



LEGISLATIVE COUNCIL

GENERAL PURPOSE STANDING COMMITTEE NO. 5

## **MEDIA RELEASE**

**TUESDAY 16 DECEMBER 2003**

### **INQUIRY INTO LOCAL GOVERNMENT AMALGAMATIONS**

#### **Community says “Keep the ‘local’ in local government”**

The report of an inquiry into local government amalgamations, released today, reveals how strongly people feel about their local government.

Committee Chair, Ian Cohen MLC, said the inquiry has shown that any structural reform program that ignores community views is bound to fail.

“We received more than 200 submissions and took evidence from 87 witnesses across the State. Our consultations reveal that people expect to have a say in decisions about their local community, including the structure of their local government body. Threatening to amalgamate councils, when everyone knows that the problems go beyond boundary changes, does not sit well with many citizens.” Mr Cohen said.

While most people accept the need to make local government more efficient, they recognise that amalgamation is only part of the equation.

“The most immediate problem facing local government is finance. Local government is expected to provide more and more services with little or insufficient funding. Even the Director General of the Department of Local Government, Mr Garry Payne, acknowledged that the number of dollars required to bring local infrastructure up to scratch was ‘a large figure.’ ”

The Committee recommends that the State Government must provide local government with access to a growth revenue base if it is to continue to deliver the services local communities have come to expect.

The report also looks at ways to improve the representativeness of local government.

“The Committee recommends that the current term of office for councillor-elected mayors should be increased from one to two years to allow them more time to implement council’s agenda. We also think that if a community wants to establish precinct committees, they should be supported and funded by their Council.”

Mr Cohen noted the impact of the downsizing and relocation of the Department of Local Government, especially on smaller councils in regional areas.

“The Department has reduced its staffing levels significantly in recent years, and many experienced officers did not relocate to Nowra. How does the Minister expect to implement major structural changes when his own Department has lost so much corporate knowledge. We hope that our

recommended review of the Department's funding and location will address this serious limitation," He said.

Committee members were impressed with several councils who were seeking to improve economies of scale through joint planning or resource sharing.

"One group of councils: Wellington, Blayney and Cabonne, have established a strategic alliance to identify areas of potential cost savings and service improvement. By all accounts the alliance is working well and could be emulated by other councils. In some cases, these alliances are a good alternative to amalgamation: they allow people to retain their local representation, as well as improve efficiencies.

"The Government should get behind these projects. Enterprising councils should be rewarded for their initiative. For this reason the Committee recommends the establishment of an annual award in recognition of successful cross-council cooperation" Mr Cohen said.

Underlying many of the problems that beset local government is a lack of agreement between the three spheres of government on their respective roles and responsibilities. A recent federal parliamentary inquiry into Local Government and Cost Shifting called for a Summit on Intergovernmental Relations to develop a blueprint for the future.

"Given this recommendation was unanimously supported by a federal parliamentary committee, it has a good chance of being accepted. We should make sure we are prepared to participate meaningfully by holding our own State Summit on local governance. Forging a partnership between local and State Government is the only way we will overcome the serious problems facing local government today." he said.

For comment ring **Committee Chair, Mr Ian Cohen MLC, 02 9230 2603, mobile 0409 989466**

For other information contact the committee secretariat via (02) 9230 3544, mobile 0400 334620, or visit the inquiry website at [www.parliament.nsw.gov.au](http://www.parliament.nsw.gov.au).



# LOCAL GOVERNMENT AMALGAMATIONS REPORT

## Summary of Recommendations

### **Recommendation 1**

*Page 16*

That a formal process be established whereby all State Government policy and legislative proposals are assessed for their financial impact on local government.

### **Recommendation 2**

*Page 23*

That the State Government, as a matter of urgency, review the rating and rate pegging systems in partnership with the Local Government and Shires Associations of NSW.

### **Recommendation 3**

*Page 32*

That the State Government enter into a funding agreement that provides local government with access to a growing revenue base, and that it determine the most appropriate revenue base and allocation percentage in consultation with the Local Government and Shires Associations. This consultation should include an examination of the Federal Government hypothecating a percentage of GST to local government.

### **Recommendation 4**

*Page 37*

That the Department of Infrastructure, Planning and Natural Resources and the Department of Local Government conduct a formal study, including a review of current studies, on the costs, benefits and functioning of various methods for determining council planning development decisions, including Independent Hearing and Assessment Panels.

### **Recommendation 5**

*Page 39*

That section 230 of the *Local Government Act 1993* be repealed by extending the term of councillor-elected mayors from one to two years.

### **Recommendation 6**

*Page 41*

That the Local Government Remuneration Tribunal undertake an inquiry into councillor remuneration, including the need and likely impact of remunerating councillors on a full time basis.

### **Recommendation 7**

*Page 46*

That the NSW Government review the resourcing and location of the Department of Local Government with a view to enabling it to fulfil its charter.

### **Recommendation 8**

*Page 50*

That the NSW Government investigates options for developing a genuine partnership with Local Government. This would include identifying ways to expand opportunities for regular, regional discussions between State Government agencies and local government.

### **Recommendation 9**

*Page 51*

That the NSW Government convene a Summit on Local Government in 2004. The key objective of this event would be to clarify the respective roles and responsibilities of local and State Government in NSW. The outcomes of the Summit would inform any future discussions with the Federal Government regarding intergovernmental roles and local government funding. The Summit would also provide a basis for the development of a partnership agreement between the State and local governments.

**Recommendation 10***Page 56*

That for any future structural reform proposals the Department of Local Government reject any proposal affecting boundaries of other councils unless the council making the proposal can demonstrate it has consulted widely with those councils and the affected residents prior to making the submission.

**Recommendation 11***Page 60*

That future regional reviews provide greater scope for more inclusive community consultation by lengthening the time allocated to the consultation process and by holding meetings at times that are conducive to greater participation such as outside of business hours and on the weekends.

**Recommendation 12***Page 60*

That the reports of regional reviews indicate the extent of the consultation process by providing details of the meetings held including the times, numbers of those present and a transcript of evidence given at public meetings, and the number and details of submissions received.

**Recommendation 13***Page 61*

That the Department of Local Government report on the recommendations for structural reform, other than those involving boundary changes, that it has received during the current reform process. The report should detail the action it has or will take in response to the recommendations.

**Recommendation 14***Page 65*

That all amalgamation proposals and any boundary alteration proposals that involve a ten per cent or greater variation in either population, area or rate-base arising from the current structural reform program are referred to the Boundaries Commission for public inquiry.

**Recommendation 15***Page 68*

That each major recommendation from regional reviews be considered by a consultation process, which could include a polling technique, that involves a representative and spatial sample from the residents of the areas concerned.

That following the consultation process, a postal ballot of all residents should be conducted and the support of a majority of a council's residents be required for that council to continue as part of that proposal.

That the State Government fund the cost of this process.

**Recommendation 16***Page 69*

That for each new council being proposed by the regional reviews a steering committee be established and be comprised of a representative of the Department of Local Government, and two councillors, the General Manager and a minimum of two residents from each of the councils involved in the proposal.

That the steering committee develop the charter and proclamation for the new council and specify the new council's governance structure and where its resources will be located.

That the information produced by the steering committee then be used in the community consultation process.

**Recommendation 17***Page 81*

That any new council created via the current reform process should adopt a new name that reflects the region or the shared community of interest.

**Recommendation 18***Page 84*

That the State Government give immediate priority to resolving its position regarding concerns raised about the *Local Government (Employment Protection) Act*, in order to remove any uncertainty well before the March 2004 council elections.

**Recommendation 19***Page 86*

That each new council that is created as part of the current reform process should have its own specific charter and have its agreed governance details included in its proclamation.

**Recommendation 20***Page 91*

That the Department of Local Government provide funding for an award which recognises effective and innovative cross council cooperation. The award would be administered by a panel convened by the Local Government and Shires Associations.

**Recommendation 21***Page 94*

That the Department of Local Government investigate the feasibility and cost of applying the model developed by the Institute of Rural Affairs for determining local government boundaries across New South Wales.