



NOTICE OF EXTRAORDINARY MEETING

Monday 16 November 2015 at 7:00pm

Councillors,

Please be advised that an Extraordinary Council Meeting will be held at:

7:00pm on Monday 16 November 2015 in the Council Chambers.

This meeting is in relation to Fit For the Future. A report will be distributed following this notice.

Regards

Damien Connor
General Manager



Extraordinary Council Meeting

7:00pm Monday 16 November 2015

Uralla Shire Council Chambers

AGENDA

- 1. OPENING OF EXTRAORDINARY MEETING**
- 2. ACKNOWLEDGEMENT OF COUNTRY**
- 3. APOLOGIES**
- 4. DISCLOSURES & DECLARATIONS**
- 5. DEPUTATIONS**
- 6. REPORT X16/11.01:
FIT FOR THE FUTURE (FFTF) PROGRAM – Uralla Shire Council Final Submission**
- 7. CLOSE OF EXTRAORDINARY MEETING**



EXTRAORDINARY MEETING
OF COUNCIL

16 November 2015

Extraordinary Meeting of Council

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Fit for the Future (FFTF) program – Uralla Shire Council final submission	2
Attachments:	6
Nil.	6

EXTRAORDINARY MEETING OF COUNCIL

Department:	General Managers Office
Submitted by:	General Manager
Reference:	X16/11.01
Subject:	Fit for the Future (FFTF) program – Uralla Shire Council final submission

LINKAGE TO INTEGRATED PLANNING AND REPORTING FRAMEWORK

Goal:	4.1	A strong, accountable and representative Council
Strategy:	4.1.4	Provide strong representation for the community at the regional, state and federal levels
Action:	4.1.4.1	Advocate the needs of the Shire to State and Federal Governments

SUMMARY:

The purpose of this report is for Council to confirm its position with regard to its agreed merger partner to then be submitted to the Department of Premier and Cabinet prior to the 18th of November deadline.

OFFICER'S RECOMMENDATION:

That the Uralla Shire Council:

1. Confirms its preferred merger partner as Walcha Council and provides this position to the NSW Government via completion of the appropriate section of the Department of Premier and Cabinets web portal before the 18th of November deadline;
2. Informs the NSW Government that it vehemently opposes any forced merger with either Armidale or Guyra Councils; and
3. Calls upon the State Member for the Northern Tablelands and the State Member for Tamworth to support our Councils position.

BACKGROUND:

A Local Government Review Panel was established by the NSW Government in April 2012 tasked with the formulation of options for governance models, structures and boundary changes for NSW Local Government.

In April 2013 the panel released *Future Directions for Local Government* a draft consultation paper and then undertook public meetings at various locations throughout the state to discuss the recommendations.

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In October 2013 the Review Panel released their final report, titled *Revitalising Local Government*, which contained 65 recommendations for change in NSW local government.

On the 10th of September 2014 the NSW Government announced its response to the recommendations of the Local Government Review Panel and Local Government Act Taskforce by way of the *Fit for the Future (FFTF)* program.

The Fit for the Future program required all Councils in NSW to assess their sustainability position and submit a FFTF proposal to the State Government, via the Independent Pricing and Regulatory Tribunal (IPART) before the 30th of June 2015.

Under the FFTF program each NSW Council was asked to look at their current situation and consider the future needs of their community and the recommendations of the Review Panel. Councils were also to assess their current and future position against a set of sustainability criteria which address financial management, service delivery, infrastructure management and scale and capacity of operations.

The Review Panels recommendations (Uralla and Walcha to merge) were the assessment criteria for Councils to benchmark scale and capacity against under the fit for the future program.

A workshop was conducted with Councillors on the 15th of September 2014 to further discuss the FFTF program and what options, implications, challenges may arise from such.

A report was presented to the October 2014 Ordinary Meeting of Council detailing the Fit for the Future Program, analysing the implication to Council, the deliverables required and to ultimately adopt an approach to address the programs requirements.

Another Councillor workshop was conducted on the 16th of February 2015 to present the results of analysis conducted regarding the FFTF criteria for Uralla Shire Council and for all other considerations relating to such.

A report and major analysis was presented to the February Ordinary Council Meeting and a multi-point resolution was passed with regard to Councils continuing approach to the program and subsequent community engagement program.

In late March and early April Council undertook a rigorous community engagement program with regard to the fit for the future program, including newsletter inserts, press releases, advertising, web content, a mail-out to all residential addresses, community workshops at Uralla and Bundarra and then a community survey, both on-line and paper based.

In June 2015 Councils action plan for the Fit for the Future program and the final submission were constructed and adopted by Council. The strategy and submission were subsequently lodged with the IPART prior to June 30.

On Friday the 15th of October the IPART finalised its report assessing the fitness of NSW Councils to face future challenges and provided it to the Minister for Local Government.

On Tuesday the 20th of October 2015 the NSW Government released the findings of the IPARTs report into the sustainability of NSW Councils. The IPARTs report found that Uralla Shire Council was not fit for the future using the terms of reference given to it by the State Government.

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This finding was particularly disappointing as Council actually met all of the financial sustainability, Infrastructure and Services sustainability, and Efficiency requirements set out in the Governments Fit for the future program.

Uralla Shire Council didn't pass the size criteria of 'scale and capacity' which requires a Council to have the scale and capacity of at least the equivalent of the recommendation of the Independent Local Government Review Panels recommendations (Uralla and Walcha to merge).

All NSW Councils that were found to be unfit in the IPARTs report were then given a final 30 day period (until the 18th of November) to consider putting forward a merger proposal.

REPORT:

The possibility of forced mergers for Councils that do not voluntarily amalgamate during this final 30 day consideration period has now been confirmed by both the Premier and Minister for Local Government.

Resultantly it now appears that Councils who have been classified as not fit that do not agree a voluntary amalgamation prior to the November 18 deadline will be forced to merge by the State Government.

As part of this final 30 day consideration period the NSW Government has included an incentive package offering \$5 million to cover the costs of amalgamation between any two rural Councils and is also offering an additional \$5 million where two rural Councils amalgamate, to be used on new community facilities (i.e. – parks, sports facilities, library, pools etc.).

Both of these allocations of funding are only available for Councils who voluntarily agree an amalgamation proposal before the 18th of November, otherwise all of the money is removed.

This funding will not be available to any Council/s who are forcibly amalgamated after this date.

The NSW Government is also offering voluntarily amalgamating Councils the ability to set-up their own transition committees to allow them to determine how the new amalgamated Council is to be formed. If Councils are forcibly amalgamated than this will not be offered and an external Administrator is expected to be appointed and will make all decisions about the future of the amalgamated Councils.

Additionally if Councils do not choose to pursue a voluntary amalgamation then they may be forced to amalgamate with another Council/s not of their preference.

Considering all of this information and the now apparent inevitability of amalgamations being forced if they are not agreed before the 18th of November, it now appears that the best way to represent the interests of the Uralla Shire Council community is to agree an amicable merger with neighbouring Walcha Council.

This would allow the Uralla Shire Council community the following benefits, if the Council is to be ultimately forcibly amalgamated anyway:

- The ability to chose the amalgamation grouping and not have a less functional or less financially viable option forced upon the community;

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- Involvement of Council on a transition committee that can logically form up the new Council over the period until September 2016 utilising their understanding of the community;
- The costs of amalgamation being covered by State Government funding - \$5,000,000;
- An additional \$5,000,000 in funding that can be allocated immediately to new community facilities;
- Minimise the uncertainty in service delivery to the community, both prior to September 2016 and thereafter; and
- Minimise the uncertainty and upheaval for staff.

COUNCIL IMPLICATIONS:

1. Community Engagement/ Communication

Council has undertaken a rigorous and multi facet community engagement program across the months of March and April, culminating in a number of community workshops in order to clearly inform the community and to gauge their opinions and preferences. A community survey was then undertaken with over 400 submissions received.

As part of the survey respondents were asked who their preference would be for amalgamation if the situation changed and mergers became forced. Well over 90% of respondents answered Walcha alone.

One of the outcomes of publicly resolving Councils approach during this final 30 day consideration period has been to be able to communicate openly to the public and allow them to provide their views to their elected representatives to help inform debate and the ultimate decision making required at this Extraordinary Council Meeting.

2. Policy and Regulation

- NSW Local Government Act 1993;
- NSW Local Government (General) Regulations 2005; and
- NSW Government Fit for the Future Program.

3. Financial (LTFP)

The NSW Government is offering \$5,000,000 to any rural Council who resolve to amalgamate before the end of the 30 day period to cover all of the costs of amalgamation.

The NSW Government is offering an additional \$5,000,000 to any 2 rural Councils who resolve to amalgamate before the end of the 30 day period to be used on Community facilities of the Councils determination.

4. Asset Management (AMS)

No changes recommended.

5. Workforce (WMS)

No changes recommended.

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6. Legal and Risk Management

N/A at this point.

7. Performance Measures

Decisions must be lodged with the NSW Government before midnight on the 18th November 2015.

8. Project Management

N/A at this point

Damien Connor
General Manager

Prepared by staff member:	Damien Connor
Approved/Reviewed by Manager:	Damien Connor
Department:	General Managers Office
Attachments:	Nil.