

19 NOTICE OF MOTION

19.1 Notice of Motion: Financial sustainability of Local Government

Clr Karen Renkema-Lang has submitted the following Notice of Motion for Council's consideration:

MOTION

That:

1. Council receive and note the findings of the Local Government NSW Cost Shifting report for the 2021/2022 financial year.
2. Council writes to the Premier of NSW, the Hon Christopher Minns, the NSW Treasurer, the Hon. Daniel Mookhey MLC, and the NSW Member for Kiama, Mr Gareth Ward requesting that they urgently seek to address these costs through a combination of regulatory reform, budgetary provision and appropriate funding.
3. Council receive and note the Australian Local Governments Association's (ALGA) Federal Government Pre-Budget submission 2023-24.
4. Council writes to the Prime Minister of Australia, the Hon Anthony Albanese MP, the Treasurer of Australia, the Hon Dr Jim Chalmers MP, and the Minister for Regional Development, Local Government and Territories, the Hon Kirsty McBain MP expressing Councils support for the budget commitments detailed in the ALGA Pre-Budget Submission 2023- 2024.
5. A copy of the LGNSW cost shifting report and the ALGA Federal PreBudget submission be placed on Council's website so that our communities can access them.

Signed Councillor Karen Renkema-Lang

Purpose

To advocate for regulatory reform, budgetary provisions and appropriate funding to secure financial sustainability of Councils across Australia and NSW.

Background

The financial health of local councils, not just Kiama Municipal Council, is under immense strain.

As identified by both ALGA and LGNSW, three of the factors contributing to this problem are:

- Increasing Costs and Cost shifting: The state and federal governments are increasingly placing financial burdens on councils by transferring

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responsibilities for services and infrastructure without providing adequate funding.

- Rate pegging: This policy limits the amount councils can raise in property taxes, further restricting their financial flexibility.
- Decreasing value of Federal assistance grants: The value of Financial Assistance Grants as a percentage of Commonwealth taxation revenue has halved over the past thirty years.

As a result of these challenges, councils are struggling to:

- Maintain existing services at a good standard.
- Invest in essential infrastructure upgrades.
- Deliver tailored solutions to local needs.
- Protect and preserve local flora and fauna habitats and biodiversity.

The pressures to fast-track housing supply across NSW will place additional financial burdens for Councils to provide the above services.

The latest report by Local Government NSW highlights the severity of the problem:

- \$1.36 billion of additional costs were shifted onto councils in 2021-2022 compared to 2017-2018.
- This translates to an average extra cost of \$460 per ratepayer.

Further, the [Federal Government pre-budget submission](#) lodged by the Australian Local Government Association demonstrated that:

- Australian Federal government contributions to local governments is small by international standards, forcing Australian councils to operate with very modest resources.
- Australian local governments' share of GDP ranks amongst the very lowest of comparator nations.
- Providing a "fair increase" to Financial Assistance Grants in line with the Federal Government's pre-election commitment, along with the other budget commitments detailed in the ALGA submission would greatly assist local governments to maintain financial sustainability.

This motion brings these matters to the attention of the relevant State and Federal Ministers and seeks their support to address local government challenges through a combination of regulatory reform, budgetary provisions and additional funding.

This additional funding will assist Council to implement, or assist in implementing, solutions required to support regional development; much needed infrastructure upgrades, increased waste and recycling capacity, affordable housing, increased capability to assist in responding to emergencies, protecting Councils against cyber-security attacks, protecting biodiversity and natural resources, and working with local Aboriginal communities, and to preserve and protect our heritage (to name but a few).

Investing in local government stimulates economic growth, creates jobs, and benefits communities in the long run.

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Therefore, I urge all council members to support this motion and call for immediate action from both levels of government.

Chief Executive Officer response

Many Councils around Australia experience cost shifting and financial sustainability challenges. Kiama is certainly not unique in this regard.

This subject has been a long-standing topic in the sector for many decades. The Financial Assistance Grants discussion for example, has been debated nationally for at least the last 15 to 20 years and will no doubt continue to be a hotly contested topic. Rate pegging is not necessarily something that exists in all State or Territories and does create a peculiar and difficult burden for NSW councils to carry.

Efforts made by peak bodies such as LGNSW to represent the sector's interests to State and Federal Governments are always welcomed by local councils.

19.2 Notice of Motion: PIO Oversight and Implementation Committee

Clr Stuart Larkins has submitted the following Notice of Motion for Council's consideration:

MOTION

That Council:

1. Establish a Performance Improvement Order (PIO) implementation and oversight committee. That the committee is a sunset committee, as outlined under council's committee's framework policy, and lapses following the completion of the current PIO for Council.
2. That the committee be composed of the councillors from the CEO performance review committee, the CEO and staff involved in the implementation team who are responsible for the delivery and project management of the PIO requirements.
3. That a report be provided on the establishment of the committee, which includes a draft term of reference and committee membership. The report also examines additional review of areas such as;
 - a. Unexpected and unanticipated financial costs on council.
 - b. Ongoing costs of legal action involving council.
 - c. Insurance matters and risks.
 - d. Other issues as recommended or provided by Council's Audit, Risk and Improvement Committee (ARIC), and Finance Advisory Committee (FAC) for examination by the committee.
 - e. the dilapidation report for Bluehaven Terraloug.
 - f. Council restructure and size of the organisation.

Signed Councillor Stuart Larkins

Purpose

The purpose of this motion is for Councillor governance, implementation, and oversight of the Performance Improvement Order (PIO) on council.

Background

With the recent variation of the Performance Improvement Order, the duration of the PIO goes out until 2027. This requires additional oversight and implementation structures to be established, then what is currently in place. The number one focus for all councillors should be the administration of council, as outlined in the performance

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19.2 Notice of Motion: PIO Oversight and Implementation Committee (cont)

improvement order and addressing council's financial challenges. Establishing the PIO implementation and oversight committee is designed as a sunset committee, to provide oversight and to assist with the implementation of all requirements as outlined in the PIO until the year 2027 once the PIO is completed.

In addition to that, we have additional challenges related to unexpected and unanticipated financial costs, a significantly increasing cost of legal expenses and insurance matters with risks. All of which have an impact on Council's budget and requirements under the PIO.

While these items are reported to councillors on a yearly basis, or through briefings, it does require additional scrutiny. I also believe that such expenses, and its impact on council's budget and administrative functions, need to be detailed publicly in the interest of transparency. This committee may also assist with placing additional responsibility on councillors for assuming greater political discipline in the nomination of budgetary items and decisions as part of the political body of council.

Chief Executive Officer response

The legislated role of Council is defined in the Local Government Act and any committees must be formed to exist within these parameters. It is to be noted that the caretaker period for Council will commence in coming months and that the creation of new committees will again be revisited by a new Council post the election. There are risks and resourcing implications associated with the proposed Notice of Motion which have been discussed with the Councillor.

The ordinary meeting of Council each month is the best and (only) forum for Council to make all binding decisions (resolutions), pertaining to any policy or strategy matter, including the Performance Improvement Order. Operational matters are the remit of the CEO.

Duplication of committees and reports does create additional administrative workload through the generation of reports, convening of meetings and resourcing any decisions made. Any new committee does require staff time and resourcing, and this of course has a cost attached. Time delays and duplication of material of committees can also be of concern.

All of the items noted in the performance improvement order at this current point of time traverse through the following already established committees and ultimately end up in a council report:

- Audit, Risk and Improvement Committee;
- Finance Advisory Committee; and
- Blue Haven Advisory Committee.

Each of these committees have strong terms of reference and the ability to provide good strategic advice and oversight to Council.

Legal expenses are reported to Council each quarter in the Quarterly Budget Review report and again on an annual basis in the annual report and annual financial statements.

Council does have the opportunity to change the standing order of business for its business papers and group all performance improvement order material together if it

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19.2 Notice of Motion: PIO Oversight and Implementation Committee (cont)

wishes. Council may not wish to delegate its decision-making powers down to committee and may prefer to use the ordinary monthly meeting for decision making.

Importantly, the CEO advised Council that an implementation team to lead the PIO work was being developed. A supplementary business paper will be released with this detail, The work will be outlined in two documents – a finance plan and a governance plan as specified by the order.

The concept of Councillors providing leadership and oversight to all matters related to the PIO of course does have merit. But it stands to reason that Council has always had governance responsibilities for this work and that ultimately staff implement the decisions made by Council. It is agreed that the PIO should be the most important matter that Council involves itself in, financial sustainability of the organisation is paramount and must be a shared focus of this council and any new incoming council.

Council's ability to satisfy the PIO will be decided by the Minister of Local Government and will be subject to the required reporting specified in the PIO.

19.3 Rescission of motion 24/035OC: Item 19.1 of the 13 February 2023 Ordinary Council meeting

The Councillors identified have submitted the following Notice of Motion of Rescission:

MOTION

That Council rescind resolution 24/035OC of the February 2024 ordinary meeting and continue with the existing signage and management of parking in Eastern View Place Kiama.

Councillors: Kathy Rice
Karen Renkema-Lang
Warren Steel

Received 28 February 2024

The voting on this matter was an inaccurate representation of Councillors' perspective. Eastern View Place has already been determined by the Traffic Committee to have specific constraints due to its layout, with extremely limited legal parking within the turning head.

Whenever cars are parked in the turning head, Medium Heavy vehicles (the most common delivery vehicle size) cannot safely turn and create additional risk for users of the cul-de-sac.

Council staff are already assessing cul-de-sac sites on an issues raised basis. The budget required for a comprehensive review is unavailable through grant programs and will create further budget stress for Council.