

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Local Government Professionals Australia, NSW

Date received: 7/07/2015

06 July 2015



Level 10, 22 Market Street
Sydney, NSW 2000
P 02 8297 1200 | F 029262 6705
nsw@lgprofessionals.com.au
www.lgprofessionals.com.au

The Director
General Purpose Standing Committee No. 6
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Foley

Submission on Inquiry into Local Government

Thank you for the opportunity to make a submission to the current Committee Inquiry into local government and the Fit for the Future Reform process.

Local Government Professionals Australia, NSW has been involved as a partner with the State Government and Local Government NSW, since the genesis of the current reform program commenced with Destination 2036 in August 2011 at Dubbo.

Local Government Professionals Australia, NSW formerly known as Local Government Managers Australia NSW, is the leading association representing the professionals in NSW local government. We are committed to maintaining high professional and ethical standards throughout the sector and ensuring that our members are at the forefront of change and innovation.

As a leading collaborative professional association, we help shape the future of NSW local government and support the careers of our members and we are dedicated to strengthening the professional capability of our members, by providing access to the best resources and support through our networks, training, communications and information.

Local Government Professionals Australia, NSW supports reform of the industry based on the holistic nature of the ILGRP recommendations, not simply those relating to structural reform.

Fit for the Future, while promising much, has disappointingly followed earlier misguided attempts at reform by having the rhetoric concentrate on structural reform rather than initiatives that will bring real and lasting reform and where a reduction in the number of councils could be a natural outcome of the process. There are 58 other recommendations that go hand in hand with structural reform, such as NSW Treasury low interest loans, rating reform, review of red tape, new governance models and a reduction in cost-shifting to local government, that all must be progressed for efficiencies and reform to be successful.

The Fit for the Future process provides in part a set of indicators that compels every council to take an objective look at its future capacity and capability, and make some difficult decisions about how it will respond to what it sees in its future. Local Government Professionals Australia, NSW would prefer to see a much greater focus and action in relation

to the many other positive recommendations that came out of the constructive and cooperative approach taken with the ILGRP.

The initiative for the preparation of a comprehensive merger business case to support proposed responses to the template framework was suggested by Local Government Professionals Australia, NSW, in response to the opportunity to comment on the templates before publication.

Therefore, Local Government Professionals Australia, NSW supports a business case framework that identifies costs and benefits, implications for infrastructure investment and maintenance, implications for employment and redundancy, issues relating to representation, implications in relation to rating, and risks associated with a merger.

It is imperative that any proposal involving mergers or boundary adjustments includes a business case that is objective, honest, based on reasonable assumptions, provides a basis for assessment of benefits and costs, and therefore whether a merger (or boundary adjustment) is, or is not, viable. Local Government Professionals Australia, NSW believes that any merger or boundary adjustment proposals that are not supported with such a business case should not be considered.

Local Government Professionals Australia, NSW is also particularly concerned with the potential career path disruption that many staff at all levels will face if significant mergers are to take place. While as a professional association we are being proactive and have already prepared an employee assistance package specifically focused on supporting staff through career transition, this needs to be properly resourced and recognised in council business cases by the State Government with funding set aside from any government funding package, or prescribed within the budget of any new entity, to provide reasonable professional support for affected staff. In addition, with the foundational work we have done in our NSW Local Government Operational and Management Effectiveness Survey, we are now best placed to develop and offer councils affected by a merger/ change, a Tool that will assist the alignment of workforces and services from a number of councils, to specifically assist a new organisational redesign/ structure. This also should be considered a highly relevant service for affected councils and should also qualify for any government funding package to ensure integrity in the process.

Apart from establishing the costs associated with redundancies there appears to be very little, if any, evidence identifying the costs of career path dislocation and who is responsible for those costs. In regional and rural communities where unemployment is high and job vacancies are low this is an area of particular concern.

Current media focus on the reform debate and commentary on mergers and amalgamations by both the State Government, industry associations and some councils downplays the significance of the many actions needed in the areas of fiscal responsibility, strengthening revenues, improved productivity, political leadership and improved co-operation between the three levels of government, in order to secure a sustainable future for local government in New South Wales.

Local Government Professionals Australia, NSW supports the Fit for the Future process and would encourage all involved to progress and implement all the actions needed to reform and improve the system of local government in New South Wales. We would like to reiterate and encourage the government to continue with a fully consultative approach with all key stakeholders into the future.

Should you require any further information, or wish to discuss our submission, please do not hesitate to contact me

I would welcome the opportunity to appear before the Committee.

Yours sincerely

Barry Smith (M. Bus., B. Bus., FLGMA)
President

