



Richmond Valley Council Resolutions –

17 March 2015
(Joint
Organisations
of Council)

And

23 June 2015
(Fit For The
Future
Proposal)



Richmond Valley Council © 2015

Casino Office:

Cnr Walker Street and Graham Place
(Locked Bag 10)
Casino NSW 2470
Phone: (02) 6660 0300
Fax: (02) 6660 1300

Evans Head Office:

Cnr Woodburn Street and School Lane
Evans Head NSW 2473
Phone: (02) 6660 0365
Fax: (02) 6682 4252

Email: council@richmondvalley.nsw.gov.au

Web: www.richmondvalley.nsw.gov.au

14.2 JOINT ORGANISATIONS OF COUNCILS**Responsible Officer:**John Walker (General Manager)

RECOMMENDATION

Recommended that Council:

1. Strongly support active participation in a Northern Rivers Joint Organisation of Councils and in addition, when appropriate, seek associate member status of the Joint Organisation to our south in which Clarence Valley Council is a member.
2. Support a minimalist core role for the Joint Organisation whereby functions would be:
 - Regional Strategic Planning
 - Intergovernmental Collaboration
 - Regional Leadership and Advocacy.
3. Support Tenterfield Council's inclusion as a member of the Joint Organisation in addition to the six current member Councils constituting NOROC.
4. Be represented as a member of the Joint Organisation by the Mayor and a further Councillor elected by the Council for a four year term.
5. Support membership of Councils being equal with two votes per Council, that all Councils pay equal fees and that for any vote to be binding it requires a two thirds majority.
6. Not support a full time Executive Officer given its support for a minimalist model and that membership fees be limited accordingly.
7. Support the new organisation being created from new and that NOROC be wound up with any undistributed funds being transferred to the new organisation.
8. Support the immediate abolition of the Far North Coast Weeds County Council and its services be delivered by a Regional Service Agreement amongst member Councils with one Council being the lead agency.
9. Support the immediate abolition of the Richmond River County Council and that discussions be entered into with Lismore and Ballina Councils to establish a new legal entity to govern the issues that are deemed necessary to continue.
10. Over time support the abolition of Rous Water as a County Council and that its functions be absorbed by a new entity to be agreed by the four constituent Councils and that the entity not be absorbed into the Joint Organisation.

170315/ 1 RESOLVED (Cr Hayes/Cr Sullivan)

That Council:

1. Strongly support active participation in a Northern Rivers Joint Organisation of Councils and in addition, when appropriate, seek associate member status of the Joint Organisation to our south in which Clarence Valley Council is a member.
2. Support a minimalist core role for the Joint Organisation whereby functions would be:
 - Regional Strategic Planning
 - Intergovernmental Collaboration
 - Regional Leadership and Advocacy.
3. Support Tenterfield Council's inclusion as a member of the Joint Organisation in addition to the six current member Councils constituting NOROC.
4. Be represented as a member of the Joint Organisation by the Mayor and a further Councillor elected by the Council for a four year term.
5. Support membership of Councils being equal with two votes per Council, that all Councils pay equal fees and that for any vote to be binding it requires a two thirds majority.
6. Not support a full time Executive Officer given its support for a minimalist model and that membership fees be limited accordingly.
7. Support the new organisation being created from new and that NOROC be wound up with any undistributed funds being transferred to the new organisation.

FOR VOTE - All Council members voted unanimously.

A **Motion** was moved by Cr Sullivan

That no action be taken by Council on points 8, 9 and 10 of the recommendation in Item 14.2 pending the outcome of the submission currently with the Minister proposing the formation of one County Council.

The **Motion lapsed** due to lack of a seconder.

170315/ 2 RESOLVED (Cr Mustow/Cr Sullivan)

That:

1. In respect to the County Council points 8, 9 and 10 of the recommendation in Item 14.2 Council reiterate its decision to support the combining of the existing three County Councils in our region into one entity.

2. The combined entity be included in the Joint Organisation as a member.
3. The voting rights of the County Council be related to its footprint and determined when the guidelines and structure of the Joint Organisations are being decided. Further, that the County Council be included in these discussions.

FOR VOTE - Cr Hayes, Cr Humphrys, Cr Morrissey, Cr Mustow, Cr Simpson, Cr Sullivan

AGAINST VOTE - Cr Bennett

Executive Summary

As part of its Fit for the Future model, the NSW Government has indicated its belief that Joint Organisations are a key part of achieving strong, modern local government. They believe Joint Organisations will provide a forum for local government and the State to work together to deliver things that matter most to regional communities and that cut across traditional Council boundaries.

Five Pilot Projects have commenced across NSW to test and develop appropriate models and roles in preparation for a roll-out across NSW from September 2016. The Northern Rivers Councils are not part of any pilot.

Notwithstanding this the NOROC Mayors and General Managers are working to progress a joint organisation model that might work here and to take decisions on some core issues that will fit into an appropriate model in the future.

Local Government and NOROC Councils are generally receptive to the need to collaborate better on a regional basis and to engage more directly with the State through such an organisation. A Joint Organisation is seen as a complementary organisation if Councils are to continue to stand alone.

Community Strategic Plan Links

Reference to Local Government Reform and its implications for Council are detailed on Page 81 of Council's Community Strategic Plan Towards 2025.

Budget Implications

Nil.

Report

In December 2014 the first interim report of the Joint Organisation Pilot was published. The report outlined the NSW Government's description of a Joint Organisation as:

- A forum for local Councils and the State to work together to deliver the things that matter most to local communities.
- Making it easier to initiate and manage important projects across traditional Council boundaries.
- A fresh start that will require new relationships, new ways of working together and real commitment and change from both the State and local government sectors.
- A commitment to work together for the long term and support a shared vision for each region.

The Pilot Joint Organisations are structured around five key areas:

- Objectives and functions
- Relationships and boundaries
- Entity and governing body
- Enabling and resourcing
- Other.

The aim is to develop a consistent framework with flexible elements. It is in this area that Council needs to make some decisions around its options. Whilst most of these have been canvassed in our submissions to the Independent Local Government Review Panel and in informal discussions, firm decisions have not been made.

Council needs to be clear on its views relating to:

- The core and optional role of the Joint Organisation.
- Whether the boundaries and membership is appropriate (Note Tenterfield's request to be a member)
- Whether it will apply to also be a member of the adjoining Joint Organisation to the south thereby keeping a connection with Clarence Valley.
- Whether it believes representation should be by the Mayor alone or by the Mayor and a second member appointed by the Council.
- Whether voting should be equal or based on a hybrid of population and contributions and whether a majority vote is necessary and what constitutes a majority.
- Whether it supports a full time Executive Officer and support staff which will lift contributions from around \$15,000 annually to \$45,000 to \$50,000 annually and whether it will accept such an increased level of fees.
- Other matters relating to the dissolution of NOROC to allow the new entity to be established and its attitude to the future of County Councils either inside or outside the Joint Organisation.

Consultation

Council has discussed this matter internally both formally and informally over the last year. In addition, NOROC Councils have considered the topic.

Conclusion

It is my view from Council's previous discussions and those that I have had with my colleagues, that all Councils will not be in agreement on all matters. That will also be the case for this Council. Therefore, I have framed specific recommendations for Council to agree or disagree but which will give clear guidance in the preparation of Council's plans.

14.2 FIT FOR THE FUTURE PROPOSAL

Responsible Officer:

John Walker (Chief Executive Officer)

RECOMMENDATION

Recommended that Council adopt the Richmond Valley Council Fit for the Future Proposal and submit it to the Independent Expert Panel (IPART) by 30 June 2015, together with supporting documentation including Council's updated Resourcing Strategy (Long Term Financial Plan 2015/2025, Asset Management Plans and Organisational Development Strategy).

A **Motion** was moved by Cr Hayes and seconded by Cr Simpson

That:

1. Council adopt the Richmond Valley Council Fit for the Future Proposal and submit it to the Independent Expert Panel (IPART) by 30 June 2015, together with supporting documentation including Council's updated Resourcing Strategy (Long Term Financial Plan 2015/2025, Asset Management Plans and Organisational Development Strategy).
2. Richmond Valley Council confirms its commitment to stand alone, however keeps all options open for further discussions with Kyogle Council in case of a forced merger if Kyogle is unsuccessful with their Fit for the Future Rural Councils Proposal.

An **Amendment** was moved by Cr Mustow and seconded by Cr Humphrys

That Council adopt the Richmond Valley Council Fit for the Future Proposal and submit it to the Independent Expert Panel (IPART) by 30 June 2015, together with supporting documentation including Council's updated Resourcing Strategy (Long Term Financial Plan 2015/2025, Asset Management Plans and Organisational Development Strategy).

The **Amendment** was **lost**.

The **Motion** was **carried** (as follows):

230615/ 3 RESOLVED (Cr Hayes/Cr Simpson)

That:

1. Council adopt the Richmond Valley Council Fit for the Future Proposal and submit it to the Independent Expert Panel (IPART) by 30 June 2015, together with supporting documentation including Council's updated Resourcing Strategy (Long Term Financial Plan 2015/2025, Asset Management Plans and Organisational Development Strategy).

2. Richmond Valley Council confirms its commitment to stand alone, however keeps all options open for further discussions with Kyogle Council in case of a forced merger if Kyogle is unsuccessful with their Fit for the Future Rural Councils Proposal.

FOR VOTE - Cr Bennett, Cr Hayes, Cr Humphrys, Cr Mustow, Cr Simpson, Cr Sullivan

AGAINST VOTE - Cr Morrissey

Executive Summary

Local Government reform in NSW has been ongoing since the Destination 2036 Summit held in Dubbo in August 2011. Following this the Independent Local Government Review Panel (ILGRP) was established to review the system of Local Government in NSW. Its Final Report released in January 2014 made 65 recommendations to improve Local Government in NSW. Following this in September 2014 the NSW Government announced the Fit for the Future (FFTF) program, which requires each Council to assess its current position against four criteria and submit a proposal by 30 June 2015 which outlines how it will be 'Fit for the Future'.

The threshold criteria is Scale and Capacity, which requires each Council to consider the recommendations made by the ILGRP. The ILGRP identified that Richmond Valley Council has sufficient scale and capacity to engage effectively across community, industry and government without any structural change.

As a result, Council resolved to submit a Council Improvement Proposal which addresses the four criteria of scale and capacity; sustainability; effective infrastructure and service management; and efficiency. Council is required to assess its current performance and to be deemed a 'fit' Council to meet the established benchmarks by 2019/20.

The Richmond Valley Council Improvement Proposal shows that Council will meet six of the seven benchmarks by 2019/20, with only the Building and Infrastructure Asset Renewal Ratio not meeting the benchmark in 2019/20. Council meets this benchmark for the years 2015/16-2017/18 with infrastructure spending from Council's Special Rate Variation. It then drops below the benchmark for the period 2018/19-2023/24 before returning to the benchmark in the final year of Council's LTFP in 2024/25.

The ILGRP Final Report recommended that Kyogle Council consider merging with either Lismore City Council or Richmond Valley Council. Facilitated discussions have been held separately between the Kyogle and Lismore and Kyogle and Richmond Valley Councillors. As a result of these discussions each Council decided to remain stand-alone Councils.

An assessment will be made of Richmond Valley Council's proposal by the Independent Pricing and Regulatory Tribunal (IPART) as the Independent Expert Panel on how Council's proposal meets the FFTF criteria. Based on IPART's published assessment methodology it is expected that Council will be assessed as 'fit'. IPART will assess all Council proposals and make a recommendation for each Council to Government by 16 October 2015.

Community Strategic Plan Links

The Richmond Valley Council Improvement Proposal reflects the community's priorities as set out in Council's Community Strategic Plan *Richmond Valley Towards 2025* and is supported by up to date integrated planning and reporting documentation.

Budget Implications

The Proposal is based on Council's Resourcing Strategy which has been updated and is informed by the Long Term Financial Plan 2015/2025, Organisational Development Strategy and Asset Management Plans which identify and plan how Council's money, assets and people will deliver Council's commitments to the Richmond Valley community.

Report

In response to the Independent Local Government Review Panel's (ILGRP) review of Local Government in NSW, Richmond Valley Council is required to submit a proposal by 30 June 2015 outlining its roadmap to becoming "Fit for the Future". The proposal will be assessed by the Independent Pricing and Regulatory Tribunal (IPART) as the independent Expert Panel and Council must demonstrate how it will become and remain sustainable, provide effective and efficient services and have the scale and capacity to partner with the State to meet the needs of its communities. In developing the Proposal, Council must take into account the recommendations of the ILGRP in respect of proposed mergers.

The Richmond Valley Council Improvement Proposal shows that Council will meet six of the seven benchmarks by 2019/20, with only the Building and Infrastructure Asset Renewal Ratio not meeting the benchmark in 2019/20. Council meets this benchmark for the years 2015/16-2017/18 with infrastructure spending from Council's Special Rate Variation. It then drops below the benchmark for the period 2018/19-2023/24 before returning to the benchmark in the final year of Council's LTFP in 2024/25.

The Local Government Review Panel Final Report recommended that stronger regional cooperation should be a central plank of local government reform. Richmond Valley Council supports this view and resolved in March 2015 to strongly support active participation in a Northern Rivers Joint Organisation of Councils that focuses on:

- Regional Strategic Planning
- Intergovernmental Collaboration

- Regional Leadership and Advocacy

Council also has links with Councils to the south and therefore will seek associate member status of the Joint Organisation to our south in which Clarence Valley Council is a member. Council also supports Tenterfield Council's inclusion as a member of the Northern Rivers Joint Organisation in addition to the six current member Councils constituting NOROC.

Merger Discussions with Kyogle Council

The ILGRP identified that Richmond Valley Council has sufficient scale and capacity to engage effectively across community, industry and government without any structural change. However the ILGRP Final Report recommended that Kyogle Council consider the option of merging with either Lismore City Council or Richmond Valley Council.

At Council's November 2014 Ordinary Meeting it was resolved to write to Kyogle Council and seek a response on its formal position on investigating mergers. A written response from Kyogle Council's General Manager stated that Kyogle Council did not want to proceed with talks or preparation of any submission in relation to Fit for the Future before January 2015. Subsequently, at the December 2014 Ordinary Meeting Richmond Valley Council resolved to commence the preparation of an Improvement Proposal as a stand-alone Council.

During January 2015 Kyogle Council resolved to proceed with discussions with Richmond Valley Council using the facilitation offer from the Office of Local Government. During March 2015 Richmond Valley Councillors participated with Kyogle Councillors as part of the facilitation process conducted by KJA Engaging Solutions to consider the merits of a merger between Richmond Valley Council and Kyogle Council. Richmond Valley Councillors by majority were supportive of progressing to a merger business case however acknowledged that Kyogle Council had left its decisions until too late in the Fit for the Future process to prepare a Business Case that could be consulted on with the community and subsequently included in each Council's final proposal.

In late April 2015 Kyogle Council then resolved to complete a Rural Council template as well as seek Richmond Valley Council support to prepare a merger business case. Richmond Valley Council's position has not changed in relation to resolving to prepare its Fit for the Future Proposal as a stand-alone Council. However, Council acknowledges that there are similarities between the two Councils that following detailed assessment of merger options could bring benefits for the Kyogle community and improve the performance and sustainability of local government in the Northern Rivers region.

Resourcing Strategy

The Fit for the Future Proposal is based on Council's detailed review of its Resourcing Strategy, including updated Long Term Financial Plan, Asset Management Plans and Organisational Development Strategy to support

implementation of its Special Rate Variation program and Fit for the Future initiatives.

With significant improvements to Council's asset management processes, Council's Asset Management Plans have been updated and are fully integrated with Council's LTFP and reflect the infrastructure investment committed to in Council's successful Special Rate Variation application. An innovative Organisational Development Strategy has been developed to replace the previous Workforce Strategic Plan. It sets out Council's commitment to attracting, developing and retaining quality people, managing risk-associated workplace activities and investing in developing leaders and recognising and rewarding high achievers to develop a high performing organisation.

Council's improved financial sustainability position was confirmed by the April 2015 Treasury Corporation financial sustainability review, which saw Council's sustainability rating move from Weak-Negative to Moderate-Neutral.

Community Engagement

Richmond Valley Council has over the past four years acted to address financial sustainability. Throughout this process Council has continued to engage with the community in the preparation of its plans. In developing our Community Strategic Plan, Council consulted extensively with the Richmond Valley community on the *Richmond Valley Towards 2025* (CSP). In November 2013 Richmond Valley Council resolved to seek approval from the community and IPART of a permanent special rate variation and consulted extensively with the Richmond Valley community on the Special Rate Variation application.

The recent review and adoption of Richmond Valley Council's Community Engagement Strategy was the result of a consultation period and independent expert advice on Council's consultation methods during March and April 2015.

Conclusion

Richmond Valley Council has the Scale and Capacity envisaged by the ILGRP for a larger rural council and is confident that it is "fit for the future". Council is well placed to contribute to the growth and prosperity of the Northern Rivers region and is an effective partner for the State and Federal Governments. The Fit for the Future proposal assesses Council's current and forecast performance against the Fit for the Future benchmarks, and develops strategies and actions to continue improving performance against the criteria of Sustainability, Infrastructure and Services, and Efficiency.

Richmond Valley Council's Fit for the Future Improvement Proposal will be submitted to the Expert Panel (IPART) via an on line portal by 30 June 2015. The following documents will be submitted to support the Proposal and have been circulated separately to each Councillor, together with the Improvement Proposal:

- Richmond Valley Towards 2025 Community Strategic Plan
- Delivery Program 2013-2017 (revised) and Operational Plan 2015/16

- Resourcing Strategy, Asset Management Plans, Long Term Financial Plan, Organisational Development Strategy
- Performance against the Fit for the Future Benchmarks 2013/14 – 2024/25 (General Fund)
- Performance against the Fit for the Future Benchmarks 2013/14 – 2024/25 (All Funds)
- Assessment of performance against benchmarks for Richmond Valley, Kyogle and a combined entity
- Community Engagement Strategy
- Treasury Corporation report - April 2015
- IPART SRV Determination 2014/15
- IPART SRV approval media release June 2014
- Council resolution – Joint Organisations – 17 March 2015
- KJA Engaging Solutions – Facilitated Council workshops notes
- Dougherty Awards nominations