

Enquiries

Our Ref

17 December

Greg Piper MP
Legislative Assembly
Public Accounts Committee

Via email: PublicAccountsCommittee.PAC@parliament.nsw.gov.au

Dear Sir

Auditor General's Performance audit report – Workforce reform in three amalgamated councils

My apologies for the delay in responding to the request for further information. I hope the following information provide the level of detail you are seeking for your review.

Snowy-Monaro Regional Council's plans to align specific services such as waste collection services, childcare and parks and gardens maintenance

The Council lacks detailed information about the service levels currently offered and this means that there is not a mapped plan for changing service levels. Council has commenced the implementation of a business excellence framework, part of which will involve gaining a deeper understanding of the services actually being provided. Once the actual services have been mapped this information will be used to inform the discussions with the community as to what levels of service are valuable to them and that they are willing to fund.

It is expected that services are still being provided based on historical precedent in some services, some of which we are aware off, such as those areas listed below. In other services, such as the unsealed roads, there has been action taken to standardise the service levels, such as by the introduction a standard timeframe for road grading across the council area. The provision of cemeteries is another area where the levels of maintenance across the LGA varied and has been standardised.

Where there are variations in how services are provided, these are being addressed as resources become available within that area. Council is currently in the process of:

- Reviewing the office hours across locations to determine whether they should be standardised,
- Standardising the methods used for charging for waste services,
- Introducing an online facility booking system, as multiple systems were currently in place,
- Standardising the method of how residents are charged for water and sewer services, and
- Harmonising the rates structures.

Can you also quantify savings realised from amalgamation?

Council has reviewed and updated information contained within the merger benefit capture spreadsheet provided by the Office of Local Government to track the performance of the Council.

The NPV value of the impact of the amalgamation on the first ten years of the operation of Snowy Monaro Regional Council are as follows:

Area	\$'000
Savings & Efficiencies	
Councillors fees and travel	2,092
Staff redundancies	5,094
Insurance	932
Other materials & contracts	4,984
Efficiencies identified	4,426
Total Savings	17,528
Costs	
ICT systems	6,987
Workforce restructuring costs	8,462
Maintenance costs on SCF Infrastructure	4,154
Other transition costs	4,235
Total Costs	23,838
NPV costs of amalgamation	\$6,310
New council implementation grant	\$7,485
Net NPV savings over 10 years	\$1,175

Recent research undertaken by the University of New England has also shown that amalgamated councils have incurred increases in employment costs statistically significantly higher than non-amalgamated councils. Snowy Monaro Regional Council has seen wages costs increase above award increases by 10%. Based on the current research it would be reasonable to consider that there is a component of those increases incurred by the Council that is a result of the amalgamation process. This cost could be up to \$2million per annum.



Yours faithfully



Peter Bascomb

Chief Executive Officer