



## **Response to the Final Report of the NSW Independent Local Government Review Panel**

depa welcomes the opportunity provided by the reviews being conducted by the NSW Government to restructure and reform local government. While the issue of amalgamation is only one consideration in any genuine reform process, the Government has been unfortunately restrained by its commitment to a policy of no forced amalgamations.

This policy unnecessarily hampers the potential benefits to the industry and the State from a comprehensive amalgamation process which won't occur if it's left in the hands of councils, councillors and general managers advocating voluntary options - options which are never embraced, never work and have been encouraged anyway by governments, unsuccessfully, for decades. Enough is enough.

While the concept of Destination 2036 was trumpeted as a significant initiative in the broad and wide-ranging reform of the industry, the reality is that the restrictions imposed on talkfest in Dubbo set it, and any subsequent process, up to fail. Dubbo was hampered by the participants representing the two major groups with the most to lose from any restructure - namely, elected councillors and general managers. Uh oh ...

(As an aside, the Implementation Steering Committee set up to oversee the reform program flowing from the Dubbo talkfest (two representatives of elected councillors, one representative of the Division of Local Government and one representative of general managers) continued the limitations that compromised the effectiveness of Dubbo and made no effort to ensure that all stakeholders in the industry are involved in the process. There was no one there to represent and provide input from the 40,000 or more employees.)

depa is enthusiastic and supportive of wide-ranging amalgamations and this won't occur while ever governments are reluctant to take the initiative and continue to hide behind the folly of encouraging people who don't want boundaries changed, to do so voluntarily. It's time for the big stick.

Even the basket case, trading insolvent, brink of bankruptcy councils (and let's not even mention Central Darling) are reluctant to embrace voluntary mergers and it's time for the government to make things happen.

depa believes that the process, reasoning and recommendations of the Independent Panel in their Final Report are credible, well-researched, thorough, building on the TCorp review, creative and unrestrained by any commitment to preserving the status quo or the vested interests represented within it. It is for these reasons that depa either supports, or does not oppose, the overwhelming majority of recommendations of the Final Report.

All recommendations are supported, or not opposed, except the following where suggestions and observations are made:

**Recommendation 1** Establish an integrated Fiscal Responsibility Program etc.

There should be a role for representatives of the workforce in this exercise given that financial sustainability and responsibility is the key to continuing secure employment.

**Recommendation 26** Provide for full-time mayors, and in some cases deputy mayors, in larger councils and major regional centres

If the recommendation is aimed at strengthening political leadership, this recommendation needs to be accompanied by a reinforcement of the separation of responsibilities between the mayor and the general manager. Political leadership is one thing, thinking that they are the CEO is another and there is a significant risk that a full-time mayor and/or deputy mayor will try to assume defacto leadership of the organisation as well as political leadership. This needs to be prevented by reinforcing that the general manager is responsible for the day-to-day operations of the Council.

**Recommendation 28** Amend the legislated role and standard contract provisions of general Managers

depa supports amending the legislative role of councillors and mayors as proposed in Boxes 19 and 21 and the introduction of mandatory professional development programs.

depa remains dissatisfied with the standard contract provisions for general managers and other senior staff. The standard contract should provide a capacity for greater flexibility and remuneration to include an option of proper cash bonuses, and improved protection against capricious and the political termination of employment contracts. Section 9.5 acknowledges the run of political sackings of general managers who have otherwise performed appropriately and better protections need to be provided to remove this undesirable practice.

**Comment on the recommended amalgamations and amalgamation process - recommendations 35 to 55 inclusive**

Whatever other employment arrangements are established - Joint Organisations, any enhanced role for Regional Organisations of Councils, any shared employment strategies etc., should only proceed with the clear and unequivocal undertaking and commitment that employees of these organisations will be employed under the terms of the Local Government (State) Award, under the auspices of the Industrial Relations Commission of NSW and the Industrial Relations Act 1996.

At destination 2036 there was some speculation that councils could jointly set up employment arrangements, regulated under the Fair Work Act to employee wages staff, computer staff, "back office" (even, hilariously the GM) planners etc. Such a proposal should be rejected immediately.

The Final Report acknowledges the inherent flexibility within the Local Government (State) Award and the Government should embrace this flexibility and ensure that all employees remain employed under it and within the jurisdiction of the Industrial Relations Commission of NSW.

The fear of the Federal industrial relations system and the potential to revive the dreaded WorkChoices will always be an issue in any recommendation or decision to establish different working arrangements under the Fair Work Act. A clear and unequivocal commitment to retain all employment under the NSW jurisdiction will mean that continuing the protections available to

employees under the State Award and the Industrial Relations Commission will encourage employees to provide a cooperative approach to the dramatic changes needed to make councils effective and financially sustainable

depa supports/does not oppose recommendations 35 to 55 inclusive.

**Recommendation 61** Establish a Ministerial Advisory Group and Project Management office

The Implementation Steering Committee has been disappointing, one-dimensional and un-representative of the industry. The recommendation that there be a Chair nominated by the Minister, the Chief Executives of DLG and LGNSW “and two other members appointed by the Minister in consultation with the President of LGNSW” continues this disappointment.

The Ministerial Advisory Group should be established with broader expertise to dilute the vested interest of councillors and there needs to be some representation on this critical group charged with the responsibility of driving and monitoring reform, for employees in the industry.

It is unlikely that the two “independent” representatives, given that the appointments will be made in consultation with the President of LGNSW, will be representatives of employees or concerned with employment in the industry (notwithstanding that one of the commitments developed from Dubbo was that local government be an “employer of choice”) and it seems even less likely that the Chair, appointed by the Minister, will bring this important added dimension to the considerations of the Group.

There needs to be some consultative avenue for employees within the industry to participate in the driving and monitoring of the reform agenda.



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