

ADMINISTRATOR'S MINUTE

4 September 2017

Minute Number: 31

Administrator's End of Term Report

Introduction

Georges River Council was established by Proclamation on Thursday, 12 May 2016; merging the former Hurstville City and Kogarah City Councils. My term of appointment will end on 24th September 2017, assuming the first meeting of the elected Council will occur on 25 September 2017.

Attached to this minute is a more detailed report on many aspects of the merger.

The two former Councils were financially sound and when combined, the new Council had a population of approximately 150,000.

The New South Wales Government provided financial support and guidance and required regular reporting on performance.

The Government provided \$10 million through the 'New Council Implementation Fund' (NCIF) to assist Council to meet the upfront costs of establishing the new Council. These funds have been and are being applied to:

- integrating and improving systems and technology;
- communications, including branding and image;
- engaging expert implementation and strategic advice;
- building capacity of staff with a focus on Customer Service; and
- supporting change.

Capacity

Council received \$10 million under the State Government's 'Stronger Communities Fund' of which \$1 million was allocated to 27 community groups, bringing forward projects worth \$3 million.

The size of the Council, the opportunities to reduce duplication, the \$7.9 million CDO dividend and the remaining 'Stronger Communities' \$9 million gave the Council increased capacity to:

- adopts a \$50 million capital program for the 2017/18 financial year;
- address a backlog of drainage, traffic management and disability access works;
- commence a \$4.4 million amenity building upgrade or replacement program;
- program \$5.4 million of environmental works;
- commence or prepare for major projects, upgrade of Forest Road, Peshurst sporting hub, Central Plaza Hurstville, Jubilee Park Adventure Playground and Gannons Park;
- allocate matching funds for a synthetic playing field;
- co-locate administrative and technical staff to Hurstville;
- extend the voluntary pensioner rate rebate to 3,300 pensioners in the former Kogarah City Council area;
- increase community grants from \$147,000 to \$400,000;
- resume management of the strategic assets of Jubilee Oval and Carss Park War Memorial Pool;
- focus on economic development and place making;
- introducing employment opportunities for apprentices and people with a disability;
- initiatives aimed at eliminating domestic violence including the area's first White Ribbon Walk;
- commence the development of a 'Tree Canopy Enhancement Policy' as part of a Urban Forest Strategy; and
- pursue strategic planning projects, urban design, car parking, employment lands and Urban Designed Studies for Hurstville and Kogarah CBD's.

Council is well on track to achieve targeted savings of \$24 million over 10 years.

Governance

Establishing the new Council is more than merging and improving services. It is also about creating a positive culture within the organisation, building trust with the community and providing the highest level of customer service.

With the General Manager and her team, the organisation is being built around:

- Openness
- Transparency
- Equity
- Consistency
- Consultation and participation
- Integrity

These values are reflected in a number of Council's actions, such as:

- The establishment and operation of the Independent Hearing and Assessment Panel (IHAP)

- Greater delegation to staff to determine development applications
- Internal Auditor appointed and Independent Audit, Risk and Improvement Committee established
- Regular reporting on performance
- Quarterly auditing and publishing of Councillor expenses;
- Release of previously confidential reports on property and planning matters of significant community interest;
- Creation of a public register (on the website) for contracts awarded, donations and sponsorships, rental subsidies, disclosure of interest, community grants and Audit Committee minutes.
- The Voluntary Planning Agreement Policy
- A strictly limited number of confidential reports to Council.

A series of important governance policies have been put in place after input from the community and agencies such as ICAC.

A further example of the governance approach has resulted in a significant reduction in Council's legal expenses. The use of the Independent Hearing and Assessments Panel (IHAP) and delegation, has reduced the number of matters going before the court. Ability to resolve issues through Section 34 conciliation conferences, and a preparedness to negotiate rather than litigate in appropriate circumstances, have also reduced costs.

Financial

Georges River Council is in a strong financial position as a result of the former Councils bringing healthy balance sheets to the new organisation.

At 12 May 2016, Hurstville City Council had a cash and investment balance of \$74 million and Kogarah City had \$54 million.

Both former Councils had strong commercial property portfolios.

The unaudited financial results for the period to 30 June 2017, show further improvement in Council's financial position.

Service Reviews

Combining the services of the two former Councils is underway and was a condition of the \$10 million NCIF grant funding. It is anticipated that, after reviewing all Council services, they will be fully harmonised over the next two years. As part of reviewing these services, there will be consultation with the community to ensure the thoughts of customers and residents are considered whilst also delivering best value for money to ratepayers.

As an organisation, we were able to undertake merger related tasks with minimal service disruption to our customers. Throughout the initial transition year, staff have worked to ensure the community has not been negatively impacted by the amalgamation activities that needed to occur. Where possible, early improvements have been implemented to deliver benefit to the community.

Significant Strategic Issues

During the period of Administration, Council continued with decisions taken by the previous Council.

Hurstville Baptist Church and 23 & 25 Cook Street, Mortdale

Hurstville City Council pursued compulsory acquisition of these sites for strategic uses. The Minister for Local Government's approval came through to Georges River Council and acquisitions have been completed after dealing with some sensitive issues. In regards to No. 23 Cook Street, Mortdale compulsory acquisition was not continued however, Council has an agreement with the owners to acquire the site in the future.

Former Oatley Bowling Club Site

The former Hurstville City Council proposed to rezone and reclassify the former Oatley Bowling Club site for aged housing. Whilst there is support for additional aged housing in Georges River, considerable opposition to the development of this site exists within parts of the community.

The site is not part of the Myles Dunphy Reserve.

The incoming Council will review and take the decision as to whether the Planning Proposal will proceed, subject to the Department of Planning granting any Gateway Determination.

The Future

The General Manager has appointed a strong management team and a considerable effort is going into developing the staff to meet community expectations and the skills required in a larger contemporary organisation.

Systems, policies and procedures have been or are being improved to underpin what can be a high performing organisation.

A challenge for staff is to improve determination times for Development Applications. Work is underway to clear the backlog and improve processes.

The Council's major challenge may be to accommodate the growth planned by the Greater Sydney Commission and at the same time, maintain the lifestyle and environmental qualities of the area. Council will also need to work with government to ensure infrastructure is delivered ahead of the growth

MOTION:

1. That the Minute be received and noted
2. That the General Manager and her staff be congratulated on the process made in merging the former Councils.

Attachments:

- I. Administrator's End of Term Report

A handwritten signature in black ink, appearing to read 'John Rayner', written in a cursive style.

John Rayner PSM
Administrator