



Premier  
& Cabinet

# Presentation to General Managers

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THURSDAY 7 JANUARY 2016

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# AGENDA

- Proposals
- Delegates
- Examination and reporting process
- Public inquiries
- Written submissions
- Meetings with Councils
- Reporting
- Role of the Boundaries Commission
- Decision by the Minister
- Commencement of new councils and elections
- Funding
- 23A Guidelines – Office of Local Government

# PROPOSALS

- On 6 January 2016 the Minister for Local Government referred 35 merger proposals to the CE of OLG for examination and report under the Local Government Act.
- The CE of OLG has delegated the function of examining and reporting on these proposals to other people.
- These people are referred to as Delegates.
- All proposals are available at [www.councilboundaryreview.nsw.gov.au](http://www.councilboundaryreview.nsw.gov.au)

# DELEGATES

- The function of examining and reporting on the 35 merger proposals has been delegated to 18 Delegates.
- Each Delegate will examine and report on merger proposals in line with the requirements of the Act.
- Once the Delegate has completed their report it is referred to the Minister as well as the Boundaries Commission for comment.

# EXAMINATION AND REPORTING PROCESS

- The examination and reporting process that will be used by Delegates includes the following:
  - Meeting with Councils
  - Conduct of a public inquiry
  - Call for written submissions
  - Preparation of a report

# MEETING WITH COUNCILS

- By the end of the week all Delegates will have written to councils that are affected by the merger proposal. The letter will:
  - Advise the closing date for written submissions
  - Encourage the council to make a written submission
  - Encourage the council to attend and speak at the public inquiry
  - Offer a meeting with the Delegate
  - Have a copy of the proposal attached.

# PUBLIC INQUIRY

- A public inquiry will be conducted as part of the examination and reporting process.
- The public inquiry is a meeting for the public which allows members of the public to express their views on the merger proposal.
- Councils will also be given the opportunity to present their views at the public inquiry.
- Details of the public inquiries will be released in mid-January. Delegates will also write to Councils with these details.

# CALL FOR WRITTEN SUBMISSIONS

- Written submissions can now be made and will close at 5pm EST on Sunday 28 February 2016.
- Written submission can be lodged either on-line or by mail.
- Councils are encouraged, although not required, to address the factors in the Act when lodging a submission.



# PREPARATION OF A REPORT

Delegates must prepare a report that considers the factors listed in the Act which include:

- Financial factors
- Community of interest
- Historical and traditional values
- Attitudes of residents and ratepayers
- Elected representation
- Service delivery and facilities
- Employment impacts for staff
- Rural impacts
- Wards
- Opinions of diverse communities
- Other matters

Once the report is completed it is submitted to the Minister as well as the Boundaries Commission.

# ROLE OF THE BOUNDARIES COMMISSION

- The role of the Boundaries Commission is to review and comment on the report of the Delegate.
- The Boundaries Commission provides their comments to the Minister.
- This is the only role of the Boundaries Commission with respect to these proposals.

# DECISION OF THE MINISTER

- Once the Minister has received the report of the Delegate and the comments of the Boundaries Commission, he can make a decision on the proposal. The decisions that are open to him are:
  - Recommend to the Governor that the proposal be implemented.
  - Recommend to the Governor that the proposal be implemented with variations – so long as the variations do not constitute a new proposal.
  - Not to proceed with the proposal.

# NEW COUNCILS

- Where the Minister decides to proceed with a proposal, it is expected that the new council would commence around mid-2016.
- This will mean that the former councils cease and the new council commences.
- The commencement of the new council will be by way of proclamation.
- The proclamation making powers are outlined in the Act.
- There are a number of options open to the Government about the governance structure of the new council prior to the conduct of the election. These include:
  - Administrators
  - Appointment of some or all of the councillors of the former councils as councillors of the new council
- Elections for new councillors may be held in September 2016 but are more likely to be held in March 2017.

# FUNDING

- For mergers that proceed:
  - Merger implementation grant – \$10 million for metro inclusive of Central Coast, Newcastle and Wollongong. \$5 million for all others.
  - Stronger communities fund \$10 million for all new councils with an additional \$5 million if the merger involves three or more.
  - Guidelines on funding use and timing will be issued shortly.

# DECISION MAKING DURING MERGER PROPOSALS

Interpreting the Section 23A Guidelines

# PURPOSE OF THE GUIDELINES

- The Guidelines:
  - Are issued under s.23A of the Local Government Act, so councils must consider them when exercising their functions
  - Provide for 'business as usual' and continued service delivery for councils during the review process
  - Seek to ensure that any newly-formed council is not adversely affected by the decisions of its constituent councils

*The Guidelines are general in nature and require a level of professional judgement on councils' part when considering decisions.*

Generally, councils should avoid decisions that:

- Prevent or disrupt the merger proposal review without legitimate reason
- Use council resources to support a personal or political position on the merger proposal
- Seek to impede the operational effectiveness of a new council

# WHAT SHOULD COUNCILS DO?

- Continue business as usual – collecting rates, providing community services, undertaking regulatory roles
- Continue to exercise their statutory planning powers – ensuring strict compliance with the legislation, regulations and standards. Voluntary Planning Agreements can proceed, as long as they comply with the EPA Act
- Continue with the IP&R cycle – your council should prepare an Operational Plan for 2016-17, based on your existing approved Delivery Program and Resourcing Strategy
- Continue with the reporting cycle – standard reporting requirements should be met as per usual
- Carefully consider major decisions and their potential impacts on a new council
- Where possible, defer major strategic decisions until the merger proposal review is completed
- Provide balanced and objective information to their community regarding the merger proposal



# WHAT SHOULD COUNCILS AVOID?

- Spending council resources to oppose or support a merger proposal for personal or political reasons – any information campaigns should be approved at an open council meeting, transparent and objective
- Entering into major contracts, unless they:
  - relate to written undertakings made before the proposal period
  - are necessary to maintain essential service delivery to the community
  - have already been approved in council's 2015-16 Operational Plan or 2013-17 Delivery Program
- Undertaking major borrowings, unless previously approved or flagged in the Long Term Financial Plan
- Spending council resources on major plant, equipment, assets or infrastructure that is not already approved in the Operational Plan
- Appointing Senior Staff (other than on an acting or temporary basis)
- Undertaking organisational restructures or forced redundancies of staff

# TIMING AND SUPPORT

The Guidelines are in force from:

- The time a merger proposal for your council is officially referred to the Acting Chief Executive of the OLG (i.e. 6 January 2016)

*until*

- The day after the Minister declines to proceed with a merger proposal,

*or*

- If the merger proceeds, the date nominated in the Proclamation

## **Role of the Office of Local Government**

- The OLG will monitor compliance with the Guidelines
- Councils who are unsure about the requirements, or have questions about specific issues, should contact DPC or their OLG Relationship Manager



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