

GREAT LAKES COUNCIL

SCALE & STRATEGIC CAPACITY SUPPORTING DOCUMENTATION

FIT FOR THE FUTURE SUBMISSION ANNEXURE 2

Summary

Great Lakes Council's is classified as a Group G Council in the ILGRP Report. The panel commented that *"Group G is the remaining 28 larger Councils all of which appear to be likely to be sustainable in their current form for several decades"*. Within the Group G Councils Great Lakes Council's key indicators as assessed by T-Corp and the DLG Infrastructure Audit compare favourably with others in the Group. This has been achieved by Council adopting a strategic approach in consultation with its community to address asset management issues while implementing budget repair. It is important to note that this has been achieved despite Council's water and sewerage functions being removed in 1997 when Mid Coast Water was formed a factor which all regional Councils with water and sewerage functions acknowledge would severely dent their financial capability.

It is clear that Great Lakes Council has scale and capacity to meet community needs, respond strategically to changing circumstances, and to engage and collaborate with both State and Federal Governments. The following is a snapshot of some key elements which demonstrate Council's capability. More details are provided on the following pages:

- Track record of delivering major projects: major infrastructure and commercial projects delivered. New Library proposed in 2015/16 and funded from commercial return on property portfolio.
- Strong collaboration within State and Federal Governments - particularly on environmental programs.
- Strategic Planning and Policy development has positioned Council well to meet community needs and Fit for the Future benchmarks.
- Close regional collaboration through Hunter Councils and cross Council boundary cooperative arrangements with Waste Management and Environmental Programs.
- Stable and Strategic Political Leadership
- Managerial Leadership through:
 - a) Critical organisational sustainability addressed through Service Level Review and emphasis on infrastructure maintenance responsibilities.
 - b) Long term sustainability through Business Excellence Program with a focus on business improvement and adaptability.

- c) ICT Strategy to deliver ongoing efficiency

Environment

- Council is recognised nationally for its expertise in managing the unique environmental assets of the Great Lakes. The Council is a leader in the development of strategic policy responses and innovative implementation programs.
- In response to significant water quality decline in the coastal lake system in the late 1990's and associated impacts on the local economy (oyster and tourism industry), Council has put in place an effective and scientifically defensible strategic response including:
 - Estuary Management Plans for each Coastal waterway and catchment
 - A Water Quality Improvement Plan for Wallis and Myall Lakes underpinned by rigorous scientific assessment.
 - Stormwater Management Plans for all major urban centres.
 - A program to review plans every 5-7 years so that they are relevant and effective.
- Council has had in place through overwhelmingly strong support from the community an Environmental Rate introduced in 2001 to fund the implementation of adopted natural resource plan and strategies to maintain and protect the environment. This rate has been renewed with ongoing community support on three occasions.
- Council has established partnerships to develop and implement our strategic plans including:
 - Greater Taree City Council to implement the Wallis Lake Estuary and Catchment Plan.
 - State agencies and industry to improve the management and condition of the Myall and Wallis Lake systems.
 - Innovative partnerships with NPWS to deliver improved cross tenure management of important landscapes and threats.
- Council has successfully secured \$17 M in external funding since 2004 to compliment resource allocated through the environmental rate.
- Council has won a range of national and state awards for the quality of its environmental management program including:
 - 2004 Thiess National Riverprize for Wallis Lake catchment plan and improvement.
 - 2012 National Award for Excellence in Local Government - Innovation in Natural Resource Management for the Great Lakes Water Quality Improvement Plan.
 - 2012 NSW Stormwater Industry Association - Great Lakes Water Quality DCP.
 - Local Government and Shires Association Environment Excellence Awards. Council has received various awards for its innovative projects.

Growth and Conservation Framework

Council's advanced skills in strategic planning and policy development have enabled it to have in place a clear framework that will guide growth across the LGA for at least the next 50 years. This framework also recognises the high natural values and natural resources that exist in the Great Lakes.

In the early 2000s it became apparent to Council that the ad hoc incremental approach to growth that had occurred up until that time was not in the community's interest nor was it sustainable and that a clear framework for growth had to be established.

As a result Council, at considerable cost, and in conjunction with the then Department of Planning, established a program for the preparation of land use strategies for the entire LGA. Over the ensuing 4 years Council prepared three key strategies in close consultation with relevant government agencies and the community. These strategies set the blueprint for growth and conservation for the foreseeable future and are "living" documents as they have, and continue to guide, Council's rezoning and strategic planning decisions. In some cases these strategies have been relied upon and upheld in the Land and Environment Court as a sound basis for decisions on development applications.

The strategies were the main documents to delineate the Growth Areas for Great Lakes in the Mid North Coastal Regional Strategy. They are also informing Council's input to the Hunter Regional Growth Plan.

To achieve a balanced and sustainable outcome Council, at the same time as rezoning land for growth, has also rezoned land of high natural value to environmental conservation closely in accordance with the conservation framework set out in the strategies.

Council also recognised that whilst the preparation of the key strategies was fundamental to sound land use planning at a broad level, it was essential to have in place more detailed guidelines and controls for redevelopment in existing towns and villages and for new urban release areas. Consequently, once the strategies were completed Council then embarked on a program to put in place these more detailed development guidelines and controls.

Table 1. Availability of Land for Development as per Council's Strategic Growth Plans

Development Type	Land supply identified in Council's strategies		Land rezoned or rezoning underway in accordance with strategies	
	Lots	Years supply	Lots	Years supply
Residential - Great Lakes North	4,300	43	1,400	14
Residential - Great Lakes South	6,900	69	2,000	20
Villages - LGA	420	15	260	26
Large lot residential - LGA	455	30	260	17

Other	Ha	Lots	Ha	Lots
Tourist zones			15	
Industrial zones	50	500	30	300

2. Implementation of the Growth Framework

In 2006, after the adoption of the three main growth strategies, Council established a Release Area Program to specifically focus upon the rezoning of priority release areas identified in the Forster and Tuncurry, Hawks Nest and Tea Gardens and Rural Living Strategies. Establishment of this program was seen by Council as being of high importance because there had been very little land rezoned for urban release in the ten years prior to 2004.

This program involved the appointment of a Release Area Manager whose sole purpose was to oversee the rezoning of priority release areas.

Since Council initiated the Release Area Program, some 16 sites identified in the three overarching strategies have been rezoned or are in the process of being rezoned. These rezonings have, and will provide for, a viable and diverse economy by providing land for the full range of development opportunities, including housing, employment (including tourism), recreational, shopping and community needs for about the next 15 - 20 years.

3. Policy Development

Council recognises that when new policies are being developed which have long term and far reaching implications for the community it is essential to draw upon the highest levels of specialist expertise and knowledge. Informed, credible and sustainable decisions can only be made with this input.

A recent example is the approach that was taken in the development of policy relating to sea level rise, coastal hazards and flooding. In the process of developing policies on these issues over the last couple of years, workshops with Councillors were arranged where specialist legal advisers, coastal management experts and government agencies gave presentations and answered questions. One of the workshops was chaired by Dr Bruce Thom, former Chair of the Coastal Panel and the other by Angus Gordon, current Chair of the Coastal Panel.

At Council's invitation, representatives of the Coastal Panel also met with staff and government agencies to give advice on the development of Council's Coastal Zone Management Plans and development controls.

Waste Management

Waste Management Program

- In 1998 Council adopted a very ambitious Waste Management Strategy. Council has continued to heavily invest in the implementation of this strategy and is currently in its final stages.
- Council's Waste Team is progressive, committed to local issues and highly regarded in the waste industry.
- The staff have collectively in excess of 60 years' experience in waste management, which in itself is rare for a small team in local government. They hold a variety of positions in the industry and some of these are as follows:

- the Executive Officer for MIDWASTE (the voluntary regional waste group on the mid north coast which comprises 6 Councils)
 - the Chairman of RENEW NSW (representing 96 rural and regional NSW Councils)
 - member Waste Management Association of Australia NSW State Committee
 - member Waste Management Association of Australia NSW Landfill Working Group
- During 2011-13 Council won three national awards for initiatives in its Waste Management Program.
 - We are in the final stages of constructing a new fully Engineered Solid Waste Landfill. This has been planned and funded over a 10 year period to amortise costs and reduce financial burdens on ratepayers. Total spend to date \$10M.
 - Currently closing and capping our 3rd Landfill in the past 5 years. Total spend \$1.75M.
 - Presently constructing our 3rd Waste Transfer Station over the same period. Total spend \$5M.
 - Successful in gaining EPA exemptions from levy liability to the value of \$1.2M. We understand few NSW Councils have achieved this.
 - By using international collaboration (with Italy and Brazil) through the International Solid Waste Association World Summit in Florence 2013 Council was successful in obtaining a Carbon Tax Carbon Farming Initiative exemption as a result of research and development using mulch as a Passive Oxidation Layer for breaking down methane from its Landfills.
 - We have demonstrated our resilience and strong relationships as a result of our regional \$5.5M Material Recovery Facility (processes all kerbside collected recycling from 3 adjoining Councils) burning down in 2013. The collection and processing services continued unhindered with contractors and staff working around the clock tirelessly over many months to ensure continuity of service levels and community confidence.
 - This Council regularly hosts other regional and rural Councils who come to view the above initiatives. The most recent being the Technical Tour associated with the annual Coffs Harbour Waste Conference in May.
 - Even with such dramatic changes the Waste Program has been well received by the Community at large. This is evidenced by the results in the last two Community Surveys.

On Site Sewage Management

- This Council faced considerable reputational damage by being directly implicated in the 1998 "Wallis Lake Hepatitis A Contamination". Showing leadership and resilience qualities the Council became a leader in the recovery program but more importantly the establishment of a system to manage onsite sewage management systems.
- Our Environmental Health Coordinator has been the long term chair and a key driver of the Septic Tank Action Group. This has grown over recent years to a collaboration of some 37 Hunter and Mid north coast Councils. Staff meet quarterly and share

information and provide a platform for advocating change in this important rural and regional health program.

- This Council hosts an annual 2 day training seminar on OSMS. This is very well attended and provides opportunity for member Councils and Consultants to showcase initiatives along with Government agencies introducing regulations and strategies.
- Our Environmental Health Team has recently partnered with Newcastle University and other industry specialists on a project to identify water quality issues and remedies in the upper Port Stephens waterway.

Age Friendly Community

Great Lakes Council has the oldest age demographic in NSW and the 3rd highest in Australia. In 2012 Council resolved to become a Centre of Excellence for Ageing and since that time has been working towards that goal.

Council partnered with COTA NSW and developed an Active and Ageing Strategy with a 3 year action plan. As part of this Strategy Council has become a member of the World Health Organisation (WHO) Global Network of Age-Friendly Cities. Great Lakes is the second Council in NSW and the ninth in Australia to obtain membership. This is a strong commitment by Council to improve the age friendliness of our community.

Ageing and Disability Services Delivered by Council

- Council has planned well for the transition to a deregulated age-care industry from 1 July 2015. A full restructure of its Aged and Disability Care services has been implemented with 8 separate business units amalgamated to provide a simplified financial and reporting structure. This has reduced running costs overall, and produced operating efficiencies that resulted in an accreditation rating of Very Good.
- A Service Level Review from external consultants Morrison and Low provided Council with a robust and equitable means of allocating Ageing and Disability Services cost overheads so that the Council and the ratepayer are not subsidising the provision of aged and disability care services. In effect Council recovers all direct and indirect costs associated with the service enduring there is no subsidisation of this service. The independent review identified that Great Lakes was the only Council they researched that had this level of sophistication in its cost recovery process.
- Council's Ageing and Disability Services comprise a \$3.4M per annum business, employing more than 40 staff members. These services are now recognised as being 'reform-ready', and this has been recognised by the allocation to provide Home Care packages to the value of \$400,172 via a competitive process in late 2014/early 2015.

Business Improvement Program - Improving Organisation Performance

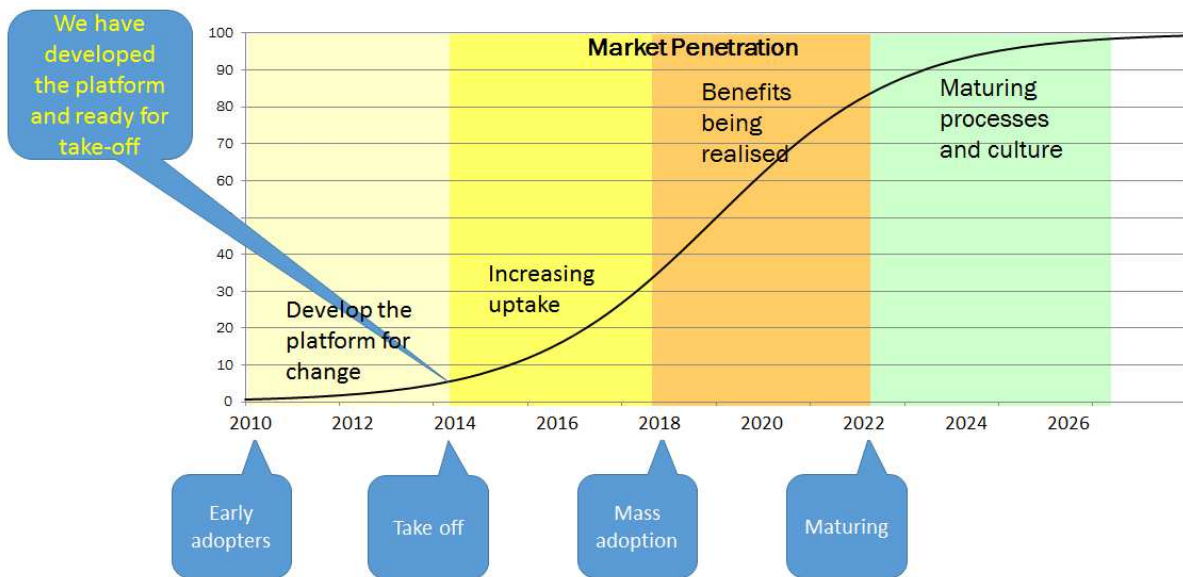
Great Lakes Council has implemented budget repair through prudent financial management and review of service levels across Council's operations. This is evidenced by Council's financial position which has improved incrementally over the past 5 years.

During 2014 a strategic review of how Council could continuously improve its organisation performance led to the development of a Business Improvement Program (BIP). The BIP is focussed on improving organisational performance in a sustainable an ongoing manner - continuous improvement.

Council's BIP is built on the foundation of the Australian Business Excellence Framework (ABEF) which is an integrated leadership and management system aimed at delivering product quality and sustainable bottom line results. Council has adopted this approach due to the extensive research both in Australia and overseas which clearly demonstrates that significant business improvements will result from implementing the ABEF. In the longer term this also translates into reductions in staff turnover, wastage, and re-work which directly impact on bottom line results and productivity.

The implementation of the ABEF is a long term program which requires strong and ongoing leadership to achieve sustainable improvement. Great Lakes Council is firmly committed to the improvement path and has commenced the process of building a platform for improvement by investing initially in leadership and people development. This is aimed at developing a culture which will support business innovation to meet community needs and deliver value for money to the Great Lakes community. The ABEF is a holistic framework with a strong emphasis on delivering results and sustainable performance. To support this the next step is to develop an organisational performance management framework to measure performance as a basis for ongoing review and improvement of systems and processes. Council is in the process of developing a Strategy Map utilising the Balanced Scorecard methodology to support performance management and ensure it is linked to the achievement of objectives and stakeholder requirements.

The BIP was commenced in August 2014 and progress has been positive to date. Ongoing improvement is being facilitated though a Business Improvement Team and Business Improvement Officer. The journey and path ahead is depicted in the following diagram.



The Hunter Joint Organisation of Councils and Strategic Services Australia Ltd

Hunter Councils and Strategic Services Australia are corporate entities owned by the eleven councils of the Hunter Region and representing a community of more than 600,000 people. Hunter Councils was initially formed at a meeting in Cessnock on 27 March 1955 in response to the disastrous flooding of the Hunter River and as a means of gaining, through joint strength and cooperation, the best outcomes for the residents of the Hunter from dealings with the State and Commonwealth Governments.

Since 1955 and through a range of name changes, the Hunter's local government entity has stayed true to its original aim while at the same time evolving into one of Australia's most significant, if not the most significant, local government regional operations.

In 2015 the story of regional partnerships in the Hunter Region entered a new era with the selection of the Hunter Region as a trial area for a new form of State and Local Government cooperation: the Joint Organisation of Councils. Developed out of the Hunter Councils model, the Joint Organisation is an exciting initiative that will lead to enhanced coordination, sharing of resources between levels of government and united approaches to strategic opportunities.

Background to the Hunter Councils model

In the late 90s and early 2000s the members of what was then called the Hunter Regional Organisation of Councils reviewed their approach and adopted a completely different way of doing business.

Context

- The lingering impact of the change environment of the 1990s
- Voluntary structural reform in NSW
- Imperative to demonstrate efficiency and effectiveness
- Increasing demands on resources and shrinking / constrained revenue

Outcome

- Adoption of a commercial business model open to private as well as public sector that facilitated the introduction of viable and self-sustaining shared services and strategic initiatives
- Elimination of council subsidisation and introduction of either free or subsidised fee for service arrangements for member councils
- Introduction of complete contestability in regard to business operations

Historical Structure:

Hunter Councils Incorporated

The majority of the activities of Hunter Councils are managed through an incorporated association led by a Board comprising the Mayors of the member Councils.

The activities of Hunter Councils Incorporated comprise:

- Regional advocacy through the Council of Mayors and General Managers Advisory Committee
- Administration, Finance and Technology services to the Boards of the group and their business activities
- Environmental consultancy services
- Film and Television approvals and facilitation services
- Aggregated procurement services for member councils and the wider local government sector in New South Wales
- Training and development opportunities through the Local Government Training Institute and Leadership and Development Australia
- Consultancy Services provided at no cost to member councils and at cost to other councils and private sector customers
- Overseas consultancy services
- Professional Team coordination.

The collective of Councils also owns a company limited by guarantee - Strategic Services Australia – which operates one of New South Wales fastest growing records management businesses as well as an incorporated legal practice – Local Government Legal.

A series of professional teams derived from staff from member and adjacent council also operates under the guidance of the General Managers Group.

The Hunter Joint Organisation of Councils

The creation of new “Joint Organisations of Councils” is a vital part of the State Government’s “Fit for the Future” approach to local government reform and renewal.

It is intended that Joint Organisations will ultimately be imbedded in a revised and updated Local Government Act and that they provide a forum for local councils and the State to work together to deliver regional priorities on areas as diverse as jobs, education, housing, roads and transport. Vitally, they will also help to connect local priorities from local council Community Strategic Plans with regional planning for growth, infrastructure and economic development and thus provide a means of delivering projects across council boundaries. The NSW Government is providing \$5.3 million to get the new organisations up and running in regional NSW with the final model being developed by local councils in partnership with the State.

Five groups of NSW councils are currently working with the NSW Government to develop the JO model and build better working relationships between councils and State agencies. The successful Pilots are: Hunter, Illawarra, Central West, Namoi and Riverina regions. They include a diverse mix of councils, all with a strong history of working together and a commitment to partnering with the State to address regional priorities such as economic development, transport and infrastructure. Each Pilot is trialling a slightly different model, to reflect the different working relationships and priorities of their region. The Pilots will be sharing their learning with other councils along the way and helping to develop the JO model, which will be finalised in early 2016.

The priority areas of the Hunter trial Joint Organisation are derived from our expression of interest in participation in the program and comprise:

1. Formalising, with DPC and relevant other agencies, protocols, frameworks and strategies that will:
 - integrate, communicate and correlate local community / local government priorities within future Hunter Regional Plans, agency planning processes and overall reporting mechanisms, and
 - facilitate the actioning of State Government priorities through the actions, funding, resourcing and advocacy of local councils in the Hunter
2. Pursuing cooperative strategy with the Department of Planning and Environment and other State Government agencies in regard to the development and implementation of the Hunter Regional Growth Plan and on other approaches such as the Pacific, New England and Golden Highways corridors strategy (Roads and Maritime Services)
3. Cooperative strategy with the HIIF, HDC and other relevant agencies and agency documents on the development and costing of a priority listing of regional infrastructure projects including social infrastructure projects
4. Cooperative strategy with relevant State Government agencies on a Hunter placed-based service delivery framework including the trialling of that approach in nominated local government areas
5. Development, in conjunction with relevant Government Ministers, Destination NSW, Trade and Investment and the industry of a new and sustainable model for the coordination of regional tourism strategy and development.

Unique features of the Hunter Trial Joint Organisation

The Hunter Region is uniquely placed to capitalise on the Joint Organisation model because of the sophistication, breadth and self-funding capacity of our regional structures.

Hunter Joint Organisation, alone amongst the trial Joint Organisations, will operate at no cost to member councils as any operational costs will be met through profits generated by the commercial activities of the current regional entities.

The Hunter Joint Organisation will also be unencumbered by issues of business operations, pricing, competition and contestability because its sole focus will be regional advocacy, regional voice and the forging of partnerships with, most especially, the State Government. This clarity of purpose will be assisted by the Board solely comprising the Mayors of the Region.

To facilitate the operation of the Joint Organisation the activities of the Hunter region's councils at a corporate, whole of region level will be restructured through a process to be completed by the end of the 2015/16 financial year.

The regional structure will then comprise:

The Hunter Joint Organisation of Councils that will focus on

- Regional Advocacy / Government Partnerships

Strategic Services Australia Limited that will deliver commercial services through

- Hunter Records Management
- Regional Procurement
- The Local Government Training Institute
- Leadership and Development Australia
- Administration, Finance and Technology
- Environment consultancy services
- Screen Hunter
- Consultancy Services
- Internal Audit / Risk Management

Legal services will continue to be provided by **Local Government Legal** – a wholly owned operation of Strategic Services Australia Ltd.