has the financial capacity and recruitment capability to attract highly skilled and experienced professionals;
- improved regional decision making and regional strategic infrastructure planning; and
- streamlining regulations and planning policies between councils.

Source: Tamworth Regional Council (2015), Inquiry into Local Government in New South Wales, Submission No. 50, July 2015.

Achieving reform outcomes

Overall, analysis of the economic, financial and community impacts indicates that the proposed local government reforms will address a range of key impediments to the effective functioning of the sector. Specifically, reform strengthens the ability of local councils to meet the current and future service and infrastructure needs of their communities.

The proposed mergers are a change agent rather than an end-goal. They are a catalyst for improved business processes and closer community engagement. Successful mergers will increase capacity to plan and deliver the future service and infrastructure needs of a rapidly changing society. Reform that is underpinned by strong local leadership will pave the way for stronger, greater capacity and more sustainable local government in NSW.



In keeping with the NSW Government's commitment to encourage the availability of information, you are welcome to reproduce the material that appears in this report for personal, in-house or not-for-commercial use, without formal permission or charge. All other rights are reserved.

Attachment E: Murrumbidgee-Jerilderie Merger Proposal

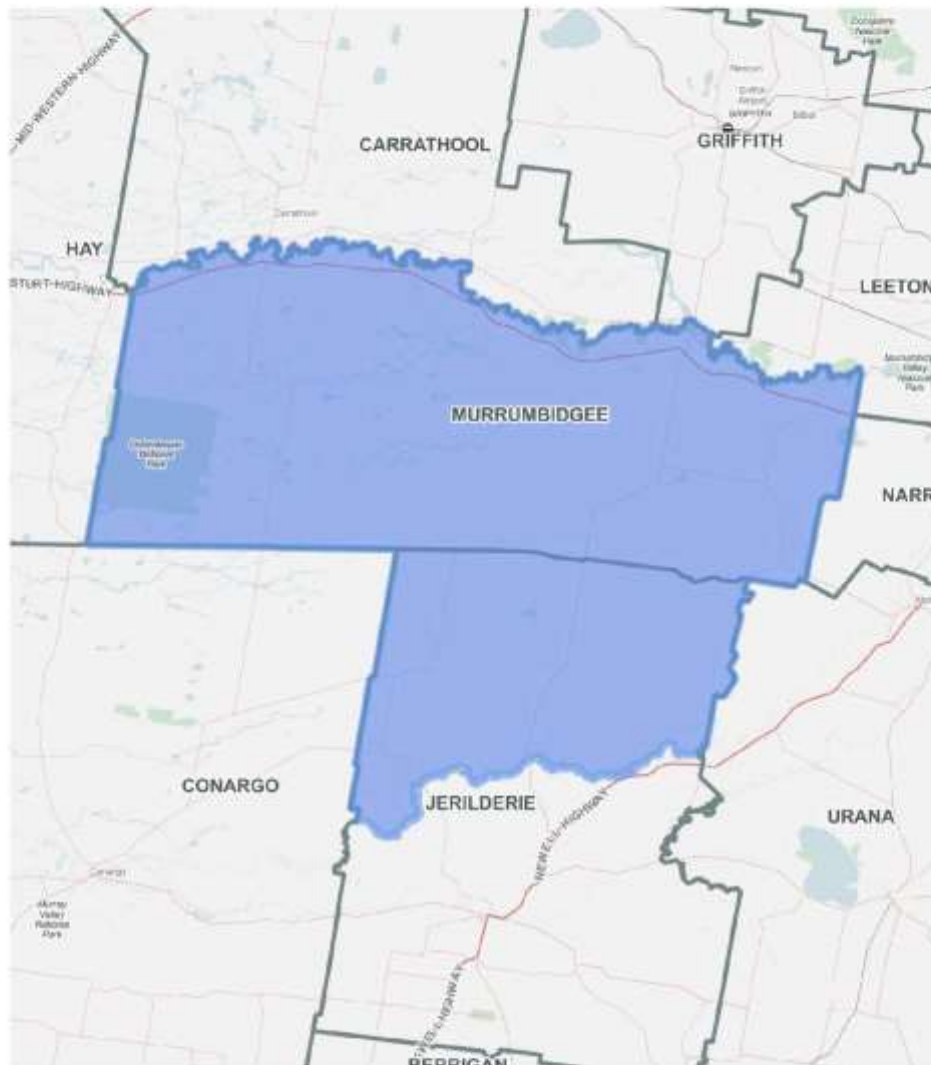
Merger Proposal:

Jerilderie Shire Council (part) Murrumbidgee Shire Council

JANUARY 2016



Figure 1: Proposed new local government area



Proposed merger: Jerilderie and Murrumbidgee

Data sources: Land and Property Information
Datum and Projection: GDA94



- Proposal Area
- Current LGA Boundaries
- Suburbs
- Waterbodies
- Open space
- Roads
- Rivers
- Rail

MINISTER'S FOREWORD

Four years of extensive consultation, research and analysis have demonstrated that change is needed in local government to strengthen local communities.

Independent experts have concluded that NSW cannot sustain 152 councils – twice as many as Queensland and Victoria.

After considering the clear need for change, the Independent Local Government Review Panel (ILGRP) research and recommendations, the assessment of councils by the Independent Pricing and Regulatory Tribunal (IPART), council merger preferences, community views and the unique needs and characteristics of each region, I am putting forward the proposal to merge the local government areas of Murrumbidgee Shire Council, and the portion of Jerilderie Shire Council above the Yanko Creek. This merger will bring the whole of the Coleambally Irrigation Area under the administration of one local government area.

The proposed merger will create a council better able to meet the needs of the community into the future and will provide significant benefits for the community.

This document details the benefits the merger will provide to communities, including:

- a total financial benefit of \$15.4 million over a 20-year period that can be reinvested in better services and more infrastructure;
- potentially reducing the reliance on rate increases through Special Rate Variations (SRVs) to fund local infrastructure;
- greater capacity to effectively manage and reduce the infrastructure backlog across the two councils;
- improved strategic planning and economic development to better respond to the changing needs of the community;
- effective representation by a council with the required scale and capacity to meet the future needs of the community; and
- providing a more effective voice for the region's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

With the merger savings, NSW Government funding of \$15 million – and a stronger voice – the new council will be better able to provide the services and infrastructure that matter to the community, projects like:

- enhancing the local road network to improve the efficiency of road transport;
- improving the management of the Murrumbidgee River flood zone; and
- ensuring that suitable resources are available to fill key council roles.

The savings, combined with the NSW Government's policy to freeze existing rate paths for four years, will ensure that ratepayers get a better deal.

A suitably qualified delegate of the Chief Executive of the Office of Local Government will consider this proposal against criteria set out in the *Local Government Act (1993)*, and undertake public consultation to seek community views.

I look forward to receiving the report on the proposal and the comments from the independent Local Government Boundaries Commission.



Minister Paul Toole

January 2016

EXECUTIVE SUMMARY

The agricultural communities of Murrumbidgee and Jerilderie share common characteristics and connections and will benefit by up to \$15 million from a merged council with a stronger capability to deliver on community priorities and meet the future needs of its residents.



Introduction

This is a proposal by the Minister for Local Government under section 218E(1) of the *Local Government Act (1993)* for the merger of Murrumbidgee Shire and the portion of Jerilderie Shire north of the Yanko Creek.¹ This merger proposal sets out the impacts, benefits and opportunities of creating a new council.

The creation of this new council will bring together communities with similar expectations in terms of demands for services, infrastructure and facilities. These communities are strongly focussed on irrigated and dryland agricultural production, especially within the Coleambally Irrigation Area that straddles the border between the two council areas. Many residents within the Coleambally Irrigation Area already rely on Murrumbidgee Shire Council for services.

The proposal has been informed by four years of extensive council and community consultation and is supported by independent analysis and modelling by KPMG.

The proposal is consistent with the Independent Pricing and Regulatory Tribunal's (IPART) 2015 assessment that each of these two councils is 'not fit' to remain as a standalone entity.

¹ The end result if the proposal is implemented is that a new local government area will be created. For simplicity throughout this document, we have referred to a new council rather than a new local government area.

IPART determined that Murrumbidgee Shire Council satisfied key financial performance benchmarks. However, IPART assessed that Jerilderie Shire Council did not meet the financial performance benchmarks, and that operating individually, each council would have limited scale and capacity to effectively deliver on behalf of residents and meet future community needs.

The new council for the new local government area will not only oversee an economy that shares many similar residential, workforce and industry characteristics, but will have enhanced scale and capacity to help it deliver on local infrastructure priorities such as maintenance of the local road network and management of the Murrumbidgee River flood zone.

Impacts, Benefits and Opportunities

A range of benefits and opportunities has been identified from the proposed merger, including a stronger balance sheet to meet local community needs and priorities.

Analysis by KPMG shows the new council has the potential to generate net savings to council operations. The merger is expected to lead to more than \$400,000 in net financial savings over 20 years.

The analysis also shows the proposed merger is expected to generate, on average, around \$230,000 in savings every year from 2020 onwards. Savings will primarily be from the redeployment of back office and administrative functions; streamlining of senior management roles; efficiencies from increased purchasing

power of materials and contracts; and reduced expenditure on councillor fees.²

The NSW Government has announced a funding package to support merging councils that would result in \$15 million being made available should the proposed merger proceed.

These savings may enable the new council to reduce its reliance on rate increases to fund new and improved community infrastructure.

Each of the two councils is currently seeking or has recently received approval for a Special Rate Variation (SRV) from IPART. For example:

- Murrumbidgee Shire Council intends to request a cumulative SRV of 10.5 per cent over a two-year period from 2017–18; and
- Jerilderie Shire Council has received approval for a cumulative SRV of 15.5 per cent over a two-year period from 2015–16.

The proposed merger is also expected to result in simplified council regulations for residents and businesses in the Murrumbidgee Shire and Jerilderie Shire council areas, given each council is currently responsible for separate and potentially inconsistent regulatory environments. Regulatory benefits include consistency in approaches to development approvals, health and safety, building maintenance, traffic management and waste management. This is especially the case for the Coleambally Irrigation Area, which will now be located in one council area.

The proposed merger will provide significant opportunities to strengthen the role and strategic capacity of the new council to partner with the NSW and Australian governments on major infrastructure projects, addressing regional socio-

economic challenges, delivery of services and focus on regional priorities.

This could assist in:

- reducing the existing \$3 million infrastructure backlog across the Murrumbidgee and Jerilderie region;
- advocating for better infrastructure, such as freight rail access to the Port of Melbourne; and
- supporting economic growth and regional development while enhancing the standard of living and lifestyle that local residents value.

While a merged council will increase the current ratio of residents to elected councillors, the new ratio is likely to be comparable with levels currently experienced by other communities across regional NSW.

Next Steps

This merger proposal will be referred for examination and report under the *Local Government Act (1993)*.

Local communities have an important role to play in helping ensure the new council meets their current and future needs for services and infrastructure and will have an opportunity to provide input on how the new council should be structured.

Local communities will have an opportunity to attend the public inquiry that will be held for this merger proposal and an opportunity to provide written submissions. For details please visit www.councilboundaryreview.nsw.gov.au.

Figure 2: Map showing boundaries for the proposed new council with Wagga Wagga City Council highlighted for comparison



² NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

INTRODUCTION

This merger proposal has been informed by an extensive four-year consultation and review process.

The NSW Government has been working with local councils and communities since 2011 to strengthen council performance and ensure local government is well placed to meet future community needs.

A first key step in that process was the ILGRP's comprehensive review of local government and subsequent recommendations for wide-ranging structural reform and improvements to the system. In response, the NSW Government initiated the *Fit for the Future* reforms that required each local council to self-assess against key performance indicators and submit proposals demonstrating how they would meet future community needs.

The NSW Government appointed IPART in 2015 to assess each council's submission. IPART has now completed its assessment of 139 proposals (received from 144 councils) and concluded 60 per cent of councils are 'not fit' for the future. Many of these councils did not meet the elements of the 'scale and capacity' criterion (refer Box 1 below).

Murrumbidgee Shire and Jerilderie Shire councils each submitted *Fit for the Future* proposals to remain as standalone Rural Councils. In assessing each council's submission, IPART determined that neither of the two councils was 'fit' to stand alone and that a merger was needed to achieve the required scale and capacity to meet the needs of residents now and in the future. In particular, IPART noted that the small and declining populations in both councils meant they were unlikely to cost-effectively provide services to their local communities as standalone councils.

In its *Fit for the Future* submission, Murrumbidgee Shire Council included survey results showing that many of its residents expressed interest in merging with Jerilderie Shire to bring the Coleambally Irrigation Area under the administration of one local government authority to simplify its management. Many residents in and workers who commute to the Coleambally Irrigation Area already rely on Murrumbidgee Shire Council for services.

Box 1: Overview of scale and capacity

Key elements of 'scale and capacity'

Scale and capacity is a minimum requirement as it is the best indicator of a council's ability to govern effectively and provide a strong voice for its community. At a practical level, this includes being able to:

- undertake regional planning and strategic delivery of projects;
- address challenges and opportunities, particularly infrastructure backlogs and improving financial sustainability;
- be an effective partner for NSW and Australian governments on delivering infrastructure projects and other cross-government initiatives; and
- function as a modern organisation with:
 - staffing capacity and expertise at a level that is currently not practical or economically possible for small councils;
 - innovative and creative approaches to service delivery; and
 - the resources to deliver better training and attract professionals into leadership and specialist roles.

A NEW COUNCIL FOR THE RIVERINA REGION

The proposed new council will be responsible for infrastructure and service delivery to around 3,000 residents across the Murrumbidgee and Jerilderie region.

The creation of a new council provides the opportunity to bring together the communities from across the local government areas of Murrumbidgee Shire and the portion of Jerilderie Shire to the north of Yanko Creek. These communities are focussed on agricultural production and the region contains the Coleambally Irrigation Area, one of the major irrigated agricultural production zones in NSW. Many residents of Murrumbidgee Shire work in the Coleambally Irrigation Area across both the Murrumbidgee and Jerilderie shires.

The new council will be responsible for infrastructure and service delivery to just over 2,400 residents by 2031. This reflects the expected population decline across the region of 1.7 per cent per annum.³

The proposed merger aligns with the intended planning objectives of the NSW Government's Regional planning initiatives for the Riverina Murray. The Regional Plan is being developed to plan for the future population's needs for housing, jobs, infrastructure and a healthy environment. The NSW Government has identified a number of regional priorities that are directly relevant to the proposed new council. For example:

- improving bridges over the Murrumbidgee River, including on the border of Murrumbidgee Shire (with Carathool Shire) at Carathool;
- assisting in the attraction of doctors and other health professionals to regional areas and development of programs to identify and support young people with mental health issues, in conjunction with the Murrumbidgee Local Health District;
- protecting and securing water resources, the natural environment and local heritage;
- planning for continued sustainable growth for towns and villages with region as well as prepare the area for an ageing population; and
- growing the economy which is supported by productive agriculture and sustainable use of natural resources.




For the plan to be implemented effectively, a coordinated approach will be required to manage the expected population decline across the Murrumbidgee and Jerilderie region and the related changes in services and infrastructure needs. A new council with appropriate scale and capacity will be better able to partner with the NSW Government on the implementation of these regional priorities.

The establishment of a new council will also provide an opportunity to generate savings and efficiencies and reduce the current duplication of back office functions, senior executive positions and potentially the many layers of current regulations. Any savings generated by a merger of these two councils could be redirected to improving local community infrastructure, lowering residential rates and/or enhancing service delivery. An overview of the current performance of the two existing councils and the projected performance of the new proposed entity is provided in Figure 3.

In addition, IPART found that Murrumbidgee Shire Council satisfied financial performance criteria but Jerilderie Shire Council did not. It also found that each council's ability to effectively advocate for community priorities is affected by a lack of scale and capacity. A merged council will improve this, with an enhanced scale and capacity to better plan and coordinate investment in critical infrastructure and services. This should also put the new council in a better position to advocate to the NSW and Australian governments for the regional investments that will be needed for the future.

³ NSW Department of Planning & Environment (2014), NSW Projections (Population, Household and Dwellings).

Figure 3: Council profiles

	Murrumbidgee Shire Council	Jerilderie Shire Council (part)	New Council
			
Population (2014)	2,528	304	2,832
Area	3,507 sq km	1,417 sq km	4,924 sq km
IPART Rating	NOT FIT	NOT FIT	The new council will likely have enhanced scale and capacity to better meet the future service and infrastructure needs of the community.
Operating Revenue (2013-14)	\$6.7m	\$4.8m	\$11.6m (projected 2019-20)
Operating Result (2013-14)	\$5.0m	-\$0.4m	+\$0.4m projected improvement to 2019-20 operating results
Asset Base	\$82.5m	\$13.1m	\$95.6m
Infrastructure Backlog	3 per cent	3 per cent	3 per cent

Sources: Australian Bureau of Statistics, Department of Planning and Environment, Office of Local Government, Council Long Term Financial Plans, Fit for the Future submissions to IPART and IPART Assessment of Council Fit for the Future Proposals.

Note: Totals may not sum due to rounding. Estimates of the new council's operating performance and financial position are based on an aggregation of each existing council's projected position as stated in respective Long Term Financial Plans (2013-14). In addition, it is assumed efficiency savings are generated from a merger, and this is reflected in the projected 2019-20 operating result for the new council. Further details are available in NSW Government (2015), Local Government Reform: Merger impacts and Analysis, December.

BENEFITS, OPPORTUNITIES AND IMPACTS

The proposed merger has the potential to provide a \$15.4 million benefit to communities over 20 years which could support investment in critical local infrastructure and services and/or be utilised to address rate pressures.

Financial Benefits of the Proposed Merger

Analysis by KPMG in 2015 shows the proposed merger has the potential to generate net financial savings of \$400,000 to the new council over 20 years. The proposed merger is also expected to generate, on average, around \$230,000 in savings every year from 2020 onwards.⁴ Consequently, the merged council will have a balance sheet that is stronger and in a better position to meet local community needs and priorities.

Gross savings over 20 years are modelled to be due to:

- streamlining senior management roles (\$2.3 million);
- the redeployment of back office and administrative functions (\$1.0 million); and
- efficiencies generated through increased purchasing power of materials and contracts (\$340,000).⁵

In addition, the NSW Government has announced a funding package to support merging councils that would result in \$15 million being made available should the proposed merger proceed.

The implementation costs associated with the proposed merger (for example, information and communication technology, office relocation, workforce training, signage and legal costs) are expected to be surpassed by the accumulated net savings generated by the merger within a nine-year payback period.

Merger benefits could be reinvested to:

- improve infrastructure – annual savings could be redirected towards infrastructure renewal or capital works including projects such as improvements to local roads (for example, Channel 9 road). Redeployment of savings could lead to cumulative additional infrastructure expenditure of \$400,000 over 20 years;
- enhance service delivery – redeployment of duplicate back office and administration functions and streamlining of senior management roles could provide the basis for employing an additional two staff for frontline services. This could include services such as economic and business development; and/or
- reduce rate pressures – annual savings could be used to reduce the existing dependency on SRVs to fund community infrastructure and/or avoid future rate increases.

The expected operating performance ratio of each council over the next 10 years is illustrated in Figure 4.⁶

Both councils have a negative operating performance ratio for the foreseeable future. This merger proposal will provide the new council with the opportunity to strengthen its balance sheet and provide a stronger and more consistent level of financial performance. Overall, the proposed merger is expected to enhance the financial sustainability of the new council through:

- net financial savings of \$400,000 to the new council over 20 years;
- achieving efficiencies across council operations through, for example, the redeployment of duplicated back office roles and administrative functions, and streamlining senior management;
- establishing a larger entity with revenue that is expected to exceed \$13 million per year by 2025;
- an asset base of approximately \$96 million to be managed by the merged council; and

⁴ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

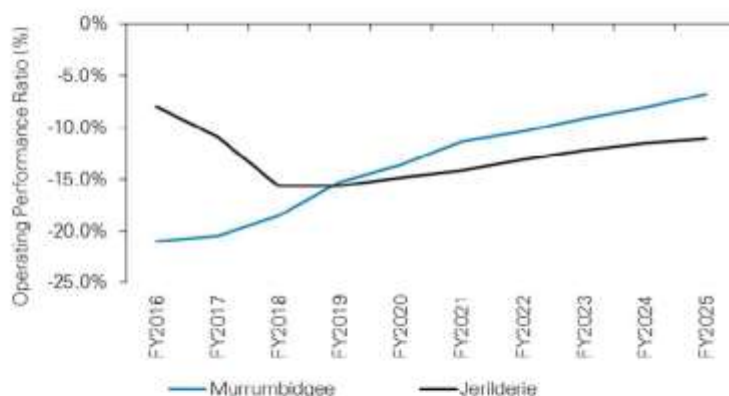
⁵ NSW Government (2015), Local Government Reform: Merger Impacts and Analysis, December.

⁶ Calculation of a council's operating performance ratio excludes any grants received from the council's reported operating revenue. This enables comparison of council operating performance based on own-source revenue.

- greater capacity to effectively manage and reduce the infrastructure backlog across the region by maintaining and upgrading community assets.

The Local Government Act contains protections for three years for all council employees below senior staff level. In rural centres with populations below 5000, staff numbers must be retained as far as is reasonably practicable.

Figure 4: Projected operating performance ratio by council (2016–2025)



Source: Council Long Term Financial Plans (2013–14).

Note: Operating performance ratio measures a council's ability to contain operating expenditure within operating income.

Opportunities for Improved Services and Infrastructure

The efficiencies and savings generated by the merger will allow the new council to invest in improved service levels and/or a greater range of services and address the current infrastructure backlog across the two councils. Examples of local infrastructure and service priorities that could be funded by merger-generated savings include projects such as:

- enhancing the local road network to improve the efficiency of road transport;
- improving the management of the Murrumbidgee River flood zone; and
- ensuring that suitable resources are available to fill key council roles.

Regulatory Benefits

There are currently 152 separate regulatory and compliance regimes applied across local council boundaries in NSW. These many layers of regulations are making it hard for people to do business, build homes and access services they need. NSW businesses rated local councils as second to only the Australian Tax Office as the most frequently used regulatory body, and highest for complexity in dealings.⁷

It can be expected that the proposed merger will result in simplified council regulations for many Murrumbidgee and Jerilderie residents and businesses. Murrumbidgee and Jerilderie shires are each responsible for separate and potentially inconsistent regulatory environments. A merged council provides an opportunity to streamline and harmonise regulations.

Adopting best practice regulatory activities will generate efficiencies for a merged council and benefit local residents and businesses. For example:

- a tradesperson or farm contractor who operates within the region will have a single local council regulatory framework to understand and comply with. This will be especially the case for contractors and

⁷ NSW Business Chamber, 2012 Red Tape Survey.

farmers who work across the Coleambally Irrigation Area who will have one set of council regulations to comply with; and

- residents can have greater confidence that development applications will be subject to a more uniform process than the existing variations in regulations, which can add to the cost and complexity of home renovations and building approvals.

Impact on Rates

Each of the two councils is currently seeking, or has recently received approval for, rate increases to meet local community and infrastructure needs:

- Murrumbidgee Shire Council intends to request a cumulative SRV of 10.5 per cent over a two-year period from 2017–18; and
- Jerilderie Shire Council has received approval for a cumulative SRV of 15.5 per cent over a two-year period from 2015–16.

The savings generated by a merger may enable the new council to reduce reliance on rate increases to fund community infrastructure.

In addition, the proposed merger will bring together a range of residential and business premises across the region, providing the new council with a larger rate base on which to set ratings policies and improve the sustainability of council revenue. Businesses and residents in the Coleambally Irrigation Area and farmland north of Yanko Creek already use a range of services provided by Murrumbidgee Shire Council.

Table 1: Comparison of rateable businesses, residential and farmland properties (total and percentage share)

Council	Business rating assessments		Residential rating assessments		Farmland rating assessments	
Murrumbidgee Shire Council	93	7%	718	54%	521	39%
Jerilderie Shire Council	150	14%	408	37%	539	49%

Source: NSW Office of Local Government, Council Annual Data Returns (2013-14).

Local Representation

The ratio of residents to elected councillors in each of the two councils is similar. This reflects the similarity in resident populations and number of councillors. While the proposed merger will increase the ratio of residents to elected councillors, the ratio, based on councillor numbers in the existing councils, is likely to be better than those currently experienced in other NSW regional councils, including the more populous Kyogle Council (Table 2).

Table 2: Changes to local representation in Murrumbidgee Shire and Jerilderie Shire

Council	Number of councillors	Number of residents (2014)	Residents per councillor
Murrumbidgee Shire Council	6	2,528	421
Jerilderie Shire Council	7	1,519	217
Merged council	7 ^a	2,832 ^b	472
Kyogle Council	9	9,538	1,060

^a The Murrumbidgee and Jerilderie communities will have an opportunity to shape how a new merged council will be structured, including the appropriate number of elected councillors. Fifteen elected councillors is the maximum number currently permitted under the NSW Local Government Act (1993).

Source: Australian Bureau of Statistics, Estimated Resident Population 2013; and NSW Office of Local Government, Council Annual Data Returns (2013-14).

^b Estimated population under the proposed boundaries of the merged council.

For the purpose of analysis of merger benefits, this proposal has assumed that the new council will have the same number of councillors as Jerilderie Shire, as this has the largest number of councillors of the councils covered by this proposal. The Government welcomes feedback through the consultation process on the appropriate number of councillors for the new council.

Some councils in NSW have wards where each ward electorate elects an equal number of councillors to make up the whole council. Community views on the desirability of wards for a new council will be sought through the consultation process.

The new council will be in a position to use its larger scale and capacity to advocate more effectively for the needs of the Murrumbidgee and Jerilderie communities, particularly the Coleambally Irrigation Area. As the new council will represent a more significant share of the broader region's population, and have a larger economic base, it will be able to advocate more effectively on behalf of its residents. It will also be able to develop improved strategic capacity to partner with the NSW and Australian governments, including on major infrastructure initiatives, community services and regional planning and development.

The many ways communities currently engage with these councils will continue, including through public forums, committees, surveys and strategic planning. Councillors will continue to represent local community interests and will have the opportunity to take a more regional approach to economic development and strategic planning.

THE LOCAL COMMUNITY

The communities across the Murrumbidgee and Jerilderie region share common characteristics and connections. The proposed new council will have enhanced scale and capacity and be better placed to shape and deliver the economic development, community services and infrastructure that underpin the lifestyle of these communities.

Geography and Environment

The new council will comprise the portion of Jerilderie Shire Council north of Yanko Creek and the existing Murrumbidgee Shire Council area. The new council area sits on the Riverina Plains and is bordered by the Murrumbidgee River to the north and Yanko Creek to the south. The eastern and western borders of the existing councils will form the borders of the new council. The land area consists largely of broad open plains typical to the western Riverina.

Local Economy

The local economy is characterised by:

- annual incomes that are below the regional NSW average of \$65,168 (Murrumbidgee Shire \$57,546 and Jerilderie Shire \$33,258);
- an unemployment rate that is lower than or equal to the regional NSW rate of 7.3 per cent (Murrumbidgee Shire 3.2 per cent and Jerilderie Shire 7.3 per cent);
- employment growth higher in Murrumbidgee Shire (1.6 per cent growth) and lower in Jerilderie Shire (0.8 per cent decline) compared to the employment growth rate of 0.6 per cent in regional NSW;
- the proportion of the population with post-school qualifications is below the regional NSW average of 53 per cent (Murrumbidgee Shire 42 per cent and Jerilderie Shire 45 per cent); and
- a similar industry composition across both council areas with 510 businesses largely active in agriculture.

The region is connected to major centres that surround it, with the Kidman Way connecting the new council area to the north (Griffith) and south (Berrigan, Finley and Tocumwal). The Sturt Highway connects the region to the east (Narrandera and Wagga) and to Hay in the west. Air and rail services are hosted in neighbouring council areas, making the local road network an important community asset.

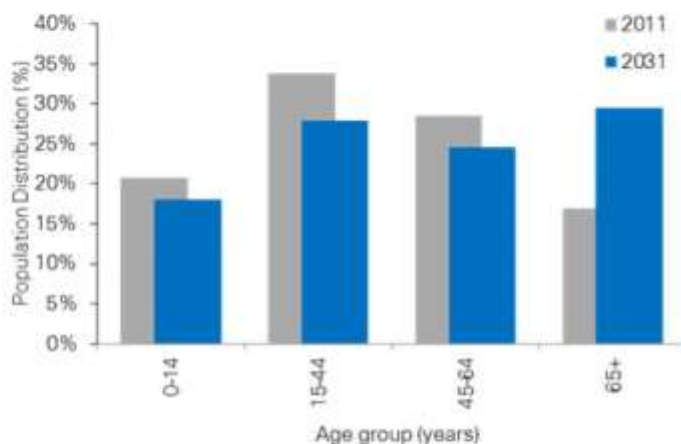
The common business profile and the corresponding workforce across the region will require relatively similar services and infrastructure. A merged council will be better placed to deliver these services and infrastructure in a coordinated manner.

Population and Housing

The new council will be responsible for infrastructure and service delivery to more than 2,400 residents by 2031. Like most regions across NSW, the Murrumbidgee and Jerilderie region will experience the impacts of an ageing population over the next 20 years (Figure 5).

A strong council with the appropriate scale and capacity is needed to respond and adapt to the changing service needs of the community. An ageing population is likely to increase demand for community health services, creation and maintenance of accessible parks and leisure areas, and community outreach services.

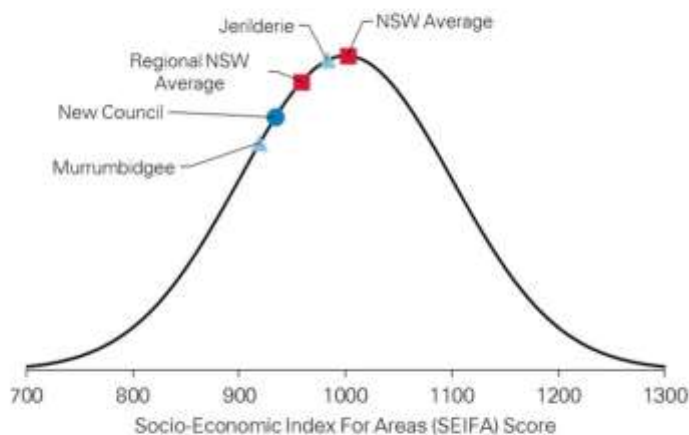
Figure 5: Change in population distribution, by age cohort (2011 v 2031)



Source: NSW Department of Planning & Environment, 2014 NSW Projections (Population, Household and Dwellings).

In comparison with the rest of regional NSW, Murrumbidgee is relatively disadvantaged from a socio-economic standpoint, while Jerilderie is advantaged compared to regional NSW. The Socio-Economic Index for Areas (SEIFA) (illustrated in Figure 6) measures a range of factors to rate an individual council's relative socio-economic advantage. The merged council will have an index similar to the regional NSW average.

Figure 6: Comparison of councils' socio-economic profile



Source: Australian Bureau of Statistics, SEIFA 2011 by Local Government Area.

Shared Community Values and Interests

These communities are bound by their sense of place and contain similar landscapes and community interest being predominately rural in nature and characterised by similar settlement patterns. Box 2 provides examples of services and facilities that have a presence across the region, indicating the strong connections between the communities in the existing council areas.

Box 2: Examples of common community services and facilities

Shared regional services and facilities

The town of Coleambally in Murrumbidgee Shire currently serves as the key service area for the Coleambally Irrigation Area and the majority of the portion of Jerilderie Shire that will join Murrumbidgee Shire. Services provided in Coleambally by Murrumbidgee Shire that are used by residents and workers in the northern portion of Jerilderie Shire include, for example:

- mobile library services;
- weekly respite day care and meals on wheels offered from Monday to Friday;
- sport and recreation facilities including tennis courts, and AFL and cricket fields;
- Murrumbidgee Shire and Jerilderie Shire are part of the Murrumbidgee National Disability Insurance Scheme district, which has been created to enable more localised planning and decision making, and improve links between service providers in the region; and
- Murrumbidgee Shire and Jerilderie Shire are part of the Murrumbidgee Local Health District, which is responsible for the operation of hospitals, health institutions and providing health services to communities within the region.

Murrumbidgee Shire and Jerilderie Shire councils have already been collaborating in a number of ways, both at an overall council level and by jointly managing services provided to the broader Coleambally Irrigation Area.

The Murrumbidgee and Jerilderie communities are both members of the Riverina and Murray Regional Organisation of Councils (RAMROC) and coordinate with other RAMROC councils on a range of issues. RAMROC's Regional Waste Avoidance and Resource Recovery Strategy demonstrates a unified and strategic approach to waste management and the collective capability to advocate for funding from the NSW Government. RAMROC is also supporting a region-wide inquiry into the adequacy of water storage as well as ownership arrangements of urban water supply and sewerage services in country areas.

The new council would also have greater capacity to contribute to the objectives and initiatives of the Food Bowl Inland Rail Alliance – a group of 10 local government areas, including Murrumbidgee Shire and Jerilderie Shire, in southern NSW and northern Victoria – and support its aim to improve rail transport links with the Riverina and Goulburn Valley.

In addition, a new council would have an improved capacity to coordinate with state environmental and biosecurity authorities through Murrumbidgee Local Land Services to enhance natural resources, protect industries from pests and diseases, and help local communities respond to emergencies. The new border along the Yanko Creek will match the existing border of the Murrumbidgee Local Land Services area, simplifying and harmonising state government administrative borders.

The connections between the councils and communities are evident in these existing partnerships and collaborations. A new council will be better placed to deliver these services and projects into the future, without relying on voluntary collaboration.

CONCLUSION

This proposal to create a merged council has the potential to provide a range of benefits to local communities, including:

- a \$15.4 million total financial benefit over a 20-year period that may be used to deliver better community services, enhance infrastructure and/or lower rates;
- NSW Government funding of \$15 million to meet merger costs and provide a head start on investing in services and infrastructure that the savings from mergers will ultimately support;
- ensuring a consistent regulatory framework for the Coleambally Irrigation Area;
- greater efficiencies through the redeployment of back office and administrative functions, increased purchasing power of materials and contracts, and reduced expenditure on councillor fees, all of which are expected, on average, to generate savings of around \$230,000 every year from 2020 onwards;
- greater capacity to effectively manage and reduce the \$3 million infrastructure backlog across Murrumbidgee Shire and Jerilderie Shire councils by maintaining and upgrading community assets;
- reducing the reliance on rate increases through SRVs to fund local community infrastructure projects and services;
- better integrating strategic planning and economic development to more efficiently respond to the changing needs of the community;
- building on the shared communities of interest and strong local identity across the region;
- providing effective representation through a council with the required scale and capacity to meet the future needs of the community; and
- being a more effective advocate for the region's interests and better able to deliver on priorities in partnership with the NSW and Australian governments.

NEXT STEPS

Every community will have an opportunity to help shape a new council for their region.

Community Engagement

This merger proposal will be referred to the Chief Executive of the Office of Local Government for examination and report under the *Local Government Act (1993)*. The Chief Executive proposes to delegate this function to a suitably qualified person. The delegate will consider this proposal as required under the Act, including against statutory criteria and hold a public inquiry. The delegate will also undertake public consultation to seek community views. The delegate is also required by the Act to provide the delegate's report to an independent Boundaries Commission for review and comment. The Minister for Local Government under the legislation may decide whether or not to recommend to the Governor that the merger proposal be implemented. For the factors a delegate must consider when examining a merger proposal (under section 263 of the *Local Government Act (1993)*), please refer to the Appendix to this document.

Through the merger assessment process, there will be opportunities for communities and stakeholders to consider merger proposals and have their say. Each merger proposal will be the subject of a public inquiry where the community can hear about and discuss the proposal. Through the consultation process, the delegate will ensure that the opinions of each of the diverse communities of the resulting area or areas will be effectively represented.

Further information about the process is available on the Local Government Reform website at www.councilboundaryreview.nsw.gov.au, including:

- details about the proposed mergers;
- information about the delegate for your area;
- dates for public meetings; and
- a portal to provide a written submission.

Appendix

The following table outlines the factors that a delegate must consider under section 263 of the *Local Government Act (1993)* when examining a proposal. The section references outline where the criteria have been addressed in this merger proposal.

Legislative criteria	Section reference
(a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned	Benefits, Opportunities and Impacts
(b) the community of interest and geographic cohesion in the existing areas and in any proposed new area	The Local Community
(c) the existing historical and traditional values in the existing areas and the impact of change on them	The Local Community
(d) the attitude of the residents and ratepayers of the areas concerned	There is a public consultation process which includes a public inquiry allowing for the views of residents and ratepayers to be considered.
(e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area	Local Representation
(e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities	Benefits, Opportunities and Impacts
(e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned	Financial Benefits of the Proposed Merger
(e3) the impact of any relevant proposal on rural communities in the areas concerned	The Local Community
(e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards	Local Representation
(e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented	Next Steps
(f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas	Benefits, Opportunities and Impacts

For more information visit:
www.councilboundaryreview.nsw.gov.au

©State of NSW 2015

Disclaimer

While every reasonable effort has been made to ensure that the facts contained within this document are correct at time of printing, the state of NSW, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance or upon the whole or any part of this document.

Copyright Notice

In keeping with the NSW Government's commitment to encourage the availability of information, you are welcome to reproduce the material that appears in this proposal (excluding the images in this proposal) for personal, in-house or non-commercial use without formal permission or charge. All other rights are reserved.



LR2: MURRUMBIDGEE SHIRE COUNCIL AUDIT COMMITTEE AMENDMENTS

**Council Meeting
20 January, 2015**

KM:AGM – Murrumbidgee Shire Council Audit Committee Amendments

EXECUTIVE SUMMARY

Murrumbidgee Shire Council has previously endorsed, as part of its committee structure, an internal audit committee consisting of two elected representatives and two community representatives. A review of the Internal Audit Guidelines from the Office of Local Government would suggest that this committee membership was not in keeping with best practice and, as such, requires amendment. In addition to this, establishing internal controls will assist the Council organisation to identify and manage potential risks appropriately and effectively.

RECOMMENDATION

That Council:

- h) Amends the name of its Audit Committee to Audit and Risk Committee**
- i) Amends the membership of the Committee to one Councillor and two community representatives.**
- j) Adopts the Draft Audit and Risk Committee Charter and places it on public exhibition in accordance with Section 160 of the Local Government Act to allow for input into the policy documents from the community.**
- k) Calls for Expressions of Interest from the Murrumbidgee Shire community for representation on the Audit and Risk Committee.**
- l) Allocate funds as part of the 2016-2017 budget process and ongoing to cover costs associated with the internal audit process, specifically for the purposes of engaging an Internal Audit consultant.**

BACKGROUND

At its meeting of September 16, 2015, Council endorsed the Committee structure for the ensuing 12 month period. Included in this structure was a committee charged with overseeing the Internal Audit of the Council organisation. As part of this committee membership, the decision was taken to appoint the Mayor and Deputy Mayor along with two community representatives to carry out the governance functions of the committee.

A recent review of Internal Audit Guidelines from the Office of Local Government indicate that best practice requires the committee membership to consist of a majority of members who are external (independent) to council. In light of this information, Council is advised to reconsider the current committee membership to rectify this anomaly and ensure it complies with the guidelines. In so doing, Council will not only be achieving one of the key strategies to conform with good practice it will also be addressing recommendations from the Promoting Better Practice Review that was undertaken by the Office of Local Government in February 2011 which indicated that Council should “ensure that the Internal Audit function and composition of the Audit Committee reflect the DLG guidelines”. The Review also recommended (Recommendation 6) that Council should “Prioritise the preparation of a risk based Three Year Strategic Internal Audit Plan to guide internal reviews of Council’s operations.

The Promotion Better Practice Review also referred to Council’s need to develop an enterprise wide risk assessment as well as a risk plan and policy. In August, 2015 Council resolved (Resolution No 15165) to adopt its Enterprise Risk Management Policy. This police provides framework that proactively identifies, analyses, evaluates and mitigates risks to Murrumbidgee
Murrumbidgee Shire Council Agenda, 20 January, 2016

ORDINARY MEETING

20 JANUARY, 2016

Shire Council. Although the policy was adopted, there was no further determination made as to how the process would be governed. Current industry thinking on integrity management is that the functions covered by such a policy would come under the auspices of an Internal Audit Committee. Given that the Internal Audit Committee has not yet been finalised in terms of membership, it is perhaps timely to seek Expressions of Interest from community representatives willing to participate in this important governance function of Council as well as those that relate to managing risks to the organisation in terms of its operating procedures and policies. It would also be advisable to amend the name of the committee to incorporate the risk element of its charter.

COMMENT

Given that Council has not yet progressed its Internal Audit processes to date due to competing operational factors, such as the Fit for the Future process, it has the opportunity to rectify the anomaly in its Committee Membership to ensure that it meets not only the guidelines from the Office of Local Government but current industry practice on risk and audit functions within Council.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

Statutory:

Local Government Act 1993; Independent Commission Against Corruption Act, 1988; Public Interest Disclosure Act, 1984;

Policy:

Fraud & Corruption Prevention, Business Continuity

Financial:

Nil

Integrated Plans:

D1.1.3 Ensure transparent, accountable and responsible leadership throughout Council

D1.1.2 Provide strong and effective governance

Risk Management:

Fraud & Corruption Prevention, Business Continuity

CONSULTATION / ENGAGEMENT

ELT

OPTIONS

- a) The recommendation as printed.
- b) Council could resolve to increase the number of community members on the committee and retain two elected representatives.
- c) Another option as presented by Councillors

ATTACHMENTS

Attachment A: Draft Audit and Risk Committee Charter

Kerry McMurray

ACTING GENERAL MANAGER

Attachment A: Draft Audit and Risk Committee Charter

Murrumbidgee Shire Council

Audit and Risk Committee Charter

1 - Objective

The objective of the Audit and Risk Committee (Committee) is to provide independent assurance and assistance to Murrumbidgee Council (Council) on risk management, control, governance, and external accountability responsibilities.

2 - Authority

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information).
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee or councillor at Committee meetings.
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

3 - Composition and Tenure

The Committee will consist of:

3.1 Members (voting)

- Mayor(ex officio), OR
- Councillor (1)
- Independent external member (not a member of the Council); and
- Independent external member (an independent to be the chairperson).

3.2 Attendee (non-voting)

- Executive Officer;
- Internal Auditor; and
- Director, Corporate Performance & Community.

3.3 Invitees (non-voting) for specific Agenda items

- Representatives of the external auditor.
- Other officers may attend by invitation as requested by the Committee or General Manager.

All Councillors (other than Committee Members) are welcome to attend meetings as observers.

The independent external members will be appointed for the term of Council, after which they will be eligible for extension or re-appointment following a formal review of their performance.

The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Council. At least one member of the Committee should have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

4 - Role and Responsibilities

The Committee is advisory and has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The responsibilities of the Committee may be revised or expanded by the Council from time to time. The Committee's responsibilities are:

4.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud;
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically.

4.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

4.3 External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls;
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments;
- To consider contentious financial reporting matters in conjunction with Council's management and external auditors;

- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements;
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations;

4.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

4.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan.
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan.
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices.
- Monitor the implementation of internal audit recommendations by management.
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- Periodically review the performance of Internal Audit bi-annually.

4.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management.
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

4.7 Responsibilities of Members

- Members of the Committee are expected to:
- Understand the relevant legislative and regulatory requirements appropriate to Council.
- Contribute the time needed to study and understand the papers provided.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

5 - Reporting

Annually, Internal Audit will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators.
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

The Committee will report regularly, and at least annually, to the governing body of council on the management of risk and internal controls.

6 - Administrative Arrangements

6.1 Meetings

The Committee will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion. The Committee may meet annually with the Internal Auditor in the absence of other staff.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit Committee Charter.

6.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of Committee members, including at least one independent member. Meetings can be held in person, by telephone or by video conference.

The Committee may also request the General Manager or any other employees to participate for certain agenda items, as well as the external auditor.

6.3 Secretariat

The Committee has appointed the Executive Officer to provide secretariat support to the Committee. The Secretariat will ensure that the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes of the meeting will record all voting details for each item resolved by the Committee.

Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held. Minutes of the meeting will be published by Council subject to any confidentiality requirements relating to particular items in accordance with the *Local Government Act, 1993*.

6.4 Conflicts of Interest

Councillors, council staff and members of council committees must comply with the applicable provisions of Council's Code of Conduct in carrying out of the functions as council officials. It is the personal responsibility of council officials to comply with the standards in the Code of Conduct and regularly review their personal circumstances with this in mind.

Committee members must declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

6.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of Audit Committee Charter

At least once every two years the Audit and Risk Committee will review this Committee Charter. The Audit and Risk Committee will approve any changes to this Committee Charter.

7 – Related Documents

Local Government Act 1993

Local Government (General) Regulation 1995

Murrumbidgee Council Code of Conduct

Internal Audit Charter

**ORDINARY MEETING
2016**

20 JANUARY,

**LR3: DARLINGTON POINT FLOODPLAIN MANAGEMENT – RECONSTRUCTION OF LEVEES
(AREAS 3 – 5A) GRANT FUNDING**

Council Meeting

20 January, 2016

**KM:AGM – Darlington Point Floodplain Management – Reconstruction of Levees
(Areas 3 – 5A) Grant Funding**

EXECUTIVE SUMMARY

This report is to provide information for Council to formally accept the grant funding of \$3,664,000 offered to Murrumbidgee Shire Council under the 2015-2016 Floodplain Management Program for the reconstruction of levees (Areas 3 – 5A) and award the project management to NSW Public Works

RECOMMENDATION

That Council;

- a) formally accept the grant of \$3,664,000 offered for the reconstruction of levees (Areas 3 – 5A) under the 2015-2016 Floodplain Management Program**
- b) execute the agreement with NSW Public Works for the provision of project management services for the reconstruction of levees (Areas 3 – 5A) up to the maximum value detailed in the Confidential Attachment.**
- c) authorise the Acting General Manager to sign the funding and project management agreement documents on behalf of Murrumbidgee Shire Council.**

BACKGROUND

Grant

Council has received formal advice both from the Minister for the Environment, the Hon Mark Speakman SC MP and the Office of Environment and Heritage that Murrumbidgee Shire Council has been offered funding under the 2015-2016 Floodplain Management Program for the reconstruction of Levees (Areas 3 – 5A) in the amount of \$3,664,000 (**Attachment A**).

As Council would be aware the announcement of this funding has been anticipated for a number of months, with the original announcement scheduled for September 2015. This grant funding will enable the continuation of the reconstruction of the levee bank as shown in **Attachment B**.

The total project cost for Areas 3 – 5A is \$4,122,000 with Council contributing \$458,000 (1:8). The project will be carried out over 3 years and Council's contribution has been budgeted for over the 2015/2016 to 2017/2018 in the long term financial plan.

The Office of Environment and Heritage (OEH) proposes to make an initial grant payment to Murrumbidgee Shire Council of \$1,000,000. This is conditional upon, and subsequent to, council: signing the enclosed *Funding Agreement for Financial Assistance under the 2015/16 NSW Floodplain Management Program*; undertaking tendering as per the Funding Agreement; letting a contract for the works; submission and acceptance of a Work Plan by OEH and submission of a Milestone Report by 15 June 2016.

**ORDINARY MEETING
2016**

20 JANUARY,

The offer is subject to council undertaking to meet the balance of funds for the project. as outlined in the grant application, and agreeing to the terms and conditions set out in the enclosed Funding Agreement.

I would like to draw your attention to condition 3.1 of the Funding Agreement, which includes a requirement for council to submit a Work Plan to OEH. The Work Plan should be prepared in consultation with your OEH contact, Steve Manwaring, and submitted electronically by **6 May 2016**. I have arranged for an electronic link to the template for the Work Plan to be emailed to council to assist you in preparing the plan.

The NSW Public Works, who were the project managers for the previous stages of the levee bank reconstruction, have commenced preparation of the required tender documentation and the required work plan. These documents and the letting of contract will be completed prior to the 15th June, 2016 therefore ensuring that Council receives the initial \$1,000,000 grant payment prior to the 30th June, 2016.

Project Management

NSW Public Works were awarded the project management for the reconstruction of the levee bank (Stages 1 & 2). They have demonstrated significant expertise and experience in managing these types of projects and from all accounts have done an impressive job in managing this project to date.

As a result they have a detailed and intricate knowledge of this project and the continuity of their project management for the next stages of the levee bank will be instrumental in the timely delivery of the project. In addition they were responsible for developing the design, draft work plan and costings, which formed the basis of the successful funding application.

The project management services cost for this project over the next three years is well in excess of the \$150,000 current tendering limit (soon to be \$250,000). Having said that Council does not need to go to tender, as the NSW Public Works have an exemption under Section 55(3)(b) of the 1993 Local Government Act (NSW). Section 55 of the Act is detailed below for Councillors information, with the relevant subclauses highlighted;

LOCAL GOVERNMENT ACT 1993 - SECT 55

What are the requirements for tendering?

55 What are the requirements for tendering?

(1) A council must invite tenders before entering into any of the following contracts:

(a) a contract to carry out work that, by or under any Act, is directed or authorised to be carried out by the council,

(b) a contract to carry out work that, under some other contract, the council has undertaken to carry out for some other person or body,

(c) a contract to perform a service or to provide facilities that, by or under any Act, is directed or authorised to be performed or provided by the council,

- (d) a contract to perform a service or to provide facilities that, under some other contract, the council has undertaken to perform or provide for some other body,
- (e) a contract for the provision of goods or materials to the council (whether by sale, lease or otherwise),
- (f) a contract for the provision of services to the council (other than a contract for the provision of banking, borrowing or investment services),
- (g) a contract for the disposal of property of the council,
- (h) a contract requiring the payment of instalments by or to the council over a period of 2 or more years,
- (i) any other contract, or any contract of a class, prescribed by the regulations.

(2) Tenders are to be invited, and invitations to tender are to be made, by public notice and in accordance with any provisions prescribed by the regulations.

(2A) Nothing in this section prevents a council from tendering for any work, service or facility for which it has invited tenders.

(3) This section does not apply to the following contracts:

(a) subject to the regulations, a contract for the purchase of goods, materials or services specified by a person prescribed by the regulations made with another person so specified, during a period so specified and at a rate not exceeding the rate so specified

(b) a contract entered into by a council with the Crown (whether in right of the Commonwealth, New South Wales or any other State or a Territory), a Minister of the Crown or a statutory body representing the Crown

- (c) a contract entered into by a council with another council
- (d) a contract for the purchase or sale by a council of land
- (e) a contract for the leasing or licensing of land by the council, other than the leasing or licensing of community land for a term exceeding 5 years to a body that is not a non-profit organisation (see section 46A)
- (f) a contract for purchase or sale by a council at public auction
- (g) a contract for the purchase of goods, materials or services specified by the NSW Procurement Board or the Department of Administrative Services of the Commonwealth, made with a person so specified, during a period so specified and at a rate not exceeding the rate so specified
- (h) a contract for the employment of a person as an employee of the council
- (i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which

states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders

(j) contract for which, because of provisions made by or under another Act, a council is exempt from the requirement to invite a tender

(k) a contract made in a case of emergency

(l) a contract to enter into a public-private partnership

(m) if a council has entered into a public-private partnership-a contract entered into by the council for the purposes of carrying out a project under the public-private partnership (but only to the extent that the contract is part of the project that has been assessed or reviewed under Part 6 of Chapter 12)

(n) a contract involving an estimated expenditure or receipt of an amount of less than \$100,000 or such other amount as may be prescribed by the regulations

(o) a contract that is an environmental upgrade agreement (within the meaning of Part 2A)

(p) a contract or arrangement between a council and the Electoral Commissioner for the Electoral Commissioner to administer the council's elections, council polls and constitutional referendums.

(4) A council that invites tenders from selected persons only is taken to comply with the requirements of this section if those persons are selected:

(a) from persons who have responded to a public advertisement for expressions of interest in the particular contract for which tenders are being invited, or

(b) from persons who have responded to a public advertisement for recognition as recognised contractors with respect to contracts of the same kind as that for which tenders are being invited.

The details of the cost estimates for the project and the cost for project management services from NSW Public Works are included in the **(Confidential Attachment C)** to this report.

COMMENT

The offer of this funding for Stages 3 -5A of the levee bank reconstruction is a very significant outcome for the Council and more importantly the safety of the Darlington Point community. The grant amount of \$3,664,000 under the 2015-2016 Floodplain Management funding represents 74% of the total NSW allocation under this program, with the balance being shared among 9 other Councils and Local Land Services in NSW.

Whilst there is approximately a further \$2,000,000 required to totally complete the project this recent offer of grant funding moves Council significantly closer to completing the project. This is also in keeping with Council's Community Strategic Plan which has as one of its objectives C3.2.1 - Complete reconstruction of the Darlington Point levee.

**ORDINARY MEETING
2016**

20 JANUARY,

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY
Local Government Act 1993 - Sect 55

FINANCIAL

The cost to Council for agreeing to the funding offered will be in the vicinity of \$458,000, bringing to overall project costs to \$4,122,000.

INTEGRATED PLANS

C3.2 - The infrastructure we provide is responsive to community needs.

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

ELT
Office of Environment and Heritage
Department of Works.

OPTIONS

- a) Recommendation as printed.
- b) Council could determine not to accept the funding, however to do so would be contrary to the endorsed Community Strategic Plan.

ATTACHMENTS – (ATTACHMENTS REMOVED)

Attachment A: Funding Agreement for 2015-16 Floodplain Management Program grant
Attachment B: Map of Levee Bank

CONFIDENTIAL ATTACHMENT

Attachment C: Cost estimates

Kerry McMurray
ACTING GENERAL MANAGER

**ORDINARY MEETING
2016**

20 JANUARY,

LR4: DARLINGTON POINT FLOODPLAIN MANAGEMENT – FLOOD STUDIES FUNDING

Council Meeting

20 January, 2016

KM:AGM – Darlington Point Floodplain Management – Flood Studies Funding

EXECUTIVE SUMMARY

This report is to provide information for Council to formally accept the grant funding of \$132,857 offered to Murrumbidgee Shire Council under the 2015-2016 Floodplain Management Program to undertake Internal and External Flood Studies.

RECOMMENDATION

That Council;

- a) formally accept the grant of \$132,857 offered for Internal and External Flood Studies under the 2015-2016 Floodplain Management Program**
- b) authorise the Acting General Manager to sign the funding agreement on behalf of Murrumbidgee Shire Council.**

BACKGROUND

Grant

Council has received formal advice both from the Office of Environment and Heritage that Murrumbidgee Shire Council has been offered funding under the 2015-2016 Floodplain Management Program to undertake internal and external flood studies in the amount of \$132.857 (**Attachment A**).

The offer is subject to Council undertaking to meet the balance of funds for the project, as outlined in its original funding application, and agreeing to the terms set out in the attached Funding Agreement for Financial Assistance (the Agreement). Council's attention is drawn to the project-specific special conditions under clause 19, and will be required to return evidence of how it meets these conditions where appropriate. Council will note that the funding offer was reduced by \$13,713, this is due to ineligible items under the program rules being claimed in the project plan.

Council may accept this offer by signing both copies of the enclosed Agreement and returning one copy to the address noted at the bottom of the Agreement by 5 February 2016. Please note that if the signed Agreement is not returned by this date, the offer of funding will automatically lapse.

One of the conditions of the Agreement, Item 3.1, outlines the requirement to submit a Work Plan. To assist in this, Council has been provided with an electronic template which will be completed once Council has resolved whether to accept this funding or not. The Work Plan will be prepared in consultation with Council's Office of Environment and Heritage contact, Steve Manwaring, and must be submitted electronically no later than 29 April 2016.

COMMENT

**ORDINARY MEETING
2016**

20 JANUARY,

The offer of this funding for flood studies within our region is a significant outcome for the Council and more importantly the safety of the Darlington Point community. This is also in keeping with Council's Community Strategic Plan which has as one of its objectives C3.2.1 - Complete reconstruction of the Darlington Point levee.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

STATUTORY COMPLIANCE/POLICY
Local Government Act 1993

FINANCIAL

The cost to Council for agreeing to the funding offered will be in the vicinity of \$30,320. This includes Council's component under the 8:1 funding ratio of \$16,607 plus an additional \$13,713 which was due to the reduced funding allocated as set out in the report.

INTEGRATED PLANS

C3.2 - The infrastructure we provide is responsive to community needs.

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

ELT

Office of Environment and Heritage

OPTIONS

- c) Recommendation as printed.
- d) Council could determine not to accept the funding, however to do so would be contrary to the endorsed Community Strategic Plan.

ATTACHMENTS

Attachment A: Funding Agreement for 2015-16 Floodplain Management Program – Internal and External Flood Studies (ATTACHMENT REMOVED)

Kerry McMurray

ACTING GENERAL MANAGER

**ORDINARY MEETING
2016**

20 JANUARY,

LR5: FUNDING FOR COLEAMBALLY LANDFILL FACILITY

Council Meeting 20 January, 2016 KM:AGM – Funding for Coleambally Landfill Facility
--

EXECUTIVE SUMMARY

The contents of this report are to inform Council's decision on an offer of funding from the NSW Environmental Trust for works to be carried out to improve waste handling at the Coleambally Landfill Facility.

RECOMMENDATION

That Council:

- a) formally accepts the offer of funding of \$80,940 from NSW Environmental Trust.**
- b) authorise the Acting General Manager to sign the funding agreement on behalf of Murrumbidgee Shire Council.**

BACKGROUND

At a meeting of Council on August 19, 2015, Council considered a report on the submission of an application by Council to the Environmental Improvement Grant to undertake work at the Coleambally landfill. Council resolved (Resolution 15172)

That Council endorse the actions of the General Manager in submitting an application for an Environmental Improvement Grant for works required at Coleambally Landfill.

Carried (6-0)

The objective of the Environmental Improvements grant program is to provide funding to regional councils to address the identified environmental issues and to manage current liabilities posed by landfill activities.

The grants will provide eligible costs identified for the improvements while the remainder of will be covered by the Councils financial or in-kind contributions to an amount of \$41,420. These costs will be through the provision of project management services (\$6,625) and materials (\$34,795).

Currently, the Coleambally landfill does not operate to basic standards and has many associated environmental and social issues. By undertaking the works the Coleambally landfill facility will provide improved waste management practices and meet EPA Guidelines.

COMMENT

Staff comment on the main issues.

CONSIDERATIONS (Statutory Compliance/Policy, Financial, Integrated Plan, Risk Management)

**ORDINARY MEETING
2016**

20 JANUARY,

STATUTORY COMPLIANCE/POLICY

Local Government Act 1993

FINANCIAL

The cost to council will be an amount of \$41,420 representing cash and in kind.

INTEGRATED PLANS

C2.1 We have a waste management strategy that encourages reducing, reusing, recycling and have a long term goal of achieving zero waste.

RISK MANAGEMENT

N/A

CONSULTATION / ENGAGEMENT

Councillors
ELT

OPTIONS

- a) The recommendation as printed is the preferred option.
- b) Council could resolve to not accept the funding offered and delay work on the Coleambally Landfill.

ATTACHMENTS

Attachment A: NSW Environmental Trust Letter of Agreement (ATTACHMENT REMOVED)

Kerry McMurray
ACTING GENERAL MANAGER

10 MOTIONS PURSUANT TO NOTICE

Nil

11 QUESTIONS PURSUANT TO NOTICE

Nil

12 COUNCILLOR QUESTIONS

**14. NOTICE OF INTENTION TO DEAL WITH MATTERS IN CONFIDENTIAL
SESSION**

**Ordinary Meeting
19 AUGUST 2015**

KM:KM – Notice of Intention to Deal with Matter in Confidential Session

EXECUTIVE SUMMARY

It is necessary for the Council to adopt a resolution to formalise its intention to deal with certain matters in Confidential Session. A report regarding a matter which has, as one of its options the pursuit of legal action, will be presented to Council. The Local Government Act, 1993 requires the General Manager to identify those matters listed on the business paper which may be categorised as confidential in terms of Section 10A of the Local Government Act, 1993.

The decision to close the meeting to consider; is recorded as follows:

Confidential Attachment – General Manager's Report Item 9.4

IC1 – Darlington Point Caravan Park

d) commercial information of a confidential nature that would, if disclosed:

- (i) prejudice the commercial position of the person who supplied it, or*
- (ii) confer a commercial advantage on a competitor of the council, or*
- (iii) reveal a trade secret*

RECOMMENDATION

That the meeting is closed during the discussion of the matters Item Mayoral Minute 1 as on balance, the public interest in preserving the confidentiality of information outweighs the public interest in maintaining openness and

**ORDINARY MEETING
2016**

20 JANUARY,

transparency in Council decision-making because the disclosure of this information would prejudice Council and individuals from achieving a 'best' outcome for the community and individuals involved;

The decision to close the meeting to consider; is recorded as follows:

d) commercial information of a confidential nature that would, if disclosed:

(i) prejudice the commercial position of the person who supplied it, or

(ii) confer a commercial advantage on a competitor of the council, or

(iii) reveal a trade secret,

Kerry McMurray

ACTING GENERAL MANAGER

14.1 CONFIDENTIAL ATTACHMENT – GENERAL MANAGER’S REPORT ITEM 9.4

14.2 IC1 – DARLINGTON POINT CARAVAN PARK

1.1 IN COMMITTEE:MAYORAL MINUTE – ACTING GENERAL MANAGER

**PLEASE NOTE: CONFIDENTIAL INFORMATION TO BE CONSIDERED IN
CLOSED COUNCIL IS NOT PUBLISHED ON COUNCIL’S WEBSITE**