

BACKGROUND

The NSW Premier, Hon Mike Baird MP and the Minister for Local Government, Hon Paul Toole MP on 18 December 2015, announced proposed council mergers for NSW. This update draws on information from the Office of Local Government (OLG), including the *Local Government Reform: Merger Impacts and Analysis*, OLG Circular to Councils, 18 December 2015 and Council Boundary Review website (<http://councilboundaryreview.nsw.gov.au>).

Number of local councils

The NSW Government proposes a reduction in the number of councils in the Sydney area from 43 to 25, by merging 33 councils into 15 new ones. The number of councils across NSW is proposed to reduce from 152 to 112.

Proposed Councils in the SSROC area

The new arrangement proposes that SSROC member councils will fall from 16 to 8, made up of:

- City of Sydney
- Ashfield, Leichhardt and Marrickville
- Burwood, Canada Bay and Strathfield
- Hurstville and Kogarah
- Randwick, Waverley and Woollahra
- Bankstown and Canterbury
- Botany Bay and Rockdale
- Sutherland.

Boundaries Commission

The boundaries of the proposed new councils are shown in the attached map. The NSW Government will consult the Boundaries Commission, which may recommend changes.

Council elections

Council elections are expected to take place in March 2017 and not September 2016.

Circular to Councils

A Circular to Councils from the OLG of 18 December 2015 referred to *Section 23A Guidelines – Councils Decision Making During Meger Proposal Periods*. Some key points from the Guidelines are:

- Councils must not make decisions that needlessly impose avoidable costs on a new council, or that damage or impede the operational effectiveness of a new council by making:
 - significant financial commitments that will be binding on a new council
 - significant commitments that will be binding on a new council
 - decisions that are designed to limit the flexibility of a new council
 - deliberately and needlessly expending council resources to the detriment of discretion of a new council.
- Operational Plans prepared during a merger proposal period should be prepared as a sub-plan of the Council's adopted Delivery Program.
- Councils should only expend monies in accordance with the detailed budget adopted for implementing their Operational Plans for the relevant year.
- Any expenditure outside of council's adopted budget is to be approved by the council at a meeting that is open to the public. Significant expenditure is subject to advertisement and soliciting of public comments.

Changes expected under proposed amendment of Local Government Act 1993

The Local Government Minister, Hon Paul Toole MP has stated that council mergers are part of a wider local government reform process, and that consultations will start on major reforms including:

- Increasing Mayors' terms from one to two years, where they are elected by fellow councillors.
- The number of councillors to be an odd number to minimise deadlocked votes.
- External audits of councils to be undertaken under the auspices of the Auditor-General.
- A new code of conduct.
- The Minister to appoint financial controllers for councils at high financial risk.

The full Guidelines can be downloaded from:

[http://www.olg.nsw.gov.au/sites/default/files/Guidelines on council decision making during merger proposal periods_0.pdf](http://www.olg.nsw.gov.au/sites/default/files/Guidelines%20on%20council%20decision%20making%20during%20merger%20proposal%20periods%200.pdf).

What next - Process for creating new Councils

The key steps outlined by the NSW Government for creating new councils are:

Step	Activity
1	Minister for Local Government refers merger proposals to the Chief Executive of the Office of Local Government for examination and report under the Local Government Act 1993 (NSW)
2	Chief Executive of the Office of Local Government delegates the examination of merger proposals under the Local Government Act 1993 to Delegates
3	Communities will have a chance to have their say during a public consultation process for merger proposals, including through submissions and at public hearings
4	Local Government Boundaries Commission membership is confirmed
5	Delegates examine proposals, including reviewing public submissions, and after having regard to the factors listed in the Local Government Act 1993 provide a report to the Minister
6	Delegates will also provide their reports to the Boundaries Commission who will review and comment on the reports
7	Boundaries Commission provides its comments on the Delegates' reports to the Minister for Local Government
8	Minister for Local Government considers the reports from the Delegates and comments on those reports from the Boundaries Commission, and makes a decision for each proposal
9	The Minister may or may not recommend to the Governor of NSW that the proposed merger be implemented
10	New councils commence

The Minister for Local Government will in early January 2016 refer detailed merger proposals to the Chief Executive of OLG. This will be the start of the 10-step process.