
6 FIT FOR THE FUTURE - UPDATE SUPPLEMENTARY REPORT

Report prepared by: Group Manager - Corporate Services
File No.: CSG/14/3/22 - BP15/609

REPORT SUMMARY

This supplementary report details the actions taken following Council's resolution at its Extraordinary Council Meeting held on 17 February 2015, in determining Council's position and response to the Minister for Local Government's announcement of the 'Fit for the Future' program, that was released in October 2014.

Two options were provided to Councils, to either complete Template 1 (Council Merger proposal) or complete Template 2 (Council Improvement Proposal).

Council in its resolution on 17 February 2015, rejected the Independent Panel's recommendations to split the City of Ryde, with the western third of the Ryde LGA proposed to be merged / amalgamated with Parramatta, Holroyd and Auburn Councils and the balance of Ryde being amalgamated with Councils to the east, comprising Hunter's Hill, Lane Cove, Mosman, North Sydney and Willoughby Councils.

Council resolved to complete Template 2, (Council Improvement Proposal) for Ryde to stand alone, however, Council also resolved to investigate a modified Joint Organisation (regional body) proposal, to meet the State Government's scale and capacity criteria. This option had been included in the Independent Panel's recommendations, however, when the Minister's 'Fit for the Future' program was released, it excluded this option for metropolitan Councils.

The report details the preliminary findings of the investigations into the regional Joint Organisation (JO) option, that have been the subject of updates and progress reports to Councillors at Councillor workshops since February. The preliminary findings of Council's Template 2 – Council Improvement Proposal are also detailed in this report.

Council also resolved to undertake a business case (cost benefit analysis), of the Independent Panel's recommendation to amalgamate the Councils of Hunter's Hill, Lane Cove, Mosman, North Sydney, Willoughby with the eastern two thirds of Ryde. The report details the preliminary results of this business case.

All of the above matters and options being considered that are detailed in this report, have been extensively communicated and consulted with our community as required by Council's resolution on 17 February 2015.

ITEM 6 (continued)

It should be noted, that engaging and seeking the community's feedback was a critical requirement that the Minister for Local Government. All Councils were required to explain the proposed actions under Fit for the Future and receive the community's feedback on the options being considered. The requirements to consult with the community and the manner in which each Council has consulted with its community, will be one of the factors that IPART will assess in its overall assessment of each Council's submission.

This report details Council's extensive communication and media strategy, together with the actions taken in fully providing our community with all available information and the options being considered by Council.

As a result of Council's on line survey that commenced on 10 March 2015, 81% of 1,153 respondents voted against Ryde being split and merged. Council is in the process of undertaking a further survey following the community meeting on 5 May 2015, and the results of this survey will be included in Council's report on 9 June 2015.

Key results for the Ryde community meeting, which had approximately 100 attendees, were:-

- 11% of the community support the City of Ryde being split and amalgamated;
- 84% support the City of Ryde standing alone;
- 84% support the exploration of a Joint Organisation (JO).

Overall, this report details the options available to Council. However, it also seeks Council to endorse the completion of Template 2 – Council Improvement Proposal and the alternate business case for a regional Joint Organisation. The report details for the JO to be viable, it requires the following functions as a minimum;

1. Regional land use and infrastructure planning including; single approach to Sub-Regional Plan priorities and policy; agreed centres hierarchy and role; single endorsed set of State / Major local infrastructure priorities; and a sub-regional Section 94 Plan.
2. Single point of contact for State and Federal Government on sub-regional matters.
3. Sub-regional advocacy.
4. Harmonised LEP (in the longer term).

To undertake these functions, the report details the required powers the JO would need to have in making joint decisions on strategic planning and infrastructure priorities for the area /sub-region, noting that Councils would not be able to opt out of these decisions.

ITEM 6 (continued)

The report recommends that Council endorse the actions taken by the General Manager following Council's resolution at its Extraordinary Council Meeting on 17 February 2015 and further approve the General Manager continuing to complete the business cases / submissions for both Template 2 (Council Improvement Proposal) and the alternative proposal for a JO – Regional Body.

This matter will be reported back to Council on 9 June 2015 for Council's further consideration and to endorse the submissions being lodged with IPART, prior to 30 June 2015.

RECOMMENDATION:

- (a) That Council note the update on the actions taken by the General Manager in preparing Council's response to the Fit for the Future program, as a result of Council's resolution at its meeting 17 February 2015.
- (b) That Council endorse the General Manager continuing to finalise both Council's Template 2 submission – (Council Improvement Proposal) and the Joint Regional Authority proposal, (as detailed in the body of this report), in conjunction with Lane Cove and Hunter's Hill Councils.
- (c) That Council delegate to the General Manager the authority to provide a submission to IPART regarding Fit for the Future Assessment methodology on behalf of Council.
- (d) That Council note this matter will be reported back to Council at a meeting in June 2015.

ATTACHMENTS

- 1 Fit for the Future - Councillor Workshop - 5 May 2015 - Governance Framework Joint Regional Organisation
- 2 Fit for the Future Submission Proposed Joint Regional Organisation - Councillor Briefing Paper - 1 May 2015
- 3 Brian Dollery - Compulsion versus a collaborative regional approach - Draft Executive Summary
- 4 Percy Allan - Draft Executive Summary combined presentations May 2015
- 5 SGS Draft Executive Summary May 2015

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Report Approved By:

Gail Connolly
General Manager

ITEM 6 (continued)**Background**

Council at its Extraordinary Council meeting on 17 February 2015, considered a report from the General Manager titled 'Fit for the Future – City of Ryde's Response.

In consideration of this matter, Council unanimously resolved;

- (a) *That the City of Ryde reaffirm its rejection to the recommendations as detailed in the Independent Panel's final report that proposes to split the City of Ryde partly between Parramatta, Holroyd and Auburn Councils with the balance being amalgamated with Councils to the east and north, comprising Hunters Hill, Lane Cove, Mosman, North Sydney and Willoughby Councils;*
- (b) *That the City of Ryde complete Template 2 – Council Improvement Proposal, to demonstrate that the City of Ryde is sustainable in its own right;*
- (c) *That in addition to completing Template 2, Council also endorse investigating a modified Joint Organisation (regional body) proposal to meet the State Government's scale and capacity criteria, on the basis that there are other Councils in northern Sydney interested in participating in this proposal with the City of Ryde;*
- (d) *That the City of Ryde endorse undertaking a shared community engagement strategy with those Councils that confirm interest in exploring a modified Joint Organisation (regional body) proposal as detailed in part (c) above;*
- (e) *That Council endorse the General Manager writing to the Mayor and General Manager of the Councils that attended the Symposium, to confirm their Council's position by Wednesday 18 March 2015, in respect of parts (c) and (d) above;*
- (f) *That the City of Ryde endorse a business case (cost benefit analysis) being undertaken of the Independent Panel's recommendation for the Councils of Hunters Hill, Lane Cove, Mosman, North Sydney, Willoughby and Ryde to amalgamate (costs to be on a shared funding basis); and*
- (g) *That the General Manager write to the Mayor and General Manager of Parramatta, Auburn and Holroyd Councils to formally advise that the City of Ryde rejects the Independent Panel's recommendations for the western area of the City of Ryde to merge with Parramatta, Auburn and Holroyd Councils and to advise that Council is exploring other options as detailed above.*
- (h) *That the City of Ryde, as soon as possible, commence a community information strategy to bring the specific predicament of this Council to the attention of our community.*

ITEM 6 (continued)**Discussion**

This report details the actions undertaken to date on each part of the Council's resolution dated 17 February 2015.

Council Rejects Independent Review Panel's Recommendation to Split Ryde

Resolution (a) That the City of Ryde reaffirm its rejection to the recommendations as detailed in the Independent Panel's final report that proposes to split the City of Ryde partly between Parramatta, Holroyd and Auburn Councils with the balance being amalgamated with Councils to the east and north, comprising Hunters Hill, Lane Cove, Mosman, North Sydney and Willoughby Councils;

Actions Taken

This decision by Council has been extensively explained in the information Council has provided to its community through a letter from the Mayor, advertisements and Council website and in various media releases. This decision also underpins Council's decision to complete Template 2 – Council's Improvement Proposal rather than completing Template 1 – Merger Proposal.

City of Ryde to Stand Alone

Resolution (b) That the City of Ryde complete Template 2 – Council Improvement Proposal, to demonstrate that the City of Ryde is sustainable in its own right;

Actions Taken

This decision by Council was based on the premise that Council can meet the Fit for the Future criteria of 'Scale and Capacity' and that the City of Ryde is sustainable in its own right.

Council is well advanced in completing Template 2 – (Council Improvement Proposal). The key elements of this Template that Council will demonstrate it meets are;

- Establish Existing Scale and Capacity,
- Performance against the Fit for the Future financial benchmarks,
- Develop a 1 – 4 year Improvement Plan to become / remain sustainable.

ITEM 6 (continued)

Councillors have received a number of briefings on the progress of the preparations in formulating Council's response. These briefings have been held on;

- 17 March 2015
- 14 April 2015
- 21 April 2015
- 28 April 2015
- 5 May 2015

Further briefings are scheduled throughout May and June. Council's Template 2 submission will demonstrate that the City of Ryde meets all criteria, in demonstrating scale and capacity and noting that Council requires the Special Rating Variation (SRV) approved, to meet all the financial benchmarks.

At the Councillor's Workshop on 21 April 2015, the focus was on the Fit for the Future Financial benchmarks with the following information being provided;

- 2013/14: Council meets only 3 of 7 Benchmarks
- 2016/17: Council meets 5 of the 7 Benchmarks that include;
 - internal savings (\$1.9m),
 - additional revenue (\$600K)
 - SRV (from 2015-16)
 - Cost control and efficiency strategies
- 2019/20 Council will meet all 7 Benchmarks

Council will also be required to endorse a 4 Year Improvement Plan, as part of its Template 2 submission, that will require additional resources to drive the improvements and efficiencies, with these costs being funded from Council's Fit for the Future Reserve and within existing approved project budgets.

Alternate Proposal – Investigate modified Joint Organisation (regional body)

Resolution (c) That in addition to completing Template 2, Council also endorse investigating a modified Joint Organisation (regional body) proposal to meet the State Government's scale and capacity criteria, on the basis that there are other Councils in northern Sydney interested in participating in this proposal with the City of Ryde;

Action Taken

As a result of this resolution, Council's General Manager wrote to all Mayors and General Managers of the Councils that attended the Northern Sydney 'Fit for the Future' Symposium, held at Willoughby on 5 February 2015.

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While all Councils responded back to Council, only Lane Cove and Hunter's Hill Councils confirmed their agreement to join with the City of Ryde in investigating a modified Joint Organisation (regional body), to further assist in enhancing Council's ability to meet the required scale and capacity criteria, thereby achieving the Government's Fit for the Future objectives.

Following this response, the three Councils then engaged the following consultants to assist in completing the required business case;

- SGS Economics - Focused in coordinating the business case with a particular focus on modelling the benefits of a regional strategic planning approach,
- Percy Allan & Associates - Advice on shared services, legal framework of a Joint Organisation and to undertake a Peer Review of the Joint Organisation business case,
- Brian Dollery - Professor from University New England, Armidale. Providing a research paper titled, 'Compulsion Versus a Collaborative Regional Approach' – An Empirical Analysis of Forced Amalgamation versus a Regional and Shared Services Approach.

Since their engagement in March 2015, extensive work has been undertaken with the City of Ryde coordinating this project between the three Councils and the consultants. Extensive information has been provided by the Councils and Council is in receipt of draft reports from all consultants. It should be noted that whilst the reports are still undergoing reviews, a copy of the draft Executive Summaries has been attached to this report. Council staff will be placing these Executive Summaries on Council's website from 11 May 2015, to assist the community in its understanding of this matter in addition to those members of the community who will be undertaking the next community survey. **ATTACHMENT 3** (Brian Dollery), **ATTACHMENT 4** (Percy Allan & Associates) and **ATTACHMENT 5** (SGS Economics).

In brief, the findings from the consultancies indicate the following;

Both Percy Allan and Associates and Brian Dollery in their research, have indicated that a Joint Regional Organisation will be able to achieve;

1. The State Government's key objectives for regional collaboration and planning;
2. Added value to each Council's operations;
3. An environment for shared service delivery and centres of excellence; and
4. A more cost effective outcome, when compared with mergers.

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SGS Economics in its analysis of the feasibility of a Joint Organisation concludes:

- A Joint Organisation is both viable and advantageous for three (3) Councils and six (6) Councils;
- The benefits considerably outweigh the costs; and
- There would be significant improvements to strategic capacity including;
 - Capacity to deal with cross boundary issues (eg transport infrastructure)
 - Allows each Council to focus on issues / services best delivered locally and to preserve local identity

In respect of key fundamental threshold questions on the viability of the JO, SGS concludes;

- The viability of the JO increases with more Councils participating;
- For the JO to be effective, participating Councils should not be able to 'opt out' of key sub regional decisions; and
- The JO will improve the performance of each Council to deal with local issues and boost their capacity to tackle sub regional priorities.

SGS' business case has been based on the following assumptions;

- That Councils will have to hand over sub regional strategic and infrastructure planning functions to avoid duplication;
- That all Councils have to support and buy-in to a balanced urban development settlement pattern; and
- That Councils have to support the adopted policies (planning proposals) of the JO through their local decisions on development applications.

In respect of the required level of decision making power (authority), functions and responsibilities and shared service delivery to make the JO viable in the context of Fit for the Future initiative, the following is proposed;

Core Functions (Non-Negotiable)

In respect of the Core Functions for the JO to be viable, it requires the following functions at a minimum;

1. Regional land use and infrastructure planning including; single approach to Sub-Regional Plan priorities and policy; agreed centres hierarchy and role; single endorsed set of State / Major local infrastructure priorities; and a sub-regional Section 94 Plan.
2. Single point of contact for State and Federal Government on sub-regional matters.
3. Sub-regional advocacy.
4. Harmonised LEP (in the longer term).

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In respect of the decision making powers for the JO, it will be constituted to make joint decisions on strategic planning and infrastructure priorities for the region with no Council having the ability to opt out.

The JO will need the following powers;

- To plan for subregional land use and infrastructure;
- To develop a single subregional Section 94 plan;
- To represent all Councils in negotiations for subregional planning and infrastructure matters;
- To undertake subregional advocacy;
- To procure subregional services and enter in subregional contracts; and
- To apply for subregional grants.

It is noted that the Government proposes to address the legislation requirements for JO's, following the results of the current pilots occurring in regional New South Wales.

Shared Services

The analysis and research undertaken by Percy Allan and Associates has estimated that there are potential cost savings of between 10% - 20% and an enhanced capacity can flow from a well designed and carefully implemented shared services arrangement.

However, his advice is to undertake extensive planning in selecting the service to be shared and to undertake one service at a time before proceeding to implement another service. He has highlighted that in any determination of selecting a shared service, a full business case will be required, noting that there are significant establishment costs, especially IT costs, that will delay the break even point being realised.

Whilst any shared service savings have not been quantified at this stage, these savings will provide an additional benefit to the benefits outlined in SGS's business case assessment of a regional strategic approach.

The above high level findings were the subject of the Councillor Workshop on Tuesday, 28 April 2015.

In addition to the viability of the JO's functions and powers, Councillors received an overview of the proposed Governance Framework for the JO at the Councillor workshop on Tuesday, 5 May 2015.

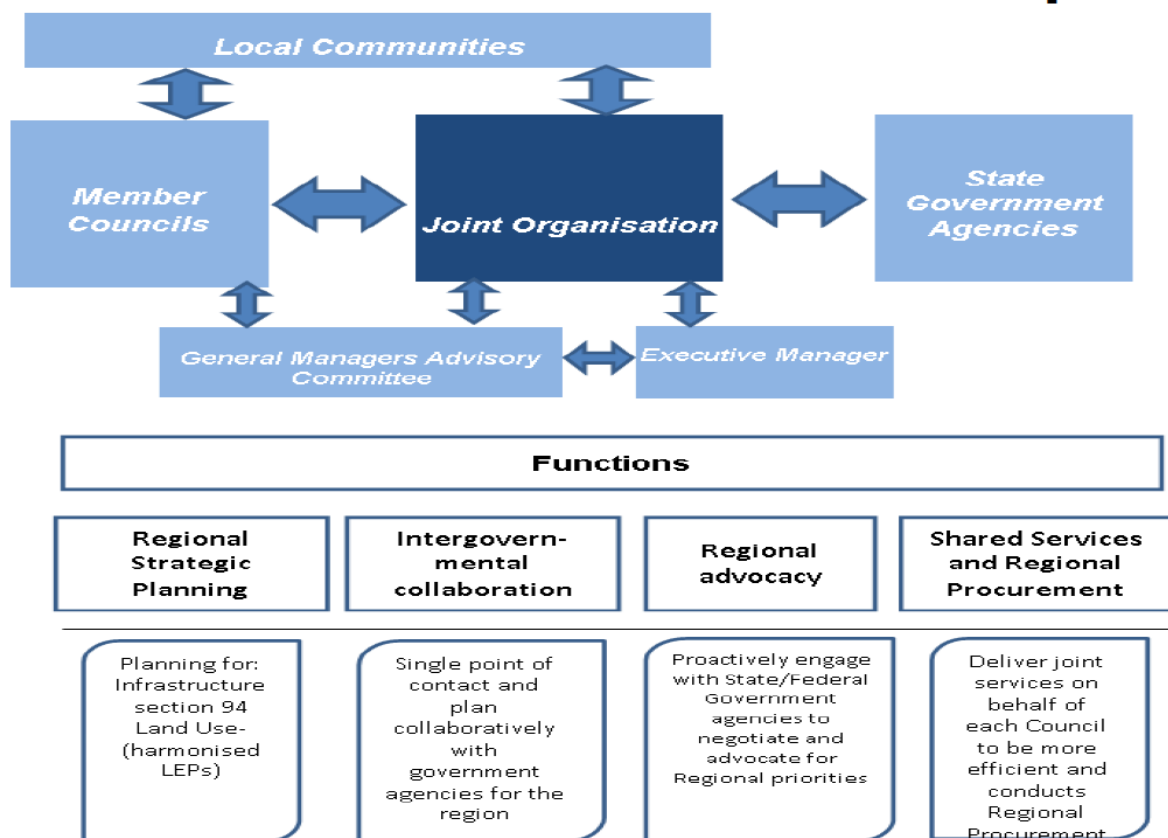
The design below, highlights how the JO would interact with each member Council, community and the State Government Agencies on subregional matters.

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It is also important to stress that what will also be required to underpin this relationship diagram is an agreement on the charter of the JO and the processes to be followed in referring matters to the JO. This agreement must be obtained prior to the formal establishment of the JO to ensure that accountability to the community is maintained and to ensure effective input by each local Council continues into the future, as currently enjoyed by NSROC Councils.

Based on the State Government’s proposed Joint Organisation model currently being trialled by five (5) rural pilots, the following is proposed;

Joint Organisation Proposed Governance Framework



ITEM 6 (continued)

Proposed Joint Organisation (based on State Government's Rural JO Pilots)	
Structure	<ul style="list-style-type: none"> The entity will be legally recognised through Local Government Act. Representatives will be authorised to make decisions that are final Board consisting of 2 elected representatives from each Council – one Vote per representative General Managers Advisory Committee
Funding and Resourcing	<ul style="list-style-type: none"> Equal Membership fee Administration including an Executive Director and associated staffing (to be transferred from member Councils as required)
Accountability	<ul style="list-style-type: none"> Accountable to Member Councils Council Representatives to the Board will be nominated after each Local Government Election

A copy of the Councillor Briefing Paper that supported the Councillor Workshop on Tuesday, 5 May 2015 is **ATTACHMENT 1**.

In summary, Council officers have undertaken extensive investigations and research into Council's options and are recommending that Council continue to complete both Template 2 – Council Improvement Proposal and an alternate proposal for a Joint Regional body.

Shared Community Engagement Strategy

Resolution (d) That the City of Ryde endorse undertaking a shared community engagement strategy with those Councils that confirm interest in exploring a modified Joint Organisation (regional body) proposal as detailed in part (c) above;

Action Taken

As a result of Lane Cove and Hunter's Hill joining Ryde to investigate the JO proposal, a number of joint initiatives were taken as part of a joint community engagement strategy.

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Actions taken include;

- Letters to the community by the Mayors with a supporting brochure;
- Publicity campaign on forced amalgamation;
- Community Meetings – Coordinated by the City of Ryde and facilitated by Urbis; and
- Joint Community survey that will be commenced on 18 May 2015.

In addition to the above, the Mayors of each Council were interviewed by the Northern District Times, followed by articles and press releases in the Northern District Times relating to key components of the Fit for the Future program. The Mayors of both Ryde and Hunter's Hill were also recently interviewed by 2RRR.

Following the Ryde community meeting, with an attendance of approximately 100 residents, the results from the meeting was as follows;

- | | | |
|---|---|-------|
| - How supportive are you of the City of Ryde Council being split and merged | - | 11.0% |
| - How supportive are you of the City of Ryde standing alone | - | 84.0% |
| - How supportive are you of Council exploring the possibility of a Joint Organisation | - | 83.8% |

The above results are very strongly opposed to the City of Ryde being split and merged for the City of Ryde to stand alone. While the vote was strong, the participants at the meetings were also open and very supportive of Council exploring the possibilities of a JO.

The City of Ryde's results at the community meeting also are consistent with the results that Council has received to its on-line survey which has been running since 10 March 2015. A total of 1,153 responses have been received that shows 81% do not support the State Government's Fit for the Future program that would split Ryde into two mega Councils.

The City of Ryde's results are very similar to the results at both the Hunter's Hill and Lane Cove community meetings.

	Hunter's Hill %	Lane Cove %
How supportive of being merged	17.8	7.0
How supportive of standing alone	73.4	85.5
How supportive of exploring a JO	86.0	82.2

As can be seen from the above results both Hunter's Hill and Lane Cove are equally as strong and consistent with the results achieved by the City of Ryde. All community meeting results support each Council standing alone and to explore the possibility of a JO.

ITEM 6 (continued)**Writing to all Councils that attended the Northern Sydney Symposium**

Resolution (e) That Council endorse the General Manager writing to the Mayor and General Manager of the Councils that attended the Symposium, to confirm their Council's position by Wednesday 18 March 2015, in respect of parts (c) and (d) above;

Action Taken

As detailed earlier in this report, the General Manager wrote to all Councils in the northern Sydney region that attended the Symposium, with only Lane Cove and Hunter's Hill Councils agreeing to explore the JO proposal and to undertake a shared community engagement strategy.

Undertake a Business Case of the Independent Panel's recommendation to amalgamate Hunter's Hill, Lane Cove, Mosman, North Sydney, Willoughby and the eastern two thirds of the City of Ryde Council.

Resolution (f) That the City of Ryde endorse a business case (cost benefit analysis) being undertaken of the Independent Panel's recommendation for the Councils of Hunters Hill, Lane Cove, Mosman, North Sydney, Willoughby and Ryde to amalgamate (costs to be on a shared funding basis);

Action Taken

As a result of the above resolution, Lane Cove Council has coordinated the engagement of Morrison Low to undertake the Business Case of the above proposed amalgamation by the Independent Review Panel.

While the preliminary draft report from Morrison Low has only been received today and the calculations have not been checked for accuracy, the draft business case reinforces that the City of Ryde will meet all seven (7) benchmarks if Council is successful with its SRV application. In addition, the report confirms that the City of Ryde currently meets the scale and capacity criteria in its own right.

In respect of the Panel's proposed merged entity, the forecasts undertaken by Morrison Low require clarification. The reasons for this is the report forecasts a net financial benefit of \$53 million (at 7% NPV), however the projected surpluses, have not been directed back to asset renewals, which would significantly reduce this benefit. This result appears to contradict the early advice of Professor Dollery and hence the assumptions behind these calculations are being checked for consistency.

As stated by Morrison Low, if surpluses are directed to expenditure on assets in order to meet the required benchmarks, the merged Council does not meet the Asset Maintenance, Infrastructure Backlog and Asset Renewal ratios over the long term.

ITEM 6 (continued)

The report notes that in commencing the merged entity, it meets three (3) of the seven (7) benchmarks and in 2023, it meets only 4 of the 7 benchmarks.

Proposed Amalgamation with Parramatta, Auburn and Holroyd Councils

Resolution (g) That the General Manager write to the Mayor and General Manager of Parramatta, Auburn and Holroyd Councils to formally advise that the City of Ryde rejects the Independent Panel's recommendations for the western area of the City of Ryde to merge with Parramatta, Auburn and Holroyd Councils and to advise that Council is exploring other options as detailed above.

Action Taken

Council's General Manager wrote to the Mayor and General Manager of each of the above Councils and received their responses (which also opposed forced amalgamations).

The only other relevant point relating to the proposed amalgamation of the City of Ryde's western third, was that recent information circulated by Parramatta Council showed under its Option 1 – Shared Services with the whole City of Ryde LGA. There has been no correspondence or request for discussions around this proposed option by Parramatta Council to the City of Ryde. It is therefore disappointing that the City's first notification of this option was via a public brochure. This action has the potential to be viewed as hostile and misleading to Council and the community of Ryde and should therefore be rejected by Council.

Public Awareness of Fit for the Future

Resolution (h) That the City of Ryde, as soon as possible, commence a community information strategy to bring the specific predicament of this Council to the attention of our community.

Action Taken

As detailed earlier in this report, the City of Ryde, in conjunction with Hunter's Hill and Lane Cove Councils, undertook intense community engagement initiatives to advise of the proposed amalgamations and the options that the Councils were investigating. In addition to this communications/engagement strategy, the City of Ryde has also undertaken extensive initiatives in further informing its community of the proposal to split the City of Ryde. This has included;

- Direct mailing all ratepayers on 10 March 2015 with a letter from the Mayor and supporting brochure;
- Advertising in the Northern District Times on 3 March, 11 March and 18 March 2015;
- Banners on buildings and at locations throughout the City of Ryde;

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- 2 week campaign at the end of April for advertising in Adshel Bus Shelters;
- Dedicated placement on Council's website on home page and landing page;
- Place the 'Ryde Says No Campaign' to all email signatures from 20 March 2015;
- Placed 'Ryde Says No' on 70 banner poles from 23 March 2015 in Ryde and Macquarie Park;
- Published articles in the e-Newsletter from March that were distributed on 25 February 2015 and 3 March 2015;
- Also forwarded e-Newsletter to extended list of people who had signed up for Fit for the Future updates on our website (14,955 people);
- Various Mayoral radio interviews on Sydney Metropolitan radio stations during March and April;
- General Manager has sent regular updates to all staff;
- This initiative has been prominent in Council's Social Media, both on Facebook and Twitter;
- Various media releases in Local and National press during the months of March and April; and
- Various speaking engagements by the Mayor and General Manager during March and April.

Summary

As detailed in this report, the City of Ryde has taken a number of significant initiatives and has demonstrated civic leadership in collaborating with neighboring Councils as well as ensuring the City of Ryde community is fully informed of the Fit for the Future program, the options being considered and the likely outcomes under each option.

From the feedback received, the community has clearly expressed their views which are;

1. The community rejects the proposed amalgamation, that would see the City of Ryde split to the east and the west,
2. There is strong support for the City of Ryde to stand alone,
3. There is strong support for Council to explore the Joint Organisation option, which is currently being investigated by Hunter's Hill, Lane Cove and Ryde Councils on regional issues.

In addition to the community feedback the preliminary research findings all indicate the following;

- The City of Ryde can demonstrate it meets all the Fit for the Future criteria which includes scale and capacity and the financial benchmarks based on being successful with its SRV application,
- There are significant advantages and benefits to be gained by exploring the JO option,

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- The regional approach, together with Councils remaining in place to deliver local services with proper representation, is a much more effective approach than amalgamating, due to the significant costs that come with amalgamations.

It is therefore recommended that Council note the update provided in this report and support Council completing its submission to IPART for both Template 2 and the Joint Organisation option, as required under the Fit for the Future program.

It is proposed to submit Council's proposed submissions to Council's meeting on 9 June 2015, noting that Lane Cove, Hunter's Hill and Ryde will be making identical submissions to IPART by 30 June 2015.

IPART Methodology

NSW Government announced IPART as the Expert Panel for assessment of the Fit for the future Council submissions, on Monday 27 April.

On the same day IPART released a consultation paper on its proposed Assessment Methodology, with the closing date for the submissions being 25 May 2015. IPART has indicated it will announce the final assessment methodology on the week of 1 June 2015.

City of Ryde proposes to provide a joint submission with Hunters Hill and Lane Cove councils and has commissioned Professor Dollery to analyse the Assessment Methodology for this purpose.

It is recommended that Council delegate to the General Manager the authority to provide a submission to IPART regarding Fit for the Future Assessment methodology on behalf of Council.

Financial Implications

As endorsed by Council at its Extraordinary Council meeting on 17 February 2015, all costs associated with preparing Council's response to Fit for the Future will be funded from the Fit for the Future Reserve, which was created from operational and salary savings that included savings from the Mayor's and Councillors' budget. The estimated total costs from this work is estimated to be \$430,000 with Council's proportion being approximately \$320,000.

Options

1. Council could make no submission (and by default declared "unfit by IPART").

This option is not recommended.

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2. Council could complete just Template 2 with no Joint Organisation Option. This is not considered to be Council's best option (as it would not be seen to be achieving the New South Wales Government's objectives for the reform of Local Government).

Therefore this option is not recommended.

3. Council completes Template 2 and accompany that submission with an alternate JO option to enhance scale and capacity, in conjunction with Lane Cove and Hunter's Hill Councils.

This is Council officers' preferred option and is recommended.

4. Council could complete Template 2 and suggest boundary adjustments to the west and north to adjust boundaries to enlarge the City of Ryde, thereby enhancing its scale and capacity. This option could also include pursuing shared services with Councils to the west.

As no discussions have occurred with Parramatta and Hornsby Councils, this option is not recommended.