

7.4. Tabling of final report and recommendations, The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey - Independent Peer Reviewed Business Case Study of Federation Council - University of Newcastle/Professor Joseph Drew

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Summary

This report allows for the formal tabling of the final the report and recommendations - 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey'.

A report was commissioned by Council in June 2023, and after an expression of interest process, Council awarded a contract to the University of Newcastle, led by Professor Joseph Drew, to complete this work. The process commenced in July and has now finalised.

Recommendation

1. THAT Council note the report tabling the final report and recommendations - 'The Advantages and Disadvantages of Amalgamation and Federation Council's Financial Sustainability Journey'; and
2. THAT Council receive further reports regarding the consideration of implementation of the recommendations.

Background

Council at their Extraordinary meeting on 9 June 2023 resolved the following, after a notice of motion was submitted. Council unanimously requested the matter be dealt with at an Extraordinary meeting rather than waiting until the Ordinary June meeting, to seek any 22/23 budget funding opportunities, before the end of June.

Extract from June 9 Extraordinary Council meeting minutes

5. NOTICES OF MOTION / QUESTIONS WITH NOTICE

5.1 Notice of Motion – Request for Independent Peer Review - Cr Fahey OAM

138/2023FC RESOLVED on the motion of Councillors David Fahey and Shaun Whitechurch

- 1. THAT Federation Council engage a consultant to undertake an independent peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation;*
- 2. THAT Council allocate adequate funding to cover the cost of the review, being approximately \$130,000, in this year's budget from savings, and receive a further report at the June ordinary meeting; and*
- 3. THAT Council consider engaging the preeminent Professor Joseph Drew and his independent nominees, Professor Masato Miyazaki from Saitama University, Japan and Professor Diogo Ferreira from IST Portugal to undertake the peer reviewed study, considering Professor Drew is a Local Government specialist and is also very experienced in the issues and costs associated with amalgamated Councils.*

After engaging a probity advisor, developing an Expression of Interest and draft terms of reference, advertising and assessment, the University of Newcastle was selected as the preferred provider, and a final Terms of Reference were agreed. Professor Drew led this work and it included community engagement, including public information sessions, surveys and many conversations by Professor Drew with community members staff and Councillors.

The report is 137 pages, whilst the separate recommendation document contains 67 recommendations, split into 3 Tiers, with some being reliant upon others being implemented first. In broad terms, the recommendations have an objective to improve Council's financial sustainability or to address the disenfranchisement that some community members feel as a result of the amalgamation.

At the end there are 10 additional recommendations, being specific to Council's Special Rate Variation (SRV) work, as per Council's Long Term Financial Plan modelling.

Community Engagement

Professor Drew led the community engagement processes as part of this project. 350 people in total attended the two community information sessions held at Corowa and Urana. Council will continue to report publicly to open Council meetings on its consideration of the recommendations, and the progress against the implementation of the recommendations Council chooses to adopt/resource (in some cases, Council will need to consider how it will resource the implementation of recommendations if there are no current resources allocated and it involves significant time for example). Staff will also consider how best to manage and monitor progress against implementation including ensuring the community can easily access this information.

Attachments

None

Links to Councils Integrated Planning Framework

Theme: Well Governed Federation

Outcome: *Strong civic leadership and governance supporting equity across communities and effective communication with residents.*

Delivery Program 4 year plan: *5.3 Ensure good governance and administration.*

Operational Plan Action 2023-2024: *5.3.14 Council undertake a peer reviewed business case study on the financial sustainability of Federation Council and the advantages/disadvantages of amalgamation.*

Financial Implications

Council has funded this project from the 22/23 budget. Any future financial implications from implementing the recommendations from this report will be presented to Council for consideration as part of future reports considering adoption of the recommendations.

Financial Sustainability

Proceeding with this recommendation will have a neutral impact on Council's Long Term Financial Plan 2023-2033 financial sustainability ratios as it is only noting the report. Should Council in future resolutions, adopt and successfully implement the recommendations, it is considered that many



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have the potential to have a positive impact upon Council's Long Term Financial sustainability outlook, for example if Council were able to secure additional Financial Assistance Grants.

Risk Implications

There are no adverse risks foreseen from noting this report.

Legal Implications

None foreseen.

Options

N/A - For noting only.

