



24 August 2015

Leichhardt Council's Submission to the Inquiry into Local Government in New South Wales – additional information for the Committee to be tabled

At Destination 2036 in Dubbo in 2011 the Vision 2036 adopted by the participants at the end of the two day event was:

Vision 2036

Strong Communities through Partnerships

By 2036, all NSW communities will be healthy and prosperous led and served by strong, effective and democratically elected Local Government.

Through leadership, local knowledge and partnerships with community, government and other sectors, we will plan our futures and deliver quality services and infrastructure.

We will be recognised, respected and responsible for:

- Upholding the highest ethical standards
- Sound financial management
- Sensitive environmental stewardship
- Meaningful community engagement, advocacy and leadership
- Our adaptability, innovation and learning
- Developing the full potential of our people
- Responding to our diverse cultures and environments
- Creating places that people value

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This Vision 2036 is what Local Government Mayors and General Managers across NSW, the two Peak bodies for Local Government and the Shires, and the State Government agreed to work together as partners to achieve.

It is time to get back to that vision and to commit to a process that treats all partners as equals and with reciprocal respect.

About Leichhardt Council's people and places

Leichhardt Council has a long and proud history of grassroots democratic local government which ensures that there is excellent community consultation and that the decision-making involves the local community.

Leichhardt's Open Council policy is part of our heritage and our local culture. It allows anyone to come and speak at a Council or Committee meeting on any item on the agenda without pre-registering.

- Leichhardt Council is one of the most densely populated areas in Australia with the fourth highest housing density in NSW. Area 11 sq kms – population density at 55 persons per hectare.
- Population 56307 (2012 ABS census). Most current figure 58,136 ERP at July 2014.
- One of the oldest historic council areas in Australia with numerous heritage listings and heritage conservation zones throughout the LGA as well as iconic sites including Callan Park, Ballast Point and the Dawn Fraser Pool.
- Our LGA has had a baby boom over the last 5 years as well as a large increase in older people.
- We have a high proportion of professionals and managers particularly in media and the arts. There is also very high community engagement; local interest/ action group participation rate 40% compared to the National average of 18.5% (ref LMC 2011 Community Well Being Survey).

About Leichhardt's financial management

Leichhardt Council is one of the strongest and most financially and environmentally sustainable councils in NSW.

Operating performance

- According to the Office of Local Government's own *Your Council 2013-14* report, Sydney's biggest councils perform worst financially while small and medium councils, including Leichhardt, are amongst the top 10 councils in terms of financial sustainability in the state.
- Leichhardt Council performed best of all group 2 councils 2013/14.
- Has had an operating surplus for the last 10 years and will continue to deliver operating surpluses over at least the next 10 years as well as maintaining and increasing assets and services in order to execute our infrastructure plans.

Long Term Financial Plan (LTFP)

- Will continue to operate within the annual rate peg – no SRVs.
- Provides for increased level of asset renewal expenditure fully funded with existing revenue & cash reserves.
- No increased loan borrowings.
- Sound financial position - TCorp Report (2013) confirmed Leichhardt Council as in the top 10 per cent of councils in NSW for financial performance.

Infrastructure backlog

- All Fit for the Future infrastructure benchmarks met this year.

Other financial ratios

- Low debt of \$8.5m and falling.
- Other OLG financial ratios all satisfactory.
- Meets all seven FFF benchmarks this year, 2015/16.

Impact of Cost Shifting

- Cost Shifting from State and Federal Government to Leichhardt Council in 2013/14 has been calculated to be \$6.8 m per annum.
- Examples of Cost Shifting:
 - Emergency Services Levies - \$1.15m pa
 - Lost library subsidies - \$1.25m pa
 - Regulatory (dogs, POE, food safety, crime prevention) - \$0.55m pa
 - Community services (childcare, youth etc) – almost \$1m pa
 - Waste levy - \$1.5m pa
 - DA processing shortfall \$1m pa

About Our Organisation

2015 Community Satisfaction Survey shows that 98% of Leichhardt Residents are pleased with Council's overall performance, with 89% happy with their quality of life in the Leichhardt LGA.

- 2015/16 Budget of approximately \$ 98m.
- Incorporates an annual revenue opportunities/expenditure savings program (*Living within our Means*) which has identified recurrent \$2m pa savings dedicated to asset renewal (\$1.2m per annum achieved 2014/15 to date).
- Strong asset management over a number of years – evidenced by The NSW Government Infrastructure Audit 2013.
- Strong performance in governance and organisational best practice (OLG Promoting Better Practice Review 2015).
- Staffing levels
 - 434 FTE.
 - Continuous improvement program – key services are reviewed and market place tested / benchmarked eg childcare, waste, construction, library, corporate services including customer service, parks maintenance, street sweeping, DA processing, Leichhardt Park Aquatic Centre (LPAC).
- Rates
 - average residential rate \$1146 = marginally above the group 2 average of \$1078.
- Council has been carbon neutral since 2012.

About our FFF standalone submission

- Evidenced based on the outcomes of an independent business case model prepared by Morrison Low consultants on behalf of Ashfield, Burwood, Canada Bay, Marrickville and Leichhardt Councils (Strathfield didn't participate).
- Modelling showed that an amalgamated inner west council will only meet 4 of the 7 Fit for the Future benchmarks after 10 years and is therefore not "Fit for the Future".
- Leichhardt meets all 7 Fit for the Future benchmarks by 2020 (subsequent internal modelling using 2014/15 data demonstrates that Council meets all benchmarks in 2015/16).

- Achieved by Council using its own resources - not reliant on increased borrowings, a special rate increase or any reduction in service levels.
- Leichhardt meets the 10 strategic capacity elements as defined by the ILGRP.
- Scale is irrelevant as the business case shows the bigger council is not financially sustainable – ie bigger isn't necessarily better.
- Amalgamation will cost 5 to 6 times more than the NSW Government is offering - shortfall upwards of \$70 million.
- Services therefore might have to be reduced or a rate increase sought to maintain service standards.
- Loss of representation - new councillors representing almost 23,000 people - compared to less than 5,000 currently for Leichhardt Councillors.
- Community opposition to any merger and support for a stand-alone position.