

TERMS OF REFERENCE 3

Governance

There will obviously be an impact on the Governance as it would lead to increase in the number of Councillors senior management position and the administrative support.

Response

We have proposed that the Shire of Sunbury have five councillors. Due to the compact nature of the Shire of Sunbury. Also there is not the need to pay the maximum councillor allowance, as is currently paid to the City of Hume Councillors, and the mayors allowance will be substantial lower than what is currently paid by the City of Hume

Also it should be noted that the City of Hume has discussed the option of increasing its numbers of councillors from 8 to 12.

TERMS OF REFERENCE 4

Employment Patterns

We believe that the establishment of the Shire of Sunbury will be either employment neutral or in fact positive and therefore will not result in redundancies.

Also the orderly and planned withdrawal and the continued strong growth of the remaining City of Hume will provide ongoing and career opportunities in local government administration for residents.

This will be particularly true for Sunbury residents who may currently not seek employment at the City of Hume due to the lack of direct public transport to the Broadmeadows administrative centre. They will have increased opportunities within the Shire of Sunbury, as all its administrative officers and outdoor staff will be located in Sunbury.

TERMS OF REFERENCE 5

Community diversity

This issues.....would not have the support of the majority of the local community if all the facts were put before them.

Response

The separation of Sunbury and district has been the subject of a range of activities over an extended period of time including phone polls and petitions, all of which demonstrated a high level of community support for the separation. Also the issue was prominent at the last council elections with most candidates either supporting the separation outright or supporting it if the Review panel says it will be viable.

The Sunbury Residents Association and the Sunbury Chamber of Commerce have both undertaken consultations on the matter over a lengthy period of time with the community, including the business community, demonstrating overwhelming support for the separation.

The fact that close to 200 residents attended the Saturday morning meeting held in Sunbury on 29 July 2000 by the Review panel and also half those who attended the evening session held in Broadmeadows were from Sunbury also demonstrates the level of interest and support for the separation.

The vast majority of those who attended the Sunbury session and a number of those who attended the Broadmeadows session were in favour of the separation

The former Bulla Shire included far more than just Sunbury The former Bulla Shire ratepayers of the other suburbs do not seem to be seeking the same diversification

Response

We are not seeking to reestablish the Shire of Bulla.

It is appropriate for the areas of Cragieburn, Mickleham, Greenvale etc to be within the City of Hume. These areas are within the hume corridor and their residents identify and have a community of interest with this region. They are extensions and are strongly linked to the metropolitan areas covered by the City of Hume.

Sunbury and district is in a different corridor and does not identify with that of the balance of the City of Hume

In regard to the Bulla Village area the indication we have is that the Bulla Village residents would prefer to be part of the Shire of Sunbury. However the issue of Bulla Village needs to be addressed by the Review Panel

TERMS OF REFERENCE 6

Hume council has far more potential to recruit new business to the municipality (including Sunbury), by being in a position to offer establishment subsidies.

Response

Firstly advice provided to this Association is that such subsidies / incentives have not been provided by the City of Hume.

Secondly we question the real benefit of Councils providing such cash type incentives to industry to locate in a particular area. Industry bases its location and expansion decisions on long term economic factors including transport; available zoned land and facilities, services and skilled workforce.

The Shire of Sunbury would attract business because it is a strong growth area, its population is reaching thresholds which make it economically viable for new activities to be

located in the town and it is developing as a regional service centre for the Macedon ranges area.

Sunbury would be a well managed focussed municipality, which would be attractive to commercial activities on economic grounds, which will be an incentive to new operations to locate in the area.

Melbourne Airport used to have to negotiate for any infrastructure changes with three former councils, now it only negotiates with one council, Hume.

Melbourne airport will be retained in the City of Hume.

It should also be remembered that even when Melbourne airport was covered by three councils, the airport was readily able to undertake major and extensive new developments.

TERMS OF REFERENCE 7

Issue of works depot previously addressed

TERMS OF REFERENCE 8

It is the view of our members that splitting the council will lead to increased costs to Hume and Sunbury ratepayers

Response

We believe that based on our analysis that the Shire of Sunbury being a compact municipality with a single population centre will generate significant efficiencies compared to the broad complex multi population centered City of Hume with the required duplication of major facilities across the City.

These efficiencies include reduced travelling and associated costs including significant lost staff time, cars, petrol and communication costs.

The City of Hume will also benefit because it will become more compact and focused within the Hume growth corridor. It will reduce its administrative duplication from three administrative offices to two. These savings would be available to the City in the medium term.

Also the City of Hume based on its growth and range of major growth areas will quickly replace the population lost with the withdrawal of the Sunbury region.

TERMS OF REFERENCE 9

Existing contracts

Most of the current staff are working under in house bids which in their view gives them limited tenure employment, usually 3 year contract with a 2 year extension option.

Response

We would expect the new Shire of Sunbury will provide the opportunity to address this issue. It would be likely that the new Shire of Sunbury would directly employ its staff (including its outdoor works team) on a continuing ongoing basis which will provide more certainty than the current employment arrangements.

If an insufficient number of employees with appropriate skills were not willing to transfer and Hume council did not require their services, under our agreement, redundancy would apply.

Response

We are confident sufficient numbers will seek to transfer. This has been confirmed in the discussions we have had with the staff.

Also we have been advised that the ASU has not undertaken any broad consultation of staff to determine the staff position on this matter.

By undertaking the separation in a planned and orderly manner over a period of 6 to 12 months provides the timeframe for issues to be resolved. Also with the continued growth of the remaining City of Hume and its level of job turnover provides additional flexibility to ensure redundancies are not required.

The establishment of the Shire of Sunbury also provides the opportunity for current employees to shift to the municipality most convenient to their home location. This applies both to employees who live in Sunbury and work at the Broadmeadows offices as well as those who live in the eastern part of the municipality and are required to work at the Sunbury offices.

Industrial Issues

The information provided in the ASU submission clearly indicates that there are no industrial award barriers to the establishing the Shire of Sunbury.

It states that we would see a new council as a successor body and as a consequence, transmission of business would apply, this would mean that we would insist that employees transferring across to the new council would not be disadvantage in any way.

A new Council could not force employees to transfer across to a new council. If an insufficient number of employees with appropriate skills were not willing to transfer ,... redundancies could occur.

Workplace Morale

We agree this is an issue and as the matter will not be resolved until Sunbury is withdrawn from the City of Hume clear and firm arrangements need to be put in place now that sets the orderly withdrawal in train.

Also we have been advised by staff that morale is low due to the broad and complex nature of the City of Hume municipality and the different work cultures within the organisation.

Other comments

It should be noted that the only town to survive the mergers that occurred during the Kennett Government forced mergers, was surprisingly the Borough of Queenscliff

In fact the Shire of Melton was also virtually left untouched

ESTABLISHMENT COSTS

Background

On the establishment of the review panel the Sunbury Residents Association wrote to Minister Cameron and requested that all asset sales in the Sunbury area be frozen until the outcome of the Review process. In response the minister forwarded our letter to the City of Hume.

One community owned asset (land in Evans St Sunbury – previous a timber yard site) was in the process of being sold by the City of Hume on the establishment of the review process.

We have been advised that the \$720,000 generated from this sale is now in an account pending the conclusion of the review process.

We propose that these funds be used for the establishment costs for the new municipality

The establishment costs that would be drawn from this account would include:

Legal costs - \$80,000

Special council elections in Sunbury - \$60,000

We believe all existing councillors should complete their term and therefore no special council election will be required in the remaining City of Hume.

The two existing Sunbury councillors are to be appointed to the Shire Sunbury and three others elected for a period to 2003

Employment of an independent separation coordinator and an administrative support staff. - \$90,000

The separation coordinator will have strong financial and local council background and would:

- Oversee the orderly separation and establishment of the Shire of Sunbury including financial, equipment and staffing
- Provide a focus for the legal activities to be undertaken
- Assist with the appointment of a CEO for the new Shire of Sunbury

The coordinator would be employed on a three day a week basis and will continue for a period after the appointment of the Shire of Sunbury CEO.

The balance of these funds would be utilised by the Shire of Sunbury to meet other establishment costs including immediate equipment and communication requirements.

SHIRE OF SUNBURY

ORGANISATION CHART

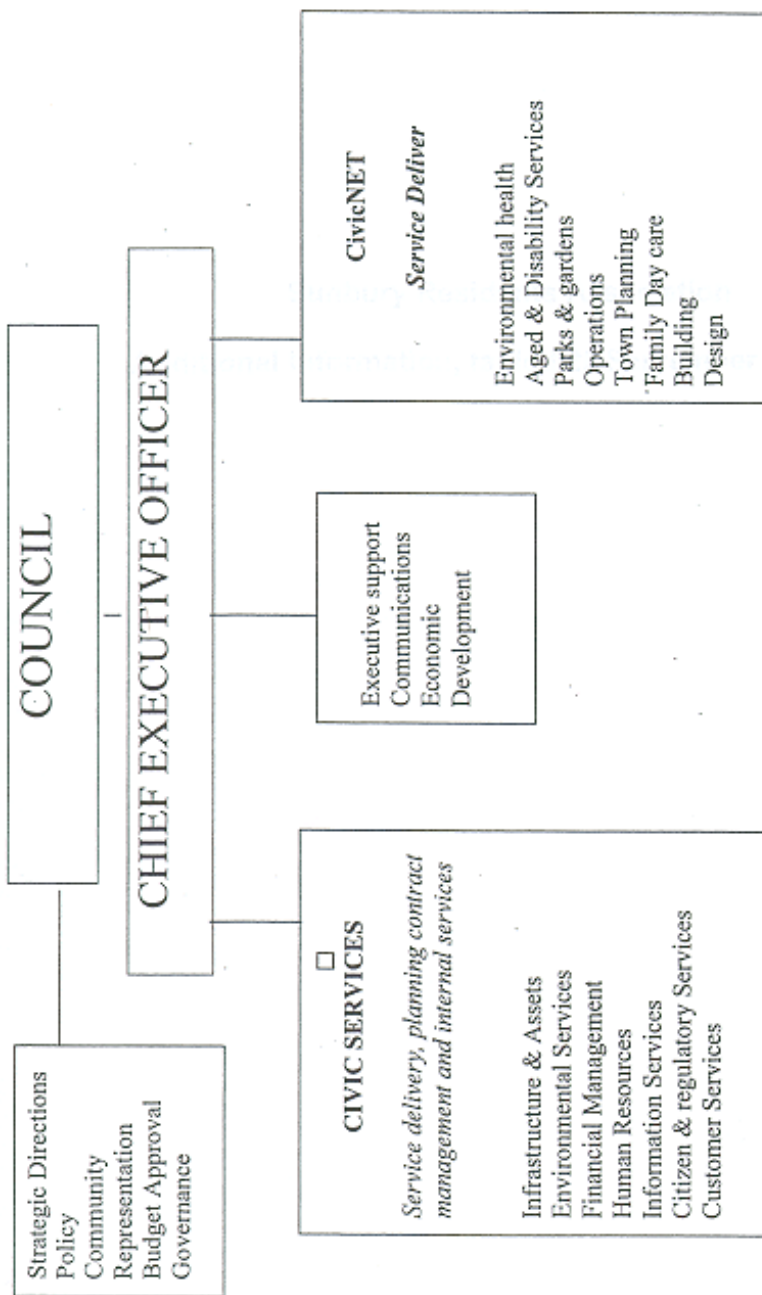
Notes:

The organisation chart has been developed following discussions with a number of municipalities.

The organisation is based on 110 staff, which equates to \$5.7m in salaries, which is a savings of \$500,000 on the \$6.2m identified in our original budget included in our submission.

The organisation structure incorporates one CEO, two Directors and 107 other staff.

SHIRE OF SUNBURY ORGANISATION STRUCTURE



Organisation based on 110 equivalent fulltime staff including 1 CEO and 2 Directors
Total staff salary costs equals \$5.7m based on
 CEO \$150,000
 Directors \$110,000
 107 other @ average \$50,000

Sunbury Residents Association

Additional Information, tabled 28September 2000

SHIRE OF SUNBURY

ATTACHMENT – FUNCTIONS AND STAFFING

This is a proposed staffing arrangement which would need to be considered by the new Shire of Sunbury CEO and Council

CEO	1		
Senior managers	4		
Human Resources	3	Child Care	15
Contract management	3	Maternal Care	3
Payroll	2	Youth	1.5
Training	1	Age Services	2
Work cover	1	Housing / social support	1
Data entry	2	Home Help	2
Customer Service	3	Administrative support	1
Information technology	2	Service support	2
Purchasing	2		
Administrative support	1		
Finance and Rates	5	Building Services	3
Records	2	Subdivision / Planning	3
Corp Planning	1	Environmental Services	2
Local Laws	3	Planning Stat & strategic	4
Recreation	2	Property maintenance	3
Health	3	Roads maintenance	4
Valuation	1	Admin support	1
Council support	1	Outdoor support	2
Administration	4	Fleet and equipment	2
General Servicing	1	Landfill	2
Other	10		

City of Hume reviews structure – if desired in response to the separation

3. Economic Development Unit

The City of Hume Economic Development Unit has a staff of 12 – as per the organisation chart disrupted to applications to the recently advertised position of Economic Development Officer

The 12 positions comprise:

Director	1
Employment Development Officer	1
Economic Development Officer	1
Business development Officer	1
Coordinator Visitor Services	1
Administrative support	2.5
Property and Valuer Coordinator	1
Property officer	1
Senior Valuer	1

Estimated total cost of operating the unit per annum is \$1.2m

Estimated cost of the unit salaries	\$700,000
Operating costs communications	
Accommodation & travel	\$500,000

5. **Orderly separation**

A period of between 6 and 12 months is proposed with an overall plan developed for the separation, which includes:

- Arrangements be put in place for all contracts to continue to expiry date
- All existing Councillors continue to end of term
- An independent separation coordination be appointed to oversee process and to work with Hume and Sunbury CEOs
- Detailed communication strategy - Communication is key aspect to the orderly separation and a strategy is to be developed for internal and external application to keep stakeholders fully informed of process and progress
- Establishment of a joint Separation Coordination Group once the Shire of Sunbury is established

PROCESS

First six months

Separation Coordinator appointed to oversee separation – immediate appointment

Overall Plan developed by Coordinator which includes a detailed communication strategy developed and applied

Legal work for separation prepared including arrangements for council elections in Sunbury

Shire of Sunbury CEO position specifications prepared and advertised

Shire of Sunbury Council elections for 3 Councillors (existing 2 continue)

CEO appointed by Shire of Sunbury Council

Shire of Sunbury Structure developed with position descriptions

City of Hume reviews structure – if desired in response to the separation

Negotiation for continuation of service contracts

Second six months

Joint Hume Sunbury Separation Group to oversee separation. Group to be chaired by separations Coordinator. Committee to be serviced by both CEOs

Details of Shire of Sunbury organisation structure provided to all staff

Staff provided opportunity to seek transfer to corresponding positions in new the organisation

Sunbury Residents Association

Correspondence to Panel, 10 October 2000

SUNBURY RESIDENTS ASSOCIATION

Established in 1974

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URGENT

Sen Hemington

Dear Chairman and Member

The further discussions held recently between the Panel and the Sunbury Chamber of Commerce and this Association identified that the following two issues needed further attention.

- The staffing numbers provided by the Sunbury Chamber of Commerce and ourselves.
- The basis of the \$6.3m valuation provided by the Panel for the Racecourse Rd land.

Shire of Sunbury Estimated Staffing

In a response to a request by the Panel we identified a list of positions we felt would be appropriate for the new Shire of Sunbury. However, as stated at our discussion the distribution of the proposed 110 positions would need detailed assessment by the new Shire of Sunbury CEO in consultation with the new council.

Since our recent meeting we have again discussed the issue of staffing numbers with senior executive staff of other local councils. The discussions have again confirmed that based on the size of the Shire of Sunbury and its single population centre a total staffing of 110 is appropriate (not including garbage collection which is included in the services category).

As stated the distribution of the 110 positions would need to be reconfigured to accommodate the priorities of the new CEO and council when developing the new organization chart. In fact in discussions with local council executive staff in respect to the draft distribution of position it was proposed that it would be appropriate to reduce the number of indoor position and increase the number of outdoor position.

Through such a reconfiguration of the distribution we feel it would be possible to accommodate a large proportion of the aquatic staffing, which we have been advised equates to 12 to 15 EFT positions, within the 110. Such a reconfiguration would enable a corresponding reduction in the \$4.2m services budget item. This would increase our projected surplus beyond the \$900,000 achievable with a salary cost budget of \$5.7m

We believe we have tended to be on the high side when determining the combined services budget figure of \$4.2 m and the salary budget of \$5.7m (the \$5.7m equating to the 110 EFTs). There may be in fact savings in the order of \$300,000 to \$400,000 within these budget figures, which would be added to the \$900,000 surplus we have identified.

Racecourse Rd land Valuation

Since our recent meeting we have again had detailed discussions with a major sunbury based land developer who has confirmed that the valuation of the approx. 100 acres of the 120 acres of land in Reservoir Rd is between \$7m and \$8m. We are more than prepared to arrange discussions with the developer and the Panel on this valuation.

We also understand that the \$6.3m valuation the Panel quoted was not a council valuation but a figure provided by a consultant engaged by the City of Hume to develop a concept proposal for the use of this land which would incorporate a major equestrian centre.

We ask that if the panel does not accept the estimated \$7 to \$8m figure that it provide details on the basis of the valuation.

Revenue from Sale of Evans St land

As stated we believe it appropriate that the \$720,000 from the sale of the above land current held in trust by the City of Hume pending the outcome of the Ministerial Review should be directed to cover separation and establishment costs.

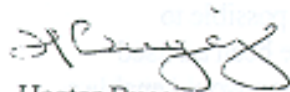
Councillors have confirmed that these funds are in trust. It is therefore clear that the expectation is that the use of these funds would be impacted on by the Review.

We reaffirm that the balance of the City of Hume will also benefit by the separation which is further reason supporting the use of these funds to engage the proposed independent coordinator to facilitate the orderly separation.

This Association and the Sunbury Chamber of Commerce believe we have responded and addressed all the issues raised by the panel related to our detailed submissions. These submissions / discussions include our response to the Australian Services Union, which had identified that the major issue of its members was that there is not a suitable depot facility in Sunbury. As you would be aware such a facility in fact is available in Sunbury and is owned by Council.

We asked that if there are any issues that the panel does not accept in regard to our submissions that we are made aware of such issues to enable us to further research and provide a response to the Panel prior to it preparing its final report.

Yours sincerely



Hector Bugeja

Secretary

2/10/2000