

Country Mayors Meeting 28 May 2021

Local Government NSW update

This report seeks to brief the Country Mayors on the work of LGNSW since the last meeting and indicate opportunities for further collaboration where they might exist.

ADVOCACY WINS (March 2021 - May 2021)

- ***Rates and emergency services levy reforms***

I am pleased to report some very good news of major advocacy victories in the passage of the *Local Government Amendment Bill 2021* through the NSW Parliament.

First and foremost is the fantastic news that the Emergency Services Levy (ESL), which continues to soar year-on-year, will be decoupled from the rate peg allowing councils to collect a separate annual charge to fully recover the cost of the ESL. However, we see this is an interim measure that will lead to the removal of the ESL.

Other states impose a broad-based property tax to fund their emergency services, so NSW is lagging in developing a fair and financially sustainable funding system for Emergency Services. In the past two years, the NSW Government has at least recognised the unfair burden on councils by providing rebates totalling almost \$50 million to cover the levy hikes. LGNSW will continue to fight your corner on this issue, as we keep turning the dial towards a fair, transparent, and financially sustainable funding framework for emergency services throughout NSW.

The passage of the Bill also means our councils are finally, for the first time, able to pay superannuation to their mayors and councillors, bringing them into line with other workers in NSW. Councillor superannuation means fairer compensation for hard-working local government representatives – and fairer compensation means a wider range of candidates will consider running for local government.

In other great news, LGNSW advocacy has won a significant extension to the allowable rate harmonisation period for our amalgamated councils. Council rate increases as a result of amalgamations can now be introduced over an eight-year period, preventing major bill shock for our ratepayers.

Other reforms contained in the legislation passed by the NSW Parliament included:

- An increase in the term of chairs of county councils to two years, which is in line with a past LGNSW annual conference resolution and LGNSW advocacy.
- Increased flexibility through new rating categories to allow for more efficient and equitable allocation of rates.
- Special rates for jointly funded infrastructure, which will allow councils to levy special rates above the rate peg for infrastructure jointly funded with other levels of government without IPART approval.
- Setting a time limit for the Minister for Local Government to make public any reports on de-amalgamation proposals, making the process more transparent for affected communities.

Federal Budget 2021-22 Overview

- Financial Assistance Grants
 - In 2021-22 the Australian Government will provide \$2.652 billion in Financial Assistance Grants funding.
 - This includes \$1.3b which was brought forward from the 2021-22 estimate and paid to States and Territory Governments in 2020-21. NSW is set to receive almost \$410 million of this funding.
- Local Roads and Community Infrastructure
 - The Local Roads and Community Infrastructure Program will be extended by a further \$1 billion over two years (\$400.7m in 2021-22 and \$600.7m in 2022-23. Total expenditure is \$2.5b).
 - The Federal Stronger Communities Program which provides councils with funds for small capital projects to improve community participation and local vibrancy has been given \$28.2m over two years.

- The Building Better Regions Fund Round Six, which provides money for improving existing or building new infrastructure that brings social and economic benefits in regional and remote areas, has been allocated \$256.5m over four years. This is the largest funding commitment to councils to date.
- **Roads and safety**
 - Funding for Roads to Recovery in this week's Federal Budget includes almost \$2 billion over four years and responds to LGNSW advocacy that road funding be allocated to local government to address areas of the road network in greatest need.
 - The Road Safety Program will receive a further \$137 million in 2021-22 and \$5.1 million in resource funding for the Office of Road Safety over four years.
- **Disaster mitigation**
 - Mitigation is key; \$1 spent on mitigation can save at least \$2 in recovery costs.
 - It is pleasing that as a result the Federal Budget commits \$600 million for the Commonwealth's new National Recovery and Resilience Agency, which will provide support to local communities during the relief and recovery phases following major disasters.
 - Other disaster-related Federal Budget announcements include:
 - A Drought Response, Resilience and Preparedness Plan – \$212.2 million over four years including funding for local government.
 - Building Australia's Resilience – \$1.2 billion over five years for improving preparedness and response to natural disasters – various measures including \$4.5 million over two years for resilience capability including at local level.
 - Disaster Recovery Funding Arrangements – \$275.9 million over three years.
- **Rural and regional health**
 - The Budget commits \$123m for the rural health workforce and training, including \$65.8m to increase the Rural Bulk Billing Incentive for doctors working in rural towns and remote areas, introducing for the first time a progressive bulk billing incentive schedule for doctors based on remoteness.
- **Mental Health**
 - The announcement of a \$2.3 billion mental health and suicide prevention package responds to LGNSW advocacy calling for a greater investment in youth mental health services, particularly in rural and regional NSW, in line with a 2020 Conference resolution from Lake Macquarie City Council.
 - The funding includes \$278m for an expanded Headspace footprint, \$487m for mental health clinics for people who have outgrown the youth-focussed Headspace and \$11m to boost the psychiatrist workforce, including through supporting regional and remote training pathways.
- **Waste and recycling**
 - LGNSW's Save Our Recycling campaign continues to advocate for the NSW Government to invest the \$800 million Waste Levy it collects into a comprehensive new waste strategy that includes revitalising recycling infrastructure.
 - We are pleased with recent Federal funding in this sector, including funding announcements in this week's Budget. This week's budget commits \$11 million for incentivising recycling behaviours and \$5.9 million over four years for a further grant round of National Product Stewardship Investment Fund.
 - In the area of organic waste, the Budget commits \$59.8 million over four years to the Food Waste for Healthy Soils Fund to enhance existing organic waste and processing infrastructure and \$7.2m over four years for a community and education program.
- **National harmonisation of kerbside recycling**

As a result of ALGA advocacy, the Federal Government appears to have softened the call for national harmonisation of kerbside recycling, with references to 'improvements' at a state/jurisdictional level (rather than national), a staged approach and a road map that considers 'costs and benefits'. This is a good early outcome for councils, by avoiding significant expense associated with retooling bins to ensure consistency across Australia.
- **\$15 million to boost business in local high streets**

More than \$15 million has been issued to 19 of our councils to undertake projects that will breathe new life into their local high streets to make them more attractive, accessible and vibrant spaces. Regional councils received \$8.2 million, while Greater Sydney councils received \$6.9 million for projects including improved

street furniture with built-in USB ports, better traffic controls, streetscaping and public art to draw even more visitors and boost businesses.

- **New minimum accessibility standard for housing in the National Construction Code**
Commonwealth, State and Territory Building Ministers recently met to consider options to increase Australia's stock of accessible housing. A majority of Ministers agreed to include minimum accessibility provisions for residential housing and apartments in the National Construction Code 2022 based on the Liveable Housing Design Guidelines silver standards. LGNSW has been advocating on this matter over several years, informed by Annual Conference resolutions.
- **Short term rental rules put on hold**
We welcomed the NSW Government's decision to put controversial new short-term rental rules on hold until the end of the year so it can undertake more consultation with affected councils. The reversal is a real win for regional councils, many of whom are facing dwindling affordable housing in their areas because of the fast-emerging short-term rental accommodation (STRA) industry. If the new policy had gone ahead, councils would have been made to follow a one-size-fits-all approach when dealing with STRA, forcing them to seek amendments to the Statewide planning policy or prepare a planning proposal to effect changes such as setting cap limits in their areas.
- **Funding for regional councils to digitise planning processes**
Regional councils are now eligible for up to \$50,000 from the NSW Government to help them implement online lodgement and assessment of development applications thanks to LGNSW advocacy efforts. In our submission to the 2020-21 State Budget, we called on the Government to help fund the integration to the new ePlanning system to ensure ratepayers don't end up bearing the costs, and a resolution of our annual conference last November echoed this call. As a result of our calls, almost \$5 million in funding will be available to help regional councils acquire new or upgrade existing IT systems, software and infrastructure and provide council staff the resources and knowledge needed to use the system.
- **12-month extension for community recovery officers to assist with floods**
We welcomed the NSW and Australian Governments extending bushfire community recovery officers in councils for a further 12 months, responding to LGNSW advocacy calling for a long-term commitment to the recovery needs of communities across NSW. LGNSW has made supporting local government in community and economic recovery one of its key advocacy priorities for 2021, and we continue to advocate on your behalf to state and federal governments and through State Recovery Committees.
- **State and Federal flood clean-up assistance and funding**
I am pleased that our advocacy efforts for councils facing the daunting task of cleaning up their flood-affected communities resulted in State and Federal support to help with the job. "Strike forces" made up of Australian Defence Force, Rural Fire Service and Fire and Rescue NSW personnel helped with debris removal from residences, flood damaged roads, sporting fields and environmental assets such as beaches. The State and Federal Governments are also providing funding support to councils for items such as the waiving of tip fees, contractor and temporary employee costs plus any consultancy costs, the hiring and operation of additional plant and equipment and the costs of council staff overtime incurred in the clean-up.
- **Cyber security**
LGNSW's calls for the NSW Government to provide financial support for councils so they can beef up their cyber security capabilities have been heard, with our recommendation for council funding being adopted by a cyber security report tabled in Parliament.
- **Streamlined electoral compliance requirements for candidates**
The NSW Electoral Commissioner has written to me responding to an Annual Conference resolution (put forward by Georges River Council) last November. Resolution 18 called for improved accessibility of electoral processes and enabling the electronic signing and lodgement of disclosures and electoral forms. The NSWEC has confirmed a number of new measures that will make compliance easier for all candidates for this coming round of local government elections, including:

- Imminent launch of a new Funding and Disclosure Online Portal to enable candidates, councillors, parties, donors and other electoral participants to meet their ongoing compliance obligations via the online lodgement of forms and support information (including electronic signatures),
- parties and candidates will be able to manage and lodge nomination forms, including deposit payments, using an enhanced online portal (in line with the 2019 State election)
- all participants will be able to register how-to-vote cards and other electoral material online.

The NSWEC also advised it has recommended the NSW Government undertake further reforms, including legislative amendments, to allow more forms to be signed and lodged electronically.

- **Fixing Local Roads - round 2**

In Round 2 of the \$500 million Fixing Local Roads Program, \$150 million has been allocated to 108 road projects in 90 Local Government Areas to help councils repair, patch, maintain and seal priority local roads.

OPPORTUNITIES FOR COLLABORATION

2021 LGNSW Policy Platform

On the basis of member feedback, the LGNSW Board has endorsed the [2021 LGNSW Policy Platform](#), consolidating the views of the sector to guide our advocacy. I encourage you to read through the Policy Platform and seek meetings with your local State and Federal MPs to seek their support. As always, if there are areas you wish to change, ensure your Council considers a motion for the LGNSW [Conference](#) in November.

Rural and Regional Health

Thank you to all the councils who have provided LGNSW with input on your direct costs for attracting and retaining healthcare professionals to your region. Improving rural and regional health services has been identified as one of LGNSW's 2021 advocacy priorities and this information will bolster our advocacy and provide evidence of state and federal government cost shifting. If your council has still not provided information and would like to, please [email LGNSW Strategy Manager Damian Thomas](#).

LGNSW staff have also been engaging with representatives of the Australian Rural Leadership Program regarding wellbeing surveys and a wellbeing index for rural and regional Australia to better understand the needs, and where to invest, to attract new residents.

Planning reforms

One of the twelve fundamental principles of LGNSW, the overarching values that guide advocacy on behalf of the local government sector, sets our position on planning processes. It states:

Local government is best placed to lead and influence local and regional planning processes according to the needs and expectations of local communities.

Councils support an efficient, fair, and locally led planning system that is easy to understand, promotes strategic planning and integrity, is transparent and reduces the risk of corruption. However, we know that decisions of successive state governments have gradually diminished councils' and communities' authority to determine what and how development occurs in their local areas.

LGNSW continues to advocate for a planning system that ensures the voice of local communities is heard through local government retaining control over the determination of locally appropriate development. It is a long-held position of the local government sector that local planning powers must not be overridden by State plans and policies.

LGNSW is concerned that the planning reform agenda is concerningly congested and compressed, with unworkable timeframes that do not allow for suitable consideration of matters by elected councillors. It is concerning for LGNSW that the timeframes do not enable significant reform proposals to be reported to the elected Council for a formal view or resolution.

The timeframes also do not take into consideration the significant resource implications needed for council staff to undertake meaningful reviews of draft policies. Most concerning for LGNSW, it seriously limits councils' ability to determine appropriate controls for their local areas that represent community views.

LGNSW has been engaging with councils and DPIE throughout the reform period and has written to Minister Stokes on a number of occasions to highlight concerns. LGNSW encourages individual councils and JOs to also continue their advocacy in this space to ensure the voice of the local government sector is heard.

IPART Issues Paper – review of the rate peg to include population growth

LGNSW's submission acknowledges that the proposal to allow rates to grow beyond the basic peg, based on population growth, would represent a major reform and significant improvement to the rating system. The proposal offers the potential to provide real benefits to councils, communities and the State. However, LGNSW recognises that developing a model that provides equity and efficiency is a complex task.

The submission expresses serious concerns about the Government's apparent intention to tie this reform of the rate peg to reductions in infrastructure (developer) contributions. LGNSW is of the view that the findings of the PC on the negative effects of rate pegging are independent of the infrastructure contributions process and the matters should be addressed separately. Many councils see this as a cost shift from developers onto ratepayers and councils.

LGNSW is also of the view that the growth factor should apply to all growth, not just growth above the state average or some other growth threshold. For further information please refer to the [LGNSW submission](#).

Remote attendance by councillors at council meetings

LGNSW's submission in response to the consultation paper was guided by resolutions of the 2020 LGNSW Annual Conference. In summary, LGNSW is broadly supportive of the proposed amendments to the Model Meeting Code to permit remote attendance but recommends that the amendments be simplified to provide councils with greater flexibility.

The submission puts forward that the limited grounds proposed by the consultation paper for remote attendance (ill health, disability, carer responsibilities, natural disaster, and on a maximum of three occasions each year where a councillor is travelling for work) add an unnecessary complication. It is instead appropriate for each council to determine appropriate grounds, limitations and approvals for remote attendance that are relevant to that council's circumstances. For further information please refer to the [LGNSW submission](#).

20 year Waste Strategy

The EPA has advised via its Local Government Advisory Group that the 20 year waste strategy is currently with Government (in final stages of development) and its release after State Budget on 22 June can be expected. The NSW Plastics Plan is to be released concurrently. Consultation with local government and other stakeholders on several implementation plans within the Strategy is to occur following the Strategy's release.

Agreement to a transition year (2021-22) from Waste Less Recycle More to the new strategy has been secured, with the first 6 months to be business as usual activities, and the following 6 months focused on planning for strategy implementation. The EPA is meeting with councils and waste groups to discuss funding arrangements.

Weed Management Surveys

LGNSW is undertaking surveys of councils and other local government organisations involved in weed management to better understand how they are resourcing their weed-related responsibilities and to capture the sector's needs for support, training and capacity building opportunities. A similar survey of staff in weed management roles in the sector is also being undertaken.

The surveys are being conducted in partnership with the Department of Primary Industries and on behalf of the State Weed Committee, to inform the Committee's advice to the Minister for Primary Industries. The surveys close 4 June 2021. Results of the survey will also inform the upcoming statutory review of the *Biosecurity Act 2015*.

Asbestos Forum for Councils

As part of its Asbestos Project LGNSW conducts Asbestos awareness training and forums for councils. The next Councils Best Practice Asbestos Management and Forum is scheduled for 2 June, hosted by NAMOI Unlimited. This forum will offer participants the opportunity to explore the role that councils play in the safe management and regulation of asbestos within their Local Government Areas. All councils are invited to attend. [Register here.](#) For more information or to express interest in hosting a forum, please contact Daniel Adler at LGNSW on 02-9242 4128.

Proposed Cemetery & Interment Reforms

I recently wrote to Minister Pavey, who is considering the recommendations of the Statutory Review of the Cemeteries and Crematoria Act 2013, as well as the recommendations of IPART's review of interment costs and pricing, raising serious concerns of local government with the reforms proposed as part of these reviews.

Council-run cemeteries undertake almost 50 per cent of burials in NSW, and in rural and regional NSW councils perform almost 85 per cent of burials.

It is LGNSW's view that proposed reforms do not appropriately account for the differing governance and ownership arrangements for cemetery operators and the differing circumstances and pressures on cemeteries in metropolitan, regional and rural areas.

I have called on the NSW Government to:

- Ensure councils remain represented on the CCNSW Board and any other key decision-making bodies for interment sector reforms,
- Not impose a one-size-fits-all industry interment scheme, licensing or perpetual maintenance obligations on council-run cemeteries in recognition of existing governance and oversight arrangements for local government, and
- Seek the concurrence of local government in any process for identifying and acquiring land for new cemeteries.

Road Classification Review & Regional Roads Transfer

We understand that the NSW Government's Independent Panel that is undertaking the Road Classification Review & Regional Roads Transfer has reviewed all the applications for road transfers from councils and has made a number of very important recommendations to the NSW Government about the proposed transfers. Unfortunately, the Minister for Regional Roads and Transport, the Hon. Paul Toole MP, has had this report on his desk for a long time now and has not indicated when or if he will release this report publicly.

I have recently written to the candidates for the Upper Hunter state by-election, asking them to support our calls for:

- The NSW Government to deliver on its promise to take back up to 15,000 km of regional roads and immediately release the Independent Panel report;
- The NSW Government to commit to budgeting for the transfer;
- LGNSW and its council members to be closely engaged as part of the process;
- The NSW Government to ensure that councils will be better off financially at the conclusion of this process; and
- The NSW Government to ensure that councils will continue to be awarded the repair and maintenance contracts for the roads that are handed back.

Locally Led Campaign

LGNSW has launched its Locally Led campaign, a scalable umbrella campaign with an underlying message of local leadership. The campaign positions local government as best placed to drive a locally led recovery from economic recession, calling for the funding and regulatory support to achieve this objective shared by all levels of Government.

The initial focus of the campaign is the Locally Led jobs plan, which outlines job creation measures to strengthen the resilience of our infrastructure, services, and systems to cope with inevitable future disasters. Full implementation of this plan could create up to 70,000 jobs in NSW alone – many thousands in regional and rural communities. Investment in roads, in water, in affordable housing and tourism and waste recycling are all innovative ways to generate jobs, support local businesses and simultaneously deliver public good. Funding for pressing social priorities in the areas of physical and mental health, drug rehabilitation, childcare and in arts and community services delivers similar benefits, while helping to prevent future remedial expenditure.

The Campaign's key messages are as follows:

1. Strong councils, supported by substantial funding and resources, are key to the recovery, resilience and growth of local communities.
2. Councils are the closest level of government to the community, and the best placed to activate healthy local economies and thriving neighbourhoods.
3. The economic multiplier effect means properly-funded council infrastructure and services create thousands of local jobs in all sectors, right across NSW.
4. Councils cannot do it alone: all levels of Government must work in true partnership to build NSW back better in the wake of bushfires, floods and the COVID-19 pandemic.
5. Partnerships across all levels of Government can support the projects helping councils to sustain and repair their local economies, keep people in jobs and keep businesses in business.

Campaign resources, including a template mayoral minute, are currently being developed for member use.

UPCOMING EVENTS

LGNSW Water Management Conference 2021

Delegates will have the opportunity to learn about the latest water policy initiatives and trends, receive updates on emerging technical issues, establish benchmarks and take advantage of networking, professional development and team building sessions.

Registrations are now open.

Where: The Crossing Theatre, Narrabri

When: 7-9 July 2021

For further information and to register, visit the [LGNSW website](#).

Planning in NSW: Responding in Uncertain Times

Exclusively for members, Local Government NSW, in collaboration with LGiU Australia will be hosting a breakfast event on Thursday 15 July in Sydney with the theme *Planning in NSW: Responding in uncertain times - local government's role in shaping communities*.

The event program includes the Hon. Rob Stokes MP, Minister for Planning and Public Spaces.

For regional members unable to attend the event in Sydney, virtual ticket options are available.

For further information and to register, visit the [LGNSW website](#).

SUBMISSIONS (March 2021 – May 2021)

All LGNSW submissions are available on the LGNSW website at <https://www.lgnsw.org.au/>

Topic	Submitted to	Date
IPART Review of the Rate Peg to Include Population Growth	Independent Pricing and Regulatory Tribunal	May 2021
NSW Clean Air Strategy	NSW Department of Planning, Industry and Environment	May 2021
Draft Construction Noise Guideline	Environment Protection Authority	April 2021
Energy from Waste Policy Statement	Environment Protection Authority	April 2021
Design and Place SEPP EIE	NSW Department of Planning, Industry & Environment	April 2021
Proposed NSW agritourism and small-scale agriculture development planning changes	NSW Department of Planning, Industry and Environment	April 2021
Remote attendance by councillors at council meetings - Consultation Paper	Office of Local Government	April 2021
Draft NSW Water Strategy	NSW Department of Planning, Industry and Environment	April 2021
Evaluation of Crown Lands Management Act	DPIE Crown Lands	April 2021
Mayor and Councillor fees	Local Government Remuneration Tribunal	March 2021
EPA Draft Regulatory Strategy	NSW Environment Protection Authority	March 2021
Draft Report National Water Reform	Productivity Commission	March 2021
NSW Property Tax Proposal	NSW Treasury	March 2021
Agricultural Land Use Planning Strategy Options Paper	NSW Agriculture Commissioner	March 2021
Review of Used Packaging Materials NEPM	Department of Agriculture, Water and the Environment	February 2021