7.2 WALGA - SYSTEMIC SUSTAINABILITY REPORT "THE JOURNEY: SUSTAINABILITY INTO THE FUTURE"

(All Wards) (Chief Executive Office)

KEY ISSUES

- WALGA recently released a report titled “The Journey:- Sustainability into the Future” (The Report) as part of its Systemic Sustainability Study.

- Research undertaken in 2006 found that 58% of WA Councils were unsustainable given their current sources of revenue. The SSS taskforce set up four separate Working groups to consider their recommendations culminating in the preparation of the Report.

- The main recommendation of the report is that local government should consider a Regional Model as a way to make them more sustainable.

- Council’s Executive staff have considered the recommendations made in the report and have made several comments which are detailed in this report.

It is recommended that Council authorise the CEO to utilise the comments listed in the report as the basis for Council's comments to WALGA on the Report.

BACKGROUND

On 28 February 2008, WALGA released a 400 page report titled “The Journey:- Sustainability into the Future” (The Report) as part of its Systemic Sustainability Study (SSS).

The SSS Study was created out of a request from WALGA’s member Councils to investigate the sustainability of local governments throughout the State. Research undertaken in 2006 found that 58% of WA Councils were unsustainable given their current sources of revenue. The SSS taskforce set up four separate Working groups to consider their recommendations culminating in the Draft Plan detailed in the Report.

REPORT

All Councillors were forwarded a copy of the Executive Summary, Schedule of Recommendations prior to Easter and referred to a copy of the full report to the WALGA website.
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The report contains some 61 Recommendations which includes 11 recommendations in changes to Legislation. The report covers five areas namely:

- Leadership for change
- Finance
- Division
- Services
- Capability

The areas of the report were formulated for working parties which included their recommendation and which reported to WALGA in late 2007 and January 2008.

The main outcome of the report is “...based as it is on a combination of evidence and opinion has led to the proposal for a major shift in the functional arrangements for delivery of services by Local Government. In this plan that major shift ... is designated as The Regional Model”.

COMMENTS:

Council’s executive staff have read and discussed the report. It is not proposed to go through each of the recommendation rather it is proposed to make general comments on the overall issues raised.

- The report proposes the need to amalgamate services across local government to achieve economics of scale. In general, this does not apply to the City of Swan. As the largest Metropolitan local government, the Council is a region on its own besides being a member of the Eastern Metropolitan Regional Council.

- The options detailed in the report are not new; they have been available for Councils to adopt for many years. Senior staff cannot see how Councils now will react to creating "Regional Councils" in response to the report.

- The report appears to be directed to mainly rural and small metropolitan Shires. Recommendation for example which requires Councils to prepare Strategic Plans, Asset Management Plans, Financial Plans and Key Performance Indicators are in place in the City of Swan in contrast. Many smaller Councils do not have the capability or the resources to prepare these plans. Swan has the capacity to implement this recommendation and is currently doing so.

- The Report does not address the structural reform issues. The word "amalgamation” does not appear to be an option.

- “Regional Model” suggestion is the only way out. What happens if Councils do not take up the challenge. There has been a reluctance in the past to do it.
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- Some of the recommendations are sensible, some are motherhood statements, others are contradictory.

- It is difficult not to support more training and better informed Councillors but implementation will be a problem. How will you enforce a requirement for Councillors to be “trained”.

- The Report suggests setting up more “quangos”. It is doubted if the State Government will support this option particularly if they pass any power to them or WALGA. As an option more power could be given to the Grants Commission or Local Government Advisory Board.

- The report is consistent with the softly softly approach which the State Government has adopted this side of the election.

- The contradictory recommendations arise in part form on one hand it indicates that local government should be left alone to manage its own affairs but on the other hand a raft of compliance initiatives are proposed in Finance area.

- Some of the recommendations will increase the compliance role that local governments have to deal with, not reduce compliance.

- Report is focussed on one-size fits all approach.

- Many of the recommendations outlined in the report are agreed with. The cost of collecting the data and analysing it will be of concern to smaller Councils.

- Swan staff do not favour the establishment of an industry training fund (Recommendation 55).

**ATTACHMENTS**

Nil.

**STRATEGIC IMPLICATIONS**

Nil at this stage. However some of the proposed Legislative changes proposed could affect the City.

**STATUTORY ENVIRONMENT**

Nil.
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FINANCIAL IMPLICATIONS

Nil.

RECOMMENDATION

That the Council resolve to:

1) Authorise the CEO to utilise the comments listed in the report as the basis for Council's comments to WALGA on the Report.

CARRIED