



PARLIAMENTARY BUDGET OFFICE

NSW Parliament • Parliament House, Macquarie Street Sydney 2000

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	New approaches and new solutions for local government
Date of request:	25 February 2015

Description of policy	
Summary of policy (please attach copies of relevant policy documents):	See Attachment 1 .
What is the purpose or intention of the policy?	Improve local governance.
Has the policy been publicly released yet?	

Your estimated costing of the policy ¹						
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	4 Yr Total \$'000	Other years ² \$'000
Impact on General Government Sector (GGS) net operating result ³	-	-	-	-	-	-
Impact on GGS capital expenditure ⁴	-	-	-	-	-	-
If different from above, impact on total State Sector net financial liabilities ⁵	-	-	-	-	-	-

¹ Amounts should be expressed in nominal dollars. GGS - General Government Sector.

² Please provide information on other years if spending occurs outside the forward estimate years and will be required to cost the policy.

³ Negative for a saving that reduces expenditure

⁴ Negative for a reduction in capital expenditure.

⁵ Only required if proposal is outside GGS. Negative for a reduction in net financial liabilities.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	No.
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p>The direct election of council mayors and the establishment of a Congress of Mayors have been separately costed.</p> <p>It is assumed that the Premier’s Council for Local Government will be met from existing resources.</p> <p>Ensuring no forced amalgamations of councils will not have an impact on the budget.</p> <p>Gender equity audits would be undertaken within existing resources of the Office of Local Government as part of its regular duties overseeing councils in NSW. The scope of the audits will be scaled to available resources that can be practicably reprioritised.</p> <p>Councils would be responsible for providing domestic violence leave to their employees, which it is expected would be delivered within existing resources. The delivery of this leave would be finalised subsequent to negotiations with the local government sector.</p> <p>Returning administration of local government elections to the NSW Electoral Commission will be funded through cost recovery arrangements with the local councils consistent with historical practice.</p> <p>The policy will also provide new powers for the Auditor General to oversee councils. In addition to undertaking financial audits of local councils (funded through cost recovery arrangements), the Auditor General’s legal power will be extended to include the power to undertake performance audits of the local government sector as a whole. Exercising this power will be at the Auditor General’s discretion and would be funded from existing resources in the event of this discretion being exercised.</p>

Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or expenses? If yes, please provide details.	See <u>Assumptions</u> .

Administration of policy	
Intended date of implementation:	1 July 2015.
Intended duration of policy:	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Office of Local Government.
Are there any specific administrative arrangements for the policy that need to be taken into account?	No.
Are there transitional arrangements associated with policy implementation?	..

If the policy is mainly an expenditure⁶ commitment	
Demand driven or a capped amount:	Nil.
Eligibility criteria or thresholds:	N/a

⁶ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.

Attachment 1 – New approaches and new solutions for local government

Summary:

This policy sets out Labor's new approaches and new solutions for local government in NSW.

While the NSW Liberals and Nationals are trying to bully and bribe councils into amalgamating, Labor will work in partnership with councils to strengthen grassroots democracy.

Labor is opposed to forced council amalgamations, and commit that we will not force any councils to merge if we are elected.

Instead, Labor will strengthen local government by:

- Making all mayors of Sydney councils directly elected to four year terms;
- Establishing a new Congress of Mayors for Sydney, and a new Premier's Council for Local Government across NSW; and
- Implementing a range of other initiatives to strengthen the accountability of local councils and their capacity to work in partnership with the NSW Government.

Details:

NSW Labor believes that local councils have an important role to play as partners in the delivery of Labor's plans to create jobs and improve services. However, reform of the local government sector is necessary to strengthen the capacity of councils to contribute to the achievement of these goals.

Labor's policy *New approaches and new solutions for local government* includes the following policy commitments:

- All mayors of Sydney councils will be directly elected
 - All mayors of Sydney councils will be directly elected to four year terms
 - These mayors will form a Congress of Mayors which will work with the State Government to develop and implement long-term plans for Sydney's future
 - Labor will also make it easier for councils in rural and regional NSW to adopt the direct election model for Mayors.
- No forced amalgamations
 - Labor will not force any amalgamations of councils
 - Labor will introduce new requirements that councils will need to meet in order to gain State Government support to voluntarily merge.
- New partnerships to deliver better services and infrastructure
 - Labor will establish a new Premier's Council for Local Government
 - Labor will work with councils to develop a Local Government Workforce Strategy to address potential future workforce gaps
 - Labor will create new strategic partnerships to improve service delivery.
- Supporting women in local government
 - Labor will initiate a gender equity audit to identify councils in need of assistance addressing gender imbalances
 - Labor will establish new opportunities for mentoring and networking among women in local government
 - Labor will work with councils to provide a right to paid domestic violence leave for local government workers.

- Putting downward pressure on council rates
 - Labor will maintain rate pegging and the role of IPART
 - Labor will maintain the state government's contribution to the pensioner rate rebate scheme.

- Constitutional recognition for local government
 - Labor will revise the current recognition of local government in the NSW Constitution
 - Labor will support recognition of local government in the Commonwealth Constitution.

- Strengthening local democracy
 - Labor will return administration of local government elections to the NSW Electoral Commission.

- Improving transparency, accountability and service delivery
 - Labor will provide new powers for the Auditor General to oversee councils
 - Labor will strengthen the Integrated Planning and Reporting framework
 - Labor will require councils to hold Annual General Meetings
 - Labor will introduce new mandatory training requirements for new councillors.