



Coffs Harbour City Council

05 December 2012

ORDINARY MEETING

The above meeting will be held in the Council Chamber, Administration Building, corner Coff and Castle Streets, Coffs Harbour, on:

THURSDAY, 13 DECEMBER 2012

The meeting commences at **5.00pm** and your attendance is requested.

AGENDA

1. Opening of Ordinary Meeting
2. Acknowledgment of Country
3. Disclosure of Interest
4. Apologies
5. Public Addresses / Public Forum
6. Mayoral Minute
7. Mayoral Actions under Delegated Authority
8. [Confirmation of Minutes of Ordinary Meeting – 22 November 2012](#)
9. [Notices of Motion](#)
10. [General Manager's Reports](#)
11. Consideration of Officers' Reports
12. Requests for Leave of Absence
13. Matters of an Urgent Nature
14. Questions On Notice
15. Consideration of Confidential Items (if any)
16. Close of Ordinary Meeting.

Steve McGrath
General Manager



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
13 DECEMBER 2012

Contents

ITEM DESCRIPTION

RESCISSION MOTION

RM12/1 DEVELOPMENT APPLICATION NO. 700/12 - SENIORS LIVING DEVELOPMENT (SERVICED SELF-CARE HOUSING) - LOT 1 DP 1128964, 2 MULLAWAY DRIVE, MULLAWAY - RESCISSION MOTION

NOTICE OF MOTION

NOM12/12 TRAFFIC CONDITIONS - BOAMBEE PRIMARY SCHOOL

GENERAL MANAGER'S REPORTS

GM12/39 REPORT FROM INDEPENDENT LOCAL GOVERNMENT REVIEW PANEL

GM12/40 GOVERNANCE AND AUDIT COMMITTEE

CONFIDENTIAL ITEM

The following item either in whole or in part may be considered in Closed Meeting for the reasons stated:

GM12/41 TENDER: PROVISION OF LEGAL SERVICES 2012-2015 (RFT-560-TO)

A portion of this report is confidential for the reason of Section 10A (2):

- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret.

and in accordance with Section 10A (1) the meeting may be closed to the public.

ITEM DESCRIPTION

LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORTS

- L12/31 CLASS 5 VEGETATION MAPPING - COFFS HARBOUR LOCAL GOVERNMENT AREA
- L12/32 COFFS HARBOUR LOCAL ENVIRONMENTAL PLAN AND COFFS HARBOUR DEVELOPMENT CONTROL PLAN
- L12/33 JRPP - DEVELOPMENT ASSESSMENT REPORT FOR DEVELOPMENT APPLICATION NO. 821/12, PART LOT 107 AND PART LOT 112, DP 752817, LOT 7026, DP 1059118 AND LOT 1, DP 1178196, 2-16 BERYL STREET AND 18 JUNE STREET, COFFS HARBOUR
- L12/34 DEVELOPMENT APPLICATION NO. 144/13 - SUBDIVISION (3 LOTS) - LOT 4 DP 588272 & LOT 2 DP 1052113, MORGANS ROAD, SANDY BEACH
- L12/35 DEVELOPMENT APPLICATION NO. 575/12 - LOT 3 DP 237384, LOT 6 DP 238625 PACIFIC HIGHWAY SOUTH AND LOT 11 DP 1017118, NO. 7 NORTH BOAMBEE ROAD, COFFS HARBOUR - SUBDIVISION AND BULKY GOODS SALESROOM
- L12/36 DELEGATION TO COUNCIL OF FUNCTIONS UNDER THE PLUMBING AND DRAINAGE ACT 2011

CORPORATE BUSINESS DEPARTMENT REPORTS

- CB12/107 CBD MASTER PLAN PUBLIC EXHIBITION
- CB12/108 CBD MASTER PLAN COMMITTEE
- CB12/109 MONTHLY BUDGET REVIEW FOR OCTOBER 2012
- CB12/110 COFFS COAST STATE PARK TRUST AND WOOLGOOLGA BEACH RESERVE TRUST ANNUAL TRADING REPORT 2011-2012
- CB12/111 BANK BALANCES & INVESTMENTS FOR JULY, AUGUST AND SEPTEMBER 2012

CITY SERVICES DEPARTMENT REPORTS

- CS12/51 JETTY MEMORIAL THEATRE STRATEGIC PLAN
- CS12/52 VILLAGE SPORTS - BCU COFFS TRIATHLON ON 2 & 3 MARCH 2013
- CS12/53 PARK BEACH MASTER PLAN LIGHTING & OTHER IMPROVEMENTS

CONFIDENTIAL ITEMS

The following items either in whole or in part may be considered in Closed Meeting for the reasons stated:

- CS12/54 TENDER: PIPE BRIDGE OVER BOAMBEE CREEK (TENDER RFT-557-TO)
- CS12/55 TENDER: TIMBER SUPPLY, HARTLEYS BRIDGE, KARANGI (TENDER RFT-561-TO)
- CS12/56 TENDER: SLOPE REMEDIATION WORKS AT VARIOUS SITES, EASTERN DORRIGO WAY, COFFS HARBOUR (TENDER RFT-564-TO)

ITEM	DESCRIPTION
CS12/57	TENDER: SUPPLY OF PIPES AND FITTINGS, BOAMBEE CREEK TO SAWTELL TREATMENT PLANT (TENDER RFT-566-TO)

CS12/58	TENDER: LINING AND CLEANING OF SEWER PIPES (TENDER RFT-567-TO)
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A portion of these reports are confidential for the reason of Section 10A (2):

- (d) commercial information of a confidential nature that would, if disclosed:
 - (i) prejudice the commercial position of the person who supplied it, or
 - (ii) confer a commercial advantage on a competitor of the council, or
 - (iii) reveal a trade secret.

and in accordance with Section 10A (1) the meeting may be closed to the public.



COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

22 NOVEMBER 2012

Present: Councillors D Knight (Mayor), N Cowling, R Degens, G Innes, B Palmer, K Rhoades, M Sultana and S Townley

Staff: General Manager, Director Corporate Business, Director City Services, Director Land Use, Health & Development and Executive Assistant.

The meeting commenced at 5.06 pm with the Mayor, Cr D Knight in the chair.

We respectfully acknowledge the Gumbayngirr Country and the Gumbayngirr Aboriginal peoples who are traditional custodians of the land on which we meet and their Elders both past and present.

The Mayor reminded the Chamber that the meeting was to be recorded, and that no other recordings of the meeting would be permitted.

The Mayor congratulated Cr Keith Rhoades on his election as Vice President of Australian Local Government Association.

The Mayor presented Graduation Certificates to the six new Coffs Ambassadors Volunteer Tour Guides.

DISCLOSURES OF INTEREST

Disclosures of interest were tabled by Councillors concerning the following items of business:

Councillor	Item	Type of Interest
Cr Sultana	L12/27 - DA 955/12, Animal Establishment (Dog Boarding Facility - Change of Use) - Lot 5 DP 876129, 81D Old Bucca Road, Moonee Beach	Non-Pecuniary - Significant Conflict

APOLOGY

299 RESOLVED (Innes/Palmer) that an apology received from Councillor Arkan for unavoidable absence be received and accepted.

PUBLIC ADDRESS

Time	Speaker	Item
5.00 pm	Presentation by Thomas Noble Russell	CB 12/103 - Financial Reports 2011 - 2012
5.05 pm	Jeanette Jones	NOM 12/11 - Annual Country Music Festival
5.10 pm	John Hart	L12/27 - DA 955/12, Animal Establishment (Dog Boarding Facility - Change of Use) - Lot 5 DP 876129, 81D Old Bucca Road, Moonee Beach
5.15 pm	Felicity Forsyth	L12/27 - DA 955/12, Animal Establishment (Dog Boarding Facility - Change of Use) - Lot 5 DP 876129, 81D Old Bucca Road, Moonee Beach
5.20 pm	Graeme Wright	L12/28 - DA 700/12, Seniors Living Development (Serviced Self-Care Housing) - Lot 1 DP 1128964, 2 Mullaway Drive, Mullaway
5.25 pm	Shaun Lawer, GHD	L12/28 - DA 700/12, Seniors Living Development (Serviced Self-Care Housing) - Lot 1 DP 1128964, 2 Mullaway Drive, Mullaway

CONFIRMATION AND ADOPTION OF MINUTES

- 300 RESOLVED** (Cowling/Degens) that the minutes of the Ordinary meeting held on 8 November 2012 be confirmed as a true and correct record of proceedings.

NOTICE OF MOTION

NOM12/11 ANNUAL COUNTRY MUSIC FESTIVAL

MOVED (Cowling/Townley) that

An inaugural annual Country Music Festival be held in Coffs Harbour.

1. The first event to be held in November 2013 at the International Stadium.
2. To honour Stan Costa who was born in Woolgoolga.
3. That a Volunteer Working Group be formed as an organizing committee.

AMENDMENT

- 301 RESOLVED** (Degens/Rhoades) that:

1. Council notes the initiation of a Country Music Festival in Coffs Harbour by a volunteer working group.
2. Council notes and gives support in principle to this initiative.

The **AMENDMENT** on being put to the meeting was **CARRIED**. It then became the **MOTION** and on being put to the meeting was declared **CARRIED**.

LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORTS

Cr Sultana left the meeting, the time being 6.00pm.

L12/27 DEVELOPMENT APPLICATION NO. 955/12 - ANIMAL ESTABLISHMENT (DOG BOARDING FACILITY – CHANGE OF USE) - LOT 5 DP 876129, 81D OLD BUCCA ROAD, MOONEE BEACH

This report describes Development Application No. 955/12 for an Animal Establishment (Dog Boarding Facility – Change of Use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee Beach.

MOVED (Degens/Palmer) that:

1. Development Application No. 955/12 for an Animal Establishment (Dog Boarding Facility – Change of Use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee be approved subject to conditions attached to this report (Attachment 3) with the substitution of Condition 28 to read as follows:

Waste Management – Odour Control

The “excrement bin” shall be stored adjoining the animal establishment building.

All excrement waste generated from the animal establishment being serviced by a private waste collection contractor and being collected on site, on a minimum weekly basis.

No excrement waste is to be deposited into bins serviced by Council’s waste collection service.

2. Those persons who lodged submissions on Development Application No. 955/12 be informed of Council’s decision.

VOTED FOR

Cr Rhoades
Cr Degens

VOTED AGAINST

Cr Townley
Cr Palmer
Cr Knight
Cr Innes
Cr Cowling

The **MOTION** on being put to the meeting was **LOST**.

AMENDMENT

MOVED (Rhoades/Innes) that

1. Development Application No. 955/12 for an Animal Establishment (Dog Boarding Facility – Change of Use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee be approved subject to conditions attached to this report (Attachment 3)
2. Those persons who lodged submissions on Development Application No. 955/12 be informed of Council’s decision.

Cont'd

L12/27 Development Application No. 955/12 - Animal Establishment (Dog Boarding Facility – Change of Use) - Lot 5 DP 876129, 81D Old Bucca Road, Moonee Beach ...(Cont'd)

VOTED FOR

Cr Rhoades
Cr Palmer
Cr Innes

VOTED AGAINST

Cr Townley
Cr Knight
Cr Degens
Cr Cowling

The **AMENDMENT** on being put to the meeting was **LOST**.

MOTION

MOVED (Cowling/Townley) that:

1. The Development Application No 955/12 an Animal Establishment (Dog Boarding Facility – Change of use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee be refused on the following grounds:
 - 1.1. The proposed development is not considered suitable for the site as it is not consistent with the objectives of the Rural 1A Agriculture Zone “to enable development which is compatible with agricultural practices, and with the amenity and character of the rural environment of the area” and “to enable development that can be adequately serviced”.
 - 1.2. The proposed development does not satisfy the prescriptive buffers of the Rural Lands Development Control Plan for uses that emit intermittent odour and long term noise.
 - 1.3. The proposed development will result in unreasonable and adverse traffic impacts due to the existing condition and nature of the access to the site and there is no certainty that the access can be upgraded to a standard to mitigate those adverse impacts.
 - 1.4. The proposed development is contrary to the public interest with respect to the unsuitability of the access and the adverse impacts of the proposed use in the locality.
2. Those persons who lodged submissions on Development Application No 955/12 be informed of Council’s decision.

VOTED FOR

Cr Townley
Cr Knight
Cr Cowling

VOTED AGAINST

Cr Rhoades
Cr Palmer
Cr Innes
Cr Degens

The **MOTION** on being put to the meeting was **LOST**.

Cr Rhoades gave notice of intention that he would submit a further motion to determine this development application.

Cr Sultana returned to the meeting, the time being 6.40pm.

L12/28 DEVELOPMENT APPLICATION NO. 700/12 – SENIORS LIVING DEVELOPMENT (SERVICED SELF-CARE HOUSING) – LOT 1 DP 1128964, 2 MULLAWAY DRIVE, MULLAWAY

This report describes Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964, 2 Mullaway Drive, Mullaway. It is recommended that the application be approved subject to conditions.

MOVED (Rhoades/Palmer) that:

1. Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964 at 2 Mullaway Drive, Mullaway be approved subject to the conditions in Attachment 3.
2. Persons who made a submission on Development Application No. 700/12 be informed of Council's decision.

VOTED FOR

Cr Rhoades
Cr Palmer
Cr Knight

VOTED AGAINST

Cr Townley
Cr Sultana
Cr Innes
Cr Degens
Cr Cowling

MOTION

302 RESOLVED (Degens/Cowling) that:

1. Council refuses the Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964 at 2 Mullaway Drive, Mullaway on the following ground:

That the proposed development is not within the character of the area and will result in adverse impact on the amenity of the area.

VOTED FOR

Cr Townley
Cr Sultana
Cr Innes
Cr Degens
Cr Cowling

VOTED AGAINST

Cr Rhoades
Cr Palmer
Cr Knight

The **MOTION** on being put to the meeting was declared **CARRIED**.

GENERAL MANAGER'S REPORTS

GM12/35 OPERATIONAL PLAN REPORTING FOR THE QUARTER ENDED 30 SEPTEMBER 2012

To report on the progress of implementation of Council's 2012/2013 Operational Plan.

303 RESOLVED (Townley/Innes) that:

1. Council notes the operational status of Council Services for the quarter ended 30 September 2012, as outlined in the body of this report.
 2. Council continues to monitor its performance with a view to improving service delivery.
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GM12/36 2011/2012 ANNUAL REPORT AND 2011/2012 REGIONAL STATE OF THE ENVIRONMENT REPORT

To provide Council with the Annual Report and Regional State of the Environment Report for the 2011/2012 financial year. This report recommends that the 2011/2012 Annual Report and 2011/2012 Regional State of the Environment Report be adopted.

304 RESOLVED (Degens/Townley) that Council adopts the 2011/2012 Annual Report and 2011/2012 Regional State of the Environment Report.

GM12/37 COUNCILLOR RECORDS MANAGEMENT POLICY

For Council to adopt the Councillor Records Management Policy.

305 RESOLVED (Innes/Palmer) that Council adopts the Councillor Records Management Policy.

GM12/38 COUNCILLOR EXPENSES AND FACILITIES POLICY

In accordance with Section 252 of the Local Government Act 1993, (the Act) Council is required within 5 months of the end of each financial year to adopt a policy concerning the payment of expenses incurred by, and the provision of facilities to, the Mayor and Councillors in relation to discharging the functions of civil office.

306 RESOLVED (Rhoades/Townley) that Council adopts the attached Councillor Expenses and Facilities Policy.

LAND USE HEALTH & DEVELOPMENT DEPARTMENT REPORTS

L12/29 BEACH SAFETY SIGNAGE - WOOLGOOLGA BEACH

To advise Council on the signs posted at Woolgoolga Beach and the procedure followed to determine the appropriate message type and location of beach safety signs.

307 RESOLVED (Innes/Degens) that:

1. Council note the report and that the current Remote Supervision Signage system be continued.
2. Council host a small thank you function for those community members who rendered assistance to the recent incidents at Woolgoolga.

L12/30 DELEGATIONS AND INDEPENDENT REVIEWS OF PLAN-MAKING DECISIONS

The purpose of this report is to:

1. Advise Council about the new delegations and independent reviews related to plan-making under Part 3 of the Environmental Planning and Assessment (EP&A) Act 1979 that commenced on Friday, 2 November 2012.
2. Seek Council's endorsement to accept and delegate to the General Manager, the Minister for Planning and Infrastructure's functions under Section 59 of the EP&A Act 1979.

308 RESOLVED (Degens/Sultana) that:

1. Council note the information provided in this report about the new delegations and independent reviews related to plan-making under Part 3 of the Environmental Planning and Assessment Act 1979 that commenced on Friday, 2 November 2012.
2. Council accepts the delegations to undertake the functions of the Minister for Planning and Infrastructure under Section 59 of the Environmental Planning and Assessment Act 1979.
3. The General Manager be delegated to undertake the functions of the Minister for Planning and Infrastructure under Section 59 of the Environmental Planning and Assessment Act 1979.

CORPORATE BUSINESS DEPARTMENT REPORTS

CB12/101 APPOINTMENT OF DIRECTORS - PROSPER COFFS HARBOUR LTD

The objective of this report is to seek approval from Council to appoint the Mayor, Councillor Denise Knight, as a Director of Prosper Coffs Harbour Ltd, Councillor Keith Rhoades as the Councillor representative and Ms Jennifer Bonfield as a Community Representative.

- 309 RESOLVED** (Palmer/Sultana) that Council appoint the Mayor, Councillor Denise Knight as a Director of Prosper Coffs Harbour Ltd, Councillor Keith Rhoades as the Councillor representative and Ms Jennifer Bonfield as a Community Representative.

Cr Rhoades left the meeting, the time being 7.25pm.

CB12/102 EXECUTION OF LEASE DOCUMENTS - EASTERN AUSTRALIA AIRLINES PTY LTD - CHECK-IN COUNTER AND OFFICE AT COFFS HARBOUR AIRPORT

Seeking authority to execute lease documents under Common Seal of Council for Check-In Counter No. 2 and Office No. 2 to Eastern Australia Airlines Pty Ltd (Qantas).

- 310 RESOLVED** (Innes/Palmer) that all documents associated with the renewal of lease of Check-In Counter Area No. 2 and Office No. 2 in the RPT Passenger Terminal at Coffs Harbour Airport to Eastern Australia Airlines Pty Ltd be executed under the Common Seal of Council.
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CB12/103 FINANCIAL REPORTS - 2011-2012

Consideration of the audited financial statements for the year ended 30 June 2012.

- 311 RESOLVED** (Palmer/Sultana) that:
1. The attached audited financial statements be received and adopted.
 2. The report on the audited financial statements be received and noted.

Cr Rhoades returned to the meeting, the time being 7.27pm.

CB12/104 DISPOSAL OF ASSETS POLICY

For Council to adopt the Disposal of Assets Policy.

- 312 RESOLVED** (Degens/Innes) that Council adopts the Disposal of Assets Policy.

CB12/105 ENVIRONMENTAL LEVY PROJECTS QUARTERLY REPORT TO 30 SEPTEMBER 2012

To provide Council with a quarterly status report to 30 September 2012 on the projects funded under the Environmental Levy Program.

- 313 RESOLVED** (Degens/Sultana) that:
1. Council notes the status of the Environmental Levy Projects as at 30 September 2012 as outlined in the report.
 2. Council continues to monitor the Environmental Levy Program to ensure earliest completion of projects.

CB12/106 QUARTERLY BUDGET REVIEW STATEMENT FOR SEPTEMBER 2012

To provide the quarterly budget review statement and report on the estimated budget position as at 30 September 2012.

- 314 RESOLVED** (Sultana/Degens) that:
1. The Quarterly Budget Review Statements be noted.
 2. The budget adjustments be approved and the current budget position be noted.

Estimated Budget Position as at 30 September 2012:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 24 May 2012	308,365 (D)	4,397,830 (D)	3,542,337 (D)
Recommended variations for Sept 2012	(6,129) (S)	Nil	Nil
Estimated result 2012/13 as at 30 September 2012	<u>302,236 (D)</u>	<u>4,897,205 (D)</u>	<u>3,591,600 (D)</u>

CITY SERVICES DEPARTMENT REPORTS

CS12/45 TRAFFIC COMMITTEE REPORT NO. 4/2013

To confirm the Minutes of the Traffic Committee Meeting held on Thursday, 7 November 2012.

315 RESOLVED (Cowling/Degens) that:

T.52 – Marina Drive, Coffs Harbour – Signage and Road Marking (R.511190 [3181025])

That a 'Right Turn Only' lane be created on Marina Drive, Coffs Harbour, for east bound traffic between the rail crossing and Jordan Esplanade as per T.52-2012.

T.53 - Marina Drive, Coffs Harbour - Parking Issues (R.511190 [3210226])

1. That no action be taken to create a 'No Stopping' zone on the southern side of Marina Drive, Coffs Harbour, west of the pedestrian crossing.
2. That further investigation be carried out with the view to realigning the traffic lines in Marina Drive, Coffs Harbour, to allow adequate room for parking.

T.54 - Wakelands Road and Fairview Road, Sapphire Beach - Traffic Calming (R.506720, R507030 [2987245])

1. That no further investigation be required to install traffic calming in Fairview Road and Wakelands Road, Sapphire Beach, as it does not meet the warrants.
2. RMS are currently conducting a speed review on Fairview and Wakelands Roads in conjunction with the Sapphire to Woolgoolga Pacific Highway upgrade.

T.55 - Pacific Highway, Coffs Harbour Nightrider Service (R.511420)

That a temporary bus zone (22m) be installed for the Nightrider late night transport service Saturday nights from 6.00pm – 6.00am 1 December 2012 – 27 January 2013 and Monday 31 December (NYE) from 72 Grafton Street (TAB premises) to 135 West High Street (Coffs Hotel), as per plan T.55-2012.

T.56 - Lagoon Close and Breakers Way, Korora - Traffic Issues (R.503530, R.511600 [3200539])

That the installation of a 'Give Way' sign and hold lines in Breakers Way, Korora, at the intersection with Lagoon Close, be approved, as per plan T.56-2012.

Cont'd

CS12/45 Traffic Committee Report No. 4/2013 ...(Cont'd)

T.57 – Bucca Road/Orara Way, Nana Glen – Signage (R.500020, R.510980[2649149])

1. Stop signage is not warranted under current standards, the give way signage remain in place on Bucca Road and Brewers Road, Nana Glen, at the Orara Way intersection, and the crossroad signage (W2-1) on Bucca Road be replaced with 'Give Way Ahead' (W3-2) sign and advanced warning sign posting be installed on the Orara Way approach from the north, as per plan T.57-2012.
2. Petition organiser be advised of Council's decision.

T.58 - Beach/Market Street, Woolgoolga - High Pedestrian Areas (R.508710, R.508400[2990293])

1. That Council support RMS (subject to available funding) in establishing a 40km/h high pedestrian activity area in the following areas in Woolgoolga CBD, subject to community consultation:
 - Beach Street from Boundary Street to Carrington Street.
 - Nightingale Street from Beach Street to Market Street.
 - Queen Street from Beach Street to Market Street.
 - Market Street from Nightingale Street to Queen Street.
2. The RMS support be subject to completion of community consultation.

T.59 – Network Video Shop–2/36 Park Avenue, Coffs Harbour - Parking Issues (R.505670 [2944223])

That no action be taken to install 15 minute parking in Park Avenue, Coffs Harbour, between Gordon Street and Earl Street, and that any future changes reflect the recommendations in the forthcoming City Centre Master Plan Review.

T.60 – Cavanba Road, Toormina – Bus Zone Times

That action to remove times (2.45pm-3.00pm) from existing bus zone at 19 Cavanba Road, Toormina, to create a permanent bus zone, be approved, subject to consultation with adjacent residents.

T.61 – 99 West High Street/Murdock Street Coffs Harbour - Times Drop Off Zone at Medical Centre/Business Premises (R.509970)

That the installation of a “No Parking” zone (8.00am-6.00pm weekdays), 6.7m - one car length adjacent entrance of new medical centre 10m north of Murdock Street/West High Street intersection, be approved, as per plan T.61-2012.

Cont'd

CS12/45 Traffic Committee Report No. 4/2013 ...(Cont'd)

T.62 – Gleniffer Road/East Bonville Road, Bonville School – Various Parking Issues (R500300,R.500220[3200073])

That approval be given for the installation of :

1. One accessible parking zone adjacent the Bonville Public School entrance in Gleniffer Road.
2. A timed 'No Parking' drop off zone (8.00am – 9.30am and 2.30pm – 4.00pm schooldays) for 24m adjacent the eastern side of the school gate in Gleniffer Road, Bonville, and the remainder of the frontage to be unrestricted parallel parking.
3. Edge lines and a double barrier line on Gleniffer Road, Bonville, adjacent the school, to delineate the road and slow traffic approaching the curve, as per plan T.62-2012.

T.63 – Edinburgh Street, Coffs Harbour - Disabled Parking Access (R.504100 [3214824])

That the bus zone in Edinburgh Street, Coffs Harbour, adjacent Coffs Harbour High School, be reduced to 78m, a rear to kerb accessible parking space (with a trial period of 15 minute disabled parking limit) be installed adjacent the entrance with the ramp and the remainder of the existing bus zone south of the new accessible parking space, become rear to kerb parking, as per plan T.63-2012.

T.64 – Sawtell New Years Day Fun Day – First Avenue, Sawtell -Temporary Road Closure (R.501140, R.501520 [3223220])

- (a) the temporary road closure of First Avenue, Sawtell, between Boronia Street and Second Avenue, from 7.30am to 11.00am on Sunday, 1 January 2013, for the purpose of conducting the street parade associated with the Sawtell Super Fun Day, be advertised and providing no substantive objections are received, the closure be approved, subject to a Traffic Control Plan and Traffic Management Plan being submitted.
- (b) the organisers of the Fun Day liaise with affected traders and obtain traders approval.
- (c) the organisers be responsible for erection of traffic barriers and control of traffic using accredited traffic controllers, in accordance with the Traffic Management Plan.
- (d) the organisers be responsible for all costs associated with the temporary closure and clean up, including advertising.
- (e) a temporary bus zone be established on the east side of First Avenue, Sawtell, north of Second Avenue to enable buses to continue to operate and supply temporary signage “Special Event Bus Stop, Please Keep Clear”.

Cont'd

CS12/45 Traffic Committee Report No. 4/2013 ...(Cont'd)

T.65 - Jordan Esplanade, Coffs Harbour - Temporary Road Closure - New Year's Eve (R.506100[3219654])

The temporary road closure of Jordan Esplanade, Coffs Harbour, between Marina Drive and car park entry to Jetty on Saturday, 31 December 2012 from 6.00pm and reopen Sunday 12.30am 1 January 2013 for the purpose of New Year's Eve celebrations, be advertised and providing no substantive objections are received, the closure be approved, subject to:

- (a) the submission of a satisfactory Traffic Management Plan and Traffic Control Plan prepared by accredited traffic controllers for the closure of Jordan Esplanade, and also for the following intersections:
 - Marina Drive/ Orlando Street
 - Camperdown Street / Harbour Drive
 - Jordon Esplanade / Camperdown Street
- (b) the organisers, March's Amusements, liaise with affected traders and obtain traders approval.
- (c) the organisers be responsible for erection of traffic barriers and control of traffic using accredited traffic controllers, in accordance with the Traffic Management Plan and police approval in writing.
- (d) the organisers be responsible for all costs associated with the temporary closure and clean up, including advertising.

T.66 – Prince Street, Coffs Harbour - Temporary Road Closure - 16 December 2012 (R.505780 [3235359])

The temporary road closure of Prince Street, Coffs Harbour, between Hogbin Drive and Phillip Street on Sunday 16 December 2012 from 5.00pm until 10.00pm for the purpose of a Christmas Carol Event, be advertised and providing no substantive objections are received, the closure be approved subject to:

- (a) the submission of a satisfactory Traffic Management Plan and Traffic Control Plan prepared by accredited traffic controllers.
- (b) the organisers, of the event, liaise with affected households and traders and obtain households and traders approval.
- (c) the organisers be responsible for erection of traffic barriers and control of traffic using accredited traffic controllers, in accordance with the Traffic Management Plan and police approval in writing.
- (d) the organisers be responsible for all costs associated with the temporary closure and clean up, including advertising.
- (e) organisers to install measures to deter inappropriate parking and marshals to ensure pedestrian safety on Hogbin Drive.

CS12/46 COASTAL ESTUARY MANAGEMENT ADVISORY COMMITTEE

To report minutes of the Coastal Estuary Management Advisory Committee Meeting held on 8 November 2012.

- 316 RESOLVED** (Sultana/Townley) that Council note the minutes of the Coastal Estuary Management Advisory Committee held 8 November 2012.

CS12/47 DRAFT COASTAL ZONE MANAGEMENT PLAN

To seek Council's approval to place the Draft 'Coffs Harbour Coastal Zone Management Plan' on public exhibition.

- 317 RESOLVED** (Palmer/Sultana) that:
1. Council approve the Draft Coastal Zone Management Plan, for public exhibition for a period of 56 days.
 2. Following the public exhibition, a further report be provided to Council on the submissions received and the amendments proposed.

CS12/48 ESTABLISHMENT OF ALCOHOL FREE ZONES FOR THE COFFS HARBOUR RAILWAY SURROUNDS AND RE-ESTABLISHMENT OF THREE EXISTING ALCOHOL FREE ZONES AND CREATION OF TWO NEW ALCOHOL PROHIBITED AREAS

To report on proposals received and to consider creation of an Alcohol Free Zone (AFZ) for Camperdown Street and the Coffs Harbour Railway surrounds (refer to Attachment 1).

Recommend the creation of two new alcohol prohibited area for Reserves in Prince Street and Argyll Street Coffs Harbour (refer to Attachments 2 and 3).

Recommend the re-establishment of AFZ's in Vost Park car park, Park Beach car parks and Reserve No. 25 (Beachfront Park) car park until 30 September 2015 in line with existing AFZ's (refer to Attachment 4).

- 318 RESOLVED** (Sultana/Innes) that:
1. Council use the powers granted by Section 632(1)(e) of the Local Government Act 1993 to prohibit the taking of and/or consumption of alcohol and the prohibition of loitering and antisocial behaviour as follows:
 2. Prince Street (Lots 321 and 322 DP 808314, Lots 4,5,6,7,25,26 Sec K of DP 17053, Lots 6 and 8 of DP 262196), Alcohol Prohibition between 9.00pm and 9.00am, except for authorised events, and prohibition of loitering and antisocial behaviour at all times as identified on the map attached to this report;

Cont'd

CS12/48 Establishment of Alcohol Free Zones for the Coffs Harbour Railway Surrounds and Re-Establishment of Three Existing Alcohol Free Zones and Creation of Two New Alcohol Prohibited Areas ...(Cont'd)

3. Argyll Street Playground (Lot 34 DP 237307), Alcohol Prohibition between 9.00pm and 9.00am, except for authorised events, and prohibition of loitering and antisocial behaviour at all times as identified on the map attached to this report;
4. Notices, to effect all of the above, be displayed at appropriate locations.
5. Council extend the existing Alcohol Free Zones at Coffs Harbour as identified in this report (excluding any areas operating under a Council Outdoor Dining Licence) to operate in line with existing Alcohol Free Zones to September 30, 2015 pursuant to the provisions of Section 644 of the Local Government Act.
6. Council engage in consultation as per Section 644A of the Local Government Act, on the re-establishment of Alcohol Free Zone in the Vost Park car park, Park Beach car parks and Reserve No. 25 (Beachfront Park) car park identified on the map attached to this report.
7. Provided that no substantial objections are received, the General Manager be delegated authority to re-establish the Alcohol Free Zones in the Vost Park car park, Park Beach car parks and Reserve No. 25 car park, using the powers granted by Sections 644, 644A, 644B, 644C, 645, 646 of the Local Government Act 1993 to be in accordance with all existing AFZ's to 30 September 2015.

CS12/49 DRAFT COFFS HARBOUR CULTURAL POLICY AND CULTURAL PLAN 2013-2016

This report provides information and recommendations to Council in relation to the adoption of a Cultural Policy and Cultural Plan for the period 2013 – 2016.

- 319 RESOLVED** (Townley/Sultana) that Council accept the attached Draft Cultural Policy and Draft Cultural Plan for public display and public comment for a period of 28 days, with community feedback to inform Council's consideration of a final document in early 2013.

CS12/50 CITY WORKS COMMERCIALISATION REVIEW

To inform Council of the commercial activities undertaken by Council's CityWorks branch over recent years, to propose a way forward to clarify opportunities arising from this area and to recommend the adoption of a revised Private Works Policy.

- 320 RESOLVED** (Palmer/Sultana) that:
1. Council note the scope of private works previously undertaken by CityWorks and the conclusions of phase one of the commercialisation review
 2. Allocate \$95,000 from the Business Development Reserve in 2012/13 as a budget for the next stage of the commercialisation review of CityWorks to enable the development of a detailed business case and implementation plan.

REQUESTS FOR LEAVE OF ABSENCE

No requests for leave of absence.

ADJOURNMENT OF MEETING

The Mayor requested a motion to adjourn the meeting to allow for recess.

- 321 RESOLVED** (Palmer/Degens) that the meeting be adjourned, the time being 7.38pm.

RESUMPTION OF MEETING

- 322 RESOLVED** (Palmer/Degens) that the meeting be resumed, the time being 7.53pm.

MATTERS OF AN URGENT NATURE

MOTION

- 323 MOVED** (Degens/Palmer) that the following report:

L12/27 - DA 955/12, Animal Establishment (Dog Boarding Facility - Change of Use) - Lot 5 DP 876129, 81D Old Bucca Road, Moonee Beach

be dealt with as a matter of an urgent nature.

The Mayor ruled that the business proposed to be brought forward is of great urgency under Clause 8.11 of Council's Code of Meeting Practice.

Cr Sultana left the meeting, the time being 7.54pm.

L12/27 DA 955/12, ANIMAL ESTABLISHMENT (DOG BOARDING FACILITY - CHANGE OF USE) - LOT 5 DP 876129, 81D OLD BUCCA ROAD, MOONEE BEACH

This report describes Development Application No. 955/12 for an Animal Establishment (Dog Boarding Facility – Change of Use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee Beach.

324 RESOLVED (Degens/Rhoades) that:

1. Development Application No. 955/12 for an Animal Establishment (Dog Boarding Facility – Change of Use) at Lot 5, DP 876129, 81D Old Bucca Road, Moonee be approved subject to conditions attached to this report (Attachment 3) with the substitution of Condition 28 to read as follows:

Waste Management – Odour Control

The “excrement bin” shall be stored adjoining the animal establishment building.

All excrement waste generated from the animal establishment being serviced by a private waste collection contractor and being collected on site, on a minimum weekly basis.

No excrement waste is to be deposited into bins serviced by Council's waste collection service.

2. Those persons who lodged submissions on Development Application No. 955/12 be informed of Council's decision.

VOTED FOR

Cr Rhoades
Cr Palmer
Cr Knight
Cr Degens

VOTED AGAINST

Cr Townley
Cr Innes
Cr Cowling

The **MOTION** on being put to the meeting was declared **CARRIED**.

Cr Sultana returned to the meeting, the time being 7.58pm.

MUN12/18 State Funding for the Pacific Highway

Cr Rhoades reported that state government leased Port Botany and Port Kembla. This will provide the opportunity for the state government to provide 50:50 funding with the federal government for the Pacific Highway upgrade.

QUESTIONS ON NOTICE

No questions on notice.

This concluded the business and the meeting closed at 8.01 pm.

Confirmed: 13 December 2012

.....
Denise Knight
Mayor

DEVELOPMENT APPLICATION NO. 700/12 - SENIORS LIVING DEVELOPMENT (SERVICED SELF-CARE HOUSING) - LOT 1 DP 1128964, 2 MULLAWAY DRIVE, MULLAWAY - RESCISSION MOTION

Purpose:

Councillors Arkan, Rhoades and Palmer have given notice of their intention to move:

That Resolution 302 of Ordinary meeting held on 22 November 2012 regarding item L12/28 - Development Application No. 700/12 – Seniors Living Development (Serviced Self-Care Housing) – Lot 1 DP 1128964, 2 Mullaway Drive, Mullaway, and reading as follows, **be rescinded:**

RESOLVED (Degens/Cowling) that:

1. Council refuses the Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964 at 2 Mullaway Drive, Mullaway on the following ground:

That the proposed development is not within the character of the area and will result in adverse impact on the amenity of the area.

If the above resolution is rescinded, we intend to move the following (as two separate motions):

1. That Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964 at 2 Mullaway Drive, Mullaway be approved subject to the conditions in Attachment 3.
2. That persons who made a submission on Development Application No. 700/12 be informed of Council's decision.

At its meeting of 15 December 2005, Council resolved:

1. *That development applications for approval involving substantial aspects of the following elements be referred to Council for determination:*
 - *Significant public interest and community input;*
 - *Substantial non-compliance with relevant strategic controls;*
 - *Significant land use;*
 - *Major environmental issue(s);*

Accordingly this matter is reported to Council for determination due to significant public interest and community input.

Description of Item:

• **The Site**

The site is Lot 1, DP 1128964, 2 Mullaway Drive, Mullaway. It is located south-west of the main residential area of Mullaway and has access to both Mullaway Drive and Darkum Road. It shares a property boundary with 28 other properties. To the north and east of the site, most adjoining properties contain single-storey residential dwellings. To the south, rural properties adjoin.

The site currently contains an existing dwelling, located in the western portion of the site adjoining Mullaway Drive and a small dam located in the central portion of the site. There is significant vegetation over most parts of the site. The land is zoned Rural 1A Agriculture under *Coffs Harbour City Local Environmental Plan 2000*.

Council approved a development application for a restaurant on the far western part of this site on 23 August 2012 (Development Application 217/12). Development consents were issued in 1998 for an ecotourism development comprising 15 cabins located in the central part of the site. This consent has been commenced but not completed.

• **The Development**

The development will be located on the northern part of the site where it adjoins residential properties and Darkum Road. It consists of 34 individual dwellings; 26 will be two bedroom dwellings and eight will be three bedroom dwellings. A clubhouse for residents is also proposed. All access will be from Darkum Road.

Landform modification of the site is proposed to allow for the development and stormwater management. A stormwater detention basin is proposed adjoining Darkum Road.

The application proposes removal of vegetation on the site necessary to enable construction of all components of the development and for the purposes of providing an asset protection zone for bushfire hazard protection.

Construction of the development is proposed in four stages.

- Stage One - eight dwellings and the clubhouse
- Stage Two - additional eight dwellings
- Stage Three - additional eight dwellings
- Stage Four - additional ten dwellings

Stage One is closest to Darkum Road. Stage Four is furthest from Darkum Road.

The application was lodged with a Biobanking Statement that has been issued by the NSW Office of Environment and Heritage under the *Threatened Species Conservation Act 1995*. This legislative provision constrains Council's assessment of the environmental impact of the development. This matter is addressed in the issues section of this report.

Also lodged with the application was a Site Compatibility Certificate that has been issued by the NSW Department of Planning and Infrastructure. A site compatibility certificate is one of the requirements of *State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004* (referred to as the "Housing for Seniors State Policy" in this report) that allow development to occur on "land that adjoins land zoned primarily for urban purposes". Permissibility of the development is addressed in the issues section of this report. The requirements of the Housing for Seniors State Policy are addressed in the Section 79C Evaluation which is appended to this report as Attachment 1.

A ten seat private bus service for residents of the development is proposed to meet requirements of the Housing for Seniors State Policy for "access to transport services".

The application includes a "Letter of Intent for Provision of Services" between the applicant and Catholic Community Services. The agreement relates to the provision of home nursing, personal care, assistance with house work and assistance with meal preparation for residents of the development on an "as needs arises" basis. This arrangement has been proposed to meet requirements of the Housing for Seniors State Policy for "access to services".

A plan of the proposed development is included in this report as Attachment 2.

Sustainability Assessment:

- **Environment**

This application has been lodged utilizing biobanking provisions of the *Threatened Species Conservation Act* and the *Environmental Planning and Assessment Act 1979*. Council's assessment of this application is constrained by the legislative provisions of these Acts.

Initial stages of the development will result in impact on the environment through the vegetation removal proposed, offset by the retirement of "biobanking credits" (required by the *Threatened Species Conservation Act* and conditions of development consent). It must be noted that the biobanking assessment process is a matter not for Council but assessed entirely by the NSW Office of Environment and Heritage. In broad terms, the premise of biobanking is that the initial environmental impact of a development is "offset" by the "retirement of biobanking credits".

- **Social**

The proposed development is not expected to result in any unacceptable social impacts to the locality. The development will provide additional housing for seniors, or persons with a disability. The development is considered to be compatible with the existing character of the locality.

The development is not expected to result in any unacceptable traffic and noise impacts in the locality. Conditions will be imposed on the development consent to ensure that potential amenity impacts during construction are minimised.

- **Civic Leadership**

The proposed development has been assessed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and all relevant Council controls and policies. The proposal is consistent with the aims and objectives of the Coffs Harbour 2030 Community Strategic Plan, as it will contribute to the range of housing options (with affordability) for the Northern Beaches locality.

- **Economic**

Broader Economic Implications

There are no broader economic implications resulting from the proposal.

Delivery Program/Operational Plan Implications

There are no implications for Council's Delivery Program / adopted Operational Plan resulting from the proposal.

Consultation:

The application was advertised and adjoining / nearby landowners were notified of the proposed development. The period 31 August 2012 to 13 September 2012 was provided for public submissions on the application. A total of 53 submissions were made on the application. Of these submissions, 37 objected to the development and 16 expressed support for the development.

A full copy of the submissions are a confidential attachment to this report. They are a confidential attachment as they contain personal and private information that is not appropriate to be fully disclosed under the Privacy and Personal Information Protection Act.

Matters raised in submissions are considered in the Section 79C evaluation appended to this report as Attachment 1.

The application was also referred to

- NSW Rural Fire Service
- NSW Environment Protection Authority - Planning and Aboriginal Heritage
- NSW Police Service

The referral to the NSW Rural Fire Service was an integrated development referral. They provided their "general terms of approval" to the application. Both the NSW Environment Protection Authority - Planning and Aboriginal Heritage and the NSW Police Service had no specific concerns with the proposed development.

Related Policy and / or Precedents:

There are no related policies or precedents relevant to this proposal.

Statutory Requirements:

- *Mid North Coast Regional Strategy*
- *State Environmental Planning Policy (North Coast Regional Environmental Plan);*
- *State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004*
- *State Environmental Planning Policy (Rural Lands) 2008*
- *State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004*

- *State Environmental Planning Policy No. 55 – Remediation of Land;*
- *State Environmental Planning Policy No. 71 – Coastal Protection;*
- *Coffs Harbour City Local Environmental Plan 2000*
- *Draft Coffs Harbour City Local Environmental Plan 2012*
- *Off Street Carparking Development Control Plan;*
- *Waste Management Development Control Plan;*
- *Access and Mobility Development Control Plan;*
- *Notification Development Control Plan.*

Each of these statutory instruments is considered in detail in the Section 79C assessment appended to this report as Attachment 1.

Issues:

• **Permissibility:**

The site is zoned Rural 1A Agriculture under Coffs Harbour City Local Environmental Plan 2000. The site adjoins land zoned Residential 2A Low Density. The proposed development is not permissible in the Rural 1A Agriculture zone but the provisions of State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004 allows housing for seniors developments where they “adjoin land zoned primarily for urban purposes” and the Director General has issued a Site Compatibility Certificate for such purpose.

The development must also meet all other requirements of the state policy to be permissible. The development can meet all these requirements. The provisions of the Housing for Seniors State Policy are addressed in detail in the Section 79C assessment report appended to this report as Attachment 1.

• **Environmental Impact Assessment:**

Most submissions on the application have expressed concern about the environmental impact of the proposed development from the vegetation removal proposed.

Council’s assessment of this application is constrained by provisions of the Threatened Species Conservation Act 1995 and the Environmental Planning and Assessment Act 1979. This application was submitted with a Biobanking Statement that was determined by the NSW Office of Environment and Heritage. Under the Threatened Species Conservation Act 1995, developments that are described in a biobanking statement are taken to be development that is “not likely to significantly affect any threatened species, population or ecological community”. As a result, the application is not required to be accompanied by a species impact statement and in assessment (of the environmental impact of the development) Council is not required to take into consideration the likely impact of the development on biodiversity values.

These provisions also require that the development be carried out in accordance with conditions specified in the biobanking statement. Council is required to impose these matters as conditions of development consent. Council is also required to ensure that the development is limited to the scale and extent specified in the development application.

One of the conditions of the biobanking statement lodged with this application is for the “retirement of biobanking credits” which is a fundamental element of the biobanking “scheme”. Council has no involvement in the biobanking statement and credit assessment process. This assessment is administered and determined by the NSW Office of Environment and Heritage.

- **Access to Facilities and Services:**

A number of submissions have expressed concern that there are insufficient facilities and services for residents of a seniors living development.

The Housing for Seniors State Policy contains specific provisions that must be met for access to services and access to transport. The proposed development can meet all of these statutory requirements. The manner in which the development will meet these requirements is reinforced by conditions of development consent. In particular, for satisfactory access to transport services, provision of a ten seat private bus is proposed. To meet requirements for access to home delivered meals, personal care and home nursing, and assistance with housework, an arrangement with a community service provider is proposed.

Council cannot apply a standard for access to services that is greater than this state policy.

- **Compatibility with the area:**

A number of submissions have expressed the view that the proposed development is not compatible with either the residential areas that are to the north of the development area or the rural areas that are to the south.

The development is proposed over the northern part of the site where it adjoins residential properties and Darkum Road. It is separated from the rural land which adjoins to the south. Neither the development site itself or the rural land that adjoins the site to the south contains prime crop agricultural land.

The development is of a scale that is similar to the low density residential area that adjoins. The dwellings are similar in size to low density residential dwellings. Each dwelling has its own separate car parking area. Significant areas around the dwellings will remain undeveloped where landscaping can be carried out. All dwellings within the development are single storey in height.

The development by its nature will function in the same manner as a low density residential living area. Each dwelling will be occupied in the same manner as an owner occupied dwelling. There may be some communal, group activities that occur in the proposed clubhouse for the development but otherwise the individual dwellings themselves will be used for typical low density residential living.

The proposed development by its scale, height, nature and use is considered compatible with both the residential areas that adjoin and rural areas that adjoin.

- **Stormwater Impacts:**

A concept stormwater management plan was provided with the application. Under this plan, all stormwater from the buildings and the site will flow to a stormwater detention basin. It is also proposed to undertake landform modification of the site so that stormwater flow is controlled and flows to the detention basin and away from adjoining properties. This is an acceptable arrangement to address potential impacts on adjoining properties from stormwater runoff. The detention basin will also provide treatment of stormwater before it enters the natural drainage system.

The proposed development is considered acceptable with respect to stormwater impacts.

- **Capacity of the Existing Road Network:**

Some submissions have expressed concern that there is insufficient capacity in the road network for the existing traffic of the Mullaway area and the additional traffic that will be generated by this development.

Both Mullaway Drive and Darkum Road have sufficient constructed width and form to cope with existing traffic volumes and the additional traffic that will be generated by this proposal. Construction of footpath, kerb and gutter and bus shelter in Darkum Road will enhance traffic management, road safety and amenity on Darkum Road. These matters will be required by a condition of development consent.

Submissions were also made in regard to speed of traffic along Mullaway Drive and also expressed concern about the safety of the existing cycleway on Mullaway Drive. These matters will be referred to Councils Traffic Committee for investigation, however, the relatively minor increase in traffic generated by the development precludes any additional conditions on the development.

- **Opportunities for Public Comment on Site Compatibility Certificate Application and Biobanking Statement Application:**

Most submissions have expressed concern that there was no opportunity for public comment on either the application for a biobanking statement under the Threatened Species Conservation Act or the application for a site compatibility certificate.

The development as proposed could not proceed without either of these development documents.

The submissions are correct in that there is no opportunity for public comment on these applications under either the Threatened Species Conservation Act or the Environmental Planning and Assessment Act. Unfortunately, this is a matter that is outside of Council's control.

- **Land and Environment Court Appeal:**

Council has been served with an appeal to the Land and Environment Court of NSW against the "deemed refusal" of the application. Determination of the application will facilitate the Court's consideration of the appeal.

Implementation Date / Priority:

A Development Consent is valid for five years from the date of issue. The consent may or may not be acted upon. The consent may be acted upon immediately following issue date or delayed until closer to the expiry date of the consent. When the consent is acted upon is a matter at the discretion of the property owner/developer.

Recommendation:

1. That Development Application No. 700/12 for a Seniors Living Development (Serviced Self-Care Housing) at Lot 1, DP 1128964 at 2 Mullaway Drive, Mullaway be approved subject to the conditions in Attachment 3.
2. That persons who made a submission on Development Application No. 700/12 be informed of Council's decision.

Attachment 1

**Section 79C Assessment
Development Application 700/12**

- a. the provisions of,
i. any environmental planning instrument, and

• ***Mid North Coast Regional Strategy***

The Mid North Coast Regional Strategy is primarily an overarching planning document which guides Councils in setting regional parameters for future strategic planning. Whilst the site is not identified as a future urban growth area under this strategy, the Housing for Seniors State Policy (and the site compatibility certificate) allow for the proposed development, subject to consent.

• ***State Environmental Planning Policy - North Coast Regional Environmental Plan***

The North Coast Regional Environmental Plan is a deemed state environmental planning policy. The development is generally consistent with the aims and objectives of the Plan. Clauses of particular relevance are discussed further below:

Clause 12 – Impact of development on agricultural activities

The subject site is zoned Rural 1A Agriculture and adjoins agricultural land to the south and west. The subject site and adjoining land does not constitute prime crop or pasture land. The development will not result in the loss of prime crop or pasture land.

• ***State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004***

There are a number of provisions of this state policy that apply to this development. Relevant provisions are considered below.

Clause 15 - What Chapter does

This Chapter allows the following development despite the provisions of any other environmental planning instrument if the development is carried out in accordance with this Policy:

- (b) development on land that adjoins land zoned primarily for urban purposes for the purpose of any form of seniors housing consisting of a hostel, a residential care facility or serviced self-care housing.*

Comment:

This clause has the effect of making a seniors housing development permissible on land that adjoins land zoned primarily for urban purposes provided that it meets the requirements of a hostel, a residential care facility or serviced self-care housing, and meets all other requirements of the State Policy.

This provision thus has the effect of overriding the prohibition of the proposed development under Coffs Harbour City Local Environmental Plan 2000.

Serviced Self Care Housing is expressed in Clause 13 as being seniors housing that consists of self-contained dwellings where the following services are available on the site: meals, cleaning services, personal care, nursing care.

Attachment 1

Clause 17 - Development on land adjoining land zoned primarily for urban purposes

Comment:

Under this clause, Council must be satisfied that the proposed development will be for a hostel, a residential care facility, or serviced self-care housing and that the housing will be provided

- (a) for people with a disability, or
- (b) in combination with a residential care facility, or
- (c) as a retirement village (within the meaning of the Retirement Villages Act 1999).

Documentation provided with the development application states that the development will be provided as a retirement village within the meaning of the *Retirement Villages Act 1999*.

The meaning of "retirement village" under the *Retirement Villages Act 1999* is

"a complex containing residential premises that are:

(a) predominantly or exclusively occupied, or intended to be predominantly or exclusively occupied, by retired persons who have entered into village contracts with an operator of the complex, or ..."

It is proposed as a condition of approval that the development only be occupied as a retirement village.

Clause 18 - Restrictions on occupation of seniors housing...

- (1) *Development allowed by this Chapter may be carried out for the accommodation of the following only:*
 - (a) seniors or people who have a disability,*
 - (b) people who live within the same household with seniors or people who have a disability,*
 - (c) staff employed to assist in the administration of and provision of services to housing provided under this Policy.*
- (2) *A consent authority must not consent to a development application made pursuant to this Chapter unless:*
 - (a) a condition is imposed by the consent authority to the effect that only the kinds of people referred to in subclause (1) may occupy any accommodation to which the application relates, and*
 - (b) the consent authority is satisfied that a restriction as to user will be registered against the title of the property on which development is to be carried out, in accordance with section 88E of the Conveyancing Act 1919, limiting the use of any accommodation to which the application relates to the kinds of people referred to in subclause (1).*

Comment:

The application has clearly stated that the development will only be for the kinds of persons specified in this clause. A condition is proposed that restricts the kinds of persons that occupy the development, to those specified by this requirement.

A condition that imposes the same requirements as a restriction as to user registered against the title of the property in accordance with section 88E of the Conveyancing Act 1919, is also proposed to ensure compliance with this provision.

Attachment 1

Clause 24 - Site compatibility certificates required for certain development applications

Comment:

A site compatibility certificate is required for development applications on land that adjoins land zoned primarily for urban purposes.

A site compatibility certificate issued by the NSW Department of Planning was lodged with the development application (as required by Clause 50 (2A) of the Environmental Planning and Assessment Regulation 2000)

The site compatibility certificate states the Director-General has certified that

- (a) *the site of the proposed development is suitable for more intensive development, and*
- (b) *development for the purposes of seniors housing of the kind proposed in the development application is compatible with the surrounding environment having regard to the criteria specified in clause 25 (5)*

Clause 26 – Location and Access to Facilities

- (1) *consent authority must not consent unless satisfied, by written evidence, that residents will have access to:*
 - (a) *shops, bank service providers and other retail and commercial services that residents may reasonably require, and*
 - (b) *community services and recreation facilities, and*
 - (c) *the practice of a general medical practitioner.*
- (2) *Access complies with this clause if:*
 - (a) *the facilities and services referred to in subclause (1) are located at a distance of not more than 400 metres from the site of the proposed development that is a distance accessible by means of a suitable access pathway..., or*
 - (c) *there is a transport service available to residents who will occupy the proposed development: (development in a local government area not within the Sydney Statistical Division)*
 - (i) *that is located at a distance of not more than 400 metres from the site of the proposed development and the distance is accessible by means of a suitable access pathway, and*
 - (ii) *that will take those residents to a place that is located at a distance of not more than 400 metres from the facilities and services referred to in subclause (1), and*
 - (iii) *available both to and from the proposed development during daylight hours at least once each day from Monday to Friday (both days inclusive),*

Comment:

The application proposes the provision of a private bus service for residents of the proposed development

The application has also proposed the upgrade to the footpath from the site to the existing bus stop on Mullaway Drive.

Both of these matters are proposed as a conditions of development consent.

Attachment 1

Clause 27 - Bush fire prone land

This provision requires that the consent authority be satisfied that the proposed development will be in accordance with *Planning for Bushfire Protection 2006*, that the consent authority take into consideration a number of specific matters and that the consent authority consult with the NSW Rural Fire Service to determine on these issues.

Comment:

The Rural Fire Service has provided general terms of approval to the proposed development. Most of the recommended conditions that form the general terms of approval relate to Planning for Bushfire Protection 2006. With this response of the Rural Fire Service and on consideration of relevant sections of the document, the development is considered to comply with the requirements of Planning for Bushfire Protection 2006.

With respect to the specific matters to be considered the development is considered acceptable and the following comment is relevant.

- The development is located approximately 1.2 kilometres from the Pacific Highway. Access and egress from the general location of the development is via Darkum Road and Mullaway Drive to the Pacific Highway. These roads are formed, trafficable and a short drive to a major arterial road.
- There are approximately 200 dwellings in the vicinity of the proposed development.
- The population of the locality is mixed in age groups.
- There are no hospitals or other facilities providing care within the locality.
- There is one school in the area that has a direct access to the Pacific Highway.
- There is no other existing seniors developments within the locality
- The assessment by the Rural Fire Service has taken into consideration the following matters:
 - the road network within the locality and the capacity of the road network to cater for traffic to and from existing development if there were a need to evacuate persons from the locality in the event of a bush fire,
 - the adequacy of access to and from the site of the proposed development for emergency response vehicles,
 - the nature, extent and adequacy of bush fire emergency procedures that are able to be applied to the proposed development and its site,
 - The requirements of New South Wales Fire Brigades.

Clause 28 – Water and sewer

- (1) *A consent authority must not consent to a development application ... unless the consent authority is satisfied, by written evidence, that the housing will be connected to a reticulated water system and have adequate facilities for the removal or disposal of sewage.*

Comment:

The proposed development will be connected to reticulated water supply and sewerage and thus the development meets this provision.

Attachment 1

Clause 30 – Site analysis

- (1) *A consent authority must not consent to a development application ... unless the consent authority is satisfied that the applicant has taken into account a site analysis prepared by the applicant in accordance with this clause.*

Comment:

A site analysis has been provided that meets with the requirements of this provision. The content of the site analysis has been considered in determination of the application.

Clause 32 - Design of residential development

A consent authority must not consent to a development application ... unless the consent authority is satisfied that the proposed development demonstrates that adequate regard has been given to the principles set out in Division 2.

Comment:

33 Neighbourhood amenity and streetscape

The proposed development is acceptable with respect to the amenity and streetscape requirements.

34 Visual and acoustic privacy

The proposed development will not result in any unacceptable impact on the visual and acoustic privacy of neighbours in the vicinity.

35 Solar access and design for climate

The proposed development will not affect the solar access of existing development in the area. The proposed development will meet the requirements of basix.

36 Stormwater

The proposed development should minimise the disturbance and impacts of stormwater runoff on adjoining properties and receiving waters by, directing all stormwater from the development site to on-site stormwater detention.

37 Crime prevention

The proposed development meets the intent of the crime prevention design criteria.

38 Accessibility

The proposed development has pedestrian links from the site to places with access to public transport services. The links provide convenient access for pedestrians and motorists and there is convenient access and parking for residents and visitors.

39 Waste management

The proposed development will be provided with waste facilities that allow recycling.

Clause 40 - Development standards-minimum sizes and building height

(1) *... A consent authority must not consent to a development application ... unless the proposed development complies with the standards specified in this clause.*

(2) *Site size of at least 1,000 square metres.*

(3) *Site frontage of at least 20 metres wide.*

(4) *Height of all buildings in the proposed development must be 8 metres or less...*

Comment:

The proposed development meets all of the requirements of this provision.

Attachment 1

Clause 42 - Serviced self-care housing

- (1) *A consent authority must not consent to a development application made pursuant to this Chapter to carry out development for the purpose of serviced self-care housing on land that adjoins land zoned primarily for urban purposes unless the consent authority is satisfied, by written evidence, that residents of the proposed development will have reasonable access to:*
- (a) *home delivered meals, and*
 - (b) *personal care and home nursing, and*
 - (c) *assistance with housework.*

Comment:

The application includes a "Letter of Intent for Provision of Services" between the applicant and Catholic Community Services. The agreement relates to the provision of home nursing, personal care, assistance with house work and assistance with meal preparation for residents of the development on an "as needs arises" basis. This arrangement has been proposed to meet requirements of the Housing for Seniors State Policy for "access to services".

It is proposed that servicing provisions are covered by a condition of development consent.

Clause 43 - Transport services to local centres

- (1) *A consent authority must not consent to a development application made pursuant to this Chapter to carry out development for the purpose of serviced self-care housing on land that adjoins land zoned primarily for urban purposes unless the consent authority is satisfied that a bus capable of carrying at least 10 passengers will be provided to the residents of the proposed development:*
- (a) *that will drop off and pick up passengers at a local centre that provides residents with access to the following:*
 - (i) *shops, bank service providers and other retail and commercial services that residents may reasonably require,*
 - (ii) *community services and recreation facilities,*
 - (iii) *the practice of a general medical practitioner, and*
 - (b) *that is available both to and from the proposed development to any such local centre at least once between 8am and 12pm each day and at least once between 12pm and 6pm each day.*

Comment:

A ten seat private bus service for residents of the development is proposed to meet these requirements of the State Policy for "access to transport services".

Provision of the bus service will also be required by a condition of development consent.

Clause 44 - Availability of facilities and services

A consent authority must be satisfied that any facility or service provided as a part of a proposed development to be carried out on land that adjoins land zoned primarily for urban purposes will be available to residents when the housing is ready for occupation. In the case of a staged development, the facilities or services may be provided proportionately according to the number of residents in each stage.

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Comment:

Facilities and services that are required to be provided as part of the proposed development prior to occupation will be conditioned as part of the development consent.

- **State Environmental Planning Policy (Rural Lands) 2008**

Part 3 of this state policy contains provisions that must be considered for applications for subdivision of land or erection of a dwelling. As the proposed development is not either of these developments, these provisions do not apply.

Part 4 - state significant agricultural land - contains provisions relating to land that is declared state significant agricultural land. The site is not considered state significant for the purposes of this policy. There are no other matters of the policy that require consideration.

- **State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004**

Under this state policy, a basix certificate is required for all new development that is a basix affected development within the meaning of the Environmental Planning and Assessment Regulation 2000. The proposed development is a basix affected development. A basix certificate was provided with the application. The proposed development can meet the requirements of this state policy.

- **State Environmental Planning Policy No. 55 – Remediation of Land**

Clause 7 of this state policy specifies that the consent authority must not consent to the carrying out of any development on land unless it has considered whether the land is contaminated. There is no evidence of any potential contamination of the land. There are no further requirements of this state policy

- **State Environmental Planning Policy No. 71 – Coastal Protection**

The proposed development is considered to be consistent with the aims of the policy and satisfies the relevant matters for consideration. Clauses of particular relevance are discussed further below:

Clause 7 – Application of Clause 8 Matters

Clause 7 of the SEPP requires Council to take matters as listed in Clause 8 into consideration when determining development applications. Clause 8 matters have been taken into consideration in the assessment of the proposed development.

- The proposal is considered to meet the aims of the Policy.
- The proposal will not impede or diminish public access to and along the coastal foreshore.
- The site is not subject to Aboriginal cultural heritage significance.
- The site does not contain any known items of heritage, archaeological or historic significance.
- The proposed development will not impact upon the scenic quality of the surrounding locality.
- The site is not subject to any coastal hazards.

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- The site is surrounded by residential land to the north and east and rural land to the south and west. The proposed development, in terms of type location and design, is considered to be suitable.
- The proposal will utilize the provisions of biobanking to address issues of environmental impact.

Clause 16 – Stormwater

Clause 16 specifies that Council must not grant consent to development where stormwater will, or is likely to, be discharged untreated into the sea, a beach, an estuary, a coastal lake, a coastal creek or other similar body of water.

A concept stormwater management plan was provided with the application. Under this plan, all stormwater from the buildings and the site will flow to a stormwater detention basin. The proposed development is considered acceptable with the respect to the requirements of this clause.

Further details of the system will be required to be provided to Council and approved prior to issue of a construction certificate.

- **Coffs Harbour City Local Environmental Plan (LEP) 2000**

Zoning

The site is zoned Rural 1A Agriculture. The site adjoins land zoned Residential 2A Low Density. The proposed development is not permissible in the Rural 1A Agriculture zone. Notwithstanding this, Clause 15 of State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004 allows housing for seniors development where it “adjoins land zoned primarily for urban purposes” and the Director General has issued a site compatibility certificate for such a use. As the site adjoins residential land, the development is permissible despite the provisions of the Local Environmental Plan.

Clause 12 – Koala Habitat

This clause requires Council to consider whether the proposed development is in accordance with a Koala Plan of Management.

Notwithstanding this, due to provisions of the Threatened Species Conservation Act 1995, the Environmental Planning and Assessment Act 1979 and the approved biobanking statement that was lodged with the application, Council is not required to take into consideration the likely impact of the development on biodiversity values.

Clause 14 – Services

This clause requires that Council be satisfied that water supply and sewerage are available to the land.

It is proposed that the development be serviced by Council’s reticulated sewer and water systems. With this arrangement the development will be satisfactory with respect to this provision.

Clause 23 – Environmental Hazards

The subject land is mapped as being Class 5 potential acid sulfate soils. As the proposal does not involve works within 500 metres of adjacent Class 1, 2, 3 or 4 land, which are likely to lower the watertable below 1 metre AHD, no further investigations into acid sulfate soils are required.

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ii. The provisions of any draft environmental planning instrument

• ***Draft Coffs Harbour Local Environmental Plan 2012***

The subject land is zoned RU2 Rural Landscape under the provisions of the draft Plan. The proposed development is not a permissible land use in this zone. Notwithstanding, the development is permissible under the Housing for Seniors State Policy.

Relevant clauses of the draft Plan are addressed below.

Clause 7.1 – Acid Sulfate Soils

The subject land is mapped as being Class 5 potential acid sulfate soils. As the proposal does not involve works within 500 metres of adjacent Class 1, 2, 3 or 4 land, which are likely to lower the watertable below 1 metre AHD, no further investigations into acid sulfate soils are required.

Clause 7.12 – Koala Habitat

Parts of the site are mapped as secondary koala habitat.

Notwithstanding this, due to provisions of the Threatened Species Conservation Act 1995, the Environmental Planning and Assessment Act and the approved biobanking statement that was lodged with the application, Council is not required to take into consideration the likely impact of the development on biodiversity values.

iii. any Development Control Plan

• **Off Street Carparking Development Control Plan**

For this type of development, Council's Off Street Car Parking Development Control Plan specifies a car parking rate of 1 space for every unit greater than 85m² in area. All proposed dwellings are greater than 85m² in area.

The application proposes one car parking space for each dwelling and twelve additional visitor car parking spaces. The proposed development is considered satisfactory with respect to car parking.

• **Access and Mobility Development Control Plan**

The development provides for appropriate access and facilities and is consistent with the requirements of this plan.

• **Waste Management Development Control Plan**

There are no specific controls within this plan that relate to a seniors living development. The application proposes that waste collection be undertaken by private waste contractors. A central waste storage area is proposed within the maintenance shed of the development. Each dwelling will be provided with bins that will be collected on a regular basis. This arrangement is acceptable and is considered to meet the objectives of the Waste Management Development Control Plan. A condition of development consent will require that waste management be carried out in accordance with this arrangement.

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- **Notification Development Control Plan**

The development application was advertised and notified in accordance with the provisions of this Plan.

- iv. **the regulations (to the extent that may prescribe matters for the purposes of this paragraph), that apply to the land to which the development application relates,**

Clause 92 of the Environmental Planning and Assessment Regulations 2000 requires that the NSW Coastal Policy 1997, be considered in the determination of development applications. The development is consistent with the goals, objectives and strategic actions outlined in the Policy.

- b. **the likely impacts of that development, including environmental impacts, on both the natural and built environments, and social and economic impacts in the locality,**

- **The natural environment**

The development site contains vegetation of significance. The proposed development will remove the majority of vegetation in that part of the site subject to the development. There will be a consequent environmental impact as a result of the vegetation removal.

Council's assessment of this application is constrained by provisions of the Threatened Species Conservation Act 1995 and the Environmental Planning and Assessment Act 1979. This application was submitted with a Biobanking statement that was determined by the NSW Office of Environment and Heritage. Under the Threatened Species Conservation Act 1995, developments that are described in a biobanking statement are taken to be development that is "not likely to significantly affect any threatened species, population or ecological community". As a result, the application is not required to be accompanied by a species impact statement and in the assessment of the environmental impact of the development Council is not required to take into consideration the likely impact of the development on biodiversity values.

These provisions also require that the development be carried out in accordance with conditions specified in the biobanking statement. Council is required to impose these matters as conditions of development consent. Council is also required to ensure that the development is limited to the scale and extent specified in the development application.

One of the conditions of the biobanking statement lodged with this application is for "retirement of biobanking credits" which is a fundamental element of the biobanking "scheme". Council has no involvement in the biobanking statement and credit assessment process. This is all administered and determined by the NSW Office of Environment and Heritage.

- **The Built Environment**

The development is of a scale that is similar to the low density residential area that adjoins. The dwellings are similar in size to low density residential dwellings. Each dwelling has its own separate car parking area. Significant areas around the dwellings will remain undeveloped and there is sufficient undeveloped area between existing dwellings (that front Mullaway Drive) and the dwellings of the proposed development. Landscaping is proposed over undeveloped parts of the site. Separation and landscaping will ensure that there is no impact on the amenity of residents of existing dwellings in the area.

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The development by its nature will function in the same manner as a low density residential living area. Each dwelling will be occupied in the same manner as an owner occupied dwelling. There may be some communal, group activities that occur in the proposed clubhouse for the development but otherwise the individual dwellings themselves will be used for typical low density residential living. The proposed development by its scale, height, nature and use is considered compatible with both the residential areas that adjoin and rural areas that adjoin.

The concept stormwater management plan provided with the application proposes site modification and stormwater drainage infrastructure so that all stormwater (from the buildings and the site) will flow to a stormwater detention basin near Darkum Road. This will allow stormwater flows to be controlled and directed away from adjoining properties. This is an acceptable arrangement to address potential impacts on adjoining properties from stormwater runoff.

Both Mullway Drive and Darkum Road have sufficient constructed width and form to cope with existing traffic volumes and the additional traffic that will be generated by this proposal. Construction of footpath, kerb and gutter (for the frontage of the site) and provision of a bus shelter in Darkum Road, is required by a condition of development consent, and will enhance traffic management, road safety and amenity on Darkum Road.

• **Social and Economic Impacts**

The proposed development is not expected to result in unacceptable social or economic impacts in the locality.

The proposed development will provide additional housing for seniors in the northern beaches area. The development is unlikely to result in any unacceptable noise impacts to the adjoining residential area given that it will only provide for low density residential living. Given the capacity of the existing road network, the development is unlikely to result in any unacceptable impacts on traffic movement in the area.

The application included an assessment of matters relating to aboriginal cultural heritage. The application was referred to the NSW Environment Protection Authority - Planning and Aboriginal Heritage for comment on this issue. They had no specific concerns with the development as proposed. A condition of development consent specifies requirements in the event that any item of aboriginal significance is found during construction.

c. the suitability of the site for the development,

The site is mapped as bushfire prone. Seniors Housing is a special fire protection purpose under the Rural Fires Act 1997 requiring general terms of approval of the NSW Rural Fire Service. The development has been designed with consideration of the bushfire risk and the Rural Fire Service has issued general terms of approval. These have been incorporated into conditions of development consent.

One access to the development is proposed from Darkum Road. This access point is considered appropriate; there is sufficient separation from the intersection of Darkum Road and The Boulevard.

The development is sufficiently separated from the adjoining dwellings (on Mullaway Drive). The proposed development is considered suitable given the type of development, the scale of the development and the noise generating characteristics of the development. The development meets the provisions of all relevant state environmental planning policies, development control plans and policies.

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d. any submissions made in accordance with this Act or the regulations,

A total of 53 submissions were received by Council following exhibition of the application. Of these submissions, 37 objected to the development and 16 expressed support for the development.

Matters raised in submissions are considered in the relevant parts of this section 79C evaluation. A summary of the issues raised in public submissions is below.

- Impact from vegetation removal.
- Vegetation removal has already occurred on site.
- Insufficient services in the area for a Seniors Living Development.
- No controls that only a person over 55 can live in the development and concern that development will transform into affordable housing.
- The site is not suitable for the proposed development.
- Impact on agricultural land.
- Not compatible with agriculture.
- Not compatible with the surrounding area.
- Development will set a precedent for rural property.
- Adverse impact on the Solitary Islands Marine Park from stormwater runoff.
- Existing piped stormwater drainage infrastructure in The Boulevard is not sufficient to cope with additional stormwater runoff.
- Increase in traffic to the area from the development.
- Darkum Road not wide enough.
- Darkum Road could not handle traffic in the event of fire.
- Traffic travels too fast on Mullaway Drive and existing cycleway/walkway is dangerous.
- Children, pedestrians and bikes use the roads around the development site.
- Bushfire risk to occupants of the development.
- Insufficient consideration of Aboriginal cultural heritage issues.
- Developer should pay for a skateboard park.
- No opportunity to comment on the application for a biobanking statement or the application for a site compatibility certificate.

The application was also referred to

- NSW Rural Fire Service
- NSW Environment Protection Authority - Planning and Aboriginal Heritage
- NSW Police Service

The referral to the NSW Rural Fire Service was an integrated development referral. They provided their "general terms of approval" to the application. Both the NSW Environment Protection Authority - Planning and Aboriginal Heritage department and the NSW Police Service had no specific concerns with the proposed development.

All submissions have been considered in the assessment of the application.

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e. the public interest:

The proposed development is not considered contrary to the public interest.



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User = ctscath

Scale = 1:4,508



Projected Coordinate System— GDA 1994, MGA Zone 56



Development Application No. 700/12

Schedule of Conditions

ADMINISTRATIVE CONDITIONS

Prescribed Conditions:

1. The proponent shall comply with the prescribed conditions of development approval under Clauses 97A, 98, 98A - E of Environmental Planning and Assessment Regulation 2000 as are of relevance to this development.

Development Description:

2. Development consent is granted only to carrying out the development described below:
 - **Seniors Living Development – Serviced Self Care Housing**

Development is to be in Accordance with Approved Plans:

3. The development is to be implemented in accordance with the plans and supporting documents set out in the following table except where modified by any conditions of this consent (Development Consent No. 700/12).

Drawing No.	Issue	Prepared by	Dated
Revised Tree Survey Plan – Revision B		GHD	September 2012
598DA_A_003	D	McFadyen Architects Pty Ltd	12 October 2012
598DA_A_004	C	McFadyen Architects Pty Ltd	12 October 2012
598DA_A_005	E	McFadyen Architects Pty Ltd	26 October 2012
598DA_A_006	C	McFadyen Architects Pty Ltd	12 October 2012
598DA_A_007	A	McFadyen Architects Pty Ltd	10 January 2012
598DA_A_008	A	McFadyen Architects Pty Ltd	10 January 2012
598DA_A_009	A	McFadyen Architects Pty Ltd	10 January 2012
598DA_A_010	D	McFadyen Architects Pty Ltd	26 October 2012
598DA_A_011	C	McFadyen Architects Pty Ltd	12 October 2012

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

The approved plans and supporting documents endorsed with the Council stamp and authorised signature must be kept on site at all times while work is being undertaken.

Development Application No. 700/12

Schedule of Conditions

Development in Accordance with Documents:

4. The development shall be undertaken in accordance with the following documents:

Document	Prepared/Issued by	Dated
Statement of Environmental Effects	GHD	March 2012
Traffic Impact Assessment	GHD	August 2011
Bushfire Hazard Assessment	GHD	January 2012
Due Diligence Assessment (Aboriginal Cultural Heritage)	Ainsworth Heritage	June 2012
Social Impact Assessment	GHD	June 2012
Noise Impact Assessment	GHD	May 2012
SEPP (Housing for Seniors or People with a Disability) Assessment	GHD	June 2012
Basix Certificate No. 448665M	NSW Department of Planning and Infrastructure	8 October 2012
Bio-banking Statement – Statement ID: 4	NSW Office of Environment and Heritage	27 February 2012

Inconsistency Between Documents:

5. In the event of any inconsistency between:
- (1) The conditions of this approval and the drawings/documents referred to in conditions 3 and 4, the conditions of this approval prevail; and
 - (2) Any drawing/document listed in conditions 3 and 4 and any other drawing/document listed in conditions 3 and 4, the most recent document shall prevail to the extent of inconsistency.

Staging of Development:

6. This development consent acknowledges that construction of the development will be staged, generally in accordance with the following:

Stage One:

- *Eight dwellings; and*
- *Clubhouse.*

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Development Application No. 700/12

Schedule of Conditions

Stage Two:

- Additional eight dwellings.

Stage Three:

- Additional eight dwellings.

Stage Four:

- Additional ten dwellings.

Limit of Approval – Vegetation Removal:

7. Vegetation removal approved by this development consent is limited to removal of trees on Lot 1, DP 1128964 labelled as “trees removed (identified)” and “additional trees removed due to landform rectification” on the plan of GHD titled “Revised Tree Survey Plan – Revision B” and dated September 2012.

PRIOR TO THE ISSUE OF CONSTRUCTION CERTIFICATE

Developer Contributions:

8. Payment to Council of contributions, at the rate current at the time of payment, towards the provision of the following public services or facilities:

Note 1 - The contributions are to be paid prior to release of any Construction Certificate unless other arrangements acceptable to Council are made.

Note 2 - The rates will be adjusted in accordance with the procedures set out in Council's Section 94 Contributions Plans. The applicant is advised to confirm the contribution rate applicable at the time of payment as rates are revised at least annually.

Note 3 - If the development is to be staged, contributions are to be paid on a pro rata basis in respect of each stage.

Stage 1

	\$ Per Dwelling
- Coordination and Administration	196.11
- Coffs Harbour Road Network	472.67
- Surf Rescue Facilities	35.15
- District Open Space	1,772.20
- Neighbourhood Open Space	41.54

Stage 1 – 8 dwellings total amount payable \$20,141.36

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Stage 2

	\$ Per Dwelling
- Coordination and Administration	196.11
- Coffs Harbour Road Network	472.67
- Surf Rescue Facilities	35.15
- District Open Space	1,772.20
- Neighbourhood Open Space	41.54

Stage 2 – 8 dwellings total amount payable \$20,141.36

Stage 3

	\$ Per Dwelling
- Coordination and Administration	196.11
- Coffs Harbour Road Network	472.67
- Surf Rescue Facilities	35.15
- District Open Space	1,772.20
- Neighbourhood Open Space	41.54

Stage 3 – 8 dwellings total amount payable \$20,141.36

Stage 4

	\$ Per Dwelling
- Coordination and Administration	196.11
- Coffs Harbour Road Network	472.67
- Surf Rescue Facilities	35.15
- District Open Space	1,772.20
- Neighbourhood Open Space	41.54

Stage 4 – 10 dwellings total amount payable \$25,176.70

The total Section 94 contribution is currently \$85,600.78 for the staged 34 unit development.

Road Design and Services:

9. The following works:

- (a) Roadworks incorporating kerb and gutter for the frontage of the site with Darkum Road;
- (b) Footpaths for the frontage of the site with Darkum Road;
- (c) Water supply;
- (d) Sewerage;
- (e) Stormwater drainage including WSUD requirements;
- (f) Stormwater management plan works;
- (g) Bus stop;

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Schedule of Conditions

shall be provided to serve the development with the works conforming with the standards and requirements set out in Council's Development Design and Construction specifications and relevant policies (Water Sensitive Urban Design).

Note:

A bus stop and shelter incorporating a layby is to be provided in Darkum Road in accordance with Austroads Standards, Australian Standard AS 1428.2 and Council's specifications.

Plans and specifications are to be submitted to Council and a separate Civil Works Construction Certificate issued **prior to the issue of a Construction Certificate**. Plan submissions are to be accompanied by payment of prescribed fee.

Plans and specifications submitted later than six (6) months from the date of development consent shall comply with Council's current specifications at a date six (6) months prior to submission.

All work is to be at the developer's cost.

Erosion and Sedimentation Control:

10. An erosion and sediment control plan, together with a management strategy, detailing soil erosion and sediment control measures, shall be prepared by a qualified environmental or engineering consultant in accordance with the document Management Urban Stormwater – Soils & Construction Volume 1 (2004) by Landcom. Details being submitted and approved by the Certifying Authority **prior to issue of the first Construction Certificate**.

Access and Facilities for Persons with a Disability:

11. All components of the development are to be provided with access and facilities for persons with a disability.

The applicant's attention is directed to the Disability (Access to Premises - Buildings) Standards 2010 and the Building Code of Australia.

Details indicating compliance must be submitted and approved by the certifying authority **prior to the issue of the Construction Certificates**.

Stormwater Management (On-site Detention):

12. Stormwater being drained to Darkum Road via a detention system. Design details of the system being submitted to Council and approved **prior to issue of the Construction Certificate**.

The on-site drainage system is to be designed in such a way that the estimated peak flow rate from the site for the average recurrence interval (ARI) of the receiving system is no greater than that which would be expected from the existing development. Calculations showing the effect of the proposed development on design storm run-off flow rates and the efficacy of proposed measures to limit the flows as set out in this condition are to be submitted with the design details.

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The design is to achieve where applicable, compliance with the Coffs Harbour City Council Water Sensitive Urban Design Policy Targets.

Fill:

13. Contour plans indicating the location of proposed fill areas in the subdivision being submitted and approved by Council prior to issue of the Construction Certificate.

Contour plans are to include a clear description of impact of changes proposed on water movement both to and from the site on all adjacent land and to show stormwater discharge points.

Water Management Act 2000:

14. The Construction Certificate not being released until a Certificate of Compliance pursuant to Division 5 of Part 2 of Chapter 6 of the Water Management Act 2000 evidencing that adequate arrangements have been made for the provision of water and sewerage services to and within the development is produced to Council.

The current contribution rate is:

<u>Stage 1</u>	Amount/unit \$	Total \$
Works to satisfy increased demand within the area for 8 units		
	4,952.15	39,617.20
	4,735.66	<u>37,885.28</u>
Subtotal Stage 1		77,502.48
<u>Stage 2</u>	Amount/unit \$	Total \$
Works to satisfy increased demand within the area for 8 units		
Water	4,952.15	39,617.20
Sewer	4,735.66	<u>37,885.28</u>
Subtotal Stage 2		77,502.48
<u>Stage 3</u>	Amount/unit \$	Total \$
Works to satisfy increased demand within the area for 8 units		
Water	4,952.15	39,617.20
Sewer	4,735.66	<u>37,885.28</u>
Subtotal Stage 3		77,502.48
<u>Stage 4</u>	Amount/unit \$	Total \$
Works to satisfy increased demand within the area for 10 units		
Water	4,952.15	49,521.50
Sewer	4,735.66	<u>47,356.60</u>
Subtotal Stage 4		96,878.10
<u>TOTAL AMOUNT PAYABLE ALL STAGES</u>		<u>329,385.54</u> <u>329,385.54</u>

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Landscape Plan:

15. A detailed landscaping plan for the area hatched in red on the plan of McFadyen Architects Pty Ltd (Drawing No: 598DA_A_003, Issue D) being submitted to Council and approved **prior to issue of the Construction Certificate**.

The Plan must be prepared and certified by a qualified architect, landscape architect or professional landscape consultant. The Plan is to comply with Council's Landscaping Guidelines, and is to incorporate measures to ensure the maintenance and survival of the landscaping.

PRIOR TO COMMENCEMENT OF WORKS

Construction Certificate:

16. No construction work is to commence on site until a Construction Certificate has been issued for the work and Council has been notified that a Principal Certifying Authority has been appointed.

Liaison Person:

17. The proponent is to appoint a liaison person to consult with adjoining property occupiers before, and during any development works on site. A 24 hour contact telephone number is to be provided to Council and all adjoining property occupiers at least 48 hours prior to commencement of any development works on site.

Notice to be Given Prior to Commencement:

18. Council is to be given written notice, at least 48 hours prior to the commencement of any vegetation removal, landform modification, engineering works or building construction on the site.

The Principal Certifying Authority is to be given a minimum of 48 hours notice prior to any critical stage inspection or any other inspection nominated by the Principal Certifying Authority via the notice under Section 81A of the Environmental Planning and Assessment Act 1979.

Site Notice:

19. Prior to commencement of works a site notice(s) shall be prominently displayed at the Randalls Road boundary of the site for the purposes of informing the public of the development details including but not limited to:
- (1) Details of the Principal Contractor and Principal Certifying Authority for all stages of the development;
 - (2) The approved hours of work;
 - (3) The name of the site/project manager, the responsible managing company (if any), its address and 24 hour contact phone number for any inquiries, including construction noise complaints are to be displayed on the site notice; and
 - (4) To state that unauthorised entry to the site is not permitted.

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Erosion and Sediment Control:

20. Prior to commencement of work on the site for each stage of the development, erosion and sedimentation control measures are to be installed and operational including the provision of a “shake down” area where required to the satisfaction of the Principal Certifying Authority.

DURING CONSTRUCTION

Hours of Construction:

21. Construction works are to be limited to the following hours:
- | | |
|------------------|---|
| Monday to Friday | 7.00 a.m. - 6.00 p.m. |
| Saturday | 7.00 a.m. - 1.00 p.m. if inaudible from adjoining residential properties, otherwise 8.00 a.m. - 1.00 p.m. |

No construction work is to take place on Sunday and Public Holidays.

Approved Plans to be On-Site:

22. A copy of the approved and certified plans, specifications and documents incorporating the conditions of approval and certification shall be kept on the site at all times and shall be readily available for perusal by any officer of Council or the Principal Certifying Authority.

Excavated Material:

23. Where excavated material is to leave the site it is to be disposed of at an approved landfill facility.

Alternatively, where it is proposed to dispose of the excavated material at another location no material is to leave the site until:

- Council has been advised in writing of the destination site(s);
- Council has been advised of the quantity and makeup of the material; and
- Council has issued written approval for disposal to the alternate location(s).

Note, the exportation of fill or soil from the site shall comply with the terms of any approval issued by Council.

Note, no site excavation works are to commence until the relevant Construction Certificate has issued.

Waste and Contamination:

24. The exportation of waste (including fill or soil) from the site must be in accordance with the provisions of the *Protection of the Environment Operations Act 1997* and the *Department of Environment Climate Change and Water “Waste Classification Guidelines”*.

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Any new information that comes to light during remediation, demolition or construction works which has the potential to alter previous conclusions about site contamination must be immediately notified to the Council and the Principal Certifying Authority.

Erosion and Sediment Control:

25. All erosion and sediment control measures, as designed in accordance with the approved plans are to be effectively implemented and maintained at or above design capacity for the duration of the construction works for each stage of the project, and until such time as all ground disturbance by the works has been stabilised and rehabilitated so that it no longer acts as a source of sediment.

Dust Control Measures:

26. Adequate measures being taken to prevent dust from affecting the amenity of the neighbourhood during construction. In particular, the following measures must be adopted:
- (1) Physical barriers being erected at right angles to the prevailing wind direction or being placed around or over dust sources to prevent wind or activity from generating dust emissions;
 - (2) Earthworks and scheduling activities shall be managed to coincide with the next stage of development to minimise the amount of time the site is left cut or exposed;
 - (3) All materials shall be stored or stockpiled at the best locations;
 - (4) The work area being dampened slightly to prevent dust from becoming airborne but not to the extent that runoff occurs;
 - (5) All vehicles carrying spoil or rubble to or from the site shall at all times be covered to prevent the escape of dust or other materials;
 - (6) All equipment wheels shall be washed before exiting the site using manual or automated sprayers and drive through washing bays (if applicable);
 - (7) Gates shall be closed between vehicle movements and shall be fitted with shade cloth; and
 - (8) Cleaning of footpaths and roadways shall be carried out regularly by manual dry sweep or by use of a cleaning vehicle.

Cultural Heritage:

27. In the event that future works during any stage of the development disturb Aboriginal Cultural materials, works at or adjacent to the material must stop immediately. Temporary fencing must be erected around the area and the material must be identified by an independent and appropriately qualified archaeological consultant. The Office of Environment and Heritage (OEH), Northern Aboriginal Heritage Unit and the Aboriginal Stakeholder groups must be informed. These groups are to advise on the most appropriate course of action to follow. Works must not resume at the location without the prior written consent of the OEH and Northern Aboriginal Heritage Unit and the Aboriginal Stakeholder groups.

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PRIOR TO ISSUE OF OCCUPATION CERTIFICATE

Occupation Certificate:

28. A person must not commence occupation or use any of the development **prior to obtaining a relevant Occupation Certificate** from the Principal Certifying Authority.

Control of the Obtrusive Effects of Lighting:

29. All lighting to the development is to be installed in accordance with AS 4282-1997 Control of the obtrusive effects of outdoor lighting. Certification that lighting complies with this standard is to be provided from an electrical installer **prior to occupation or issue of an Occupation Certificate**.

Stormwater Management Certification:

30. **Prior to the issue of an Occupation Certificate** the consultant design engineer shall issue a certificate to the Principal Certifying Authority to the effect that the stormwater treatment system has been installed and complies with the approved design.

Stormwater Management (On-Site Detention):

31. All stormwater design elements (approved in accordance with condition number 12 above) are to be completed **prior to the issue of an occupation certificate**.

Road Design and Services:

32. The following works:

- (a) *Roadworks incorporating kerb and gutter for the frontage of the site with Darkum Road;*
- (b) *Footpaths for the frontage of the site with Darkum Road;*
- (c) *Water supply;*
- (d) *Sewerage;*
- (e) *Stormwater drainage including WSUD requirements;*
- (f) *Stormwater management plan works;*
- (g) *Bus stop;*

being provided to serve the development with the works conforming with the standards and requirements set out in Council's Development Design and Construction specifications and relevant policies (WSUD).

These works are to be completed prior to the issue of an Occupation Certificate.

All work is to be at the developer's cost.

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Car Parking Spaces:

33. Car parking spaces as shown on the approved plan being provided on the development site prior to the issue of an Occupation Certificate.

All car parking and manoeuvring areas being constructed in accordance with the provisions of Australian Standard 2890.1 "Parking Facilities: Off-Street Car Parking" and the provisions of AS/NZS 2890.6:2009 "Parking Facilities: Part 6: off street parking for people with disabilities".

BASIX:

34. All of the commitments listed in each relevant BASIX Certificate for the development being fulfilled **prior to the issue of an Occupation Certificate**.

Landscaping Works:

35. **Prior to the issue of an Occupation Certificate** a works as executed plan is to be submitted to the Principal Certifying Authority certifying that all landscape works have been carried out in accordance with the approved plan.

Restriction on Title – Occupants of the Development:

36. A restriction as to user, which limits occupation of the accommodation to which this development application relates, to the following persons:

- (a) seniors or people who have a disability,
- (b) people who live within the same household with seniors or people who have a disability,
- (c) staff employed to assist in the administration of and provision of services to housing provided under *State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004*.

is to be registered against the title of the property on which this development is to be carried out, in accordance with Section 88E of the Conveyancing Act 1919

Evidence of the restriction as to user on the property title is to be provided to Council and the principal certifying authority **prior to issue of an Occupation Certificate**.

Certification (Integrated Terms of Approval):

37. All works as required by the integrated terms of approval conditions (Condition Nos. 46 to 58) are to be completed, with certification of completion being provided to the principal certifying authority, **prior to the issue of an Occupation Certificate**.

Certification (Bio-banking Conditions):

38. All works as required by the bio-banking conditions (Condition Nos. 59 to 66) are to be completed, with certification of completion being provided to the principal certifying authority, **prior to the issue of an Occupation Certificate**.

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OPERATIONAL MATTERS

Occupants of the Development:

39. Only the following persons may occupy the accommodation to which this development application relates:
- (a) seniors or people who have a disability,
 - (b) people who live within the same household with seniors or people who have a disability,
 - (c) staff employed to assist in the administration of and provision of services to housing provided under *State Environmental Planning Policy (Housing For Seniors or People with a Disability) 2004*.

Occupation of Individual Dwelling Units as a Retirement Village:

40. All dwellings within the development are only to be occupied by persons who have entered into village contracts with an operator of the complex, within the meaning of the *Retirement Villages Act 1999* (NSW).

Access to Transport Services – Private Bus Service:

41. A private bus service, capable of carrying at least 10 passengers, is to be provided to residents of the development, **prior to issue of an Occupation Certificate** and at all times while any dwelling is occupied.
- a) that will drop off and pick up passengers at a local centre that provides residents with access to the following:
 - (i) shops, banks and other retail and commercial services that residents may reasonably require,
 - (ii) community services and recreation facilities,
 - (iii) the practice of a general medical practitioner, and
 - b) that is available both to and from the proposed development to the local centre at least once between 8.00am and 12.00pm each day and at least once between 12.00pm and 6.00pm each day.

Access to Services – Arrangements with a Service Provider:

42. The following services are to be provided to occupants of the development on an as needs arises basis, by appropriate arrangements with a community service provider;
- (a) home delivered meals, and
 - (b) personal care and home nursing, and
 - (c) assistance with housework.

The community service provider that will provide the services required by this condition cannot be Government provided or funded community based care programs (such as the Home and Community Care Program administered by the Commonwealth and the State and the Community Aged Care and Extended Aged Care at Home programs administered by the Commonwealth).

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Waste Management:

43. Waste management for the facility is to be carried out in accordance with the method described in the statement of environmental effects of GHD dated March 2012.

Noise:

44. Noise emanating from the premises shall at all times be in accordance with the provisions of the Protection of the Environment (Operations) Act 1997.

Safer by Design – NSW Police Service Response:

45. The following matters raised by the NSW Police Service should be considered for implementation into the development.
- Installation of security screen doors, deadlocks, and window locks to Australian/New Zealand standards.
 - Installation of sensor lighting where practical.
 - Maintaining landscaping to provide clear sightlines and not provide concealment for offenders.
 - Use of signage to restrict access, provide directions and remove excuses for offenders to wander throughout the development.

INTEGRATED TERMS OF APPROVAL CONDITIONS - NSW RURAL FIRE SERVICE

Asset Protection Zones:

46. At the commencement of building works and in perpetuity the property to the south of Units 1-13, as indicated on the drawing prepared by McFadyen Architects Pty Limited (Title: site plan Part 1, Drawing No. 598DA_A_004 Issue A, dated 20.01.12 to a distance of 31m shall be maintained as an inner protection area (IPA) and 19m shall be maintained as an outer protection area (OPA) as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.
47. At the commencement of building works and in perpetuity the property to the south of Units 14 and 17, as indicated on the drawing prepared by McFadyen Architects Pty Limited (Title: site plan Part 2, Drawing No. 598DA_A_005 Issue E, dated 26.10.12 to a distance of 31m shall be maintained as an inner protection area (IPA) and 19m shall be maintained as an outer protection area (OPA) as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.
48. At the commencement of building works and in perpetuity the property to the west of Units 15-17, as indicated on the drawing prepared by McFadyen Architects Pty Limited (Title: site plan Part 2, Drawing No. 598DA_A_005 Issue E, dated 26.10.12 to a distance of 29m shall be maintained as an inner protection area (IPA) and 19m shall be maintained as an outer protection area (OPA) as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.

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49. At the commencement of building works and in perpetuity the property to the west of the clubroom, as indicated on the drawing prepared by McFadyen Architects Pty Limited (Title: site plan Part 2, Drawing No. 598DA_A_005 Issue E, dated 26.10.12 shall be maintained as an inner protection area (IPA) of 31m and an outer protection area (OPA) of 19m as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.

Water and Utilities:

50. Water, electricity and gas are to comply with sections 4.1.3 and 4.2.7 of 'Planning for Bush Fire Protection 2006'.

Access:

51. Internal roads shall comply with section 4.2.7 of 'Planning for Bush Fire Protection 2006'.
52. Occupant / pedestrian access is to be maintained:
- From the living area of Units 6-13 to the loop road to the north; and
 - From the living area of Unit 14 towards Darkum Road.

Evacuation and Emergency Management:

53. An emergency and evacuation plan addressing 4.2.7 of 'Planning for Bush Fire Protection 2006' shall be prepared for the subject site. The plan shall state that the Clubroom is not to be used on Total Fire Ban days and assign actions and responsibilities accordingly. A copy of the plan shall be provided to the consent authority and the Local Bush Fire Management Committee prior to the issuing of an occupation certificate.

Design and Construction:

54. Construction on proposed Units 6-17 shall comply with Sections 3 and 5 (BAL 12.5) Australian Standard AS3959-2009 'Construction of buildings in bush fire-prone areas' and section A3.7 Addendum Appendix 3 of 'Planning for Bush Fire Protection 2006'.
55. Construction on the proposed Clubroom shall comply with Sections 3 and 6 (BAL 19) Australian Standard AS3959-2009 'Construction of buildings in bush fire-prone areas' and section A3.7 Addendum Appendix 3 of 'Planning for Bush Fire Protection 2006'.
56. A minimum 1.8 metre high radiant heat shield made of non-combustible materials shall be constructed along the southern side of the path extending from the eastern exit of the proposed clubroom. The shield shall extend from the exit to the Darkum Rd setback boundary. All posts and rails shall be constructed of steel. The bottom of the fence is to be in direct contact with the finished ground level or plinth.
57. A minimum 1.8 metre high radiant heat shield made of non-combustible materials shall be constructed along the western side of the proposed clubroom, between the internal access road and the clubroom, within 9 metres of the clubroom. This point is approximately 29 metres from the mapped hazard. All posts and rails shall be constructed of steel. The bottom of the fence is to be in direct contact with the finished ground level or plinth.

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Landscaping:

58. Landscaping to the site is to comply with the principles of Appendix 5 of 'Planning for Bush Fire Protection 2006'.

BIO-BANKING CONDITIONS – NSW OFFICE OF ENVIRONMENT AND HERITAGE

Construction site management: pre-construction phase:

59. Retained native vegetation is to be delineated, including marking of individual trees (see also 'Tree protection and management') and temporary fencing is to be erected around retained vegetation, including individual trees, to protect it from construction activity prior to commencement of any vegetation removal on site. Temporary fencing is to be erected around the boundary of the construction zone to restrict any incursion into retained vegetation and to assist in keeping fauna away. Site sheds, materials or waste is to be located, stored or deposited, temporarily or otherwise, so that no impacts occur on retained vegetation or individual trees (taking account of drip-lines).
60. A fauna survey of the construction zone is to be undertaken by a suitably qualified ecologist (i.e. 'the ecologist') at least two weeks prior to commencement of any vegetation removal on site in order to capture any fauna that is found within the construction footprint. Any captured fauna is to be released appropriately taking account of any biodiversity offset arrangement.

Construction site management: Construction phase:

61. Fauna surveys are to be undertaken by the ecologist throughout the construction site for the first three mornings after active vegetation clearing has occurred to capture and remove any fauna present. Particular attention is to be paid to any trenches into which fauna may fall or where temporary habitats may be formed. Any captured fauna is to be released appropriately taking account of any biodiversity offset arrangement.

Construction site management: post-construction phase:

62. All temporary fencing is to be removed. Permanent low barrier fencing, bollards or similar are to be constructed to distinguish the development area from the retained vegetation in order to prevent direct impacts from any future building or maintenance access extending into the areas of retained vegetation. Fencing to meet this condition is to be installed **prior to issue of any Occupation Certificate.**

Vegetation management:

63. Vegetation rehabilitation and management measures are to include succession planting for mature trees, use of appropriate locally occurring native species (and local seed collection/propagation), translocation of habitat (e.g. fallen logs) to other retained vegetated areas to improve habitat values, and removal and management of exotic plant species.
64. Measures are also to address the rehabilitation and management of the bushfire asset protection zone (APZ). The Outer Protection Zone (OPZ) of the APZ is to be managed for a discontinuous canopy, a grassy understorey and up to 25% native shrubs maintained in 'clumps'. Performance requirements (i.e. fuel loads) of the OPZ will be met through ongoing management and monitoring.

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Tree protection and management

- 65. A tree survey is to identify those trees to be retained, recruitment trees to provide long-term replacement hollows, possible tree planting areas and management measures to protect habitat resources from future potential issues relating to human safety.
- 66. Hollow bearing trees (including hollows that may be suitable as bat habitat) that are designated for removal will be identified and marked by a suitably qualified ecologist. These hollows are to be searched by the ecologist and any fauna removed prior to tree removal. Hollows habitat available from the clearing will be translocated by the ecologist and placed within the retained area and/or other biodiversity offset site to improve habitat values.

Credit retirement:

- 67. The credits set out in Table 1 and Table 2 below must be retired to ensure that the development to which Biobanking Statement (Statement ID 4, dated 27 February 2012) relates, improves or maintains biodiversity values.

All credits required to be retired in respect of the development to which Biobanking Statement (Statement ID 4, dated 27 February 2012) applies must be retired at the same time.

The specified number of ecosystem credits in Table 1 must be retired to offset the impacts of the development on the Blackbutt — Tallowwood dry grassy open forest of the central parts _North Coast vegetation type indicated on Map 1: Map of development site in Annexure A to Biobanking Statement (Statement ID 4, dated 27 February 2012) (Map 1). The ecosystem credits must be in respect of any one or more of the vegetation types within the CMA subregions listed and meet, as a minimum, the surrounding vegetation and patch size criteria specified in Table 1. The credits must be retired before physical work can commence on the development site.

The specified number of ecosystem credits in Table 2 must be retired to offset the impacts of the development on the Forest Red Gum — Swamp Box of the Clarence Valley lowlands of the North Coast vegetation type indicated on Map 1: Map of development site in Annexure A to Biobanking Statement (Statement ID 4, dated 27 February 2012). The ecosystem credits must be in respect of any one or more of the vegetation types within the CMA subregions listed and meet, as a minimum, the surrounding vegetation and patch size criteria specified in Table 2. The credits must be retired **prior to commencement of any work on site and prior to issue of any construction certificate.**

Table 1 Ecosystem credits required for the Blackbutt - Tallowwood dry grassy open forest of the central parts North Coast indicated on Map 1

Number of ecosystem credits	169
Surrounding vegetation cover	minimum class 30%
Patch size including low condition	minimum class 100 ha
CMA sub-region (Catchment Management Authority)	Clarence Lowlands (Northern Rivers)
Vegetation type(s) that can be used to offset the impacts from development	Blackbutt — Tallowwood dry grassy open forest of the central parts North Coast (NR119)

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Table 2 Ecosystem credits required for the Forest Red Gum — Swamp Box of the Clarence Valley lowlands of the North Coast indicated on Map 1

Number of ecosystem credits	36
Surrounding vegetation cover	minimum class 30%
Patch size including low condition	minimum class 100 ha
CMA sub-region (Catchment Management Authority)	Clarence Lowlands (Northern Rivers) Coffs Coast & Escarpment (Northern Rivers)
Vegetation type(s) that can be used to offset the impacts from development	Blackbutt — Tallowood dry grassy open forest of the central parts North Coast (NR119)

TRAFFIC CONDITIONS - BOAMBEE PRIMARY SCHOOL

Purpose:

Councillor Rodney Degens has given his intention to move the following motion:

That council investigate and report back to council on the following matters outlined below that relate to traffic conditions at Boambee Primary School.

That the report address the matters with solutions, particularly with respect to the lack of legal parking.

Rationale:

At a general meeting of the Parents and Citizens of Boambee Primary School, conducted on Monday, 19th November, 2012 following concerns were raised:

1. Inadequate Parking.
2. Buses that drop off on other side of road that necessitates crossing of the road by youngsters.
3. No painted or marked pedestrian crossing and/or no trained permanent adult assistance for road crossing.
4. Narrow and crowded road conditions that have resulted in reduced speed limits, however the unsafe conditions still remain.

Parents at the above meeting established an order of priority for solutions that will address the concerns and it is below.

In order of priority:

1. Fully painted and signed pedestrian crossing.
2. Consultation with bus companies that ensure no children dropped off on wrong street side.
3. Increase in number of legal and safe parking bays.
4. Lengthening of curbed and guttered road section opposite side of school.

Note that potentially a fully painted, signed pedestrian crossing may satisfactorily alleviate the dangers resulting from bus drops onto opposite street side and the lengthening of curb and guttering may increase parking spaces of its own accord.

Staff Comment:

Council has been working with the Boambee Public School for a number of years to look at ways to improve their pedestrian safety, bus access and access to parking during peak pick up / drop off times.

In 2003 as part of the England's Road - Lyons Road Pacific Highway upgrade project the RMS carried out extensive road widening, footpath, kerb and gutter and drainage works along the Lindsay's Road school frontage. This work also included construction of a formal bus turnaround bay near McAlpine Way.

In 2004 Council funded a short extension of footpath adjacent the school car park in Lindsay's Road, which due to the site constraints required a retaining wall and drainage works - cost \$22 000.

In 2009 – 2010, in consultation with the school, Council again extended the footpath construction to the bus turnaround area at McAlpine Way - cost \$66 728. This was done on the understanding that the school would encourage parents to park in the McAlpine Way area and encourage more students to walk to school.

The Lindsay's Road School frontage is a very short and is mostly taken up with a marked school crossing; bus zones and parent pick up / drop off areas. The road reserve is highly constrained due to topography and services. The only way to increase on-street parking availability directly adjacent the school would be to widen and reconstruct the road at high capital cost (\$100,000 depending on length)

In addition:

- the speed limit in Middle Boambee has recently been reduced from 60 and 70kph to 50kph;
- Council has applied for Bus Priority Program funding from the RMS to upgrade the bus turnaround on the corner of McAlpine Way and Lindsay's Road to provide a shoulder for parking and a footpath link (expected start date July 2014 if the application is successful);
- Council is investigating the possibility of obtaining funding for a 'safe routes to school' study to determine how the students access the school and if there are any alternatives to parents dropping their own child off in their own vehicle, eg can they catch a school bus or can they walk / cycle?

In response to Cr Degens' priority points;

1. Fully painted and signed pedestrian crossing.

There is currently a marked Children's Crossing on Lindsay's Road outside the school. Children's Crossings are legally the strongest marked pedestrian crossings for managing traffic and pedestrians in the local streets around schools. During operating hours they are an inflexible traffic regulation and unlike other pedestrian crossings allow drivers no option other than coming to a full stop.

The Children's Crossing in Lindsay's Roads conforms to the relevant standards and the school zone signage has recently been upgraded to the latest (fluoro) design.

Council is assisting the school to enable them to apply for a school crossing supervisor through the RMS. The RMS are organising traffic counts at the site as the need for a supervisor is determined by counting the number of pedestrians crossing and vehicles during the school zone hours (morning and afternoon).

Installation of a marked pedestrian crossing (zebra crossing) is contingent on the pedestrian demand being relatively consistent throughout the day. This is not the case in Lindsay's Road and it is clear that the site would not meet the warrants for a marked pedestrian crossing and would create a road safety hazard if one was installed.

2. Consultation with bus companies that ensure no children dropped off on wrong street side.

Council has worked with bus companies to ensure that as many students as possible are dropped off on the school side (north) of the road. Most of the buses that stop on the south side of Lindsay's Road need to continue south. A recent change in bus movements by Sawtell Coaches is linked to a commercial route operation. Issues relating to the provision of this new service and the impacts on the school service have been forwarded to Transport for NSW.

3. Increase in number of legal and safe parking bays.

Increased parking restrictions have recently been installed adjacent the front entrance of the school creating a parents "drop off zone" which is supervised by teachers morning and afternoon. This reduces the need for more parking bays as parents can drop their students off at the school gate and remain in the car. More signage has been ordered to alert parents to this facility. The school has also included notices regarding the use of this facility and parking legally in the school newsletter. As mentioned above increasing the number of on street parking bays available would require major road reconstruction works.

4. Lengthening of curbed and guttered road section opposite side of school.

Construction of kerb and gutter opposite the school would not provide any additional parking as the road length is already taken up by the school crossing, bus zones and parking.

REPORT FROM INDEPENDENT LOCAL GOVERNMENT REVIEW PANEL

Purpose:

The purpose of this report is to table the paper "Better, Stronger Local Government - The Case for Sustainable Change" by the Independent Local Government Review Panel for Council information.

Description of Item:

The Independent Local Government Review was launched in May 2012 and the Panel is scheduled to present its final report to the State Government in July 2013. The review had its origins in *Destination 2036* – a joint State and local government initiative based on a vision for local councils to create strong communities through partnerships.

The Panel is chaired by Professor Graham Sansom, Director of the Australian Centre for Excellence in Local Government. The other two members are Ms Jude Munro AO, a former CEO of four metropolitan councils across three states, including the city of Brisbane; and Mr Glenn Inglis, who has extensive experience as a council General Manager in rural and regional NSW.

The Panel's overarching responsibility is to improve the strength and effectiveness of local government in NSW, supporting the key strategic directions identified by *Destination 2036* and the broader objectives of the State as outlined in *NSW 2021: A Plan to Make NSW Number One* (the State Plan).

The Panel has been asked to consider:

- Several items from the Destination 2036 Action Plan, focused on regional collaboration, innovation and better practice, the local government revenue system, and identification of the respective roles of State and local government.
- Possible future arrangements for local governance and service delivery in the far western districts of NSW, including aspects of service delivery to Aboriginal communities.
- Proposals advanced in the Armstrong-Gellatly report of December 2008, and more recently by Infrastructure NSW, to combine the existing 104 council-owned water utilities across non-metropolitan NSW into 32 larger regional operations.

In progressing this review, the Panel has been undertaking a range of activities to become informed of the views and issues.

As part of its first round of consultation, the Panel asked councils and community members during its **Listening Tour**, which visited 32 regional locations across NSW, the following questions.

- What does the future hold for local government in NSW?
- Can councils play a stronger, more effective role to support local communities?
- Can they all survive financially?
- Will they need to change their focus, structures or boundaries to meet the changing needs of their communities?

A summary of the Challenges and Suggested Changes that were raised regularly throughout the Listening Tour, included:

Challenges

- Concerns expressed that councils are not financially independent and sustainable
- Continued impacts of cost shifting
- Threats on future direct Federal funding transfers resulting from lack of constitutional recognition
- Funding the maintenance and renewal of our infrastructure
- Impacts of increased heavy vehicle movements through LGAs that are on transport links to major service centres
- Councils need to make the most of the opportunities from our changing populations, eg ageing, young and growing populations
- Declining populations
- Improved relationships between levels of Government
- Impacts from carbon tax
- Let's keep local input to service planning and delivery, but have a big enough voice to advocate regionally
- There is a need to attract, develop and retain highly capable and professional Councillors and staff
- If we invest in traineeships we need to provide incentives to retain people
- How to attract Councillors with relevant experience?
- Managing climate change impacts – droughts, extreme weather events and sea level rise
- Impact on Local Government of State Government, eg Crown land management, developer contributions caps, town bypasses, roads contracts, excessive accountability regulations, withdrawal of services, disaster funding, catchment management, non-rateable lands and mining impacts
- Impacts of restrictive industrial relations arrangements
- Impacts on ability to deliver efficient services from the uncoordinated interactions between the three levels of Government

Suggested Changes

- The Local Government Act needs to be enabling legislation – “one size does not fit all” – not all communities want the same services or the same solutions
- Transform the relationship between State and Local Governments both strategically and operationally
- Long term partnership/funding agreements for any cost shifting decisions
- Remove rate pegging and deregulate fees and charges
- We need new revenues to deliver required services and fund infrastructure renewal, especially community facilities, timber bridges and roads
- Review rating systems, eg differential rating, rating categories, unimproved/improved capital value
- Good local integrated planning is the key to a council's contract with its community
- Better integrated planning by State and Local government to meet NSW community needs
- Councils to have a stronger voice in regional strategy development and planning
- Improved recognition of local priorities and better coordination of service delivery by the three tiers of Government, including specific place based models
- Review boundaries but communities of interest are what's important
- If any amalgamation it must be thought through and include a package of reforms, transitional plans, trials and less restrictive industrial relations provisions

- Technology change enables us to explore new ways of governing, engaging and delivering services
- Compliance requirements placed on councils by others are very time consuming and costly
- Independent people wanting to be a Councillor are disadvantaged by the above the line voting system
- Reduce Councillor numbers
- Review the roles and relationships of the Mayor and General Manager
- Improved training and education opportunities for Councillors
- Extend the term of Mayors where they are elected by the Councillors
- Code of conduct process needs to be improved to enable quicker action and more effective dealing with repeat offenders
- More sharing of resources and expertise between councils
- Allow for timely and efficient formation of Council corporate entities
- Clarify the role of Regional Organisations of Councils and determine how shared services can operate effectively
- Rigorous review of all government policies that create economic inefficiencies like rating exemptions, natural disaster betterment principle, crown lands management, infrastructure funding and competitive service delivery provision.

A discussion paper was also released titled “**Strengthening your community**”, which invited written submission in September 2012. The discussion paper focused on three key questions:

1. What are the best aspects of NSW local government in its current form?
2. What challenges will your community have to meet over the next 25 years?
3. What “top 5” changes should be made to local government to help meet your community’s future challenges?

Following the close of Stage One, 215 written submissions were received from councils, regional organisations, community members, community groups, business and professional organisations. The summary of submissions for the Stage One consultation is appended to this report as Attachment 2.

The written submissions were reflective of local government’s broad range of activity. Respondents addressed everything from participatory democracy to stormwater drainage disputes. Although common themes emerged, there was great diversity of opinion on each. The review process identified some 67 themes in response to the discussion paper questions. From these responses, three main concepts began to emerge: ***Relationships; Resourcing, and Realising Potential.***

More recently, the Panel has provided the ‘Case for Sustainable Change’ paper setting out the Independent Local Government Review Panel’s broad approach to the need for fresh thinking and new approaches in NSW local government. It draws on discussions during the Panel’s recent Listening Tour, submissions received in response to the earlier Consultation Paper released in July, published research and further studies commissioned by the Panel.

It revisits some of the points made in the Consultation Paper to provide an update on the Panel’s work and a basis for further research and discussion. At this stage the ‘Case for Sustainable Change’ is a work in progress and further studies and consultations are required to formulate firm proposals. However, the paper does include a number of ‘signposts’ – pointers to the directions of change the Panel believes will be necessary.

The Panel has no specific proposals to amalgamate Council X with Council Y at this stage according to the Panel Chairman. The discussion paper draws on what the Panel believes is an emerging body of evidence that suggests there are currently too many councils in NSW and there is a need to explore a range of options for consolidation. The Panel indicated that they understand concerns about amalgamation and will only recommend mergers where it is believed they are clearly the best way forward.

Professor Sansom has indicated that the Panel believes there is a strong case for consolidating councils in the Sydney region to strengthen their strategic capacity and given that the population of the Sydney region is expected to grow towards 7 million people by the middle of the 21st Century.

Professor Sansom also indicated that different growth patterns within Sydney would create significant imbalances between local government areas, and without change, the situation could arise where Sydney LGAs range in population size from less than 20,000 to half a million or more. The panel views that it is almost impossible for local government to develop and present a coherent strategic view on metropolitan issues to state and federal governments.

Governance in remote areas

The Paper also acknowledges that communities in far western NSW face daunting challenges, including declining and aging populations and increasing social disadvantage. Councils in remote regions are often under pressure to fill the gaps in providing services for their communities, although they themselves may have poor prospects of long-term financial sustainability. According to the Panel, simply amalgamating these councils is not a realistic approach. People and resources are too thinly spread and distances too great. Addressing the challenges of far western NSW will require new approaches to governance that effectively combine the capacities of local, State and federal agencies.

Exploring appropriate structures

The Paper notes that while there may be a case for some consolidation in rural, regional and coastal councils, this should be complemented by other measures such as much stronger regional bodies, perhaps along the lines of County Councils, expanded shared services and changes to the distribution of grant funding.

The Paper notes that NSW still has around 50 councils with populations less than 10,000, and as mergers are not always a practical approach, there needs to be a range of options. There's no 'one-size-fits-all' approach. The panel did acknowledge they will be looking closely at the future of councils around the periphery of regional cities and some smaller councils on the coast where mergers could facilitate improved urban and environmental management and enhance strategic capacity.

Sustainability Assessment:

- **Environment**

It is not anticipated that there will be any environmental impacts as a result of the Independent Review of Local Government.

- **Social**

Reform of local government will potentially have implications on the way services are planned, financed and delivered.

- **Civic Leadership**

It is essential that Council give consideration to the potential for reforms with a view to ensuring that the services delivered to our communities are delivered in the most efficient and effective manner. Therefore ongoing participation in the deliberations of the Independent Local Government Review Panel are advisable.

- **Economic**

Broader Economic Implications

As the specifics of targeted reforms become known, the economic implications will become better known however, it would be expected that any reform of local government generally should have positive economic benefits.

Delivery Program/Operational Plan Implications

There are no immediate budget impacts. Any budget implications arising from the possibility of Mid North Coast Regional Organisation of Councils investing in research for models of regional collaboration will be identified and provided within the forthcoming 2013 / 2014 budget process if necessary.

Consultation:

The release of the report Better, Stronger Local Government is inviting feedback from community to the Panel.

Related Policy and / or Precedents:

Nil.

Statutory Requirements:

Nil.

Issues:

Local government in NSW needs increased capacity to play a strategic role in State planning and development, according to the latest report from the Independent Review of Local Government.

Discussions were held on Friday 23 November at the Mid North Coast Regional Organisation of Councils Board meeting, and Mayors and General Managers have agreed to continue more discussions on models that could be applicable to strengthening the capacity of local government to be more strategic within our region.

This could mean strengthening existing alliances, shared service models to creating new regional business or service entities, but it is too early to forecast at the moment.

Alongside the Panel, the Government has appointed a Local Government Act Task Force, which is to rewrite the much-amended 1993 Act to ensure modern legislation that meets the current and future needs of the community and local government.

The Panel will maintain close liaison with the Task Force and plans to provide advice early in 2013 on emerging proposals that are likely to require legislative change. The Task Force has been given until September 2013 to complete its work.

“Strategic capacity” is the central issue for NSW local government.

Panel Chair, Professor Graham Sansom, in releasing the Review's second discussion paper on 22 November 2012, provided a strong message to the local government sector to take control of its future. The paper "Better, Stronger Local Government" highlights a series of Signposts for improvement and reform, including options for structure, governance and boundary change.

Key options for discussion include:

- "Significant consolidation" of councils across Sydney and in other major urban regions
- A "cooperative governance" and service delivery model in Far West NSW, bringing together local government and State and federal agencies
- A range of measures, including amalgamations, new regional bodies and expanded shared services operations for rural and regional councils.

Implementation Date / Priority:

Councils and members of the community are welcome to make written submissions on the discussion paper over the coming months. A series of roundtable discussions with key stakeholders has commenced, and Panel members will be visiting regional NSW early next year.

Comments and submissions on the paper are invited until March 2013. Then a further round of consultation is planned for April/May. The Panel's final report is due in July 2013.

A copy of this paper is appended to this report as Attachment 1.

Recommendation:

1. **That Council note the range of activities undertaken by the Independent Local Government Review Panel and receive the Paper "Better, Stronger Local Government - The Case for Sustainable Change".**
2. **That Council note that the Mid North Coast Regional Organisation of Councils will be reviewing directions and options in February 2013.**



Better, Stronger Local Government

The Case for Sustainable Change

November 2012

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Responses Welcome! The Panel looks forward to receiving comments on this paper. It is particularly keen to hear from the new councils elected in September this year, but anyone with an interest in the issues raised is welcome to join the conversation.

Full details of the Panel's consultation program and how to contribute to the review process are available on the Panel's website (see page 37).

Please go to: www.localgovernmentreview.nsw.gov.au

Preamble: Creating the Future

Local government in New South Wales must change. The future is challenging but also full of potential. Local councils must embrace the challenges and realise the potential. They can be catalysts for improvement across the whole public sector. They can demonstrate how to tackle complex problems by harnessing the skills and resources of communities, and how effective place-shaping can boost the State's economy and enhance people's quality of life.

The fortunes of NSW have slipped in recent years and the State government's goal is 'To Make NSW Number One'. The State Plan refers to the need to 'rebuild', to 'renovate' and to 'restore'. None of this can be achieved without a local government system that is also 'Number One'. NSW local councils employ over 50,000 people and spend close to \$10 billion every year; in many cases they are the lifeblood of local economies, and both individually and collectively they can play a central role in promoting state development.

Yet with notable exceptions, local government seems to have been stuck in a rut, waiting for others to take the lead and seeking 'silver bullet' solutions to its problems: a share of federal tax, an end to cost-shifting and rate-pegging, constitutional recognition. Some of these things should happen, but they are not in themselves the way forward. Local government must first look to its own resources, structures and performance. Then it must forge a new partnership with the State government based on its renewed strength and competence.

The President of the Local Government Association of South Australia, returning from a delegation to Canberra, recently had this to say:

The message out of Canberra was clear, there is no pot of gold, so we have to look at ways where we can work smarter and more efficiently. We have to look at where we can partner with State and Federal

governments and where we will have to bite the bullet and go it alone. (LGA News Issue 152, October/November 2012, LGA of SA)

That powerful message rings equally true for local government in NSW.

There are already encouraging signs of an understanding that the challenges of change simply have to be met. These are encapsulated in the Action Plan of *Destination 2036*, the joint local and State government initiative to pursue a vision for councils to 'create strong communities through partnerships'. They are also reflected in the decision to create a single local government association, and in the efforts of the current State government to seek a productive working relationship with councils.

The establishment of the Independent Local Government Review Panel was itself a product of *Destination 2036*, and it has been given carriage of key elements of the Action Plan. The Panel is totally committed to better, stronger local government. But we all know that the world will be a very different place in 2036, and therefore a realistic program for the future must be a program for substantial and lasting change.

This paper sets out the Panel's current thinking on some of the key aspects of local government – and its relationship to the State – that are most in need of fresh thinking and new ideas. Throughout the paper we identify 'signposts' for the rest of the review. These are summarised below.

Signposts

The local government system and challenges faced

- Local councils are part of a broader local government system. Understanding how the overall system works is essential to achieve lasting improvements. (section 2.1)
- Profound changes in local government's operating environment call for equally far-reaching responses. Each community in NSW needs a local government with the necessary strategic capacity to deal with future challenges. (section 3.5)

Fiscal responsibility and financial management

- The Panel will explore the feasibility and desirability of changes to the distribution of financial assistance grants. It also sees scope for further streamlining of rate-pegging, recognising in particular the importance of funding essential infrastructure. (section 4.3)
- NSW local government has some way to go in advancing fiscal responsibility. Key organisations such as the Associations, the Division of Local Government, IPART and the Auditor General need to contribute to reaching that objective. (section 4.4)

Services and infrastructure

- Councils must be able to decide how best to respond to the particular needs of their local communities. The Panel will explore opportunities for an enhanced 'whole of government' perspective on service delivery capacity, and will be examining a range of options for service delivery in rural and remote regions. (section 5.1 and 5.2)
- Tackling local infrastructure needs and backlogs warrants the highest priority. This will require continued efforts to improve asset management, make more efficient use of available resources and build the capacity of smaller councils. Areas of rapid growth will require particular attention. (section 5.3)
- There needs to be a concerted effort to improve the efficiency, productivity and competitiveness of NSW local government. The Panel will be looking at how to develop much stronger frameworks and new entities for regional collaboration, advocacy and shared services. (section 5.4 and 5.5)

Better, Stronger Local Government

Structures and boundaries

- The Panel will investigate the need for new local government structures at regional and sub-council levels. It will also explore a range of possible new models of cooperative governance and service delivery in western NSW. (section 6.1 and 6.4)
- The Panel will seek further evidence on the benefits and drawbacks of boundary changes in different circumstances. It will formulate proposals for amalgamations, new regional entities and shared services as appropriate throughout NSW. There is a case to consider significant consolidation of local government across the Sydney metropolitan area, and in other major urban regions, and some regional centres. (section 6.2, 6.3 and 6.5)
- If further boundary changes are to be pursued, especially on a voluntary basis, there will need to be a well-resourced, strongly proactive process. The Panel will consider how that might best be facilitated. (section 6.6)

Governance

- Issues of political governance go to the heart of local government's reputation and, ultimately, its capacity to deliver desired community outcomes and to be a trustworthy partner in government. The Panel will give further consideration to alternative governance models. (section 7.1 and 7.3)
- The Panel sees considerable potential in enhancing the role and stature of mayors, as well as a need for further measures to improve working relations between councillors and General Managers, within a framework of checks and balances. (7.2 and 7.4)
- The Panel sees a compelling case for a shift from compliance to innovation and improvement, underpinned by better data collection and expanded benchmarking and performance reporting, linked to the Integrated Planning and Reporting Framework and supported by internal and external audit. (section 7.5)

A compact for change and improvement.

- There is a particular role for the Division of Local Government and the new Local Government Association to drive change. (section 8.3)
- The Panel's goal is to reach agreement on a package of changes that amount to a new 'compact' between State and local government in NSW. This will need to engage all stakeholders in the system of local government, and will provide a platform to increase the capacity of the system to build stronger communities and make NSW Number One. (section 8.3)

1: Introduction

1.1 Scope and purpose of this paper

This 'Case for Sustainable Change' paper sets out the Independent Local Government Review Panel's broad approach to the need for fresh thinking and new approaches in NSW local government. It draws on discussions during the Panel's recent Listening Tour, submissions received in response to the Consultation Paper released in July, published research and further studies commissioned by the Panel (see list of references on p38). It revisits some of the points made in the Consultation Paper to provide an update on the Panel's work and a basis for further research and discussion.

At this stage the 'Case for Sustainable Change' is a work in progress and further studies and consultations are required to formulate firm proposals. However, the paper does include a number of 'signposts' – pointers to the directions of change the Panel believes will be necessary. Supporting information is provided, but the paper does not pretend to offer a detailed analysis of all the issues involved.

1.2 Structure of the review

The Independent Local Government Review was launched in May 2012 and the Panel is scheduled to present its final report to the State Government in July 2013. The review had its origins in *Destination 2036* – a joint State and local government initiative based on a vision for local councils to create strong communities through partnerships.

The Panel is chaired by Professor Graham Sansom, Director of the Australian Centre for Excellence in Local Government. The other two members are Ms Jude Munro AO, a former CEO of four metropolitan councils across three states, including the city of Brisbane; and Mr Glenn Inglis, who has extensive experience as a council General Manager in rural and regional NSW.

The Panel's overarching responsibility is to improve the strength and effectiveness of local government in NSW, supporting the key strategic directions identified by *Destination 2036* and the broader objectives of the State as outlined in *NSW 2021: A Plan to Make NSW Number One* (the State Plan).

The Panel's terms of reference are set out in Box 1. It has also been asked to consider:

- Several items from the Destination 2036 Action Plan, focused on regional collaboration, innovation and better practice, the local government revenue system, and identification of the respective roles of State and local government.
- Possible future arrangements for local governance and service delivery in the far western districts of NSW, including aspects of service delivery to Aboriginal communities
- Proposals advanced in the Armstrong-Gellatly report of December 2008, and more recently by Infrastructure NSW, to combine the existing 104 council-owned water utilities across non-metropolitan NSW into 32 larger regional operations.

Alongside the Panel the Government has appointed a Local Government Acts Task Force, which is to rewrite the much-amended 1993 Act to ensure modern legislation that meets the current and future needs of the community and local government (see Figure 1). The Taskforce will also examine the City of Sydney Act. The Panel will maintain close liaison with the Task Force and plans to provide advice early in 2013 on emerging proposals that are likely to require legislative change. The Task Force has been given until September 2013 to complete its work and will give effect to those recommendations of the Panel that are adopted by Government.

The Panel is also following closely the Government's reform of the land use planning system, and the review of local government compliance and enforcement activities by the Independent Pricing and Regulatory Tribunal (IPART).

Better, Stronger Local Government

Box 1: Terms of Reference

The Panel is to investigate and identify options for governance models, structural arrangements and boundary changes for local government in NSW, taking into consideration:

1. ability to support the current and future needs of local communities
2. ability to deliver services and infrastructure efficiently effectively and in a timely manner
3. the financial sustainability of each local government area
4. ability for local representation and decision making
5. barriers and incentives to encourage voluntary boundary changes.

In conducting the review the Panel will:

- ensure recommendations meet the different nature and needs of regional, rural and metropolitan communities
- consult widely with the broader community and key stakeholders
- take into account the work completed, and future work to be completed, under the Destination 2036 initiative
- take into account the broader interests of the State including as outlined in the State Plan
- consider the experiences of other jurisdictions in both the nature and implementation of local government reform
- take into account the Liberal-National's 2011 election policy of no forced amalgamations.

Figure 1



1.3 Progress to date

Figure 2 shows the Panel's work program. It released a Consultation Paper in July and then held 32 consultation sessions during a 'Listening Tour' that visited 18 metropolitan and regional locations. More than 200 submissions were subsequently received, many of which provided valuable documentary evidence to assist the Panel's research. These are available on the Panel's website.

The Panel is also reviewing a wide range of published research and reports of inquiries into various aspects of local government in NSW, across Australia and internationally. In addition it has commissioned further studies including:

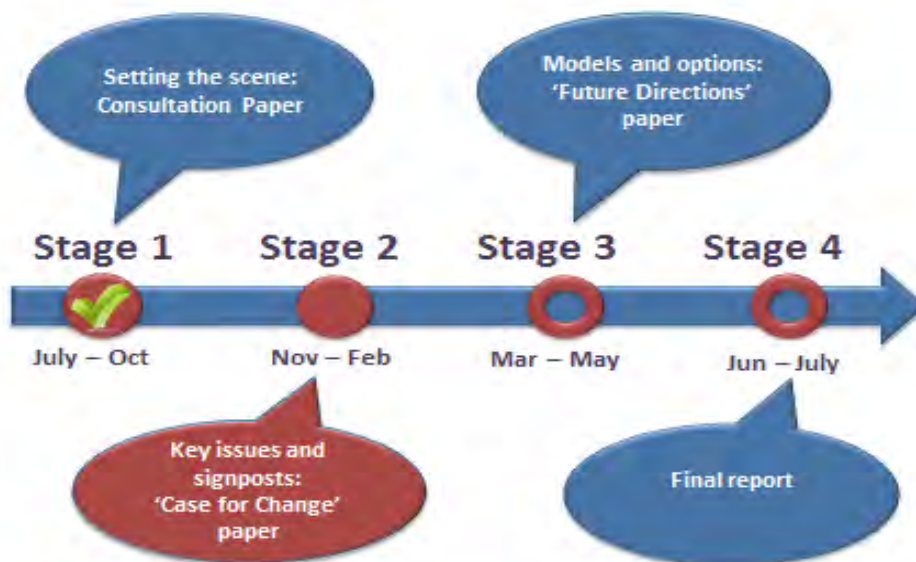
- A series of background papers based on available research and government information
- An examination of the scope to enhance regional collaboration through Regional Organisations of Councils

- A 'cluster-factor' analysis to identify types of communities that have similar characteristics and are facing similar challenges
- A review of the processes and outcomes of the 2004 council amalgamations in NSW
- An analysis of a range of opinion polls and resident satisfaction surveys to assess community attitudes towards local government
- An examination of the effectiveness of the NSW rating system.

Ongoing work also includes analysis of the financial sustainability of all 152 local councils by the NSW Treasury Corporation; and assessments of each council's infrastructure backlog by the Division of Local Government. The Panel expects to receive results from these investigations in early 2013.

All this material will be made available as soon as possible on the Panel's website.

Figure 2



2: A Systems Approach

The Panel has adopted a 'systems approach' to its review of NSW local government. This involves looking at local government as a system (or network) of councils and other organisations operating within and contributing to a broader system of State and national governance (governments plus business and civil society).

2.1 What is the 'system' of local government?

The system of local government in NSW is much more than the 152 general purpose councils. There are complex interactions between councils and many other players: (see Figure 3).

- Parallel structures of local government (councils, County Councils, Regional Organisations of Councils, council-owned corporations, strategic alliances)
- The Local Government and Shires Associations
- Employee organisations (unions and professional institutes and associations)
- Institutions that oversight councils in various ways (the Division of Local Government, IPART, the Ombudsman, ICAC etc)
- The Boundaries Commission and Grants Commission
- State agencies that regulate aspects of local government operations or in various ways partner with councils to provide infrastructure and services
- Academic and training organisations that offer courses for local government staff and councillors.

Very few issues or problems can be 'fixed' in isolation: understanding how the system of local government works is essential to achieve lasting improvements and to avoid unintended and often adverse consequences.

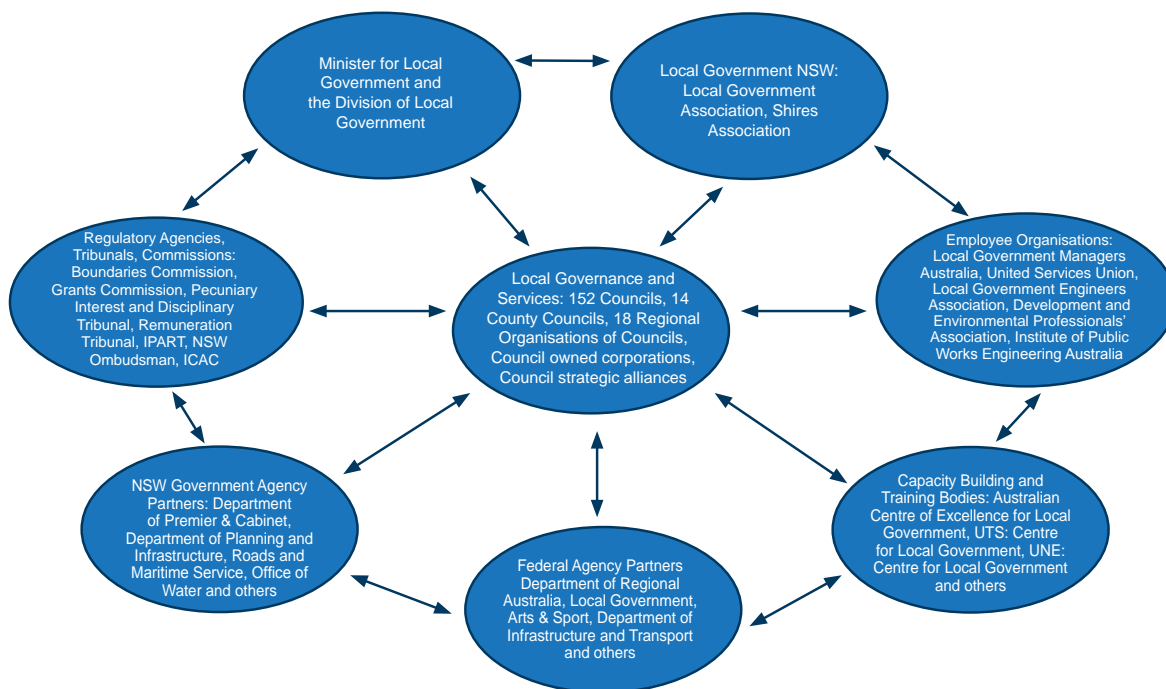
2.2 How healthy is the system?

The Panel believes that the current system of local government looks superficially well enough, but is really in quite poor shape.

On the whole, councils continue to deliver a reasonable range of services and do so quite efficiently. But on closer examination it becomes evident that underlying financial problems and infrastructure backlogs are mounting; grants are not being allocated sufficiently to areas of greatest need; many more councils should be applying for Special Rate Variations; efficiency, effectiveness and regional collaboration must be improved considerably to make the best use of scarce resources; there are too many layers of regulation; too many councils focus on compliance rather than performance; the local government associations need to play a stronger role; and so on.

Despite recent improvements, the State-local relationship is typically regarded in local government circles as one of 'master to servant'. Compared to other States, NSW has been slow to establish processes for regular policy dialogue between State and local government. Some State policies affecting local government cut across each other with adverse, unintended consequences. For its part, local government has failed to raise its sights and make it itself a more attractive partner. This issue is discussed further in section 8.

Figure 3



2.3 Essential values and qualities of local government

Local government is the democratic representative of communities. It is ‘close to the people’. It can lead communities. It can be the voice of communities. It can moderate between competing interests. It can create places that make lives better. However, some councils are so small and so captured by local interests that they seem incapable of taking a more strategic view. To be an effective partner in the broader system of government, local government must be both truly ‘local’ in the way it relates to communities, and have the ability to address problems and emerging issues at a larger scale.

At its best, local government demonstrates leadership on some of society’s most intractable problems by harnessing resources and acting in a timely way. Mayors, councillors and staff together take ownership of issues, and take the initiative. They enable communities to deal with their own issues, in the context of the bigger picture, as part

of a regional, metropolitan, State or even national strategy. When councils work well they achieve beneficial outcomes across the local and regional economy, built and natural environments, and social networks. Despite often being tight for funds, purposeful and effective councils find the resources for crucial initiatives, like medical services in rural areas. They act as *government*, getting on with what needs to be done rather than becoming overly concerned about ‘cost-shifting’ and the other difficulties they face.

2.4 Improving the system

The Panel’s task is to build on recent initiatives and to develop *a package of proposals* that will make the NSW system of local government, and the councils that form part of it, ‘fit for purpose’ in the middle of the 21st Century. At this relatively early stage of the review, the Panel has put together the following preliminary list of essential elements of an effective system. Further commentary on each of the points can be found in later sections of this paper.

Better, Stronger Local Government

Box 2: Elements of an Effective System of Local Government

- Councils with an adequate revenue base (own source or grants), healthy balance sheets, and sound financial management including reasonable and justifiable rate increases and proper use of borrowing.
- Councils renowned for their efficiency and focus on outcomes, based on the Integrated Planning and Reporting framework.
- Universal use of modern information and communications technologies for service delivery, council meetings and community engagement.
- Regional organisations of councils that share resources on a large scale and jointly plan and advocate for their regions (but not a 'fourth tier' of government).
- Councils that are managed like multi-million dollar companies; have highly skilled mayors, councillors and executive teams; and are respected by the State government and community alike.
- Mayors who are recognised leaders both within the council and throughout the local community, and enjoy a positive reputation for that leadership.
- Clear definition in the Local Government Act of the respective roles of mayors, councillors and senior managers.
- An electoral system designed to ensure that as far as possible councils are representative of the make-up and varied interests of their communities.
- Council elections characterised by high quality candidates standing on soundly-based policy platforms, and fully aware of their potential responsibilities as a councillor.
- Professional development for new councillors and mayors, including access to accredited courses and coaching of a high quality, similar to that of company directors.
- Mayors and councillors who are adequately remunerated in return for high-level performance.
- A Local Government Act that minimises prescription and provides a range of options for the way councils and regional organisations are structured and operate, tailored to the differing characteristics and needs of communities.
- A reduction in State regulation and compliance regimes, replaced by improved auditing and a focus on capacity building and continuous improvement.
- A range of effective mechanisms for State-local consultation, policy development and operational partnerships, linked to the State Plan and regional coordination framework.
- Integrated strategic planning involving State and local governments as partners at all levels.
- A local government association that is focused on strategy; a well-informed, dynamic advocate; a leader in reform; and a troubleshooter for dysfunctional councils or councillors.
- A constructive relationship between employers, employees and employee organisations, focused on improving productivity, performance and rewards.

3: Facing the Challenges of Change

3.1 Global and national trends

The Panel is looking ahead to 2036 and beyond. Coming decades will bring numerous challenges. Some have been evident for a while, others will be new. The recent 'Asian Century' White Paper has focused attention on what Australia needs to do to secure its future in the region: councils must look well beyond their localities when considering plans for the future.

The CSIRO has identified six inter-linked 'global megatrends', shown and summarized below.



- **More from less:** Ensuring quality of life for current and future generations within the confines of limited resources.
- **Going, going ...gone:** Much of the natural world that humans depend upon is at risk of being lost forever – but there is also a positive story and a potentially bright future.
- **The silk highway:** Coming decades will see billions of people in Asia and, to a lesser extent, South America and Africa transition out of poverty and into the middle income classes.
- **Forever young:** The ageing population is an asset – elderly citizens provide a wealth of skills, knowledge, wisdom and mentorship.
- **Virtually here:** A world of increased connectivity where individuals, communities, governments and businesses form new connections and selectively access information through multiple channels.
- **Great expectations:** The rising demand for experiences over products and the rising importance of social relationships.

In similar vein, the *2012 Australia Report: Risks and Opportunities* prepared by the ADC Forum and KPMG, and the submission to the Panel by the Local Government and Shires Associations highlighted the following trends that may be of particular significance for local government (Box 3).

Box 3: Some Key Challenges and Opportunities

- Structural change in world and national economies and local impacts – including the growing influence of the 'economic imperative'
- Environmental challenges – including more extreme weather events, sea level rise and coastal erosion, waste and carbon management
- Social change – including the 'silver tsunami' as Australia's baby boomers move into retirement en masse, population shifts to coastal areas, increasing population densities in the metropolitan area and other major cities, depopulation in parts of rural NSW, changing ethno-cultural mix in different areas
- Internet access enabling Australians and their businesses able to operate in the global marketplace, and potentially both reviving rural towns and avoiding traffic congestion in cities
- Australia's potential to be a major food bowl for the world provided it makes the most of modern technologies and secures and conserves water supplies
- Housing supply and affordability, especially in major cities.
- City workers moving to the metropolitan fringe or satellite cities to find cheaper housing, but where long commutes hamper productivity and public transport services are few and far between
- Greater use of social media for political campaigns and social movements

In order to mitigate risks and make the most of opportunities governments will need to work together, and with the private sector and community organisations, to a far greater extent than is often the case now. They will need to outline clear visions and strategies, demonstrate effective leadership and forge durable partnerships. Each sphere of government and sector of society needs the others to be viable and strong performers.

No more so is this the case than in New South Wales.

3.2 The state context

New South Wales has long been Australia's 'premier State' but in recent years that mantle has been slipping. The need for change and improvement has been recognised in NSW 2021, the new State plan. Clearly, local government must play its part in delivering better outcomes.

There are particular concerns about the future of Sydney and many parts of rural NSW. Sydney remains Australia's only truly global city: it has a broad and deep economy and will continue to grow rapidly towards a population of 7 million people by the middle of this century. However, housing supply and transport loom as intractable problems, and the recent assessment of metropolitan

planning by the COAG Reform Council found significant weaknesses.

In rural NSW, many communities have been hit hard by declining and ageing populations. Changed economic conditions and farming practices, often coupled with declining public services, have resulted in an exodus of younger people. By contrast, there is very strong population growth in all coastal regions, fuelled by retirees and those seeking a 'Seachange' lifestyle. This pattern is also evident in some inland areas and centres.

Infrastructure gaps and backlogs threaten both economic potential and social and environmental wellbeing. The need for improvement was clearly documented in the recent report of Infrastructure NSW, including specific proposals affecting local government.

3.3 The fiscal outlook

The available evidence points to a very difficult fiscal outlook for NSW and Australia as a whole – constraints on revenues during a time of relatively slow economic growth, coupled with the need to fund infrastructure gaps and increasing demands for services. The federal budget is much more constrained than it has been for decades due to the government's aim to bring it back into surplus and reduce the debts incurred during the Global Financial

<p>NSW 2021 is a plan to make NSW number one. It is a 10 year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability, and strengthen our local environment and communities. It replaces the State Plan as the NSW Government's strategic business plan, setting priorities for action and guiding resource allocation.</p> <p>NSW 2021 is a plan for change with ambitious goals and challenging targets. These targets will be hard to meet and there will be many factors outside the control of the NSW Government. However, we will work to bring together government, community and business to respond to the challenges and opportunities we face and achieve the goals we have set.</p>	<p>FIVE STRATEGIES NSW 2021 is based around five strategies:</p> <p>REBUILD THE ECONOMY – restore economic growth and establish NSW as the 'first place in Australia to do business'</p> <p>RETURN QUALITY SERVICES – provide the best transport, health, education, policing, justice and family services, with a focus on the customer</p> <p>RENOVATE INFRASTRUCTURE – build the infrastructure that makes a difference to both our economy and people's lives</p>	<p>STRENGTHEN OUR LOCAL ENVIRONMENT AND COMMUNITIES – improve people's lives by protecting natural environments and building a strong sense of community</p> <p>RESTORE ACCOUNTABILITY TO GOVERNMENT – talk honestly with the community, return planning powers to the community and give people a say on decisions that affect them.</p>
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Crisis. The October 2012 'mini-budget' makes it clear that for the foreseeable future there is no 'bucket of money' in Canberra to help the states and local government out of any difficulties they may face.

All this suggests that local government cannot expect increases in total state and federal funding and may well see a declining trend in specific purpose grants as regional development and climate change programs are wound back. Making the best use of existing external funding and of local government's own tax base – rates – will assume even greater importance.

The 'Henry' tax review of 2009 covered a number of issues of significance for local government:

- the need for councils to have sufficient autonomy in setting rates
- potential integration of rates and land tax
- the need to review the current distribution of federal financial assistance grants (FAGs)
- the potential for expanded road user charges
- the problem facing Australians in relation to housing affordability
- the cost of providing aged care in a country with an ageing population
- the limited longer term financial capacity of the states.

The review's report made it clear that taxes on land and property are efficient and effective means of raising revenue and could make a substantially greater contribution to Australia's overall taxation effort in decades to come. Contrary to much of the rhetoric about the limitations of rates, local government actually has access to a robust tax base. Recent figures on total taxation revenue highlight that fact: since the GFC local government's share of taxation has risen from a long-term low of 2.9% to 3.5%.

3.4 Demographic trends

The Panel has examined official population projections to 2036 issued by the Department of Planning and Infrastructure. It understands these are currently being reviewed but expects the broad trends to remain much the same. Some key points are as follows:

- The Sydney region (excluding Illawarra and Central Coast but including Wollondilly Shire and Blue Mountains City) will grow to around 6 million people
- All coastal local government areas will also have strong growth, in some cases of up to 47%
- A number of inland regional centres will also grow significantly, up to 57%
- Agricultural shires in more densely settled regions will mostly have static populations or experience modest declines
- Far western NSW is likely to experience considerable loss of population (falls of up to 40%) but the proportion of Aboriginal people will grow substantially.

Overall, it is likely that less than 25% of the current local government areas west of the Great Dividing Range will experience population growth. However, this picture could change to some extent if additional mining projects proceed and if the rural economy improves as Australia becomes a major global 'food bowl'.

Population shifts will thus sharpen regional disparities – between Sydney and the rest of NSW; between the coast and inland; between major regional centres and smaller towns; between areas that benefit from mining-related growth or agricultural expansion and those that do not.

Better, Stronger Local Government

3.5 Need for 'strategic capacity' in local government

Most of the issues outlined above were echoed in submissions received by the Panel in response to its Consultation Paper. However, many submissions from councils demonstrated only limited appreciation of the significance of the changes and challenges that lie ahead. There still appears to be a widespread belief that local government can 'muddle through' with current arrangements or at least something not much different.

The Panel's view is that profound changes in local government's operating environment call for equally far-reaching responses. Current policy settings around financial management, governance, structures and boundary change will have to be altered significantly. The concept of 'strategic capacity' is central to this discussion.

The challenges confronting Queensland in the coming decades require governments of all levels to be high capacity organisations with the requisite knowledge, creativity and innovation to enable them to manage complex change.... This requires a local government structure which responds to the particular characteristics of the regional economies emerging over the coming decades, recognising communities of interest are developing rapidly and differently across the regions due to improved transportation, telecommunications and economic interdependencies. This structure needs to give rise to local governments capable of responding to the sometimes quite diverse demands by these communities and be of a sufficient size and scale to generate cost efficient and effective services. (p.5)

As the above accounts of megatrends and NSW 2021 together make clear, the future can be exciting and full of opportunities, with the promise of stronger communities enjoying better services and infrastructure and an enriching lifestyle. On the other hand, failure to take necessary action now could have disastrous consequences. The Panel's proposals will be geared to seizing long term opportunities even if that requires difficult decisions over the next few years.

A central task for the Panel is to design and recommend a system of local government that ensures that each community in NSW is governed by a council or other local government-based entity that has the necessary strategic capacity to deal with future challenges.

The Australian Centre of Excellence for Local Government (ACELG) in its report Consolidation in Local Government: A Fresh Look described strategic capacity in the following terms:

Economies of scope increase the capacity of councils to undertake new functions and deliver new or improved services that previously were not possible. Significantly, they enable councils to shift their focus towards a more strategic view of their operations... Enhanced strategic capacity appears essential to local government's long term success as a valued partner in the system of government, and this emerged as probably the most important issue for councils to consider in examining different modes of consolidation. (p10)

The ACELG study drew in part on the 2007 report of the Queensland Local Government Reform Commission which argued that:

4: Advancing Fiscal Responsibility

4.1 Sustainability and viability

An important distinction has to be drawn between financial 'sustainability' and 'viability'. The 2006 report of the Independent Inquiry into the Financial Sustainability of NSW Local Government (the 'Allan' report) defined sustainability as follows:

A council's finances should be considered sustainable in the long term only if its financial capacity is sufficient – for the foreseeable future – to allow the council to meet its expected financial requirements over time without having to introduce substantial or disruptive revenue (and expenditure) adjustments. (p.283)

'Viability' is a very different concept. It focuses on the short term and may be defined as the ability to generate sufficient income to meet operating payments and debt commitments – to continue to trade. The current regulatory focus in NSW is principally on viability because that is where immediate or practical risk lies. However, many councils that are merely viable will not be strong and effective partners in the system of government, and may well become unviable as fiscal pressures mount.

4.2 Continuing concerns about sustainability

Applying its definition of sustainability, the Allan Inquiry found that (pp.24-25):

- The balance sheets of most councils are exceptionally strong, displaying very low levels of indebtedness...Only a handful of councils exceed 10 per cent....
- By contrast, the operating statements of most councils (when stripped of capital revenue) are in deficit. Excluding commercial utilities... councils on average run an operating deficit of almost five per cent of their total own-source revenues.
- This means capital contributions, capital grants and proceeds of asset sales are mainly used to prop up operating costs rather than undertake capital renewals and enhancements...
- For one in four councils the long-term outlook

is particularly bleak. Without substantial rate, grant and debt increases and/or disruptive expenditure cuts, they are financially unsustainable....

The submission to the Panel by the Urban Task Force claimed that half of NSW local councils are financially unsustainable or close to it; and that the main reason for this is a \$4.5 billion infrastructure renewals backlog that is growing by \$150 million a year. (p.44)

NSW Treasury Corporation has provided preliminary data on 'Group 4' councils (typically coastal and larger inland centres with populations in the range 20-60,000). This tends to confirm the Allan Inquiry and Urban Task Force analysis. It suggests that while 'Group 4' councils appear generally strong in terms of viability – adequate cashflow, low debt etc, most are becoming less sustainable due to inadequate capital and maintenance expenditure. Moreover, capital expenditure appears to be strongly dependent on grants and other one-off revenue, rather than being supported by recurrent revenues and appropriate borrowings.

4.3 Revenue issues

The Panel has been specifically tasked with examining the current local government revenue system as well as the financial sustainability of each local government area. As indicated in section 3.3, its starting point is that local government has to take steps to secure its own financial future, and that property rates are in fact a robust revenue source.

Repeated reviews have failed to identify a suitable alternative or additional local tax that would raise large amounts of revenue. However, some councils could increase fees and charges (eg parking, swimming pools), and more services could be made fully self-funding (eg processing applications). The 'Henry' tax review and others have pointed to the options of increased heavy vehicle charges and road pricing: some councils could share in those revenues.

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NSW councils currently forego substantial amounts of revenue due to areas of non-rateable land and other concessions. These issues require further investigation.

Financial Assistance Grants

The Federal Government recently announced a review of the system of FAGs, which now total well over \$2bn per annum. NSW councils will receive an estimated \$684m in 2012/13.

Several studies have suggested a need to review the distribution of FAGs in order to direct more funds to councils and communities in greatest need of assistance. The 2008 Productivity Commission report on *Assessing Local Government Revenue Raising Capacity* examined community capacity to pay increased rates. It found that while smaller rural and remote councils had very little scope to raise additional own-source revenue, many larger urban councils had considerable unused capacity and could cope without any support from FAGs. Compared to some other states NSW has a low proportion of councils receiving the minimum per capita grant, again suggesting scope to redirect some assistance away from larger urban councils to more needy rural and remote areas.

The Panel will explore the feasibility and desirability of significant changes to the distribution of financial assistance grants.

Rates and rate-pegging

According to the submission received from the Independent Pricing and Regulatory Tribunal (IPART), over the period 2001/2 to 2010/11, growth in the total revenues of NSW councils was 5.7% per annum, compared to an average of 8.0% for the other mainland states. Taxation revenue (rates) increased by 4.4% per annum in NSW compared to 8.0% in the other mainland states. The fact that rates in those other states have increased without a strong community 'backlash' suggests that political sensitivities in NSW may be overstated.

The impact of this slow growth in rates is highlighted by the federal government's 2008-09 Local Government National Report, which shows that average rates per capita in NSW were \$120 or 22% less than the average of other states. This difference amounted to 'revenue foregone' of around \$850m for that year (see Table 1).

The NSW system of rate-pegging has now been in operation for more than 30 years. It is intended to ensure that ratepayers do not face unwarranted increases, and that councils operate efficiently. But rate-pegging also seems to have had unintended consequences, in particular:

- Unrealistic expectations in the community (and on the part of some councillors) that somehow rates should be contained indefinitely, even though other household expenditures are rising rapidly.
- Excessive cuts in expenditure on infrastructure maintenance and renewal, leading to a mounting infrastructure backlog.
- Under-utilisation of borrowing due (in part) to uncertainty that increases in rates needed to repay loans will be granted.

Table 1: Average Rates Per Capita 2008-09

NSW	Average of Others	Difference	Vic	Qld	WA	SA	Tas
\$426.3	\$546.4	\$120.1	\$537.4	\$540.5	\$542.9	\$588.5	\$522.5

- Reluctance to apply for Special Variations even when clearly necessary because exceeding the rate peg is considered politically risky, or because the process is seen as too complex and requiring a disproportionate effort for an uncertain gain.

The Panel is particularly conscious of the need to ensure that councils have sufficient revenue to address infrastructure needs (see section 5.3).

The IPART submission makes the important point that the rate-pegging system is not cast in stone: a 'more light handed regulatory approach' is entirely possible. The Panel notes that the relevant provisions of the Local Government Act could be applied in a number of ways, and that the current arrangements flow largely from administrative decisions.

The Panel therefore welcomes the revised rate-pegging guidelines for 2013/14 which move towards a system based on IPR processes. It is also interested in IPART's suggestion of a streamlined process for Special Variations of less than, say, 3% above the annual rate peg (around 50 cents per week for the average residential ratepayer).

The Panel sees scope for further streamlining of rate-pegging, recognising in particular the importance of funding essential infrastructure. It will also consider other aspects of rating, such as the valuation base, categories of rates, exemptions and concessions.

4.4 Responsible financial management

Numerous inquiries into local government (for a summary, see the ACELG report Unfinished Business) have highlighted significant deficiencies in financial management and governance. IPR is intended in part to address those concerns with its requirements for long term asset and financial plans.

Better financial management must be a centrepiece of local government reform. This requires, among other things, a greater effort to boost own-source revenues – especially rates; increased use of borrowing to fund long term assets (subject to the council's financial position); more concerted efforts to control costs and expenditure; enhanced productivity; more strategic procurement practices; and resource sharing with other councils.

Audit practices also need to be improved. The Panel understands that less than half of NSW councils have effective internal audit procedures. Moreover, unlike other major states, the NSW Auditor General plays no role in overseeing external audit, with councils selecting their own auditors by tender.

NSW local government has some way to go in advancing fiscal responsibility. Key organisations such as the Associations, the Division of Local Government, IPART and the Auditor General need to play stronger advisory and oversight roles to reach that objective.

5: Delivering Better Infrastructure and Services

5.1 Supporting communities

Communities need their councils to be able to provide adequate infrastructure and services to facilitate economic and community development, maintain environmental amenity and ensure quality of life.

In general terms the Local Government Act neither prescribes nor limits the services councils may provide, although several other pieces of legislation do mandate service provision or regulatory functions. The scope of local government service delivery has expanded considerably over recent decades, driven largely by increasing community needs and expectations. The evidence also points to some 'cost-shifting' from State and federal governments: transfer of responsibilities to councils without corresponding funding or mechanisms to raise the additional revenue required.

This expansion in activity is widely seen as unsustainable in that it has been funded at least in part at the expense of infrastructure provision and maintenance. Some argue that councils are doing too much and should re-focus on a set of 'core' services and responsibilities, perhaps common to all. However, given the diversity of communities and their needs, and the right of local people to have a say on how their rates and charges are spent, defining required 'core' services is probably both impossible and undesirable.

Councils must be able to decide how best to respond to the particular circumstances and needs of their local communities, having regard to the resources available and the importance of responsible financial management.

5.2 Uneven capacity and grant dependency

The capacity of councils to deliver services varies greatly. Over 90% of the state's people live in about 80 local government areas which have populations of 20,000 or more. By contrast, around 50 councils have populations of less than 10,000, and a similar number depend on grants for more than 40% of their revenues. Most of these councils are struggling to remain financially sustainable and to meet community needs.

As discussed in section 4.3, it may be possible to direct a greater proportion of available grant funds to rural-remote councils. However, first the hard question has to be asked: would channelling additional grants to fundamentally unsustainable councils be a sound use of scarce public funds?

Having said that, the Panel believes that great care should be taken to avoid premature or unwarranted cuts in services and associated employment in rural NSW, especially west of the Dividing Range. In some areas there are prospects of expanded mining and agricultural activity in years to come. Capacity needs to be retained to deliver expanded infrastructure and services if and when required.

A case in point is the letting of RMS Road Maintenance Council Contracts to regional and rural councils for work on State roads. The Panel is advised that currently 81 councils have contracts worth about \$146m per annum. There are concerns that a purely competitive tendering arrangement may be introduced and that a number of councils would lose this work, with potentially serious impacts on local employment and their capacity to deliver other services, especially local road construction and maintenance. Having said this, the Panel understands that some councils may need to improve their technical capacity and quality standards to justify ongoing contracts. This could perhaps form part of a partnership between RMS and councils, similar to the successful Queensland Roads Alliance, under which councils and the State Department of Transport and Main Roads

work together in Regional Road Groups to manage the planning, design, construction and maintenance of road networks.

The Panel will explore opportunities for an enhanced 'whole of government' perspective on service delivery capacity and competitiveness.

5.3 Tackling infrastructure needs

There is general agreement that NSW local government faces a substantial backlog of infrastructure maintenance and renewal, and the available evidence indicates that many councils are continuing to underspend in this aspect of their operations. The precise extent of the backlog is difficult to determine due to a lack of standardised data. The Panel is awaiting the results of the assessments being carried out by the Division of Local Government and NSW Treasury Corporation. As noted previously, the Urban Task Force submission estimates the backlog at \$4.5 billion.

The source of the backlog has been variously attributed to inadequate council revenues; poor asset planning and management; over-investment in new assets without proper consideration of whole-of-life costs (often in response to availability of one-off grants); unmet needs for new assets in growth areas; and some councils having numerous assets, such as timber bridges, that are very costly to maintain and replace. In addition, councils generally lack opportunities or skills to 'bundle' capital works contracts, establish public-private partnerships, or arrange lower-cost long-term financing.

The introduction of IPR requirements for asset and financial planning, capacity building programs in those areas, and most

recently incentives to make greater use of borrowings to fund capital works (the Local Infrastructure Renewals Scheme) are all aimed at tackling the backlog issue and ensuring better infrastructure provision and asset management into the future. There is also scope for dialogue with communities to set somewhat lower levels of service and hence reduce expenditure needs – such a dialogue recently enabled Waverley Council in Sydney to reduce previously forecast backlog expenditure by more than 80%.

In addition to these backlog issues, the Panel is also conscious of the funding challenges in providing new and improved infrastructure in areas of rapid growth. A State government task force is currently reviewing the system of developer contributions. There is a risk that policies designed to increase housing supply and improve affordability will impose an unsustainable burden on council budgets and ratepayers. The Local Infrastructure Renewals Scheme offers some assistance, but supplementary funding mechanisms may be required.

Tackling local infrastructure needs and backlogs warrants the highest priority. This will require continued efforts to make more efficient use of available resources, but the underlying issues of local government revenues and the limited technical capacity of many smaller councils must also be addressed. Areas of rapid growth will require particular attention.

5.4 Improving efficiency and productivity

Local government is generally a capable and efficient deliverer of services, but it is evident that ongoing efficiency gains and productivity improvements will be essential in a climate of fiscal restraint and growing community needs and demands.

There is presently a dearth of reliable information on the cost and quality of local

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government service delivery. The annual publication of Comparative Information on NSW Local Government Councils provides some data on costs and a number of councils undertake community satisfaction surveys, but without a standardised methodology. No work has been done to set efficiency benchmarks.

The cost structure of council service delivery varies considerably across NSW. It is driven by such factors as a council's location, the size of the local government area, its capacity to access economies of scale and scope, and the costs of attracting and retaining suitably skilled staff – or indeed whether it can attract such staff at all. Skills shortages are of growing concern throughout local government, but particularly in non-metropolitan areas and especially in more remote locations and amongst smaller councils. Inability to pay sufficiently attractive salaries, growing competition from the mining sector and absolute shortages in some trades and professions are cited as key factors.

Workforce development programs deserve a higher priority. Councils are now required to prepare workforce plans as part of the IPR framework, but active implementation will be the key. The Panel has heard that education and training programs need to be boosted considerably, and improved workforce data is also required to plan effectively and monitor trends. ACELG is preparing a national local government workforce strategy for State and

federal ministers, and this will need to be followed through vigorously.

The need for regular reviews of the scope, quality and method of delivery of council services is also implicit in the IPR framework, but there is no explicit requirement for councils to undertake such reviews or to participate in quality improvement processes. A substantial number of councils do both of their own accord, but is there a case for mandatory processes?

Experience in other jurisdictions suggests there is considerable room for improvement. In Victoria in the 1990s requirements for compulsory competitive tendering (CCT) and later 'Best Value' service reviews brought about significant improvements, although CCT also caused a great deal of disruption. In the UK the work of the Audit Commission in monitoring and benchmarking councils' performance generated widespread gains in efficiency and productivity. This was also fostered from within local government by the Improvement and Development Agency (IDeA), now a unit of the local government Association. Box 4 points to a current improvement initiative of the South Australian Association.

These issues have received little attention in presentations and submissions to the Panel. Our impression is that with some notable exceptions there has been significant under-investment across a range of important areas such as information management and

Box 4: 'Local Excellence' in South Australia

The Local Government Association of South Australia is funding pilot projects aimed at improving various aspects of local government operations. Under the theme 'Service Efficiency and Effectiveness' councils are participating in projects designed to:

- explore procurement activities and how enhanced performance in purchasing goods and services could be achieved
- establish mechanisms to compare service performance, share best practice and

consider more efficient and effective ways of delivering services

- target service provision for under-represented groups
- explore enhanced service provision through regional collaboration, public private partnerships and sector-wide approaches
- identify and test new approaches to service delivery in waste, planning, water, public health, climate change and other key areas.

communications, asset management and customer service. This may reflect in part the relatively small scale of most councils.

One aspect that has been raised is the application of the Local Government Award. There is a view among some managers and elected representatives that the award provisions are too restrictive and add unwarranted costs to service delivery. Specific concerns relate to the requirements to maintain employment levels and 'rural service centres' post-amalgamations. A counter view is that the award is really quite flexible if applied in the right way and on the basis of proper consultations with unions and employees. What is not in doubt is that there would be strong opposition to removing current employment guarantees and to transferring substantial sections of council workforces to federal awards.

The challenge of mounting a concerted effort to improve the efficiency, productivity and competitiveness of NSW local government must be met if councils are to be sustainable, valued and effective partners in the state public sector.

5.5 Regional collaboration and shared services

Another avenue for enhanced efficiency and effectiveness in service delivery is expanded regional collaboration and shared services. The Panel commissioned an independent review of the prospects in this area, taking existing regional organisations of councils (ROCs) as a starting point. The report by Gooding Davies Consultancy Pty Ltd will be available on the Panel's website. It notes that (p.1)

... while ROCs have been criticised as lacking the capacity to deliver consistent and significant outcomes in the delivery of shared services, recent research indicates that in NSW at least they are in fact the primary form of multi-purpose shared services provision by local government. Furthermore, their role in regional advocacy is not only an important form of collaborative delivery in its own right but also supports their

activities in developing shared services in operational areas...

Nevertheless, the delivery of shared services by ROCs remains patchy and uneven. This reflects the disparate size, number and wealth of participating councils, as well as variations in factors such as the level of commitment and institutional leadership involved which apply to all forms of shared services activity....

The report identifies current legislative impediments to effective shared services arrangements, including the need for each participating council to separately approve tenders for regional provision of goods and services, and limits on councils' ability to form companies. It also highlights the desirability of ensuring that any employees transferred from councils to regional entities are retained under the Local Government Award.

The report goes on to suggest ways in which ROCs might be strengthened to provide a robust platform for shared services, including through establishment of arms-length entities with their own expert boards (some ROCs have already moved in this direction), as well as improved political governance arrangements. The latter could see ROCs evolve into 'Councils of Mayors' with a legal framework along the lines of a modified County Council structure.

A closely related issue is the proposed rationalisation of council-owned water utilities. The Panel notes that the model recommended in the 2009 Armstrong-Gellatly report retained these utilities in local government ownership whilst proposing a reduction in their number from 104 to either 32 regional groups or 15 catchment based organisations. Aggregation of the utilities to around 30 was again recommended in the recently released State Infrastructure Strategy prepared by Infrastructure NSW. It argued that a number of smaller utilities would be unable to fund necessary renewal and upgrading of infrastructure over coming years, and that there was scope for increased efficiencies.

The Panel will be looking at how to develop much stronger frameworks and new entities for regional collaboration, advocacy and shared services, in order to increase local government's strategic capacity and the scope and quality of service delivery.

6: Matching Structures and Boundaries

6.1 A variety of structures

There are already three structural options widely used in NSW local government: local councils, County Councils, and regional organisations of councils (ROCs). Whilst the Local Government Act mandates a 'standard' model for local councils and prescribes many aspects of their operations, there is already flexibility to tailor activities to local needs, and this flexibility could be extended under the planned new Act to the basic governance structure itself. This is discussed in section 7.

As far as County Councils and ROCs are concerned, councils currently have the option to participate or not and, in the case of ROCs, to organise them as they see fit. However, as indicated in section 5.5, research points to the need for a stronger platform for shared services.

Another possible gap in structures occurs at the 'sub-council' level. This has not been a major issue in the past simply because there are so many councils and only a few have really large populations. However, with the expected growth of metropolitan fringe councils around Sydney to populations of 250,000 or more, there may be a case to make available a sub-council option along the lines of New Zealand's community boards. A similar arrangement could also provide a suitable form of local governance for small communities in some rural and remote regions (see below). However, it may be possible to avoid the need for additional structures by strengthening the role of ward councillors and improving community engagement and customer service systems.

The Panel will investigate the need for new local government structures – to be used only where required – at regional and sub-council levels.

6.2 The amalgamation debate

The evidence suggests that NSW has too many local councils and that various forms of consolidation should be pursued to strengthen capacity and sustainability. In many cases boundaries are out-of-date: changes in transport and especially information and communications technology mean they can and should be reviewed. However, the Panel acknowledges that:

- Some parts of non-metropolitan NSW have already experienced significant boundary changes
- Boundary changes can be very disruptive and costly, and assistance with transition costs may be necessary
- Merging weak or unsustainable councils may simply produce a larger weak or unsustainable council
- Amalgamations are not possible where physical distances between communities and service centres are simply too great
- Local identity is important and needs to be maintained.

The principal argument used against amalgamations is that there is no direct, general relationship between council size and the efficiency of service delivery; that mergers will fail to produce worthwhile cost savings; and that regional cooperation and shared services can deliver the desired outcome. However, that argument misses several crucial points:

- The evidence shows that for some local government functions, notably infrastructure and 'back-office' services, increased scale can and does bring efficiencies and cost savings.
- A number of 'before and after' cases of individual amalgamations have shown significant efficiency gains (but not necessarily cuts in rates, because savings have been ploughed back into other service and infrastructure improvements).
- Local government does much more than just deliver services and needs 'strategic capacity' across knowledge and skills, planning, advocacy, partnerships etc as well.

Table 2: Summary Attributes of Different Forms of Consolidation

	Amalgamation	Boundary Change [^]	Shared Services	Regional Collaboration [*]
Efficiency and Economies of Scale	Strong link	Potentially strong link subject to size/ disposition of re-shaped councils	Strong link	Weak link
Strategic Capacity	Strong link	As above – benefits will flow to larger ‘new’ council/s	Potential medium-strong link subject to organisation structure and governance	Weak link
Service Improvement and Innovation	Strong link	As above	Strong link (but limited to those services that are effectively shared)	Potential link subject to nature and scope of collaboration
Potential Diminution of Local Democracy	Distinct risk, but can be managed	Some risk depending on nature of ‘new’ councils – can be managed	Risk where shared services are extensive and decision-making is ceded to joint authority – may be difficult to manage	Little or no risk

[^]To create a more robust council

^{*}Along the lines of a regional organisation of councils

The ACELG report Consolidation in Local Government: A Fresh Look summarises the extent to which different forms of consolidation can achieve the benefits sought. Table 2 is drawn from that report. It suggests that amalgamations do have an important role to play in strengthening the system of local government, and offer the surest way to achieve efficiency and economies of scale, service improvements and strategic capacity. Stronger regional collaboration and robust shared services organisations may also achieve those objectives, but the outcomes across the board are less certain.

6.3 Metropolitan Areas

The need for strategic capacity is especially evident in major urban regions, particularly metropolitan Sydney. Population growth in the Sydney region will place enormous pressure on infrastructure and services, and on already stretched government budgets. A close and productive partnership between all three spheres of government will be essential to ensure that Sydney is an efficient and livable city, remains globally

ACELG’s research also points to various ways in which local identity can be maintained in larger local government areas by more effective ‘place management’, including ‘sub-councils’ and better resourced ward representation, as well new approaches to community engagement and customer service as discussed in section 6.1. The recent Perth metropolitan review of local government also found that a sense of place and local identity can be maintained through appropriate governance regardless of the size of a local government area.

The Panel’s terms of reference require it to consider the Liberal-National 2011 election policy of ‘no forced amalgamations’. As required, the Panel will be examining barriers and incentives to encourage voluntary boundary change. It has commissioned an analysis of issues raised by the 2004 amalgamations in regional NSW.

The Panel will seek further evidence on the benefits and drawbacks of amalgamations in different circumstances.

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competitive, and continues to prosper. Local government can and must play a considerably greater role in realizing those outcomes. It needs the capacity to do so.

Within the Sydney region patterns of growth will produce severe imbalances in the population size of existing local government areas. On current 2036 projections (under review) and if Sydney (excluding Central Coast and Illawarra) continues to have 41 council areas:

- Populations will range from 18,000 to 481,000
- 'Central' Sydney will have 18 councils with an average population of about 80,000
- 'Eastern' Sydney (east of Parramatta/ Auburn/Bankstown) will have 27 councils with an average population of about 97,000, including 9 of less than 60,000
- 'Western' Sydney will have 14 councils with an average population of about 220,000.

It is very difficult to see how such imbalances in the metropolitan system of local government can be justified. They would make it almost impossible for local government to develop and present a coherent strategic view on metropolitan issues to state and federal governments.

The Perth metropolitan review of local government which reported a few months ago made a number of observations that resonate for Sydney too (Box 5). In particular, it concluded that:

In examining the critical and strategic issues affecting the future of metropolitan Perth... the [Perth] Panel has concluded that some issues are beyond the current capacity of local government and a more strategic response is required.

A critical element in future metropolitan governance will be the role of the City of Sydney as a 'centrepiece' of the local government system and a vital contributor to Sydney's stature as a global city. The City council already manages and funds crucial regional and state precincts and facilities: there may well be a case to expand that role, and in consequence the city's boundaries, especially given its exceptionally strong revenue base.

Similar observations about the need to review local government structures apply to the Lower Hunter, Central Coast and Illawarra regions. There is an evident need to build the capacity of local government in those regions to address issues of urban growth and change, as well as the challenges of economic and social development and environmental management.

There is a case to consider significant consolidation to enhance the strategic capacity of local government across the Sydney region and other major urban regions including both regional centres and rural areas.

Box 5: Key findings of the Perth metropolitan review

In addition to its role in managing accelerated growth, local government also needs to play its part in challenges it has not faced previously:

- facilitating the continued supply of affordable housing
- managing demographic change
- responding to the effects of environmental change
- reducing urban congestion
- contributing to the provision of an adequate transport system
- maintaining ageing assets
- co-ordinating the effective provision of critical infrastructure
- adapting to the changing use of technology.

After nearly a year's work, the Panel has concluded that maintaining the status quo, comprising 30 metropolitan local governments of varying sizes and capacities, is not in the best interests of metropolitan Perth.... The Panel found

weaknesses with the current metropolitan local government arrangements:

- There is a significant level of duplication and wasted resources.
- There are great inconsistencies in processes and approaches which result in difficulties for business, lost opportunities for communities, and confusion for consumers.
- The fragmented approach to local planning results in a system that is unnecessarily complicated, uncoordinated and lacking in strategic focus.
- Some local government boundaries are illogical.
- There is a great variation in the size and capacity of local governments.
- A large disparity in service levels between different local governments exists.
- The structure has limited ability to address region-wide issues.
- The current structure will not serve Perth's future needs.

6.4 Western NSW

Small communities and their councils in western NSW face daunting challenges. These include:

- Declining, ageing and often socially disadvantaged populations
- Growing Aboriginal communities with high needs for improved services and infrastructure
- Fragile local economies with limited employment and educational opportunities
- Remoteness from major population and service centres
- Susceptibility to natural disasters.

Councils in remote NSW operate under the same legislative provisions as the rest of the state and there is an expectation they will deliver broadly a similar range of infrastructure and services as their counterparts elsewhere. In addition, communities often expect them to fill the gaps created when other spheres of government do not have a presence or fail to deliver to an adequate standard.

However, as discussed earlier, remote councils have poor prospects of long-term financial sustainability and limited ability to attract and retain skilled and experienced staff with the capacity to resolve complex service delivery issues. Meanwhile distances can make sharing skilled staff and other resources difficult if not impossible, although

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for some functions modern information and communications technologies may facilitate new approaches to resource sharing and new forms of service delivery.

Addressing the challenges of western NSW will require new approaches to governance that effectively combine the capacities of local, State and federal agencies. This was emphasised in submissions to the Panel:

...greater co-ordination and not additional funding is required to breakdown existing barriers to achieve the desired outcomes in relation to a wide range of youth and youth employment problems. (Shire of Walgett)

...appropriate governance model may encompass co-operative/shared management of current local government functions with the functions currently carried out by agencies of state and federal governments. (Shire of Brewarrina)

Simply amalgamating councils is not a realistic approach. People and resources are too thinly spread and distances too great. One option might be some sort of joint local-State government authority, with local community councils providing democratic representation and some place-based services. Alternatively, there could be a region-wide local government – perhaps a modified County Council – that works through community councils and delivers programs as an agent for State and federal governments.

The Panel will explore a range of possible new models of cooperative governance and service delivery in western NSW, covering 4-8 existing shires as well as the unincorporated area.

6.5 Other regions

As noted in section 5.2, NSW has around 70 councils with populations of 20,000 or less. Most of these are rural-remote shires west of the Divide, and most are expected to experience population decline. A significant number of shires are small in both population and (relatively speaking) geographic size.

In a number of cases amalgamation may be an option – where necessary in combination with other measures to boost capacity, such as expanded shared services and adjustments to the distribution of grant support. It would be important to minimize the transaction costs of mergers and boundary change, and where possible to create a robust entity based on a stable or growing population centre and with sound economic prospects. Elsewhere, regional collaboration and shared services – to the extent possible across large distances – may be the most practical approach.

Several regional cities and some other large urban centres are forecast to experience significant economic and population growth, often associated with people moving in from surrounding rural districts, concentration of government service delivery, and 'Treechange' migration from metropolitan areas. Some of these centres have extensive commuter catchments crossing into neighbouring local government areas. In a few cases urban growth spills over into adjoining shires, or a nearby smaller town has become in effect a dormitory suburb. Such circumstances would indicate a case to consider boundary changes.

Coastal NSW and its immediate hinterland will continue to witness substantial population growth over the next 25 years, with some

adjoining council areas becoming coastal conurbations. Whilst most coastal councils are projected to have populations of 40,000 or more by mid-century, there may be a case for some mergers in order to facilitate improved urban and environmental management and to maximise strategic capacity. Once again, enhanced regional collaboration and shared services would be essential complementary measures.

The Panel will formulate proposals for amalgamations and/or new regional entities and expanded shared services to build local government's strategic capacity throughout NSW

The Panel will formulate proposals for amalgamations and/or new regional entities and expanded shared services to build local government's strategic capacity and sustainability throughout NSW.

6.6 Implementing boundary change

Past approaches to boundary change in NSW have been characterised by three key elements:

- The need to apply an essentially 'one-size-fits-all' model
- The lack of a sufficiently robust regional collaboration/shared services alternative to amalgamation (seemingly County Councils were not viewed as such)
- A tendency for pressure for change to build up over long periods of time before action was taken.

Like those of its counterparts in other states, the role of the NSW Boundaries Commission is essentially reactive and limited to advising the Minister for Local Government on

proposals s/he refers to it. In the last round of amalgamations in 2003-04, the minister chose to commission a series of regional reviews by independent facilitators.

The Panel will consider whether for the longer term the Boundaries Commission needs to evolve into a more independent and purposeful body with a brief to undertake ongoing reviews of boundaries irrespective of whether or not a specific proposal for change has been presented to the Minister. The Municipal Demarcation Board in South Africa operates along those lines. Consideration might also be given to current reforms in New Zealand aimed at streamlining consideration of boundary change proposals through the Local Government Commission.

If further boundary changes are to be pursued, especially on a voluntary basis, there will need to be a well-resourced, strongly proactive process. The Panel will consider how that might best be facilitated.

As a guide to its own review, the Panel has prepared a preliminary list of factors to be considered in its assessment of possible future local government boundaries (see Box 6). These include the factors currently mandated by the Local Government Act, but with some additions and changes of emphasis.

The quality of governance in local government has emerged as a major area of concern. Issues raised include:

- Electoral systems and the quality of local representation
- The capacity, conduct and performance of elected members
- Sometimes poor councillor-mayor-senior management relations
- Lack of adequate support and advice to councillors

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- Community engagement and decision-making processes
- Senior management skills and accountability
- Inadequate performance monitoring, audit and continuous improvement systems.

The Panel is at an early stage of its investigations in this area and has no fixed views, but the following sections provide some insight into its current thinking on the need for change.

Box 6: Factors informing the Panel's assessment of local government boundaries

Population Growth

- The boundaries of a local government area (LGA) should be able to accommodate projected population growth generated by the LGA over at least the next 25 years.

services; to provide a pool of talented councillor candidates; to attract skilled staff; and to develop strategic capacity in leadership, governance, advocacy, planning, and management.

Accessibility

- As a general rule, it should be possible to drive to the boundaries of a LGA from a main administration centre within 60-90 minutes in country areas, and within less than 2 hours in country areas, and within 30 to 45 minutes in metropolitan areas.
- Difficult terrain, forests, rivers, wetlands etc can act as natural boundaries for LGAs, whilst water catchments, valleys and river crossings may be important uniting factors. Freeways and railways are important elements in urban areas.

Efficiency and Effectiveness

- Councils should be able to operate efficiently and effectively within the limits imposed by their location, geography and the characteristics of the communities they serve. They should be able to provide 'value for money' to their ratepayers and external funding agencies.

Communities of Interest

- There is still no definitive approach to the concept of 'communities of interest', which can vary widely in their focus and extent. Some are strongly place-based, others are not, especially in metropolitan areas.

Strong Centres

- Each LGA should have a population centre that provides higher order commercial, administrative, education, health and other services.

Local Identity and Sense of Place

- Boundaries should reflect a sense of identity and place, including important historical and traditional values, and the extent of other social and economic interdependencies. However, incorporating communities into larger LGAs does not necessarily destroy local identity and sense of community.

Infrastructure Assets

- As far as possible, key transport infrastructure such as airports and ports, and those nearby urban and regional centres that are principal destination points, should be within the same LGA; boundaries should also facilitate provision of local infrastructure such as water supply, sewerage, drainage and open space.

Strategic Capacity

- Councils need a strong base to achieve economies of scale and scope; to deliver quality

Removing Disruptive Boundaries

- Some existing LGA boundaries are divisive and obstruct good governance. They impede integrated planning, strategic infrastructure development, efficient service delivery, and regional economic growth.

Combining Existing Municipalities

- Wherever practicable, amalgamations should combine the whole of two or more existing LGAs without the additional cost and disruption of associated boundary adjustments.

7: Securing Good Governance

7.1 Political governance

There is general agreement that local government needs to be kept 'local' to the maximum possible extent, whilst maximising its strategic capacity. This highlights the importance of the councillors' representational and decision-making roles, and of councils' responsiveness to local needs.

Electoral systems should to ensure as far as possible an adequate spread of representation geographically across local government areas, and that councils reflect the make-up and interests of the community as a whole. Important considerations here include the number of councillors; whether election is by wards or 'at large'; whether wards have 1, 2 or 3 councillors; and the system of voting. Concerns have been expressed, for example, that in some cases electoral arrangements seriously skew the representativeness of the council, and that 'list' voting may result in the election of candidates who were just 'making up the numbers', and lack the necessary qualities and motivation to be successful councillors.

For some years now there have been moves to reduce the number of councillors, based on notions that Australia has too many politicians and that a council should be a 'board of directors', focused on strategy and leaving all day-to-day implementation of policies in the hands of senior management. An extension of that argument is that like company directors the few councillors left should be better paid, perhaps subject to completion of relevant training.

The Panel has received feedback both for and against maintaining the 'board of directors' concept and the trend to fewer councillors. Arguments for a fresh look include:

- The very high ratios of population per councillor now evident in large councils
- The need to ensure an adequate spread of representation
- The difficulty in practice of translating

the 'board of directors' concept to local government given the nature of its functions and that the 'directors' are elected by the community, not selected by their peers, and may or may not have the skills required.

It is a widely held opinion that too many councillors are simply not performing at the level required. They are seen to lack a mature approach to political and working relationships, financial acumen and budgeting skills, and to focus on representation on relatively minor matters to the detriment of operating at a strategic level. Poor behaviour by councillors both within and outside the council chamber is often raised as an issue. Questions are also asked about the average age of councillors and why younger people and women are not attracted in sufficient numbers to the role, or do not continue beyond a term or two.

Options worthy of consideration to address these issues include;

- A larger number of 'backbench' councillors from which a small executive group could be selected – this is the model used widely in the UK
- Increased remuneration, extending to full-time salaries for mayors and perhaps chairs of committees in large councils
- Requirements for would-be candidates to attend awareness sessions in order to understand more fully the responsibilities of becoming a councillor, and for councillors to undertake regular professional development programs
- Considerably increased professional and staff support for councillors .

If the effectiveness of councillors can be improved, then high population per councillor ratios may not be a major issue. The ratio in Brisbane City is about 40,000:1, but the councillors are full-time and have personal staff. Moreover, councillors can be assisted in their representational role by high quality customer service systems and community engagement and consultation processes.

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Over the next 25 years, changes in communication technology will enable further improvements in these areas, including in rural-remote regions.

The Panel notes that a new Code of Conduct has been prepared aimed at addressing various aspects of the performance of councillors in NSW.

Issues of political governance go to the heart of local government's reputation and, ultimately, its capacity to deliver desired community outcomes and to be a trustworthy partner in government. Local government needs to ensure that the performance of councillors achieves the high standards expected by residents, ratepayers and other stakeholders

7.2 Role of mayors

A specific aspect of political governance that needs to receive more attention concerns the role, responsibilities and authority of mayors. There seems to be a distinct gap in political leadership in a substantial number of councils: whilst some mayors provide high profile, purposeful leadership, others do not. Less than a quarter are popularly elected for the 4-year term; elsewhere, effective leadership may be compromised by having to face annual elections, or by agreements made to give other councillors 'their turn', or by party-political considerations.

At present the functions of mayors are defined in only the most general terms in the NSW Local Government Act, even where mayors are popularly elected and thus have a strong mandate. Research by ACELG² suggests that NSW could learn from recent experience in other jurisdictions – notably Queensland, New Zealand and England in order to define an expanded role for mayors that couples increased responsibilities and authority with an expectation of strategic political leadership and accountability for following through on agreed policies and legislative requirements. This approach would fall short of making

mayors the 'chief executive officer' as they were before the 1993 Act, but might involve:

- Being the designated 'community leader' and 'principal representative' of the council
- Oversighting the performance of other councillors, including code of conduct issues
- Establishing committees and appointing chairs
- Guiding the preparation of the Community Strategic Plan, Delivery Program and budgets
- Ensuring adequate community engagement and consultation on key decisions
- Participating in inter-governmental relationships at regional, state and national levels
- Providing advice and strategic direction to the General Manager in accordance with the council's policies.

An expanded role for mayors along the lines set out above would need to be full-time and properly remunerated. It would seem to sit most logically with mayors of larger councils who are popularly elected. Popular election could become the norm for larger urban and rural councils. Smaller councils might retain a modified version of current arrangements.

7.3 Alternative governance models

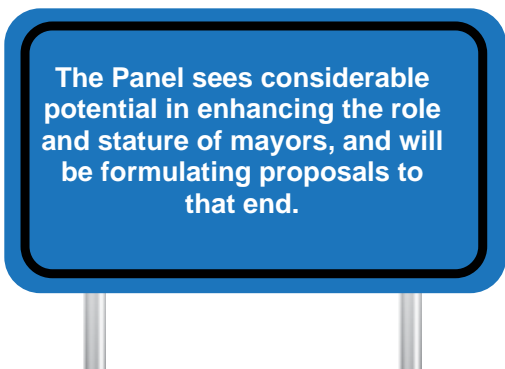
It follows from the preceding sections that the Panel is considering a range of governance models from which councils could choose according to their local circumstances. This approach has been used for a decade in England.

The current 'one-size-fits-all' model in NSW may be characterised in terms of a 'weak mayor', small number of councillors, and collective decision-making on all issues. This could be replaced by a number of options, for example:

- 'Status quo' but with 'stronger' mayor (part-time but role more clearly defined, enhanced leadership authority)

- 'Full-time Mayor': full-time, directly elected mayor with substantially increased authority; small number of councillors (range 7-12 depending on population); decision-making remains collective
- 'Mayor and Cabinet': full-time directly elected mayor; larger number of councillors (up to 25); small 'cabinet' of committee chairs (some or all of whom may also be full-time); other councillors remain part-time in representational and scrutiny role.

The Panel will give further consideration to alternative governance models.



7.4 Councillor-management relations

Relations between the mayor, councillors and senior management, especially the General Manager, are problematic in a significant number of councils. Issues involved include:

- Tensions arising from a perception on the part of some mayors and councillors that the Act gives the General Manager too much authority and autonomy, with insufficient scope for political direction – a perception that may be reinforced by the way some General Managers see themselves and play their role.
- On the other hand, concern amongst General Managers and other senior staff on performance-based contracts that they may be subject to unwarranted dismissal.
- The limited administrative and professional support provided to many councillors and even mayors.

²Australian Mayors: What can and should they do?

- Lack of skills in political management and relationship building on the part of some mayors, councillors and senior managers.
- The apparent reluctance of some General Managers to provide robust policy advice to mayors and councillors, and to take responsibility for completion of key policy documents such as those required under IPR.

Within a complex, multi-functional organisation such as a local council, differing perspectives on policy and priorities, and hence some tensions between political and management viewpoints, are inevitable. However, too often these appear to get out of hand, or to reach a level that threatens the council's performance. Likewise, there will inevitably be occasions when a mayor or elected council finds it impossible to work with a General Manager whom they see as unwilling or unable to carry out their program as they see fit. This happens at all levels of government and in the private sector.

The question for the Panel is whether the incidence of such problems in local government is greater than it should be, and whether there are sufficient checks and balances to prevent rash behaviour on all sides and ensure that decisions are taken responsibly and with full regard to all the facts of the matter and likely consequences.



7.5 Audit and continuous improvement

Recent reports by Auditors-General in both NSW and Victoria have highlighted the need for improved monitoring of the performance of local government as a basis for comparative

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benchmarking and continuous improvement. In NSW these activities have been under-resourced in both the DLG and most councils, and it is very difficult if not impossible for a resident, ratepayer or other stakeholder to obtain a clear picture of the relative performance of councils.

The introduction of the IPR framework offers an opportunity to advance this issue in NSW by ensuring that the various planning, budgetary and reporting documents required are soundly based and provide consistent data. This work can be kick-started through the sustainability and asset backlog assessments currently being carried out by NSW Treasury Corporation and the DLG as part of the Panel's review. There are also opportunities arising from two national projects being carried out for local government ministers by ACELG: a National Assessment Framework for asset and financial management, and a Minimum National Data Set for workforce characteristics and participation of women in local government.

Audit – both internal and external – has a key role to play. Internal audit is presently strongly focused on governance and risk issues, but could readily be extended within current settings to a broader quality control function. Similarly, external audit in NSW is limited to financial reports, but elsewhere deals also with the quality of councils' performance and, in New Zealand at least, the soundness of long term plans. Strengthening of external audit may well necessitate the involvement of the Auditor General, as in Queensland and Victoria, in order to set appropriate standards, oversight the work of consultant auditors and ensure a consistent approach.

A combination of enhanced internal and external audit could thus be used to ensure that critical planning documents and budgets are soundly based and thoroughly prepared, and to improve the quality of data collection and performance reporting. Together with regular service reviews (discussed in section 5.4), this would provide a focus for continuous improvement efforts.

A review of State regulation of local government

and associated compliance regimes would also be timely. IPART is currently reviewing how local government regulates others, especially business, but this begs the question of whether local government itself is over-regulated. As indicated in section 2.4, the Panel's view at this stage is that efforts would be better spent on effective benchmarking and capacity building than on perhaps excessive compliance. There is a need for a cultural shift to innovation and improvement. Data collection, benchmarking and audit need to be directed towards that end, rather than compliance.

The Panel sees a compelling case for a shift from compliance to innovation and improvement, underpinned by better data collection and expanded benchmarking and performance reporting, linked to the IPR framework and supported by internal and external audit.

8: A Compact for Change and Improvement

8.1 A network of relationships

The concept of a 'system' of local government, as outlined in section 2, demands a focus on effective working relations between the various partners involved. Of critical importance are relationships between:

- State government and the local government associations
- State agencies and local councils
- councils within regions or that share common interests
- councillors, mayors and senior managers
- councils, their employees, employee associations and unions
- councils, businesses, the not-for-profit sector, community organisations and residents.

A number of those relationships have already been discussed to some extent in this paper. The Panel will be exploring the issues involved in more detail during upcoming round-table and focus group discussions. For now, this concluding section deals in particular with State-local relations.

8.2 Building State-local partnerships

Various issues in State-local relations have been identified throughout this paper. The Panel's broad assessment is that:

- The relationship has been less than satisfactory for far too long – but there are welcome signs of improvement and an opportunity now exists to make real progress
- Problematic elements have included lack of mutual respect; a 'master-servant' culture on both sides; a failure to grasp the fact that State and local government are parts of the same public sector with the same overarching goals, constraints and opportunities; lack of consultative mechanisms to address key policy issues; lack of effective arrangements for collaborative regional and sub-regional planning; excessive regulation and compliance

regimes; and 'running sores' such as the land use planning system, rate-pegging and cost-shifting

- Neither side is fully equipped to establish the kind of productive partnership required – the State lacks a 'whole of government' approach to the role of local government, and is only now building the required machinery at the regional level; whilst local government has failed to lift its sights and come to grips with the 'big picture', and lacks a sufficiently strong association that can truly speak on the sector's behalf and command the State's attention when required.

Nowhere in Australia is there a 'perfect' State-local relationship: inter-government relations are always complex and subject to tensions, so partnerships inevitably wax and wane. However, other jurisdictions do appear to have had more success over recent decades using mechanisms such as:

- Overarching State-local protocols and memoranda of understanding for communication and consultation
- High-level ministerial forums that meet regularly to discuss key policy issues
- Partnership agreements on specific issues or for particular regions and localities
- Regional planning committees that focus specifically on shared State-local interests and bring together ministers and mayors to canvass the political dimension of planning
- Regional coordination groups of senior State and local officials.

An inter-government agreement was signed between the previous State government and the NSW Local Government and Shires Associations in October 2010. It set out some broad principles and an agenda for ongoing discussions, and foreshadowed quarterly meetings of a Ministerial Round Table, with the first meeting each year to be chaired by the Premier. That agreement lapsed following the change of government in 2011, but a new agreement is now being negotiated.

One example of a highly productive relationship in NSW is the Food Regulation Partnership between local councils and the NSW Food Authority, agreed in 2007. A recent evaluation found that the partnership was generally working as intended, 95% of councils are meeting stipulated inspection frequencies, and there has been a positive response from the retail sector. The Food Authority has established a dedicated local government unit to implement the partnership.

The Panel appreciates that several State agencies are increasing their efforts to work more productively with councils, although the sheer number of councils and the lack of an overarching State policy and robust regional frameworks remain limiting factors. However, the Panel sees considerable scope to build on processes to 'localise' (regionalise) the State Plan, and for regional coordination of the activities of State agencies. It should be possible to find ways to engage strongly with local government as part of those processes – provided councils are willing to organise themselves effectively on a regional basis and speak with a common voice on strategic issues. The imminent release of the first round of Regional Action Plans under the State Plan, to be followed by work on the 'second generation' of those plans, offers an excellent opportunity for both dialogue and a new cooperative effort in program development and project implementation.

8.3 Co-drivers of change

There is a particular role for the Division of Local Government and the new Local Government Association to drive change.

Change can be uncomfortable and is often resisted: it requires creative and cooperative leadership, and has to be driven hard. In this case the co-drivers of change must be the

Division of Local Government (DLG) and the new single association, Local Government NSW. Each needs a stronger presence.

DLG sits within the Premier's Department (which also manages the State Plan and regional coordination) and the associated cluster of agencies including the Department of Planning and Infrastructure and the Office of Environment and Heritage. It is thus well placed to forge a set of key relationships within State government to promote an understanding of local government's potential as an essential partner in the NSW public sector.

Integrated Planning and Reporting, Destination 2036 and localising the State Plan represent important moves in this direction, but it will take time and effort to bring about new attitudes and approaches to local government across all relevant State agencies. The Panel's view is that the Government will need to find additional resources and shift more effort from regulation and compliance to improvement and innovation in order, on the one hand, to foster change within local government; and on the other, to promote new ways of working with councils amongst State agencies. The recent restructure of DLG was a significant step forward in this regard.

For its part, much of the local government sector seems to have settled more or less for the status quo. There are numerous pockets of energy and innovation, but the Panel's general impression is that relatively few councils and councillors are focused on the need for fundamental change. The sector seems to focus more on its disparate interests than on presenting a strong, unified position, re-inventing itself as an indispensable partner, and challenging the State to create a new paradigm of the NSW public sector.


The new single association has the challenge of leading a change of attitude and culture. In the Panel's view, it will need to adopt new ways of working, for example conferences that focus on a few strategic issues and develop robust policy positions that matter

to its partners in government, business and the community. It will also need to take responsibility for the sector's performance and reputation, promoting capacity building and continuous improvement, and intervening promptly to address damaging governance problems and other disputes within and between councils.

The LGSA's submission to the Panel set out the 'Top 5' changes that should be made to local government to help meet the NSW community's future challenges in the following terms:

1. *Reshaping the whole system of local government (not just councils, but intergovernmental relations with State government and its agencies) based on respectful institutional relations*
2. *Improving councillors remuneration substantially and providing guaranteed access to improved credentialed councillor training and education*
3. *Resolving the long running revenue restriction and cost shifting issues between NSW State and local governments*
4. *Creating genuinely different models for say i) metropolitan councils, ii) regional councils and iii) sparsely settled councils*
5. *Creating genuine incentives for communities and councils that wish to change scale or implement new models.*

What these ideas imply is a fresh agenda for reform that is future focused and aims to set aside some of the "running sores" mentioned earlier. This is, of course, precisely what Destination 2036 is intended to achieve.



The Panel's goal is to reach agreement on a package of changes that amount to a new 'compact' between State and local government in NSW. This will need to engage all stakeholders in the system of local government, and will provide a platform to increase the capacity of the system to build stronger communities and make NSW Number One.

9: Next Steps

The Panel is committed to continue consulting widely throughout the review process. Full details of its consultation program and opportunities to make submissions or contribute in other ways to the discussion of key issues are available on the Panel's website.

The Panel is particularly conscious of the need to engage with the new councils elected in September this year. It looks forward to their consideration of this 'Case for Sustainable Change' paper and to receiving their comments. There will be a number of opportunities for discussion of their views in early-mid 2012, well before the Panel drafts its final report.

Planned next steps are as follows:

- Between late November and mid-March the Panel will hold a series of roundtables and focus group meetings to discuss various aspects of the 'Case for Sustainable Change'. It will also conduct opinion surveys on key issues.
- These meetings will include firstly, review of the key issues and themes raised in this paper with relevant stakeholder groups; and secondly, a series of workshops for groups of councils identified in the Panel's 'cluster-factor' analysis. Those workshops will provide an opportunity to work through the implications of the research for governance, structures and boundaries.
- In February-March members of the Panel will be available to attend meetings of regional organisations of councils to present a progress report and obtain further feedback.
- In late March or early April the Panel will release its third and final discussion paper: 'Future Directions'. That paper will provide as much detail as possible on the Panel's conclusions and the likely shape of its final recommendations to Government.
- From early April there will be another two months of consultation, including further Panel visits to all regions.

To provide your comments on the paper:

Visit:

www.localgovernmentreview.nsw.gov.au

Email:

info@localgovernmentreview.nsw.gov.au

Post:

Independent Local Government Review Panel,
C/- Locked Bag 3015, Nowra

The Panel is looking for sound evidence on which to base its findings and recommendations. Please make sure your comments are supported by accurate information wherever possible. You can attach additional material if you wish.

Comments welcome until March 2013

If you have any questions about the review please call us on (02) 4428 4140.

List of References

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- Australian Mayors: What Can and Should They Do?, October 2012
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www.localgovernmentreview.nsw.gov.au

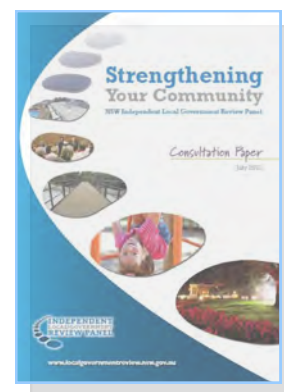


Stage One consultation Summary of submissions

Background

The first round of public consultation for the Independent Review of Local Government commenced on July 23, 2012, with the first of 32 regional consultation sessions on a state-wide Listening Tour. Written submissions were also invited in response to a discussion paper “*Strengthening your Community*”, with the closing date for Stage One submissions being September 2012. The discussion paper focused on three key questions:

1. What are the best aspects of NSW local government in its current form?
2. What challenges will your community have to meet over the next 25 years?
3. What “top 5” changes should be made to local government to help meet your community’s future challenges?



Following the close of Stage One, 215 written submissions were received from councils, regional organisations, community members, community groups, business and professional organisations. While not all submissions specifically addressed the three Key Questions, the majority provided broad comment on the current system of local government and made at least some suggestions for change.

This report addresses issues raised in the written submissions. Presentations made by councils and community groups at the Listening Tour consultations are addressed in a separate report.

Who made a submission?

The table at right shows the breakup of respondent types. The majority of submissions were received from individual councils, or groupings of councils, such as ROCs and alliances. Many council submissions included contributions from both elected representatives and council employees, with some also involving input from citizens committees or community workshops. A number council employees chose to make individual submissions, with 16 of these submissions originating from one council. Some submissions were the collective efforts of employee special interest groups, such as the finance department, or data collection group. The majority of submissions from community groups originated from local progress associations or ratepayers groups. A number of individual businesses also made submissions, as well as larger business groups.

Respondent types: Round One written submissions

Councils (including counties)	79
Regional groupings of councils (includes ROCs, strategic alliances and other arrangements)	13
Councillors (or former Councillors)	6
Council employees	34
MPs or political parties	2
Statutory authorities or State agencies	4
Non-government organisations	3
Professional groups or associations	4
Businesses or business groups	9
Community groups	8
Individual members of the community	53
Total	215

This report was prepared by Hazelwood Communications Pty Ltd for the Independent Review of Local Government Panel. The views expressed within this report are those of the consultants, following detailed analysis of all written submissions.

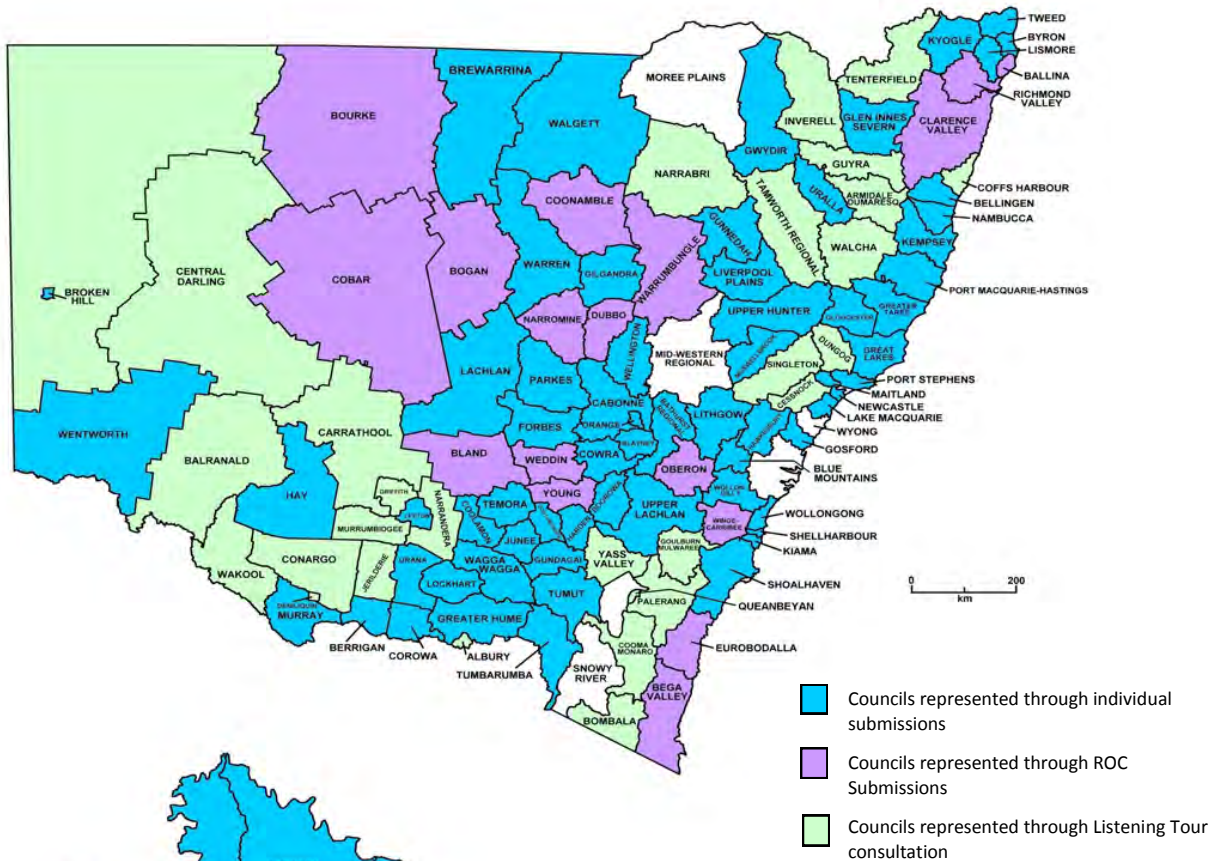
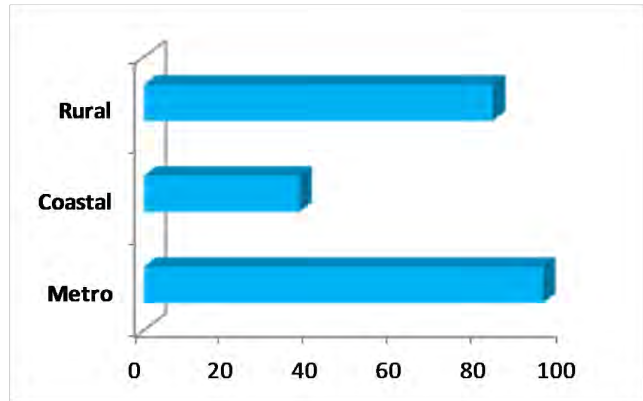


Attachment 2

Who made a submission?

Submissions came from respondents in metropolitan, regional and rural areas. The graph at right shows the representation. There were 95 submissions from metropolitan areas (including Sydney, Wollongong, Newcastle and the Central Coast) 37 submissions from coastal areas and 83 submissions from rural/regional areas.

The maps below show the number of councils that were represented in individual submissions, or group submissions.





Common themes and emerging concepts

From democracy to drainage . . .

The written submissions were reflective of local government’s broad range of activity. Respondents addressed everything from participatory democracy to stormwater drainage disputes. Although common themes emerged, there was great diversity of opinion on each. The review process identified some 67 themes (see tables attached) in response to the discussion paper questions. From these responses, three main concepts began to emerge: Relationships; Resourcing, and Realising Potential.

Relationships

Many of the submissions highlighted the need to rebuild or redefine relationships within the Local Government Sector—between councils, community, State and other stakeholders. Councils said they wanted to move away from the master-servant relationship they perceived with the State and to have a seat at the table in regional planning and service delivery. Many respondents called for a clearer definition of roles and responsibilities and greater recognition of the role that local government plays in sustaining and supporting communities. There were examples where relationships were not working well within the system—and other examples of positive state/local co-operation. Many respondents believed the Sector could not move forward with reform until the fundamental issue of local and State relationships was resolved.

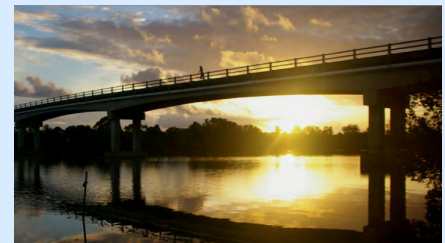
Community members said they wanted relationships to improve as well. Remote communities felt disconnected from higher levels of decision making and relied on local councils to become their voice. Respondents in both city and country areas said they wanted to connect in a more meaningful way with their councils and to be more directly involved in making decisions.

Resourcing

The need to provide long-term reliable funding for councils was also highlighted in submissions. Some 118 respondents said they were worried about councils’ financial future and 128 submissions highlighted the need for sustainable funding and revenue streams.

There was a good range of opinion as to how this might best be achieved with comments centred on rating, government funding and a variety of new revenue and investment options. These are discussed later in the report.

The subject of rate-pegging received a great deal of attention, with 78 respondents saying they wanted the system abolished or changed and only two submissions who liked it the way it was. The option for councils to be more involved in commercial activities was also widely canvassed and there were numerous calls to review state funding frameworks and increase the share of taxation revenue that councils received.



Realising potential

Although everyone had different views, most respondents said they believed in local government’s future and that it had an important role to play in supporting communities. Only three submissions advocated that the system be abolished. Respondents saw great potential in local government’s closeness to community, its capacity to change and adapt, and potential to deliver more than it did.

Many respondents thought the system was hamstrung by revenue and relationship issues. They saw good potential for councils, particularly in rural and remote areas, to deliver more services on behalf of the State - if only they were funded appropriately to do so. They saw good potential for councils to become more financially sustainable, if they were allowed to pursue more innovative options and entrepreneurial ideas.

Others saw potential in the system of Community Strategic Plans and their capacity to capture community aspirations. But there was frustration that the work of preparing these plans was largely disconnected from State and regional frameworks. Councils wanted to be involved in discussing these decisions and to have the needs of their communities acknowledged.



Key Questions:

Attachment 2

What are the best aspects of NSW local government in its current form?

Local people making local decisions

Most respondents addressed the question of local government's best aspects. The most frequent response was that local government was best placed for understanding community concerns and responding to community needs. (140 responses). Comments generally centred on the theme of "local people making local decisions", the value of local knowledge and the open and inclusive nature of local government. There was a view that local government was connected to its community and understood and respected the community's particular needs.

Numerous submissions mentioned the accessibility of local government — the fact that residents could attend their local council meetings and see how decisions were made. The results of council deliberations were known immediately and, because councillors were part of the community too, they were more likely to think about the consequences of their decisions.

A number of rural respondents said they liked the apolitical nature of rural councils, as most elected representatives were independents and didn't vote along party lines. There was also a perception that the smaller scale of local government allowed small voices to be heard in the democratic process, that people who were normally marginalised from decision-making had a greater opportunity to participate. The capacity to involve Aboriginal communities, people from non-English-speaking backgrounds and people with disabilities was specifically mentioned.

Local people providing local services

One hundred and twenty-one respondents felt that councils were better equipped to determine local services and could deliver higher quality service because of local knowledge and connections to the community. The capacity to deliver more personal service was also highlighted—the fact that councils could deal with clients face to face and had an understanding of the issues facing each community. Many submissions from regional areas commented on councils' capacity to respond quickly and effectively to emergency situations and natural disasters. There were examples where a bit of local knowledge had gone a long way in getting relief to families stranded by flood waters and helping communities to recover. Some respondents highlighted the logistical advantage of local facilities for providing services, particularly road works, where earthmoving equipment could be transported from a local depot. The fact that services were provided "under one umbrella" also allowed councils to achieve efficiencies through integrating services, or encouraging multi-skilling amongst staff.

Adaptable and responsive

The "nimble nature" of local government also received considerable comment, with respondents noting councils' capacity to adapt, col-

What people said . . .

"No other arm of government allows for such direct personal access to decision-making processes. And no other level of government can make that access as meaningful by making people feel their voice will be heard and that they can be partners in problem solving."

Waverley Council

"As the sphere of government closest to the community, this representation is vital, allowing for diversity, relative autonomy and, most importantly, a real sense of identity."

Lismore City Council

"Our intimate understanding of the shire area and the residents has ensured quiet and decisive action in dealing with natural disasters"

Gundagai Shire Council

"Local government understands the lifestyle each community wants . . ."

Cabonne Shire Council

"Local government doesn't achieve anything more than poor management and town debt".

John Boom—Coffs Harbour



A community celebration and visioning exercise to help prepare the Community Strategic Plan

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Attachment 2

laborate, integrate services and bring stakeholders together to negotiate outcomes. Councils were seen as being more flexible and adaptable than other forms of government and better placed to manage change. A number of submissions saw good potential for a stronger partnership between the State and local government in delivering services to regional and remote communities.

Providing a voice and encouraging identity

Councils' role as an advocate to higher levels of government was also noted in many submissions. Respondents from remote parts of the State saw local government as their only voice. One council pointed out that their federal and state MPs currently served an electorate the size of Victoria. The role of councils as community leaders, promoting a sense of identity for each community and guiding its progress was also highlighted in regional/rural communities. A number of metropolitan councils also expressed the concept of a unique identity for their particular suburb and council's role in supporting that sense of place.

Integrated Planning and Reporting

There were 61 comments about the value of the Integrated Planning and Reporting reforms for local government. Respondents particularly noted benefits in improving councils' strategic focus and connections with community. A number commented that more time was required before the full benefits of the reforms were realised and called for the Division of Local Government's capacity to be strengthened in supporting the reforms

Keeping it local

Although the "local" aspects of local government were particularly highlighted, the majority of respondents indicated they were not averse to change within the local government system, as long as connections to community could be maintained. There was a strong sense that any proposed new governance models would need to address community involvement at the micro level in some way. This view was supported by respondents from metropolitan, regional and rural areas. City councils in particular saw scope for using new technologies to keep people connected with their council.

Not everyone's happy

Only a few respondents felt that local government was ineffective or unnecessary. Three submissions called for the whole system to be abolished and several respondents highlighted specific issues where they were unhappy with their council's performance on development assessment, financial management, road works or drainage. Two ratepayer groups called for their council to be sacked or amalgamated, but one community group said they thought their council was doing a good job.



Celebrating Chinese New Year in western Sydney

What people said . . .

"Local government often provides a voice when residents feel other doors have closed."

Wentworth Shire Council

"Someone has to look after rural NSW."

Ian Gosper - Cabonne Shire

"Integrated Planning & Reporting has been a very positive development, to focus Councils on long term resource allocation, financial sustainability and asset management on an industry wide basis."

Daryl Dutton - Upper Hunter Shire Council

"After 30 years of rate-pegging, winding back of FAGs, years of statute and state bureaucracy imposed "red-tape" and overregulation, outdated and unnecessary reporting requirements, and a general do as I say not do as I do approach by the State and Federal Government, it is a testament to the ingenuity and commitment of LG that they have been able to keep NSW councils functioning viably for so long."

Ken Gainger - Marrickville

"Rural communities connect in very different ways from city communities. Our community knows who their elected representatives are and they care."

Bellingen Shire Council

"There is nothing good to be said for local government in its current form."

Kevin Morris - Wollondilly



Key Questions:

Attachment 2

What challenges will your community have to meet over the next 25 years?

Growth, decline and changing expectations

There was a wide range of response to this question, although many respondents chose to use “dot point” lists rather than expanding on their observations. Comments related to social, environmental, economic and infrastructure issues, with the most frequent responses centred on population growth/decline and the changing expectations of communities.

Declining populations in rural areas

Rural respondents told of how their communities were becoming fragmented through the loss of young people to cities and regional centres and the loss of “family farming culture” as corporate farming became predominant. Decline in population resulted in a decline in volunteerism, loss of rating income and withdrawal of local services. A number of councils had felt obliged to step in and provide services such as doctors and pharmacies in order to keep their communities viable.

Regional centres explained how they were experiencing population pressures and demands as families moved in from the smaller villages in search of better services. Several submissions called for a strengthening of decentralisation policy.

Increasing populations in growth areas

Respondents from growth areas told of how increasing populations were stretching services to the limit - particularly access to education and health facilities. Councils were being pressured to cater for new areas, while maintaining services and infrastructure in existing communities and found it difficult to maintain an equitable approach. With increasing population and density of development came increased pressure on roads, parking, public transport and open space. A number of submissions called for growth areas to be treated as a special case for strategic planning of services and infrastructure.

Non-resident populations

Councils were also feeling the impacts of increasing non-resident populations. Rural areas noted the impacts of “fly in-fly out” workers from the mining industry, increasing pressure on local services. City councils explained that establishment of regional facilities in their area (universities, hospitals etc) resulted in increased levels of non-rate-paying population and some coastal councils noted a similar experience from seasonal holiday crowds.

Changing expectations

Although a small number of submissions commented generally that “people everywhere expected higher levels of service”, most identified changing expectations in relation to services as being related to population shift or change. Coastal and regional councils told of “sea and

What people said . . .

“In our shire we provide a pharmacy building in order for a chemist to open business in our town, a fully fitted hairdresser salon so that service will be provided, and a newspaper (including editor) to service our local needs. Provision of these services reduces our capacity to adequately service the other core functions that our community needs and expects to be provided by its local council”

Brewarrina Shire Council

“Liverpool's population is characterised by high growth. Much of this growth is driven by immigrants settling in Australia, with Liverpool's population made up of peoples from 158 countries. A significant portion of the population speaks a language other than English at home. This growth is and will continue to put pressure on the community to maintain and expand services that keep pace with population growth.”

Liverpool City Council

“The residential population of half a million can double, and up to treble, in coastal locations during the summer months . . .”

Southern Councils Group

“Two out of three Sydney residents don't want the city to grow bigger, yet Sydney's population is set to rise to almost 7 million by the middle of the century. The issue is not whether to have growth or not, but how to manage it.”

Urban Taskforce



Attachment 2

tree changers” moving to the area and expecting the same services they enjoyed in metropolitan areas. City councils spoke of increasing pressure from immigrant communities and the need to provide more multicultural services. Councils were now expected to provide far more than the traditional “3Rs”.

Community safety, poverty and social need

Many respondents made general or “dot point” comments regarding concerns of increasing social need and disadvantage within their communities. Some of the potential challenges identified included:

- Lack of opportunities for youth and increasing youth unemployment
- Increasing poverty due to rising energy and other costs
- Declining literacy levels and access to education
- Drug and alcohol abuse
- Aboriginal employment, education, health & reconciliation issues
- Increasing population health issues
- Issues with integrating multicultural communities
- Increasing anti-social behaviour, violence and vandalism
- A decreased respect for authority and governance
- Declining volunteerism

There were concerns that councils would be called upon to “fill the gap” if higher levels of government failed to respond. Some submissions referred to increasing pressure on metropolitan councils to install CCTV systems in public places to address concerns with community safety. Increasing costs associated with repairing vandalised infrastructure and removing graffiti were also referenced.

Housing affordability

Lack of affordable housing was identified as a challenge by both urban and rural communities. Although housing stock in rural areas was significantly cheaper, these areas found it difficult to attract development investment, creating a general shortage and lack of diversity in housing stock.

Urban areas pointed to increasing “gentrification” of Sydney suburbs making housing unaffordable. People can no longer afford to live in the suburbs where they work and had to spend increasing amounts of time each day in traffic or on crowded public transport. There was an expectation that both housing supply and housing density would continue to increase in the Sydney area, with the resultant impacts on infrastructure.

Preserving heritage and culture

A small number of respondents also identified the need to protect and preserve local heritage and culture - particularly indigenous culture - as a particular challenge for the future. Some called for stronger heritage conservation powers for councils.



Ageing population

Seventy-eight respondents identified “ageing population” as a serious concern for the future. Some councils, particularly coastal and rural communities, noted above state average populations of over 65s. There was a perception that older people will require more services and aged care facilities. Potential impacts on health services and the need to rethink housing design were also mentioned.

Other potential impacts included loss of the community’s volunteer workforce and increasing skills shortages, as the size of the workforce declined and employers were reluctant to employ older workers.

Many submissions focused on the potential financial impacts of an aging population, particularly the increasing burden on councils to subsidise pensioner rebates. A number of submissions referred to issues with “asset rich, cash poor” residents who could not afford to pay their rates.

Others feared a more general decline in regional economies due to reduced spending power of elderly residents.

One respondent saw an opportunity to harness the experience of older residents in supporting the community and supplementing a declining workforce.



Attachment 2

The ever-increasing infrastructure backlog . . .

The need to maintain and replace ageing infrastructure was highlighted by the majority of respondents (123), with many connecting these comments with fears for the long-term financial sustainability of councils.

Small rural councils explained the issues they faced maintaining large geographical areas, with only a small population base to fund the cost of infrastructure renewal. One submission included comparative graphs, demonstrating that a small metropolitan council had sixty times greater capacity to fund its road network than a small rural council.

Respondents in metropolitan areas, while generally not experiencing infrastructure backlogs on the scale of regional councils, still identified issues with maintenance and renewal of assets amidst increasing population and community expectation. It was emphasised that the local government sector was carrying the weight of infrastructure management responsibilities within the State, with local roads accounting for some 80% of roadways in NSW, with only a comparatively small amount received in government funding.

Both paddock and plate will suffer

Although many submissions highlighted the severe impact on rural communities of failing infrastructure - villages becoming isolated, children unable to attend school, increasing road fatalities/injuries —others saw consequences for city communities as food supply chains were affected. There was an understanding that failing roads in rural communities meant lack of supply of agricultural products for urban areas and export markets.

Whole of government response required

A number of submissions concluded that local government could not fund its infrastructure responsibilities through rate revenue alone and called for a “whole of government approach” to infrastructure renewal. Respondents went on to suggest a number of funding models for infrastructure renewal. These included

- Establishing a local government investment fund
- A State Financing Authority for local government
- Use of Growth Area Bonds to finance council infrastructure.
- A Local Community Infrastructure Renewal Fund
- Regional infrastructure funding bodies
- Interest-free loans for local government
- Establishing a Local Roads Authority in each region
- A State or Federal commission for infrastructure renewal
- Creation of a road levy

The impact of climate on infrastructure

Addressing the impacts of climate change was identified as a future challenge, with many focusing on potential impacts on infrastructure. Increased flooding, sea level rise and fire events were all identified as potentially increasing infrastructure maintenance and renewal costs.

What people said . . .

There is failure at a national level to recognise rural local infrastructure such as roads connecting agricultural industry to the rest of Australia as part of a national Paddock to Plate (including export market) vision. Rural Australia simply cannot afford to maintain a road network on its own.”

Gunnedah Shire Council

“Unless the infrastructure issue is resolved it will not matter what other aspects of local government reform are achieved, councils will fail, our communities will be severely impacted, the ability of our children to get to school will be impacted, the ability for our agricultural industries to move produce will be impacted and the confidence of our regional communities in all tiers of government will be eroded.”

Greater Taree City Council staff

“One of the key financial challenges will be to provide new infrastructure in the growth areas while at the same time renewing the aging infrastructure within established areas.”

Liverpool City Council

Council’s infrastructure is ageing and our ability to secure income has diminished.

Corowa Shire Council



A flood-damaged road in rural NSW.



Attachment 2

Environmental protection and awareness

Fifty-seven respondents raised general issues related to environmental protection and awareness. A further 44 responses specifically addressed issues relating to climate change and 32 highlighted concerns with access to, and availability of, water in the future. Comments regarding pressures from urban development and mining industries also had environmental themes.

The broad range of issues addressed included:

- Impacts of mining and urban sprawl on sensitive lands and water catchments
- Loss of habitat and biodiversity
- Water quality
- Sustainable waste management
- Pollution control
- Energy efficiency
- Weeds management

Comments included the need for a co-ordinated response from all levels of government to environmental issues and the need for greater community education. There was recognition that the educational role would probably rest with councils, as they were in the best position to deliver community programs.

There were also concerns regarding water security in the future. Although a number of comments specifically addressed issues in the Murray-Darling, others highlighted pressures on town water supplies from high-usage mining companies and declining resources for agriculture from climate change impacts. Several submissions specifically addressed the issue of local water utilities, with one raising concerns for the capacity of small councils to safely and effectively manage water supplies, one calling for a revisit of previous enquiries into local water management and a third promoting the value of the county council model for water and sewerage management.

Adapting to climate change was also seen as a major challenge for the future. While a number of respondents identified potential impacts on infrastructure, others were concerned with the impact of carbon pricing policies on councils and communities. Some respondents saw potential to develop carbon off-set projects within regional areas.



Constructing a multi-million dollar recycled water plant to reduce demand on community water supply. The project is partially funded by Federal grants.



Sustainable economic development

The need to ensure sustainable economic development for communities was highlighted by 79 respondents. There was broad-ranging comment on the issue.

Regional areas were concerned about their communities “post mining boom” and how they could begin to broaden the economic base to reduce future impacts. Many submissions highlighted the need to ensure ongoing employment opportunities in regional/rural areas to encourage decentralisation and strengthen existing communities

A lack of educational facilities and pathways within regional communities was seen as inhibiting economic development. Many respondents from regional areas identified problems with attracting and retaining skilled workers due to competition from other areas or industries, lifestyle issues, lack of services in many towns and the need to provide two jobs for every one required to accommodate employees’ partners.

Submissions from metropolitan areas generally highlighted the need to maximise Sydney’s opportunities as a global city and respond to a globalised economy. There were calls for a “whole of Sydney” approach to the issue.



Key Questions:

Attachment 2

What “top five” changes would you make to local government?

State and local relationships

Relationships between Local, State and Federal governments emerged as one of the main themes of the submissions, with calls for stronger definition of roles and a higher profile for local government. Issues of “cost shifting” and excessive red tape /regulation were repeatedly raised and there were many advocates for Constitutional recognition of local government.

Some comments focused on the need to “rebrand” local government and raise its professional profile. There were also concerns that local councils were too small to have a strong voice or effectively partner with the State. There were calls to establish consultative forums between local and State governments, such as a Ministerial roundtable, or to implement MOUs between the two parties for delivery of significant projects or services. The need for a “whole of government approach” to issues such as infrastructure, growth and climate change was a recurring theme within the comments.

Several respondents focused on the role of the NSW Division of Local Government and its current relationship with councils. There were suggestions to refocus the role of the Division, increase its resources and relocate it to a more central position. Other suggestions included the DLG providing regional advisory services, or acting as an advocate for the sector. One respondent favoured replacing the Division with an independent Local Government Commission.

Planning frameworks

Seventy-eight respondents supported stronger connections between local and State planning to improve community outcomes and avoid duplication of services. There were numerous recommendations to link the Integrated Planning & Reporting framework with State planning and funding regimes. Councils pointed out that they were required to give consideration to State and regional plans in their long-term community planning, but the same requirements did not apply to higher levels of government. Some believed that Community Strategic Plans should directly inform the process of preparing the NSW State Plan.

In metropolitan areas, respondents focused on the need for a more regional approach to planning, pointing out that facilities and infrastructure were shared across council boundaries, so it made little sense to plan in isolation. Rural areas favoured a “whole of State” approach for infrastructure - linking regions with metropolitan markets and ports - with a regional/sub-regional approach for issues such as natural resource management. Some respondents suggested structures, such as regional boards or planning forums to assist the process.

What people said . . .

“The statement that local government is a “child” of State government is true. Since its inception under the State legislation, local government has been submissive to State Government. It is a one-sided affair. . . A properly elected council can be dismissed by the Minister.”

Forbes Shire Council

“The State Government should recognise and acknowledge Local Government as an equal partner.”

Burwood Council

“A majority of Council’s work is in delivering State and Federal policy; however there is very little opportunity for input into this policy. “

Penrith City Council

“The State Government, through the Division of Local Government, must honour its commitment to work with local government, rather than beating local government about the head with a big stick.”

Uralla Shire Council

“There appears to be a lack of respect from other levels of government in regard to the work undertaken and the infrastructure and services provided by local government”

Coolamon Shire Council

“Clearly defining and limiting the functions of Council will make it clearer to the community, which functions local government is responsible for and create greater protection against cost shifting.”

Kyogle Council

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Unfunded mandates and too much red tape

There were 81 references to “cost shifting” or unfunded mandates and 74 comments regarding the impacts of excessive regulation and red tape on local government. Generally these issues were addressed in tandem and there were numerous calls for a “red tape review”. Many noted that the issues had already been the subject of considerable public debate and research and referenced previous studies. Basically, there were two schools of thought on unfunded mandates:

- Those who had an issue with the “unfunded” part of the phrase: They generally agreed that local government had a role in delivering state policy and services, but wanted the process to be more transparent (no “hidden charges in rates bills”) and to be compensated appropriately for their efforts.
- Those who had an issue with the “mandate” part. They generally believed in the autonomy of local government and felt the State had no right to impose policy/service requirements - evoking the question as to whether local government actually “governs” or facilitates on behalf of state and community.

Regardless of position, it would appear that the issue of unfunded mandates is a pivotal aspect for state/local relationships and the reform process.

Defining roles and “core business”

Many respondents saw stronger definition of State and local government roles as offering a solution to unfunded mandate issues and concerns with duplication of services.

The need to more clearly define roles was identified by 89 respondents and 46 respondents called for Constitutional recognition of local government. Two submissions were strongly opposed to councils being recognised as a “third tier of government”. Most comments regarding Constitutional recognition related to “financial recognition” and more direct access to federal funding for councils.

There was also some discussion on the need to define “core business” for councils, although few ventured a definition on what this should be. Some favoured a negotiated definition of “core business” between the State, councils and their communities. One respondent pointed out that residents should be able to enjoy higher levels of service from their councils if they were willing to pay for the extra cost of providing those services to the quality standards required. A few respondents favoured the traditional “3R’s approach” of roads, rates and rubbish, but most acknowledged that, given the wide range of services councils currently provide, it would be difficult to define exactly what their core business should be.

What people said . . .

“ADHC’s partnership with Ageing and Disability officers in councils has created a mutually beneficial opportunity to influence the strategic directions in relation to people with a disability. This enables us to know the resources in local communities which form the basis for building inclusive communities.”

NSW Ageing, Disability and Home Care

The Productivity Commission report * identifies a tug-of-war between strongly expressed local preferences and a growing list of responsibilities and requirements delegated to them by their state government . . . It appears that there is little thought given at State level as to the capacity of local government to regulate State laws, both in terms of available resources and expertise.”

Allan Graham—Randwick

**Performance benchmarking of Australian Business Regulation: Role of Local Government as regulator*

“Local government administration should concentrate on the provision of traditional services such as local roads, construction and maintenance.”

NSW Farmers Association

“As reported by both councils and retail managers, levels of cooperation between the NSW Food Authority and councils regarding food regulation have improved under the Food Regulation Partnership. Low levels of duplication of regulatory services were also reported.”

NSW Food Authority

A referendum was held back in 1988 and we still stand by the answer we gave. NO we do not want councils to be recognised as a tier of government and NO we do not give permission for councils to have the power to make their own laws.

Name withheld - regional NSW



Attachment 2

Revenue, rating and financial sustainability

These aspects were addressed in the greatest detail by respondents, with a wide range of models and options suggested. There was a general theme amongst submissions that the financial sustainability issues of local government must be addressed in the current reform process, or councils would no longer be able to meet the needs of their respective communities.

Rating and rate-pegging

There were 80 comments specifically addressing rate-pegging and a further 23 relating to rating structure. The majority of respondents favoured abolition of rate-pegging, arguing that it had “outlived its usefulness” in terms of achieving council efficiencies and was now resulting in under-investment in infrastructure and threatening the financial sustainability of councils. Preferred options included allowing councils to set their own rating price path, in consultation with their respective communities, based on their long-term financial plans. Some saw an ongoing role for IPART in providing advice and oversight of rating matters and two submissions wanted to keep rate-pegging the way that it was. Some individual submissions from ratepayers and ratepayer groups expressed concerns about “council rates going up” but did not specifically address the rate-pegging issue.

Comments on rating structure varied widely, with many focusing on perceived inequities within the system. The rating exemption provisions of the Local Government Act received particular attention. A number of councils complained that the existing exemptions allowed large scale private schools to operate commercial activities in their area without paying rates. There was also disquiet with exemptions for State Government facilities. Councils pointed out that they had to pay to use State facilities, but the State was exempt from paying council rates. Other respondents saw inequities in various rating structures for strata units, “seniors living” developments, commercial activities and farmland. There were a number of comments on the “capacity to pay” philosophy of rating, with business groups generally opposing the concept.

Revenue streams

The need to provide more sustainable funding for councils and increase revenue streams was highlighted by 126 respondents. Apart from rating issues, comments centred on improving the government grants process (particularly Financial Assistance Grants) and opening up new sources of income for councils.

Fifty-five respondents said the grants process needed review or modification. There were concerns with not only the amount of money provided, but the method in which grant allocations were calculated. Some felt the FAG system was outdated and questioned the minimum grant provisions and per-capita calculations. Others had concerns with the complexity of other government grant systems, with too many agencies administering too many funding schemes with different selection and



What people said . . .

“More flexibility can be injected into the rate pegging system in such a way that it would reduce compliance costs and potentially improve council accountabilities to communities”.

IPART

“Ultimately it is individual councils who know what is best for their own communities, who are responsible for delivering the services required by their communities and who should be answerable to their communities for the rates they charge.”

WSROC

“The concept of rate-pegging is in conflict with the underlying tenets of integrated planning & reporting and has no place in the future operation of local government in NSW if the NSW State Government is serious about achieving meaningful reform of the sector.”

Waverley Council

“Council considers the costs associated with preparation of comprehensive Special Rate Variations to keep pace with community demands for improved services and infrastructure delivery is a complete waste of public funds”

Woollahra Municipal Council

“You don’t pay more registration for a dearer car, so why do you pay more rates for a dearer home.”

Randwick Council finance branch staff

“Rate pegging means that local government authorities can never be in charge of their own financial destiny.”

Tweed Council



Attachment 2

reporting criteria. Small councils said they were disadvantaged by the system—they couldn't afford to prepare competitive grant applications and the "matched funding" provisions on grants excluded them from competing because they couldn't afford their share of the funds. Peri-urban councils said they often missed out on funding because different programs classified them differently - for some grants they were classified as "regional" and others they were classified as "urban". Other respondents couldn't see the logic in making councils compete for funding. They felt government support should be allocated in response to regional planning priorities.

There were also numerous comments in regard to providing new revenue streams for councils. Suggestions focussed on five key areas:

- Providing a greater or more direct share of taxation revenues (42 responses)
- Providing more opportunities for councils to form corporate structures and business entities (31 responses)
- Exploring revenue models such as investment funds and growth area bonds (33 responses)
- Greater leveraging of councils' borrowing power (6 responses)
- Further development of shared services/resource sharing models (91 responses)

A number of submissions focused specifically on the Section 358 (corporate structures) and 377 (delegations) provisions of the Local Government Act in regard to increasing councils' capacity to engage in commercial partnerships.

Providing State services

Despite the numerous references to cost shifting, a significant number of respondents saw provision of State services as a potential future revenue stream for councils. Rural/regional areas proposed a "one stop shop" arrangement for access to state and federal services, with councils being compensated via a service agreement. There was a view that councils would be better placed for providing a number of services currently offered by the State because of their close community connections—they just wanted to be paid appropriately for doing it.

Infrastructure

There were numerous comments about the general need to provide more funding for infrastructure. Some respondents suggested establishment of infrastructure investment funds, issue of bonds, or privatisation/sale of some council assets to raise capital. Others favoured transferring responsibility for infrastructure management, particularly local roads, to a regional management authority. There were also general comments about the need to increase infrastructure management capacity within councils, with suggestions that the State should invest in this process.



What people said . . .

"Rate pegging should be a thing of the past with Integrated Planning and Reporting replacing this as the new way of determining the rating structure."

David Kelly - Randwick

"The current (rating) framework is too easily abused and enables gouging at the whim of a local council, with no link to the provision or cost of services, and based on dubious reasoning such as the so-called 'capacity to pay' approach."

Shopping Centre Council of Australia

"Current tendering requirements for local government are restrictive and limit innovative solutions to important Local Government problems."

YMCA Sydney

"State and Commonwealth Government services have been withdrawn over the past decade. This has created access difficulties for rural communities which could be overcome by the instigation of a commercially based local government service centre model. Councils could provide the access point for all government agencies on a fee for service basis . . ."

Cootamundra Shire Council

"NSW and Victoria are the only states where the government does not lend directly to local government . . . The NSW Government should create a state financing authority for local government to provide competitive low-risk finance through the issue of a limited number of bonds, underwritten by the State Government"

Property Council of Australia



Attachment 2

The Sydney Question: Changing boundaries or changing perspective?



The subject of boundary change and amalgamation received considerable comment from respondents, with questions as to whether “Sydney” should be considered as a single entity when discussing the future of local government. Many respondents highlighted Sydney’s global status and the need for high-level integrated planning of infrastructure and growth if the city was to keep its place on the world stage. Some saw Sydney as a “city of cities”, emphasising that regional character should be respected, but agreeing that a more integrated approach was required. It was in the method of achieving this integrated approach that opinions differed.

Some felt the best way would be to amalgamate councils into regional or sub-regional councils, so they could have better discourse with the State in planning a “whole of Sydney” approach.

Others felt it wasn’t necessary to change council boundaries to achieve good planning —people just needed to think differently about the issues confronting their city. They acknowledged that there was a need to take a wider focus than just their LGA. While rural residents mainly lived and worked in the same council area, this was not the case in Sydney. There was a daily exodus from “dormitory” suburbs and a reciprocal influx in commercial and business centres of the city - people moved across council boundaries freely and some councils found themselves accommodating regional facilities and infrastructure that were largely unused by their own ratepayers. There were also examples cited of neighbouring Sydney councils competing with each other for grant funding to build similar regional-scale facilities.

Some respondents suggested a two-part governance solution to improve the “whole of Sydney” focus, maintaining a local council presence but developing shared service centres for clusters of councils to undertake service delivery and strategic planning at a higher level. There was general consensus that the whole “Sydney question” needed further review and detailed discussion before any decisions were made.

What people said . . .

“The growth of Sydney’s population will impact across all communities . . . Consolidation of local councils needs to be undertaken as an immediate priority to ensure that there is an effective dialogue between the three tiers of government and that services are delivered in the most efficient manner possible.”

NSW Business Chamber

“Compulsory amalgamation of councils is crucial to ensure local government remains relevant for the 21st century and delivers the long-term benefits our community deserves.”

Property Council of Australia

“. . . consideration should be given to rationalise Sydney’s current 43 local governments towards perhaps ten subregions or ‘regional councils’ .”

The Committee for Sydney

“The information revolution unlike the industrial revolution requires speed not size. Amalgamating councils into a monolithic behemoth won’t encourage flexibility and agility. Nor will it solve the two key problems of local government, namely: Prolonged underfunding of essential infrastructure assets, and dysfunctional planning and development approvals processes.”

Urban Taskforce

“The question of the best shape for the governance of greater Sydney Metropolitan area is on the table and cannot be ignored. . . .

. . . If central governments believe deeply metropolitan Local Government needs altered responsibilities and boundaries to play a stronger role in the governance of a global city this needs to be discussed openly and in a fresh way. Anyone can play with numbers, maps and marker pens.”

Local Government & Shires Associations

Pg 14



Attachment 2

The rural dilemma: Addressing financial sustainability issues



The subject of boundary change and amalgamation also received considerable comment from rural, regional and coastal area respondents. While some felt that consolidation may result in economies of scale, others believed that joining rural councils together would not solve their financial sustainability issues - the problem of large geographical areas and small populations would still exist, just on a larger scale. They questioned the assumption that larger councils were more efficient, pointing out that smaller councils were more nimble and flexible in their service delivery options.

Some respondents were concerned that larger councils might be asked to take on the infrastructure backlogs and debts of smaller less sustainable councils, resulting in cross-subsidies from their ratepayers. Others focused on the local leadership role that rural councils played and feared that their town would lose its identity if it lost its council, and population and economic decline would continue. A number of rural councils pointed out that they had already been amalgamated and so achieved any economies of scale—amalgamating them further would serve no purpose.

Generally, rural respondents favoured the use of alternative governance structures to address financial sustainability issues. One respondent went so far as to suggest there should be two Local Government Acts - one for metropolitan and one for rural councils. The use of shared service arrangements and alliances was also suggested as a more acceptable alternative.

In the background of discussions were concerns for the future of rural councils' water utilities and the recommendations of previous enquiries to consolidate these functions into regional utilities. Some respondents advocated using the county council model to provide a regional focus on water management.

What people said . . .

Amalgamations that increase the size of shires but do not increase relative population density will place further pressure on limited council finances and the ability to deliver services.

Cr Bill West, Cowra Shire Mayor

“Urana demonstrates that bigger is not better”

Urana shire council

“The majority of Councillors have expressed their support for Cabonne Council boundaries to be retained in its current form and this, we believe, is the opinion of the majority of rate-payers and residents.”

Cabonne Community Anti-Amalgamation Group

“ . . . all our services and interests are in the regional centre of Orange and we pay our rates to Cabonne Council. . . I, like my fellow ratepayers want to have a say in Orange where all our interests and services are located.”

Cabonne Eastern Rural Sector Ratepayers

“Take away local governance and there is a danger that decline will accelerate, leaving local industry and agriculture with no effective local service centre, compounding to further decline. What tourist is attracted to a town full of empty shopfronts? Who will come to a town without services?”

Tumbarumba Shire Council

“Time and time again I have heard Mayors, General Managers and Councillors of small rural councils saying that ‘take the council out of our town and you will kill the town’. I would like to put the proposal that, managed astutely, the opposite can be the case.”

Alan Nelson - Dubbo



Governance models: One size does not fit all

There were two main schools of thought in regard to future governance models for councils.

Forty-nine submissions focused on the general concept of “one size does not fit all” favouring different governance models for different community circumstances. Several respondents suggested a two-part model, with local representation maintained through a local authority and service provision managed on a regional basis. Some felt that larger councils could benefit from a parliamentary style model, with a full-time executive Mayor. Others favoured different models for metropolitan and rural councils, to match their different operating environments. The majority of models still identified a role for elected representatives.

Others focused more specifically on strengthening the role of existing regional shared service arrangements or forming a new kind of regional structure. There were 56 comments in this regard. Several submissions discussed the effectiveness of current Strategic Alliances and ROCs, with some identifying the “key success factors” for a ROC arrangement.

Many comments centred on allowing ROCs, or similar, to trade commercially, award tenders and employ staff, however some proponents believed these entities should also retain their local government tax exemptions. There were different schools of thought about formalising the role of ROCs/alliances. Some called for a clear separation of strategic planning/advocacy functions from shared service delivery and others expressed reservations about increasing the statutory power of ROCs. They believed they should remain an optional arrangement and a “servant” to councils, rather than becoming another level of government. Some respondents did not favour prescribing the services ROCs/alliances should provide, nor making it mandatory for councils to join them. Others felt the system would only work if membership and participation were mandatory.

Some called for a wider exploration of the options for new regional governance models, such as regional or sub-regional boards or the use of county councils. Several submissions highlighted the need to provide support and capacity building to assist the introduction of any regional models.

Elected representatives

With council elections occurring during the consultation period, it was not surprising that many submissions made comment on the local government electoral process and the future role of Councillors. Eighteen respondents specifically called for changes to the election process, with group voting or “above the line” voting being the main cause of concern. Others favoured the introduction of the “first past the post” system to simplify the voting process.

A further 31 respondents called for a different configuration of elected representatives. Suggestions ranged from abolishing Councillors alto-

What people said . . .

“ROCs are an important part of the fabric of local government. ROCs are not, however, a silver bullet by which all the challenges which face local government can be met.”

REROC
Riverina Eastern Regional Organisation of
Councils

“There is extensive academic research into shared services for local government but to date there are few councils in Australia that are operating in a formal shared service model. There are many partnerships, Alliances, RoCs etc that are vehicles for sharing but they are limited in what can be achieved due to their voluntary and non-legal status.”

WBC Alliance
Wellington, Blayney & Cabonne Councils

“Councils should operate like one company with 92 different branches across the state.”

Mitchel Woods - Randwick

“There needs to be a general understanding by government that the needs of a community in far west NSW are very different to that of an inner city community, a coastal community or a regional centre”.

Temora Shire Council

“Making use of new information technologies is encouraged; however, this should not replace other forms of engagement, notification and consultation. It is important for relevant local government to be aware of barriers to participation by Aboriginal people, such as living in remote locations, and ensuring that these are overcome.”

NSW Aboriginal Land Council



Attachment 2

gether to introducing a staggered term of office, shorter terms and restrictions on the number of times that a person could hold office. There were a number of comments regarding the need to improve the diversity of local representation to more accurately reflect the community. A lack of representation from women, people from culturally diverse and indigenous backgrounds was highlighted.

Seventeen respondents specifically called for the removal of party politics from local government, arguing that it was detrimental and divisive to council operations. Thirteen respondents raised the issue of popularly elected Mayors, with most supporting the process, and there was a range of general comment on the need to strengthen Councillor capacity and improve performance. The most frequent responses related to improved remuneration for Mayors and Councillors and the need to regard the appointment as a “full time role”. There were also numerous comments about improving professional development opportunities for elected representatives, with the Australian Institute of Company Directors course being a popular suggestion.

Two respondents called for tougher legislation to deal with so-called “rogue councillors”. Twelve respondents supported the option of removing development determinations from elected representatives.

Staffing arrangements

There was a broad range of comment regarding staffing arrangements and the need for improved workforce strategies to attract and retain skilled employees and make the council workplace more flexible, contemporary and creative. Most comment focused on senior staffing contracts, with some respondents favouring their abolition and others favouring extension of the performance-based contract system to other staff members, such as middle managers. Ten submissions specifically addressed appointment and performance management arrangements for the General Manager. Three respondents called for a review of the existing Award to ensure councils are in line with contemporary employment conditions and skills sets.

Community engagement

There were 49 comments on the need for councils to provide more authentic community engagement and 44 respondents felt members of the community should be more directly involved in the decision-making process. There were suggestions to explore participatory democracy models, such as citizen-initiated referenda, citizens panels and on-line engagement systems. While many saw new technologies as opening the door to better conversations with the community, others cautioned that on-line systems had their limitations and there was a risk of further disenfranchising disadvantaged groups, including those who lived in remote communities. Some respondents saw effective community engagement as having a capacity building effect on local communities – transforming people into interested participants rather than passive consumers. They argued that any program of local government reform should include careful consideration of the way that councils and their communities would hold conversations in the future.

What people said . . .

Local government is best placed to develop and test new models of local leadership, community engagement and empowerment”

Parramatta City Council

“Abolish political parties from local government. Political party alliances engender a culture of bias in councils and are increasingly causing disillusionment within communities.”

Venecia Wilson - Richmond

“Sometimes local government can be too insular and inward-looking with too many staff who have never worked elsewhere. There needs to be a way to value the experience and knowledge of long-standing staff, but also inject new blood and new ideas to key positions periodically.”

Name withheld—council employee

“The impact of the skills shortage is also exacerbated for local governments which tend to have fewer resources but must compete with the mining and private civil construction sectors for engineers.”

Local Government Engineers Association

“Increase remuneration of councillors and introduce minimum qualifications to attract a better and wider field of candidates for election and hopefully enhance decision making.”

Liverpool Plains Shire Council

“Sometimes councillors are seen primarily as ‘rubber stampers’ for agenda set by staff.”

Donella Kinnish (former Councillor)

“There needs to be more teeth in the legislation for action to be taken against ‘rogue’ councillors. “

Lithgow City Council

“An elected council is not a board. It has a political aspect that cannot be overlooked .”

SSROC
Southern Sydney Regional Organisation of Councils

GOVERNANCE AND AUDIT COMMITTEE

Purpose:

For Council to endorse the reviewed Governance and Audit Committee Charter and the process for the appointment of the independent members of the Governance and Audit Committee.

To approve an increase in the remuneration of independent external members of the Governance and Audit Committee (the Committee).

Description of Item:

The Governance and Audit Committee Charter (the Charter) requires a minimum of two and a maximum of three independent external members to be appointed for the term of Council. An advertisement calling for expressions of interest from suitably qualified individuals to fill these positions was placed on Wednesday 28 November 2012.

Independent external members receive remuneration for attendance at Governance and Audit Committee meetings that are generally held four (4) times per year. The rate payable for attendance at these meetings was last reviewed by Council in 2008 when it was set at \$300.00.

The rate of payment should reflect the considerable time commitment required and the high level skills that individuals bring to the role. The new rate proposed for payment for this term of Council is \$500.00 per meeting attended.

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

The inclusion of independent members on the Governance and Audit Committee enhances Council's transparency and assists it to meet its responsibilities to the community.

- **Civic Leadership**

The Governance and Audit Committee assists Council to ensure transparency and accountability in local government. The implementation enables Council to identify and respond to the community. This is consistent with the *Coffs Harbour 2030 Community Strategic Plan* strategy *LC2.2.1: Enable and support all levels of government to serve the local community*.

- **Economic**

The proposed increase in remuneration of independent members to \$500.00 per meeting will have a slight impact on the overall cost of the operation of the Governance and Audit Committee.

Broader Economic Implications

There are no broad economic impacts associated with the implementation of the recommendations.

Delivery Program/Operational Plan Implications

The proposed increase to \$500.00 per meeting can be accommodated in the 2012-13 budget as only three (3) meetings will be conducted this financial year as a result of the election of a new Council and the need to appoint members of the committee.

The future costs will be accommodated within Council's budget structure. This expenditure is monitored through Council's monthly and quarterly budget reviews.

Related Policy and / or Precedents:

Existing Governance and Audit Committee Charter.

Statutory Requirements:

Division of Local Government Internal Audit Guidelines.

Issues:

The appointment of independent members of the committee will be for the term of Council. To ensure effective outcomes, it is desirable that appointees have diverse skills and experience. The charter requires at least one to have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

Remuneration for appointees should reflect the skills and experience that they contribute to ensure the effectiveness of the committee.

Minor changes have been made to the attached Charter. These include:

- Addition of words in the section - objective,
- Clarification to wording in the section - membership,
- Changes to wording in the meetings section,
- Formatting changes.

It is proposed that once all expressions of interest for the independent positions have been received that an assessment process be undertaken and that Council delegates the appointment of the independent membership to a panel comprising of: the General Manager, Governance and Audit committee Councillor representative (Cr John Arkan), and an external auditor representative.

Implementation Date / Priority:

Implementation is immediate.

Recommendation:

It is recommended that:

- 1. Council endorse the attached Governance and Audit Committee Charter.**
- 2. Authority is given to the Governance and Audit Committee Councillor representative (Cr John Arkan), General Manager and an external auditor representative to consider and appoint a maximum of three (3) independent members to the Governance and Audit Committee.**
- 3. The remuneration payable for independent members of the Governance and Audit Committee is set at \$500.00 (GST inclusive) per meeting attended.**

COFFS HARBOUR CITY COUNCIL GOVERNANCE AND AUDIT COMMITTEE CHARTER

Updated December 2012



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COFFS HARBOUR CITY COUNCIL – GOVERNANCE AND AUDIT COMMITTEE CHARTER

Objective

The objective of the Governance and Audit Committee (Committee) is to provide independent assurance and assistance to Coffs Harbour City Council on risk management, control, governance and external accountability responsibilities.

The Governance and Audit Committee is an advisory committee established by Council with the following objectives;

- to ensure that Council maintains a business assurance and audit framework that comprises of the necessary management systems and processes to achieve long term business sustainability and provide confidence to its stakeholders
- to assist Council, Executive and Staff through its monitoring responsibilities relating to risk, compliance, governance, fraud prevention and the internal control environment.

Authority

The Council authorises the Committee, within the scope of its roles and responsibilities to:

- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information)
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations)
- Request the attendance of any employee or councillor at Committee meetings
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

Membership

The committee will consist of:

Voting Members

- A nominated Councillor
- A minimum of two and maximum of three independent external members (not members of the Council).

An Independent member is to be the Chairperson. The selection of the Chair is to be done by vote of the voting members.

Non-voting Members

- General Manager
- Director City Services, Director Corporate Business, Director Land Use Health and Development
- Internal Auditor

Non-voting Invitees

- Representative(s) of the external auditor
- Manager Governance Services
- Other officers at the Committee's invitation

COFFS HARBOUR CITY COUNCIL – GOVERNANCE AND AUDIT COMMITTEE CHARTER

Independent external members will be appointed for the term of Council and will be eligible to apply for reappointment following a formal review of their performance. Only Council can appoint members to the Committee.

At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

Responsibilities and Expectations

The Committee has no executive powers, except those expressly provided by the Council.

The Committee must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The Committee's responsibilities may be revised or expanded by the Council from time to time.

Responsibilities:

The Committee's responsibilities are:

Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically

Control framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour

COFFS HARBOUR CITY COUNCIL – GOVERNANCE AND AUDIT
COMMITTEE CHARTER

External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments
- To consider contentious financial reporting matters in conjunction with council's management and external auditors
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations
- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes

Legislative compliance

- Determine whether council has appropriately considered legal and compliance risks as part of risk assessment and management arrangements
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies

Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit
- Review the internal audit coverage and Internal Audit Plans (long term strategic, mid term operational and annual work plans), ensure the plans have considered the Risk Management Plan, and approve the plans
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plans
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices
- Monitor the implementation of internal audit recommendations by management
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place
- Periodically review the performance of the Internal Audit Function

External audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management

COFFS HARBOUR CITY COUNCIL – GOVERNANCE AND AUDIT COMMITTEE CHARTER

- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken

Other

- Consider the content of annual reports prepared by the General Manager to the Committee.

Expectations

Members of the Committee are expected to:

- Understand the relevant legislative and regulatory requirements appropriate to Coffs Harbour City Council
- Contribute the time needed to study and understand the papers provided
- Apply good analytical skills, objectivity and good judgement
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry

New members will receive relevant information and briefings at the time of their appointment to assist them to meet the committee's responsibilities and expectations.

The performance of the committee is subject to review by the full Council and the General Manager to ensure it is operating effectively.

Annual reporting

Once each year the Governance and Audit Committee will report to Council on its activities and provide comment on the management of risk and internal controls.

Meetings

The Governance and Audit Committee will meet at least quarterly to consider all reports that have been completed in the previous quarter. One of these meetings will include review of the annual financial statements and external audit opinion.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members, council or the General Manager may make requests to the Chair for additional meetings.

These meetings will be arranged to ensure that the Internal Auditor can attend in person to present reports unless requested not to attend by the Chair of the Committee. Consideration will be given regarding the timeliness of report distribution, and copies of completed audit reports may be distributed by the Internal Auditor to the Committee by email at the time of their finalisation.

Whilst meetings will generally be conducted in person, telephone or video conference meetings may be conducted if a matter needs to be considered as a matter of urgency.

A quorum will consist of a majority of voting Committee members.

The voting committee members can request non-voting members and invitees to absent themselves from all or part of the meetings where it is not appropriate for

COFFS HARBOUR CITY COUNCIL – GOVERNANCE AND AUDIT COMMITTEE CHARTER

them to be present for the discussion of matters on the agenda. In addition the General Manager will permit the Committee to meet separately with each of the Internal Auditor and the External Auditor in the absence of management at least one occasion per year.

Secretariat

Secretariat functions are the responsibility of the Internal Auditor. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting. The Secretariat will take minutes at each meeting and ensure these are distributed within one week after the meeting has taken place subject to approval of the minutes by the Chair.

Conflict of interest

Council's Code of Conduct applies to this Committee. It is the personal responsibility of council officials to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind. Independent and councillor members must be free from any management, business or other relationships that could be perceived to interfere with their ability to act in the best interests of the Council.

Committee members and invitees must declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees have a real or perceived conflict of interest, it may be appropriate for them to be excused from Committee deliberations on the issues from which the conflict arises.

Confidentiality

All members of the committee are bound by Council's confidentiality requirements. Independent committee members are required to sign a Confidentiality Agreement as part of their Letter of Appointment.

Review of Charter

The Governance and Audit Committee (or the Internal Auditor on its behalf) will review the Governance and Audit Committee Charter at least once every two years. Changes to the Charter require Council approval.

TENDER: PROVISION OF LEGAL SERVICES 2012-2015 (RFT-560-TO)

Purpose:

To report to Council on tenders received for Contract No RFT-560-TO for the provision of legal services and to recommend firms to be appointed to the panel.

Description of Item:

The existing Legal Services Panel was appointed by Council in 2009, with panelist firms selected by public tender. The current panel concludes its three (3) year term in December 2012. Tender RFT-560-TO concerns the appointment of a new Legal Services Panel for 2012-2015.

Requests for tenders were called in the Sydney Morning Herald and on Council's electronic Tenderlink portal. Tenders closed at 3:30 pm on Tuesday 23 October 2012.

Tenders were evaluated on the following criteria:

- Tender price,
- Experience and expertise in various legal services to be provided to Council,
- Provision of prompt and accessible advice in various formats,
- Management systems for keeping abreast of and providing ongoing advice on legislation and precedent,
- Additional client services such as providing complimentary training and development, forwarding relevant publications, newsletters and e-bulletins etc.

Fifteen tenders were received from the following:

1. Australian Business Lawyers and Advisors
2. DLA Piper
3. Fishburn Watson O'Brien
4. Forum Law (Aust) Pty Ltd
5. Harris Wheeler Lawyers
6. Hones La Hood Lawyers
7. HWL Ebsworth Lawyers
8. Local Government Legal
9. Locale Consulting Pty Ltd
10. Maddocks
11. Marsdens Law Group
12. MBT Lawyers
13. Norton Rose
14. Sparke Helmore Lawyers
15. Wilshire Webb Staunton Beattie Lawyers

Sustainability Assessment:

- **Environment**

This is not applicable to this report.

- **Social**

Legal advice and services enable Council to meet its social obligations to the community and provide fairness and equity in decisions.

- **Civic Leadership**

The tender process has been conducted in accordance with Council policy to ensure transparency and accountability in local government. This is consistent with Coffs Harbour 2030 Community Strategic Plan strategy *LC2.2.1: Enable and support all levels of government to serve the local community.*

- **Economic**

Legal advice and services enable Council to meet its financial management obligations to the community and is budgeted for accordingly by Council.

Broader Economic Implications

There are no broad economic impacts associated with the implementation of the recommendations.

Delivery Program/Operational Plan Implications

The provision of legal services is accommodated within Council's budget structure. The expenditure is monitored through Council's monthly and quarterly budget reviews.

Consultation:

Consultation occurred at the senior staff level prior to going to tender.

Related Policy and / or Precedents:

Tendering procedures were carried out in accordance with Council policy. Council's Tender Value Selection System was applied during the tender review process to determine the most advantageous offers.

Statutory Requirements:

The calling, receiving and reviewing of tenders was carried out in accordance with *Local Government (General) Regulations 2005 Part 7- Tendering.*

Issues:

Tenders for the Provision of Legal Services to Council closed on 23 October 2012. Tenders were received from 15 firms.

The Tender Assessment Panel's evaluation report is included as a confidential attachment.

Implementation Date / Priority:

All firms who submitted a tender will be advised of the outcome following Council's decision and appointment to Council's Legal Services Panel will be immediate.

Recommendation:

That Council considers tenders received for the Provision of Legal Services, Contract No. RFT-560-TO, and move the motion as detailed in the confidential attachment.