

Governance for Local Land Services

Local Land Services – April 2013

Purpose

- The purpose of this paper is to provide a record of the Reference Panel (the Panel) members' preferences and decisions on governance issues considered at the Panel's meeting on 22 April.

Background

- The Panel released a paper on **Governance for Local Land Services** for community consultation in January 2013.
- Since then:
 - **community** has provided feedback through **Community Consultation Workshops** and **Have Your Say Website**
 - **stakeholders** have provided proposals and suggestions through a number of **papers to the Panel** on key governance issues for its consideration (both pre-and-post release of the Panel's public consultation paper).
- The paper splits key decisions into those matters that require further consideration and determination (Table 1) and those key decisions that have already been considered and require ratification (Table 2).

Matters to be determined

- The key issues that require the Panel's consideration and determination are as follows and outlined in table below:
 - Foundational principles of Local Land Services (LLS)
 - Role, responsibilities and duties of Board of Chairs
 - Role of LLS Boards
 - Number of elected and Ministerial appointed LLS Board members
 - Eligibility of non-Aboriginal persons for appointment to a LLS Board on criteria of 'having extensive experience in working with Aboriginal groups and communities
 - Delegations
 - Should the rates base be broadened to include smaller properties.

Table 1: Matters for further consideration and determination by the Panel

Proposal	Matters to be determined
Foundational principles	
<p>1. Local Land Services will:</p> <ul style="list-style-type: none"> ▪ be regionally-based, semi-autonomous bodies with regional boards as part of a statutory corporation ▪ be governed by skills-based locally-elected and Ministerially appointed Board members ▪ deliver integrated and locally prioritised services including agriculture advice, plant and animal pest control and biosecurity, natural resource management and emergency and disaster assessment and response through effective community engagement across the LLS network and in conjunction with other government agencies ▪ support effective service delivery and local decision making ▪ enable strong collaboration and input by local service users and community partners ▪ enhance transparency and accountability and reporting of finances and organisational performance to investors (including government, ratepayers and industry) and the community ▪ deliver better social, economic and environmental outcomes for local, state and national priorities. 	<ul style="list-style-type: none"> ▪ The Panel has not explicitly agreed to key foundational principles. ▪ Proposed foundational principles of Local Land Services drawn from Minister’s media release (Oct 2012) and key supporting documents.
Matter for determination	<p>A. Proposed foundational principles for the establishment of Local Land Services agreed to by the Panel as outlined above</p> <p style="text-align: center;">OR</p> <p>B. Proposed foundational principles for the establishment of Local Land Services amended by the Panel.</p>
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members preferred Option B, including amendments now recorded in the text above.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister adopts the text above as the foundational principles for the establishment of Local Land Services.

Board of Chairs	
<p>2. The Local Land Services Board of Chairs would be responsible for state-wide issues such as:</p> <ul style="list-style-type: none"> ▪ aggregated reporting ▪ providing policy advice to the Minister ▪ promoting a consistent and coordinated approach across all Local Land Services where applicable. 	<ul style="list-style-type: none"> ▪ The Panel previously considered the role of the Board of Chairs on 9 January and there was consensus that it would be responsible for the issues outlined in its Governance for Local Land Services paper. ▪ DPI has in their recent out-of-session paper - Responsibilities and Duties of LLS Regional Board Chairs and Members - proposed a set of core functions and responsibilities for the Board of Chairs that provides it with significantly more centralised powers than previously agreed (e.g. review regional action plans prepared by each LLS, setting a strategic state action plan, developing systems and procedures for delegation of powers and functions and on-going review and auditing of the delegations)
Matter for determination	<p>A. The LLS Board of Chairs will be responsible for functions as described by the Panel</p> <p style="text-align: center;">OR</p> <p>B. The LLS Board of Chairs will be responsible for functions as described by the Panel and other functions agreed to at this meeting</p> <p style="text-align: center;">OR</p> <p>C. The LLS Board of Chairs will be responsible for functions as described by DPI.</p>
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members preferred Option B, including revised responsibilities now recorded in Attachment 1.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister adopts the responsibilities and core duties of LLS Board of Chairs recorded in Attachment 1.
Boards	
<p>3. The primary role of Local Land Services Boards will be:</p> <p>See Attachment 5</p>	<ul style="list-style-type: none"> ▪ The Panel proposed the primary role of LLS Boards in its Governance for Local Land Services paper. ▪ DPI has (in their recent out-of-session paper) proposed: <ul style="list-style-type: none"> - a more comprehensive range of core functions and responsibilities for regional Boards - a set of core duties for regional Boards
Matter for determination	<p>A. The primary role of Local Land Services Boards will be as described by the Panel</p> <p style="text-align: center;">OR</p> <p>B. The primary role and duties of Local Land Services Boards will be as described by DPI.</p>
Panel member preferences	<ul style="list-style-type: none"> ▪ The Panel noted the DPI and Panel's proposals were largely consistent, and agreed to combine them. ▪ All (8) Panel members preferred Option A.

<p>Panel decision</p>	<ul style="list-style-type: none"> The Panel recommends the Minister adopts the revised functions and duties LLS Boards now recorded in Attachment 2.
<p>4. In its community consultation paper, the Panel proposed LLS Boards will consist of elected and appointed positions with either:</p> <p>A. Four ratepayer elected members and four Ministerial appointed members</p> <p>B. Three elected members and four Ministerial appointed members</p>	<ul style="list-style-type: none"> The Panel agreed at its 9 January 2013 meeting that Board members are to be appointed on a skills basis, are to be residents within the LLS, and that LLS Boards should consist of elected and appointed members. The Panel also agreed that the composition of the Board should be informed by localism and accountability. Some Panel members considered that the balance of elected and appointed members should be informed by the proportionality of funding sources. Minutes of the 9 January 2013 meeting indicate the two options outlined here were equally represented by the Panel membership. There was stronger support in the Community Consultation Workshop Surveys and Have your say data for Option A. For the Western LLS region it was agreed at the 22 March meeting that 'Depending on the size and diversity of the Western LLS there may be an additional member'.
<p>Matter for determination</p>	<p>A. Local Land Services Boards will consist of four elected members and four Ministerial appointed members</p> <p>OR</p> <p>B. Local Land Services Boards will consist of three elected members and four Ministerial appointed members</p> <p>AND</p> <p>C. Depending on the size and diversity of the Western LLS there may be an additional elected member.</p>
<p>Panel member preferences</p>	<ul style="list-style-type: none"> Four (4) Panel members preferred Option A – LHPA, LGNSW, NSWFA and GA Four (4) Panel members preferred Option B - CMA, Landcare, DPI and the Chair Five (5) Panel members preferred Option C – LHPA, LGNSW, NSWFA, GA and the Chair <p>Initially, CMA and Landcare did not support any ratepayer elected Board members. However in the absence of that option both parties preferred Option B.</p>
<p>Panel decision</p>	<ul style="list-style-type: none"> The Panel could not reach a clear majority as the members' preferences were evenly split between Options A and B. Present the matter as an outstanding issue to the Minister.
<p>5. Board members will be appointed on a skills basis</p>	<ul style="list-style-type: none"> The Panel agreed at its 9 January meeting that it will be essential that each Board has the necessary mix of skills and expertise across the services and advice they provide. The Panel released its Local Lands Services Board Skills paper for community consultation in February 2013, proposing (amongst other things):

	<ul style="list-style-type: none"> - Board members should broadly have a strong understanding of corporate governance, including an understanding of directors' duties and responsibilities, commitment to high ethical standards and teamwork, well-developed communication, negotiation and influencing skills and an ability to commit sufficient time to the job and be outcomes focussed. - Board members should have two or more of the skills and expertise outlined in Attachment 3. ▪ NSW Aboriginal Land Council argued that persons who are not Aboriginal should not be eligible for appointment to a LLS Boards based on the criteria of having 'extensive experience in working with Aboriginal groups and communities'. ▪ This proposal is a departure from the previously agreed principle that LLS Boards will be skills-based, not representative-based. ▪ Local Community Advisory Groups will comprise of representatives from stakeholder groups, including Aboriginal Groups.
<p style="color: red;">Matter for determination</p>	<p>A. Local Land Services Board members will be appointed on the skills and experience as outlined. Aboriginal people should be appointed according to the same criteria as other elected board members</p> <p style="text-align: center;">OR</p> <p>B. Amend the Local Land Services Board members skills and expertise criterion 8 to read: 'Extensive experience in working with Aboriginal groups and communities (Aboriginality desirable)'</p> <p style="text-align: center;">OR</p> <p>C. Amend the Local Land Services Board members skills and expertise criterion 8 to read: 'Extensive experience in working with Aboriginal groups and communities (Aboriginality mandatory)'</p> <p style="text-align: center;">AND/OR</p> <p>D. Each Local Land Services Board to set up a working group representative of local Aboriginal communities to develop a regionally specific Aboriginal engagement strategy.</p>
<p>Panel member preferences</p>	<ul style="list-style-type: none"> ▪ All (8) Panel members preferred Option A, combined with Option D.
<p>Panel decision</p>	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister: <ul style="list-style-type: none"> - adopts the skills and experience for Board members for the establishment of Local Land Services. - tasks each Local Land Services Board to set up a working group with representatives of local Aboriginal communities to develop a regionally specific Aboriginal engagement strategy.

Delegations

6. The Minister will **delegate authority** to the Board of Chairs through the **LLS Legislation**.

The **Board of Chairs** will establish **clear lines of delegation to Local Land Services Regional Boards** to maintain the intent of devolution and local service delivery.

- There have been previous Panel discussions as to whether the LLS should be a **single or multiple corporate entities**. At the 9 January the minutes of the meeting indicate that the LLS should be a **single entity governed by the Board of Chairs** but deliver **local outcomes through regional LLS Boards**. The Panel also agreed that there needed to be **formalised clear and detailed delegations** from the Minister and the Board of Chairs to each LLS Board.
- **DPI** have in their recent out-of-session paper **LLS Delegation of Powers – Regional Delivery at a Local Level**:
 - proposed LLS legislation will include **power of delegation**, vesting power in the Local Land Services statutory corporation (the legal entity), regional boards or in individuals such as the Chair of the Board of Chairs
 - argued regional Boards and their Chairs **assume primary responsibility** for service delivery
 - noted other legislation that will provide other **general powers** to LLS (for example for financial and employment matters)
 - recommended a **framework** outlining **key delegation arrangements** under the LLS model, with the view this will provide the foundation for more detailed delegation instruments (**Attachment 4**).

Matter for determination

- A. **The Reference Panel will review and make recommendations to the Minister on the nature of the delegation**

AND

- B. **The Board of Chairs will establish clear lines of delegation to regional Local Land Services Boards as per proposed delegations framework (described in Attachment 4)**

AND

- C. **The Reference Panel will review draft legislation and make recommendations to the Minister**

AND

- D. **The Board of Chairs will establish clear lines of delegation to regional Local Land Services Boards with variation to the proposed delegations framework (described in Attachment 4).**

Panel member preferences

- **All (8)** panel members preferred all options and the original proposal set out in the Panel's governance paper.
- NSWFA also supported the inclusion of Option D and outlined concerns that the limits of delegation proposed for the local boards were too narrow to ensure adequate devolution of decision making to the regions.

- Panel decision** The **Panel recommends** the Minister:
- delegate authority to the Board of Chairs through the LLS legislation (with the function and powers set out in the Act)
 - ensure there is one corporate entity - the LLS that operates through the Board of Chairs, which will delegate authority to regional LLS Boards and staff
 - ensure the Board of Chairs will establish clear lines of delegation to Local Land Services Regional Boards to maintain the intent of devolution
 - task the Reference Panel to review draft legislation and make recommendations to the Minister
 - task the Reference Panel to review and make recommendations to the Minister on the nature of the delegation.

Rating Principles

7. Local Land Services will be funded via direct budget contributions from the NSW Government, **ratepayer funds** and a continuation of natural resource grant funding via the State Government and Australian Government
- At the **9 January Panel meeting** members discussed **amending aspects of the rating base** with a view to capturing risk creators that are not currently contributing, but who are beneficiaries of current LHPA and government services.
 - Various **rating options** were considered including changing the current LHPA rate base to include properties **down to 2 ha in size from the current 10 ha** and changing the current general and animal levies to suit LLS.
 - Members agreed there is an **urgent need to develop a rating approach** that will provide a mechanism to collect rates for 2014 and 2015 and the LHPA proposal was accepted.
 - According to the minutes, it was also agreed that **IPART would be engaged on a one-off contract** to assess a range of methodologies to provide **additional flexibility** for regional LLS Boards in rating approaches beyond 2015.

Matter for determination	<p>A. Amend the current rating system to collect a flat fee for small properties ranging from 2 ha to 10 ha in size and that a biosecurity levy be collected from these land holders in recognition of the biosecurity risk they create</p> <p style="text-align: center;">OR</p> <p>B. Do not broaden the rate base to include smaller properties initially, and refer to IPART as part of its work in this area.</p>
Panel member preferences	<ul style="list-style-type: none"> ▪ Six (6) Panel members preferred Option A - NSWf, LGA, LHPA, Landcare, GA and the Chair. ▪ Two (2) Panel members preferred Option B – CMA and DPI
Panel decision	<ul style="list-style-type: none"> ▪ The majority of Panel members preferred Option A. ▪ The Panel recommends the Minister amends the current rating system to collect a flat fee for small properties ranging from 2 ha to 10 ha in size and that a biosecurity levy be collected from these land holders in recognition of the biosecurity risk they create.

Decisions to ratify

- The following table outlines decisions that require ratification. For ease of minute taking the numbering of the proposals continues from previous table.

Table 2: Key decisions for the Panel to ratify

Proposals		Decisions to ratify
Structure		
8	Local Land Services structure will consist of a Board of Chairs as the overarching entity responsible to the Minister and a number of regional Boards that will oversee the delivery of services and advice within specific regions.	<ul style="list-style-type: none"> The Panel agreed at the 9 January 2013 meeting that the governance of LLS be established through a Board of Chairs as one overarching entity responsible to the Minister and a number of regional boards that will oversee the delivery of services.
	Decision to ratify	<ul style="list-style-type: none"> Local Land Services' structure will consist of a Board of Chairs as the overarching entity responsible to the Minister and a number of regional Boards that will oversee the delivery of services and advice within specific regions.
	Panel member preferences	<ul style="list-style-type: none"> All (8) panel members agreed to the decision. NSWFA noted this decision should be subject to appropriate delegations being developed.
	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister establishes a structure that consists of a Board of Chairs, as the overarching entity responsible to the Minister, and a number of regional Boards that will oversee the delivery of services and advice within specific regions.
Board of Chairs		
9	Appointment of Regional Board Chair	<ul style="list-style-type: none"> The Reference Panel has previously agreed at its 9 January meeting that: <ul style="list-style-type: none"> The Board members will nominate a Board Chair for approval by the Minister, who may then report to the Minister on matters relating to their Local Land Services Board DPI has (in their last briefing paper to the panel) proposed: <ul style="list-style-type: none"> Board members will provide the Minister with a minimum of two nominations for the position of Chair, with the Minister appointing the Chair (and in turn, will be a member of the Board of Chairs)

	Decision to ratify	<ul style="list-style-type: none"> An interim Board Chair will be appointed by the Minister for a period of two years after which Board members will nominate one Board Chair for approval by the Minister.
	Panel member preferences	<ul style="list-style-type: none"> All (8) Panel members agreed to the decision. NSWFA noted that elected members should be appointed as soon as possible. CMAs agreed to the first part (An interim Board Chair will be appointed by the Minister for a period of two years), but not the second part (Board members will nominate one Board Chair for approval by the Minister). CMAs support continued Ministerial appointment of the Chair.
	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister appoints an interim Board Chair for a period of two years after which Board members will nominate one Board Chair for approval by the Minister.
10	The Chair of each Local Land Services Board would be appointed to the Board of Chairs .	<ul style="list-style-type: none"> The Panel previously agreed to this as outlined in its Governance paper. DPI has (in their last briefing paper to the panel) proposed the Minister will determine and appoint an interim Chair, and that person will in turn be a member of the interim Board of Chairs for a period of up to two years and will function until the election and appointment process of the remaining LLS Board members in accordance with the Act.
	Decision to ratify	<ul style="list-style-type: none"> The Chair of each Local Land Services Regional Board be appointed to the Board of Chairs.
	Panel member preferences	<ul style="list-style-type: none"> All (8) Panel members agreed to the decision.
	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister appoint the Chair of each LLS Board to the Board of Chairs.
11	The Minister may appoint an independent Chair of the Board of Chairs as an additional member .	<ul style="list-style-type: none"> The Panel previously agreed to this as outlined in its Governance for Local Land Services paper. It is proposed that this position is a non-executive role.
	Decision to ratify	<ul style="list-style-type: none"> The Minister may appoint an independent Chair of Board of Chairs as an additional member. This role is a non-executive position.
	Panel member preferences	<ul style="list-style-type: none"> All (8) Panel members agreed to the decision. NSWFA notes that it would be preferable for the Chair to be appointed from within the Board of Chairs.

	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister may appoint an independent Chair of Board of Chairs as an additional member (this role is a non-executive member).
12	Where there is an identified need, the Minister may appoint temporary members to the Board of Chairs for a specific purpose and fixed timeframe.	<ul style="list-style-type: none"> The Panel previously agreed to this as outlined in its Governance for Local Land Services paper.
	Option to consider and decision to ratify	<p>A. Where there is an identified need, the Minister may appoint temporary members for a specific purpose and fixed timeframe.</p> <p>B. No additional members.</p>
	Panel member preferences	<ul style="list-style-type: none"> Six (6) Panel members preferred Option A- NSWFA, LHPA, GA, Landcare, DPI and LGNSW Two (2) Panel member supported Option B- CMA and the Chair NSWFA noted that temporary members should be non-voting members.
	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister may appoint temporary members to the Board of Chairs where there is an identified need, or specific purpose and for a fixed time only.
13	Leadership skills of the Chair of each Local Land Services Board	<p>The leadership skills of the Chair of each Local Land Service Board will be a key factor in determining the overall effectiveness of the Board.</p> <ul style="list-style-type: none"> The Panel released two papers, Local Lands Services Board Skills and Local Lands Services Chair Skills for community consultation in February 2013, proposing (amongst other things): <ul style="list-style-type: none"> Chairs must act with integrity and have sufficient independence to effectively discharge his/her responsibilities and act in the best interests of the LLS. The Chair must reside in the region, meet LLS Board selection criteria, demonstrate that they have exceptional skills and track record as a regional leader, change manager and strategic thinker and outstanding communication skills with demonstrated ability to engage and collaborate with stakeholders, including all levels of the community, industry and the government.
	Decision to ratify	<ul style="list-style-type: none"> The Chair of each Local Land Services Board should meet the requirements listed above.

	Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
	Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister require the Chair of each LLS meets the leadership skills described above.
Boards		
14	Board members should hold (or gain within a reasonable time) and maintain appropriate and recognised qualifications for directorship . (7)	<p>In the Panel's paper Local Land Services Board Skills it states that Board members will have undertaken Australian Institute of Company Director training, or equivalent, or agree to do so within 6 months.</p> <p>Given the Panel's previous decision and recognised best practice governance it is suggested that all Board members should meet this requirement.</p>
	Decision to ratify	<ul style="list-style-type: none"> ▪ All Board members should meet the requirement of having undertaken Australian Institute of Company Director training, or equivalent, or agree to do so within 6 months.
	Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
	Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensure all Board members meet the requirement of having Australian Institute of Company Directors training, or equivalent or agree to do so within 6 months.
15	Board appointments will be for three years and should be limited to two terms , and three terms in cases where a Board member has had one or more terms as Chair.	<ul style="list-style-type: none"> ▪ In the Panel's paper Governance for Local Land Services the terms of Board appointments are outlined. There was no clear trend or specific feedback from the community on this issue. ▪ DPI has (in their last briefing paper to the panel) proposed Board members appointed for 3 years, staggered to provide continuity and so elected position are filled mid-way through the term of Ministerial appointments. ▪ Tenure of elected members should be aligned with the (any agreed) election cycle, while tenure for Ministerial appointments should be on a rolling and staggered basis to minimise disruptions to Boards.
	Decision to ratify	<ul style="list-style-type: none"> ▪ Board appointments will be for three years and should be limited to two terms, and three terms in cases where a Board member has had one or more terms as Chair. Tenure of elected members should be aligned with the election cycle, while tenure for Ministerial appointments should be on a rolling basis.
	Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision. ▪ NSWFA notes that Board members should be accountable to ratepayers.
	Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister:

	<ul style="list-style-type: none"> - Board appointments will be for three years and should be limited to two terms, and three terms in cases where a Board member has had one or more terms as Chair. - require the tenure of elected Board members align with election cycle - require the tenure for Ministerial appointments be on a rolling basis.
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Selection process for Board Membership and Inaugural Chair

16	<p>The Minister may appoint interim Board members and an inaugural Chair to ensure that Local Land Services can function effectively on 1 January 2014.</p>	<ul style="list-style-type: none"> ▪ The DPI paper Membership of Regional Local Land Services Boards (Attachment 6) was reviewed at the 22 March meeting and in summary it proposes: <ul style="list-style-type: none"> - the Minister will determine membership of interim LLS Boards - each interim LLS Board will contain three or four Ministerial appointed members, for a period of up to three years (interim Boards will have a statutory mandate) - the Minister will determine and appoint the Chair for a period of up to two years, and that person will in turn be a member of the interim Board of Chairs - inviting interested parties through an EOI - a working group, made up of the Reference Panel Chair, DG of DPI, interim LLS Board Chair and an independent member to assess EOIs and recommend candidates to Minister - interim Boards will function until the election and appointment process of the remaining LLS Board members in accordance with the Act - interim Boards will commence establishing Local Community Advisory Groups - temporarily employed by DPI.
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Decision to ratify	<ul style="list-style-type: none"> ▪ The Minister appoint interim Board members and an inaugural Chair (as per DPI proposal) to ensure that Local Land Services can function effectively on 1 January 2014.
Panel member preferences	<ul style="list-style-type: none"> ▪ Seven (7) Panel members - LHPA, LGNSW, GA, CMA, Landcare, DPI and the Chair agreed to the decision. NSWFA did not agree to the decision and advocated for the inclusion of elected members on interim Boards.

	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister appoint interim Board members to and inaugural Chair (as described above) to ensure that LLS can function effectively on 1 January 2014.
17	Each Chair will oversee the selection process of nominations for Ministerial appointed Board members for the Minister to consider and appoint	<ul style="list-style-type: none"> The DPI paper Membership of Regional Local Land Services Boards (Attachment 6) was reviewed at the 22 March meeting and it proposes that Ministerially appointed members will be selected through an EOI process based on defined criteria. The skills and expertise criteria for LLS Board members have previously been agreed to and are described in Attachment 5.
	Decision to ratify	<ul style="list-style-type: none"> Each Chair will oversee the selection process of a number of nominations for Ministerial appointed Board members for the Minister to consider and appoint. Ministerially appointed members will be selected through an EOI process based on the defined skills based criteria.
	Panel member preferences	<ul style="list-style-type: none"> All (8) Panel members agreed to the decision.
	Panel decision	<ul style="list-style-type: none"> The Panel recommends the Minister: <ul style="list-style-type: none"> task each Chair to oversee the selection of a number of Ministerial appointed Board members for the Minister to consider and appoint establish an EOI process, based on the defined skills based criteria to select Ministerially appointed members.
18	Elected Board members will be elected by ratepayers in a cost effective and transparent manner.	<ul style="list-style-type: none"> The Panel previously agreed that all rate payers will be on the electoral role and voting will be voluntary. In the event there are more nominees than board positions, elections will be convened by the returning officer (General Manager) of the regional Local Land Service. The DPI paper Membership of Regional Local Land Services Boards was reviewed at the 22 March meeting and in summary it proposes: <ul style="list-style-type: none"> Nominations will be sought from residents seeking appointment to an elected position on the Board within which they reside Candidates will need to address the criteria against the LLS Board Member Skills matrix Independent HR firm verifies candidate claims Candidate advised to continue or withdraw (Candidate may choose to stand without endorsement)

	<ul style="list-style-type: none"> - If number of eligible nominees exceeds the number of vacant positions on the Board an election will be conducted - Elections will be administered by each regional LLS through a returning officer - Voters are provided with independent assessment for candidates to assist with choice - Ratepayers vote is held - Candidates that receive the most number of votes will be successful. <ul style="list-style-type: none"> ▪ If the number of nominations does not exceed the number of vacancies, and the candidate is assessed in the verification process as meeting the required number of skills criteria, the candidate will be directly appointed to the regional board.
Decision to ratify	<ul style="list-style-type: none"> ▪ Elected Board members will be elected by ratepayers in the manner outlined above and in line with the DPI paper Membership of Regional Local Land Services Boards.
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensure elected Board members are elected by ratepayers and in-line with the proposal described in Attachment 6.
19	<p>Elections should be held as soon as practicable after the commencement of the Act (within 6 months), followed by a review of interim Ministerial appointments to ensure there is a suitable mix of skills between elected and appointed Board members. (16)</p> <ul style="list-style-type: none"> ▪ As the Panel proposed in its Governance for Local Land Services paper.
Decision to ratify	<ul style="list-style-type: none"> ▪ Elections should be held as soon as practicable (at least within 3 months after the commencement of the Act), followed by a review of interim Ministerial appointments to ensure there is a suitable mix of skills between elected and appointed Board members.
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision. ▪ NSWFA noted that ideally elections would be held prior to LLS commencement.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensures elections are held as soon as practicable (at least within 3 months after the commencement of the Act), followed by a review of interim Ministerial appointment to ensure there is a suitable mix of skills between elected and appointed Board members.

<p>20 Voting rights for elections for elected members are yet to be determined, but could be based on:</p> <p>A. The amount (\$) of rates paid per ratepayer; or</p> <p>B. The size (ha) of rateable area and holding; or</p> <p>C. The type (e.g. animal, general) of rates; or</p> <p>D. One vote per ratepayer regardless of the above.</p> <p style="text-align: right;">Decision to ratify</p>	<ul style="list-style-type: none"> ▪ At the Panel's March meeting the majority of members considered community feedback on the four voting options and agreed to support a hybrid option of a sliding scale according to the amount of rates paid but with a cap on the total number of votes achievable. ▪ LHPA will provide a proposal to the Panel at its April meeting that outlines the effect on the voting options when aligned to the proposed changes to the rating system for LLS. ▪ At the meeting, the NRC presented a paper outlining a voting rights system based on a sliding scale and quartile points in the rates paid by landholders (Attachment 7). <p style="text-align: right;">Voting rights for elections for elected members will be based on a hybrid option of a sliding scale. The sliding scale will be determined by the Reference Panel after considering the LHPA and NRC proposals.</p>
<p style="text-align: right;">Panel member preferences</p>	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
<p style="text-align: right;">Panel decision</p>	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister adopts the voting rights model presented in Attachment 7.

Local Community Advisory Groups

<p>21 Each Local Land Services Board will establish a Local Community Advisory Group to represent community views and provide advice to Local Land Services Boards (such as advice and input into strategic regional planning or specific issues like biosecurity).</p>	<ul style="list-style-type: none"> ▪ The Panel has previously agreed at the March Panel meeting in the DPI paper Membership of regional Local Land Services Boards that: <ul style="list-style-type: none"> - Local Community Advisory Groups will be based on community needs as determined by individual LLS Boards - membership of the Local Community Advisory Group will be open to anyone working or residing in the LLS region - membership and Chair of the Local Community Advisory Group will be determined by individual LLS Boards - Local Community Advisory Groups will have an advisory role and meet as required. ▪ At Community Consultation Workshops, participants in the survey indicated that the Local Community Advisory groups should be responsible for advising on strategic plans for the LLS region (75%), community engagement (70%) and appropriate programs to achieve on-ground outcomes (79%).
<p style="text-align: right;">Options to consider and decisions to ratify</p>	<p>A. Each Local Land Services Board will establish a minimum of one Local Community Advisory Group to represent community views and provide advice to Local Land Services Boards.</p>

	<p>The form, function and membership of the LCAGs should be determined by the respective LLS Regional Boards.</p> <p>AND</p> <p>B. In addition, each LLS Board will set up a working group representative of local Aboriginal communities to develop a regionally specific Aboriginal Engagement Strategy.</p>
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to both options.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister: <ul style="list-style-type: none"> - tasks each Local Land Services Board to establish a minimum of one Local Community Advisory Group to represent community views and provide advice to Local Land Services Boards (the form, function and membership of the LCAGs should be determined by the respective LLS Regional Boards) - tasks each LLS Board to establish a working group of representative local Aboriginal communities to develop a regionally specific Aboriginal Engagement Strategy.

22	<p>The Boards should establish a charter for their Local Community Advisory Groups that reflects their local circumstances and needs. (25)</p>	<ul style="list-style-type: none"> ▪ As proposed by the Panel in its Governance for Local Land Services paper
Decision to ratify	<ul style="list-style-type: none"> ▪ Boards establish a charter for their Local Community Advisory Groups that reflects their local circumstances and needs. 	
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision. 	
Panel Decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensure LLS Boards establish a charter for their Local Community Advisory Groups that reflects their local circumstances and needs. 	

Audit and Accountability

23	<p>An independent body, similar to the Natural Resources Commission model , will be responsible for auditing the performance, governance and results of Local Land Services Boards in meeting their core service delivery responsibilities. It is recognised that external expertise will be required to assist with auditing in some areas.</p>	<ul style="list-style-type: none"> ▪ The Minister’s brief for the Local Land Services governance structure included independent performance audits ▪ The Panel released a paper, Regional Planning and Performance Audit for Local Lands Services for community consultation in February 2013, proposing (amongst other things): <ul style="list-style-type: none"> - performance audits addressing governance, delivery of outcomes and return-on-investment and critical process issues such community engagement and risk management
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- audit performance against **standards** such as the *Standard for Quality NRM* and the *National Animal Health Performance Standards*
- appointing a **single performance auditor**, such as the NRC
- a timetable, illustrating a possible phased approach for a **rolling program** of performance audits (**Attachment 8**).

Decision to ratify	<ul style="list-style-type: none"> ▪ An independent body similar to the Natural Resources Commission model will be responsible for auditing the performance, governance and results of Local Land Services Boards in meeting their core service delivery responsibilities of agriculture advice, plant and animal biosecurity, natural resource management and emergency management as well as auditing the effectiveness of community consultation (Recognising that external expertise will be required to assist with auditing in some areas). The Minister will retain the right to engage alternative auditors as needed.
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensures an independent body similar to the Natural Resources Commission model be responsible for auditing the performance, governance and results of Local Land Services Boards in meeting their core service delivery responsibilities of agriculture advice, plant and animal biosecurity, natural resource management and emergency management as well as auditing the effectiveness of community consultation (Recognising that external expertise will be required to assist with auditing in some areas and the Minister will retain the right to engage alternative auditors as needed).

24 The **NSW Audit Office** would audit financial performance as required under the *Public Finance and Audit Act 1983*. (29)

Decision to ratify	<ul style="list-style-type: none"> ▪ The NSW Audit Office would audit financial performance as required under the <i>Public Finance and Audit Act 1983</i>.
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister recognises the NSW Audit Office would audit financial performance as required under the <i>Public Finance and Audit Act 1983</i>.

25 Each Local Land Services Board will be **accountable to landholders and community** - (3)

- The Minister's brief for the Local Land Services governance structure emphasised a **model based on strong accountability**.
- The **Panel** has proposed in its **Governance for Local Land Services** paper that a number of Board Members will be elected by local ratepayers; Local Community Advisory Groups will be established to provide input into decision making; Strategic plans will be prepared that reflect community values and expectations; Boards will report annually to their regions on financial performance and outcomes; and each LLS Authority will be audited on performance, including return-on-investment on a periodic basis.
- A range of feedback and proposals by community and key **stakeholders strongly support this principle**, for example survey responses from Community Consultation Workshop surveys indicate that there is strong support for an **advisory role from Local Community Advisory Groups**.

Decision to ratify	<ul style="list-style-type: none"> ▪ Each Local Land Services Board will be accountable to landholders and community by reporting annually to their regions on financial performance and outcomes and each LLS will be audited on performance, including return-on-investment, and how different sources of funds expended.
Panel member preferences	<ul style="list-style-type: none"> ▪ All (8) Panel members agreed to the decision.
Panel decision	<ul style="list-style-type: none"> ▪ The Panel recommends the Minister ensures each Local Land Services Board is accountable to landholders and community by reporting annually to their regions on financial performance and outcomes and each LLS will be audited on performance, including return-on-investment, and how different sources of funds expended.

List of attachments

- Attachment 1 - Recommended functions and responsibilities for LLS Board of Chairs and core duties for members of Board of Chairs**
- Attachment 2 - Recommended function and responsibilities for LLS Boards and core duties**
- Attachment 3 - Recommended skills and experience for Board members**
- Attachment 4 - Proposed LLS delegation framework**
- Attachment 5 - Recommended skills and experience for Chairs**
- Attachment 6 - Membership of Regional Local Land Services Boards – eligibility and election process**
- Attachment 7 - Voting systems based on quartile points in rates**
- Attachment 8 - Proposed program of rolling performance audits**

Attachment 1

Recommended functions and responsibilities for LLS Board of Chairs and core duties for members of Board of Chairs

The Local Land Services **Board of Chairs** will be **responsible for state-wide issues** such as:

- Providing strategic and policy advice (not policy setting) to the Minister
- Promoting a consistent and coordinated approach across all Local Land Services and government agencies
- Fostering cross-boundary co-operation between LLSs, identifying opportunities for collaboration and joint activities across each LLS organisation
- Oversighting governance and financials of the LLS organisation
- Provision of aggregated financial and annual reporting to the NSW Parliament
- Formulating MOU's with state agencies
- Setting the strategic direction of LLS establishing key result areas and performance indicators establishing consistency of outcomes with flexibility for local delivery mechanisms that meet the needs of investors, including ratepayers.
- Supporting alignment with local, state and national priorities
- Developing systems and procedures for delegation of powers and functions
- Developing codes of conduct, governance frameworks and promoting a culture of good governance, transparency and integrity
- Promoting LLS at a state-wide level.
- Should be accountable to all investors including ratepayers.

The **core duties** of each member of the Board of Chairs are:

- Governing the organisation by the broad strategies and policies developed by the Board
- Establishing overall short and long term goals, objectives and priorities for the LLS in meeting the needs of the community
- Approving major actions of the LLS, such as capital expenditure and major program and service changes
- Promoting the LLS through community networking and communication
- Monitoring and evaluating the effectiveness of the LLS through a regular review of programs and services
- Preparing for and participating in the discussions and deliberations of the Board of Chairs and taking steps to improve its performance
- Fostering a positive working relationship with the LLS regional boards and staff
- Developing and maintaining positive and effective consultation between community and stakeholder groups
- Being aware of, declare and abstain from any conflict of interests
- Review compliance with relevant legislation and government policy affecting the LLS
- Assisting the Board of Chairs to develop and maintain good relationships with the Minister and with other key stakeholders and interested parties
- Overseeing the provision of advice on matters referred to the Board of Chairs by the Minister.

Members of the Board of Chairs will also have the following **core duties** in their capacity as Chairperson of a LLS regional board:

- Chairing meetings of the regional board with impartiality and balance, ensuring that it functions effectively, interacts optimally with management and fulfils all of its duties
- Assisting the Regional Board to develop and maintain good relationships with the stakeholders

- Helping Board Members understand their risks and liabilities as individual members and as a regional board
- Conducting an annual performance review process on the effectiveness of the regional board and its members' performance
- Providing leadership and strategic direction to the regional board, establishing short and long term goals, objectives and priorities for the Board in meeting the needs of the community
- Assisting individual members, and the regional board as a whole, to understand their role, responsibilities and accountability
- Developing board agendas, in partnership with the general manager and making sure that board resolutions are carried out
- Focussing the regional board's attention on matters of organisational governance and ensuring that the regional board delivers on its annual reporting requirements
- Reflecting to the regional board any concerns that the general manager has with regard to the role of the board or that the board or stakeholders have with regard to operations
- Ensuring regional board Members receive agenda, minutes and board papers
- Actively managing the regional board's business including resolving conflict with the board.

Attachment 2

Recommended function and responsibilities for LLS Boards and core duties

The Local Land Services **Boards** will be **responsible** for:

- Ensuring good governance and leadership, including ensuring statutory obligations (including governance, reporting and expenditure) are met
- Establishing decision making processes that are clear, open and transparent to landholders, investors and the community
- Developing regional strategic plans that reflect landholder and community needs, integrate services and functions and deliver economic, social and environmental outcomes to landholders and the community
- Contributing to the development and implementation of state and national policy and ensure that regional strategies are aligned with state and national priorities and any Ministerial directions
- Building strong relationships with the community, industry, governments and NGO's in relation to the delivery of services and other programmes
- Hire and performance manage General Managers to ensure they meet performance expectations for the day-to-day operations of regional Local Land Services
- Ensuring decision making processes that balance economic, environmental and social impacts
- Ensuring the implementation of effective programmes, strategies and advisory services in respect of natural resource management, agricultural productivity, biosecurity and natural disaster prevention, preparedness, response and recovery
- Ensuring the effective management of expenditure by the regional body
- Assessing the competencies of the regional board over time to ensure alignment with the strategic direction of the organisation
- Developing a succession planning strategy
- Building a performance culture and leading the development of behaviours appropriate to the regional board and organisation
- Working with other regional board members to ensure the provision of education and training in connection with natural resource management, animal and plant biosecurity, emergency prevention, preparedness, response and recovery and agricultural production advice
- Providing loans, grants or other financial assistance for activities which support the functions of the LLS
- Collaborating with other regional LLS boards

The **core duties** of each member of the Board are:

- Ensuring awareness of current and emerging regional issues relating to LLS functions
- Ensuring that resources are used efficiently and expenditure is accountable
- Ensuring compliance with the LLS statutory requirements and government policy
- Preparing and participating in the discussions and deliberations of the regional board
- Managing risk (operational, legal, financial, regulatory and others) by ensuring appropriate procedures are in place and resources are appropriately allocated
- Developing and utilising strong and effective relationships with stakeholders and the community to build confidence in LLS
- Developing annual reports to report on their achievements and finances (to be aggregated with the other LLS regions into one consolidated report for Parliament)
- Participating in the assessment and evaluation of the regional board's performance and that of the general manager
- Fostering a positive working relationship with other regional board members and LLS staff
- Participating in sub-committees, steering committees and reference panels as may be required
- Being aware of, reporting and abstaining from any conflict of interests.

Attachment 3

Recommended skills and experience for Board members

All Local Land Services regions will be governed by a Board of local residents, who represent their regions with local understanding. They will have:

- Strong understanding of corporate governance, including an understanding of directors' duties and responsibilities. Members will have undertaken Australian Institute of Company Director training, or equivalent, or agree to do so within 6 months of appointment.
- Commitment to high ethical standards and teamwork.
- Well-developed communication, negotiation and influencing skills.
- An ability to commit sufficient time to the job and be outcomes focussed.

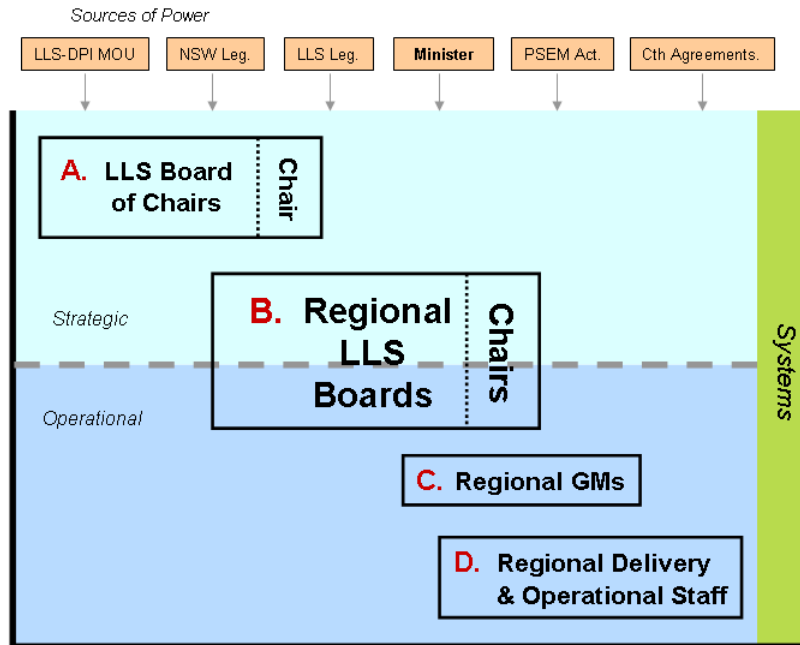
The overall membership of the Board should aim to have a mix of demonstrated skills and experience in the areas below. Ideally individual Board members will have skills and experience in two or more of these areas.

1. Strong skills in leadership, strategic planning and change management.
2. Strong skills in community participation and networking, regional service delivery and working with industry, government and other stakeholders.
3. Strong financial skills in audit, financial control and reporting, and risk management.
4. Extensive experience in primary industries or providing services to support this sector and strong commercial acumen.
5. Extensive experience in natural resource management and biodiversity conservation or management.
6. Extensive experience in the delivery of contemporary biosecurity programs in areas such as animal and plant health, vertebrate pest and weed management.
7. Extensive experience in emergency management especially biosecurity and natural disaster emergencies.
8. Extensive experience in working with Aboriginal groups and communities.
9. Extensive experience in local government.

Selection processes should also consider promoting Board diversity from a range of backgrounds, age, ethnicity and gender to promote a board culture that encourages divergent views and constructive debate.

Attachment 4
Proposed LLS delegation framework

LLS Delegations Framework



A. Board of Chairs & Chair of Board

	Power		
	<i>Operational</i>	<i>Human Resources</i>	<i>Financial</i>
Powers provided through various State Acts, Regulations & Policies, Commonwealth Acts & Agreements, MOUs and the Minister	<p>Inherent legal power arising from legal status of statutory corporation including:</p> <ul style="list-style-type: none"> that it may do and suffer all other things that bodies corporate may, by law, do and suffer and that are necessary for, or incidental to, the exercise of its functions the power to make and enter into contracts (including subcontracts) may take proceedings and be proceeded against in its corporate name, the power to charge fees for services <p>Various MOUs and service level agreements will be developed either to obtain services or to outline a role/function and the relationship between the LLS and other government agencies. Initial MOUs will consolidate those presently operating for CMAs and LHPAs</p>	<p>Full employment powers derived from the Public Sector Employment and Management Act 1994 (as a non-Public Service Division of the Government Service), including but not limited to the following matters:</p> <ul style="list-style-type: none"> Recruitment, Selection, Appointment & Employment Resignation, Retirement, Redundancy & Termination Industrial relations proceedings Job Evaluation Leave Performance Management Discipline Allegations of misconduct Training & Development Transfers: Positions & Staff Flexible Work Practices Allowances & Compensation Medical Examination Increments and Progression 	<ul style="list-style-type: none"> Full Financial powers consistent with the <i>Public Finance and Audit Act 1983</i>, including general authority to commit/incur an item of expenditure up to \$5 million.

B. LLS Regional Boards & Chairs

	Power		
	<i>Operational</i>	<i>Human Resources</i>	<i>Financial</i>
Powers received through Delegation	<p>All operational powers outlined at A. Board of Chairs & Chair of Board, but limited to:</p> <ul style="list-style-type: none"> • extent of financial delegation and associated authorities (<i>\$1m</i>) • extent of human resources delegation and associated authorities (<i>see HR column opposite</i>) • operational matters and constraints deemed appropriate by the Board of Chairs 	<p>All human resources powers outlined at A. Board of Chairs & Chair of Board, but limited by the following exceptions:</p> <ul style="list-style-type: none"> • The entering into a contract with a Senior Executive Service (SES) Officer • Those employment functions that require Public Service Commissioner approval/notification • Those employment functions deemed unsuitable for delegation consistent with Premier's Directives or Department of Premier & Cabinet guidelines 	<p>General Authority to commit/incur an item of expenditure up to \$1 million</p>

C. Regional General Manager

	Power		
	<i>Operational</i>	<i>Human Resources</i>	<i>Financial</i>
Powers received by Delegation	<p>All operational powers outlined at A. Board of Chairs & Chair of Board, but limited to:</p> <ul style="list-style-type: none"> • extent of financial delegation and associated authorities (<i>\$500k</i>) • extent of human resources delegation and associated authorities (<i>see HR column opposite</i>) • operational matters and constraints deemed appropriate by the Regional Chair <p>Operational delegations (including authorisations/appointments) by the Minister or relevant Director General related to LLS functions which concern powers/functions of other NSW statutes including:</p> <ul style="list-style-type: none"> • <i>Apiaries Act 1985</i> • <i>Exotic Diseases of Animals Act 1991</i> • <i>Fertilisers Act 1985</i> • <i>Native Vegetation Act 2003</i> • <i>Noxious Weeds Act 1993</i> • <i>Plant Diseases Act 1924</i> • <i>Stock (Artificial Breeding) Act 1985</i> • <i>Stock (Chemical Residues) Act 1975</i> • <i>Stock Diseases Act 1923</i> • <i>Stock Foods Act 1940</i> • <i>Stock Medicines Act 1989</i> 	<p>All human resources powers outlined at B. LLS Regional Boards & Chairs, but limited by the following exceptions:</p> <ul style="list-style-type: none"> • Merit appointments to a vacant position that has not been externally advertised: • Matters deemed not suitable for delegation, in the particular Regional LLS context, by the Regional LLS Chair concerned. 	<p>General Authority to commit/incur expenditure up to \$500,000</p>

D. Regional Delivery & Operational Staff

	Power		
	<i>Operational</i>	<i>Human Resources</i>	<i>Financial</i>
Powers received by Delegation	<p>All operational powers outlined at A. Board of Chairs & Chair of Board, but limited to:</p> <ul style="list-style-type: none"> • extent of financial delegation and associated authorities (<i>see Financial column opposite</i>) • extent of human resources delegation and associated authorities (<i>see HR column opposite</i>) • operational matters and constraints deemed appropriate by the Regional Chair <p>Operational delegations (including authorisations/appointments) by the Minister or relevant Director General related to LLS functions which concern powers/functions of other NSW statutes including:</p> <ul style="list-style-type: none"> • <i>Apiaries Act 1985</i> • <i>Exotic Diseases of Animals Act 1991</i> • <i>Fertilisers Act 1985</i> • <i>Native Vegetation Act 2003</i> • <i>Noxious Weeds Act 1993</i> • <i>Plant Diseases Act 1924</i> • <i>Stock (Artificial Breeding) Act 1985</i> • <i>Stock (Chemical Residues) Act 1975</i> • <i>Stock Diseases Act 1923</i> • <i>Stock Foods Act 1940</i> • <i>Stock Medicines Act 1989</i> 	<p>All human resources powers outlined at B. LLS Regional Boards & Chairs, but limited to the following:</p> <ul style="list-style-type: none"> • Suitable employment powers to support the day to day operational requirements and consistent with the management functions and prerogative exercised by the Regional General Manager or by senior management positions that report directly to the Regional General Manager • Suitable employment powers to support the day to day operational requirements and consistent with the management functions and prerogative exercised by the Regional General Manager by managers that have been allocated a budget for their area of responsibility 	<p>General Authority to commit/incur expenditure will depend the officer's position and role</p>

Attachment 5

Recommended skills and experience for Chairs

The leadership skills of the Chair of each Local Land Services' (LLS) Board will be a key factor in determining the overall effectiveness of the Board. The relationship of the Chair and the General Manager will also be critical to a high performing organisation.

The Chair must act with integrity and have sufficient independence to effectively discharge his/her responsibilities and act in the best interests of the LLS.

The Chair must reside in the region, meet the LLS Board selection criteria and be able to commit sufficient time to the Chair's role. In addition the Chair must demonstrate the following specific skills and competencies:

- Exceptional skills and a track record as a regional leader, change manager and strategic thinker.
- Outstanding communication skills with demonstrated ability to engage and collaborate with stakeholders, including all levels of the community, industry and government.

Attachment 6
Membership of Regional Local Land Services Board – eligibility and election process

1. Introduction

Local Land Services will be a single legal entity. Within the entity will be a Council of Chairs (CoC) that will be supported by [semi autonomous](#) Regional Local Land Services Boards. These skills based governance boards in turn will be supported by Local Community Advisory Groups (LCAG).

Legislation to commence Local Land Services will take effect in January 2014. To facilitate the transition to Local Land Services (prior to elections being held under the *Local Land Services Act after January 2014*,) it is proposed to initially [establish interim Regional Boards and appoint the Board Chairs by August 2013](#). The Chair of the Council of Chairs will occur approximately two months later.

This paper outlines how the interim bodies will be established, who will be eligible to stand for appointment to the regional boards and how that selection process will be conducted. Past experiences and costs have been examined in relation to the process for conducting elections to representative bodies and have strongly informed this paper.

Considered discussion is required in relation to remuneration of members who are appointed to regional boards. The Public Service Commissioner now plays an active role in the determination of fees for members where standard sitting fees are not applied.

It should be noted that recruitment for the Chair of the CoC and for regional General Managers will occur in mid to late 2013 – refer to the Governance paper for more detail on the Local Land Services structure. It is proposed that the interim Chairs of each regional board will be involved in the recruitment process for the General Manager in their respective regions.

2. Establishing the Interim Board

Each interim regional board will consist of 4 Ministerial appointed members. To enable the initial Board to be established it is proposed that the Minister will determine and appoint the Chair to the Interim Board, and that person will in turn be a member of the interim Council of Chairs. It is proposed that the interim LLS Board Chairs will remain in the roles for a period of up to two years.

Expressions of Interest (based on defined experience and skills) will be invited for these positions. In the case of establishing the interim board, the Reference Panel Chair, the Director General of DPI, the interim LLS Board Chair and an independent member, will comprise the working group that will assess each expressions of Interest against a pre-approved skills matrix and provide the Minister with advice in relation to proposed LLS Board membership. The Minister will determine membership of the interim Boards. It should be noted that current CMA and LHPA Board members will be encouraged to apply, as their skills and experience will be beneficial for the early success of the new LLS Boards in delivering services to their communities. One of the interim Board members will be required to have local government expertise.

This interim board will remain functional until the election and appointment process of the remaining LLS Board members in accordance with the Act. This will be within 6 months of the commencement of the Act, noting that the functions of the interim board ie, pre commencement of LLS Act and the statutory interim board, post commencement of the Act will be different. Ministerially appointed members of the interim board will, where appropriate, be appointed to the statutory interim board on commencement of the Act. The instruments of appointment to the statutory interim board can be made after the Act has passed but before it commences to take effect on commencement.

One of the roles of the interim board will be to commence the process of establishing Local Community Advisory Groups (LCAG).

3. Local Community Advisory Groups

Following formal identification of stakeholders by the LLS Regional Boards, a minimum of one LCAG will be established to support each regional board. The establishment of LCAGs will be based on community needs as determined by the LLS Regional Board. Membership will not be restricted to ratepayers and members will either reside or work within the LLS region. Membership will be determined by each regional board. Regional Boards will determine the LCAG Chair.

The LCAG will have an advisory role based on community input and will meet as required.

4. Regional Boards

Regional boards will consist of:

- four Ministerially appointed members (excluding the Rangelands division which will have five Ministerially appointed members), one of whom will have Local Government experience.
- three ratepayer elected members (or 4 depending on community consultation).

Members will provide the Minister with a minimum of 2 nominations for the position of Chair. The Minister will determine the Chair from those nominated and that person will in turn be a member of the CoC. If members cannot agree on the nominations, the Minister will determine the Chair.

Ministerially appointed members will be selected through an EOI process based on defined criteria.

Ratepayer members will be selected through a nomination and electoral process.

Nominations will be sought from residents seeking appointment to an elected position on the board within which their property is rated. The process for appointing elected LLS Board members will be:

1. Candidate addresses criteria against LLS Board Member Skills Matrix and nominates;
2. Independent HR firm verifies candidate claim against skills matrix;
3. Candidate advised to continue or withdraw (candidate may choose to stand without endorsement);
4. Voters are provided with independent assessment of candidates to assist with choice;
5. Ratepayer vote is held;
6. Candidates are elected as per Section 5.

If the number of nominations does not exceed the number of vacancies, and the candidate is assessed in the verification process as meeting the required number of skills criteria. the candidate will be directly appointed to the regional board.

Where the number of nominations exceeds the number of positions on the Board, elections will be conducted – refer point 5 below.

Where insufficient nominations are received, the Minister may appoint an additional member or leave the position vacant until such time as a suitable candidate nominates.

4.1 Term of appointment

Members will be appointed for 3 years. To provide continuity, members will be appointed to the Board on a staggered basis so that the elected positions are filled mid-way through the term of the Ministerial appointees.

To provide stability and continuity while the LLS is establishing and consolidating, Ministerial appointments to the interim board will be for a maximum period of 3 years. The term for the interim board Chair will be for up to 2 years, with the terms for the three Ministerially appointed LLS Board members being for periods ranging from 18 months to 3 years to stagger the replacement appointments to the Regional Boards once LLS is established, This will ensure ongoing replenishment of new skills to service the LLS Boards.

Ministerial appointments to LLS Boards thereafter will be for 3 years.

4.2 Are members eligible for re-appointment?

In response to the Ryan Report finding that policy inertia may impact on the functioning of such bodies, board members should be limited to 2 terms (6 years) in the case of members and 3 terms (9 years) for members who have served one of the first two terms as Chair, unless there is a compelling reason for this not to occur.

Limiting the tenure of membership to the Board will allow for capacity building within the region and the subsequent appointment of new representatives should provide fresh thoughts on contemporary challenges for the region. It also provides an opportunity to engage with younger members of the community.

4.3 Eligibility

Each regional Board will consist of appropriately qualified representatives.

Members will be required to hold defined skills and have a good understanding of issues that impact regional communities and LLS generally.

All members should reside within the boundary of the regional LLS body.

5. Elections

Where the number of eligible nominees exceeds the number of vacant positions on board an election will be conducted.

Elections will be administered by each regional LLS through a returning officer.

Voting will be voluntary.

Ratepayers, as defined in the Act, may register to vote by registering at their LLS Office or online.

If an election is required ratepayers will be notified by mail, via the LLS website and through other media such as local newspapers as appropriate. Ratepayers may vote by attending their LLS office or online.

The candidates that receive the most number of votes will be successful. Where there is a tie in voting a ballot will be conducted by the returning officer.



LOCAL LAND SERVICES

Productive Primary Industries, Connected Catchments



Voting systems based on quartile points in rates

Local Land Services – April 2013

Purpose

- This paper proposes an alternative hybrid model for calculating votes available to landholders based on quartile points in rates.

Background

- At the Reference Panel meeting 22 March 2013 members preferred a hybrid sliding vote scale according to rates paid but with a cap on the total number of votes available.
- LHPA has provided a paper to the Panel outlining a weighted voting system at the whole of state level. Due to the regional demographic differences it concluded that the systems does not work for each region and the capping would need to change (Agenda item 9.3).
- Key outcomes sought from the hybrid model include:
 - being able to deal with regional variation
 - a voting rights system that is relatively simple
 - normalised distribution of votes across land holdings
 - an ability to manage risks of concentrating voting rights so any one group of landholders would not hold the majority of votes

Alternative model to consider

- Ratepayers are grouped into four quartiles by calculating rates paid.
- Votes available are calculated using a rule of 1 vote per number of landholders in quartile 1 (highest number). That number from quartile 1 is then applied across the remaining quartiles so that each quartile block has equal number of votes available.
- Attachment 1 provides an indicative example of this approach and the amount of votes per landholder for 3 LHPA regions – Western, Tablelands, North Coast.
- Rates data used for the purposes of this ‘proof-of-concept’ were in \$100 intervals from \$100 to \$6,000. It is anticipated finer calculations of voting rights will be possible using actual rates or \$25 intervals.

Summary of results

LHPA region	Quartile	Alternative Model	
		No. landholders	No. votes
Western	1	434	1
	2	167	3
	3	121	4
	4	71	6
Tablelands	1	9,169	1
	2	2,806	3
	3	987	9
	4	339	27
North Coast	1 (1&2)	10,109	1
	3	1,691	6
	4	999	10

Recommendation

- That the Reference Panel considers the alternative hybrid model for calculating votes available to landholders based on quartile points in rates.

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Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (September 2012). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information.

Published by the NSW Government.

Attachment 1: Alternative hybrid model for calculating votes to landholders

Analysis of LHPA Western region

WESTERN Rates by \$'s	Midpoint	WES	WES x MIDPOINT	RATES per quartile point	TOTAL landholders per quartile	Votes per quartile (Rule: highest l'holder quartile x 1 vote each)	Votes per landholder
<100	50	2	\$ 100.00	\$ 210,800.00	434	434	1
100<200	150	78	\$ 11,700.00		-		
200<300	250	60	\$ 15,000.00		-		
300<400	350	50	\$ 17,500.00		-		
400<500	450	54	\$ 24,300.00		-		
500<600	550	41	\$ 22,550.00		-		
600<700	650	36	\$ 23,400.00		-		
700<800	750	38	\$ 28,500.00		-		
800<900	850	35	\$ 29,750.00		-		
900<1000	950	40	\$ 38,000.00		-		
1000<1100	1050	46	\$ 48,300.00	\$ 202,550.00	167	434	2.598802395
1100<1200	1150	40	\$ 46,000.00		-		
1200<1300	1250	34	\$ 42,500.00		-		
1300<1400	1350	24	\$ 32,400.00		-		
1400<1500	1450	23	\$ 33,350.00		-		
1500<1600	1550	27	\$ 41,850.00	\$ 217,750.00	121	434	3.58677686
1600<1700	1650	14	\$ 23,100.00		-		
1700<1800	1750	27	\$ 47,250.00		-		
1800<1900	1850	11	\$ 20,350.00		-		
1900<2000	1950	20	\$ 39,000.00		-		
2000<2100	2050	14	\$ 28,700.00		-		
2100<2200	2150	5	\$ 10,750.00		-		
2200<2300	2250	3	\$ 6,750.00		-		
2300<2400	2350	7	\$ 16,450.00	\$ 248,050.00	71	434	6.112676056
2400<2500	2450	7	\$ 17,150.00		-		
2500<2600	2550	5	\$ 12,750.00		-		
2600<2700	2650	1	\$ 2,650.00		-		
2700<2800	2750	8	\$ 22,000.00		-		
2800<2900	2850	4	\$ 11,400.00		-		
2900<3000	2950	2	\$ 5,900.00		-		
3000<3100	3050	4	\$ 12,200.00		-		
3100<3200	3150	5	\$ 15,750.00		-		
3200<3300	3250	1	\$ 3,250.00		-		
3300<3400	3350	4	\$ 13,400.00		-		
3400<3500	3450	2	\$ 6,900.00		-		
3500<3600	3550	0	\$ -		-		
3600<3700	3650	1	\$ 3,650.00		-		
3700<3800	3750	0	\$ -		-		
3800<3900	3850	0	\$ -		-		
3900<4000	3950	0	\$ -		-		
4000<4100	4050	2	\$ 8,100.00		-		
4100<4200	4150	0	\$ -		-		
4200<4300	4250	0	\$ -		-		
4300<4400	4350	1	\$ 4,350.00		-		
4400<4500	4450	0	\$ -		-		
4500<4600	4550	1	\$ 4,550.00		-		
4600<4700	4650	1	\$ 4,650.00		-		
4700<4800	4750	0	\$ -		-		
4800<4900	4850	1	\$ 4,850.00		-		
4900<5000	4950	3	\$ 14,850.00		-		
5000<5100	5050	1	\$ 5,050.00		-		
5100<5200	5150	1	\$ 5,150.00		-		
5200<5300	5250	1	\$ 5,250.00		-		
5300<5400	5350	0	\$ -		-		
5400<5500	5450	0	\$ -		-		
5500<5600	5550	1	\$ 5,550.00		-		
5600<5700	5650	0	\$ -		-		
5700<5800	5750	0	\$ -		-		
5800<5900	5850	0	\$ -		-		
5900<6000	5950	1	\$ 5,950.00		-		
>6000	6050	6	\$ 36,300.00		-		
Highest \$		\$11,687	\$ 879,150.00				
Rates Quartile point			\$ 219,787.50				
Total landholders			793				

Analysis of LHPA Tablelands region

TABLELANDS Rates by \$'s	Midpoint	TAB	TAB x \$MIDPOINT	RATES per quartile point	TOTAL landholders per quartile	Votes per quartile (Rule=highest l'holder quartile x 1 vote each)	Votes per landholder
<100	50	3046	\$ 152,300.00	\$ 1,070,750.00	9,169.00	9169	1
100<200	150	6123	\$ 918,450.00		-		
200<300	250	1890	\$ 472,500.00	\$ 829,200.00	2,806.00	9169	3.26764077
300<400	350	555	\$ 194,250.00		-		
400<500	450	361	\$ 162,450.00		-		
500<600	550	291	\$ 160,050.00	\$ 734,450.00	987.00	9169	9.289766971
600<700	650	208	\$ 135,200.00		-		
700<800	750	149	\$ 111,750.00		-		
800<900	850	119	\$ 101,150.00		-		
900<1000	950	96	\$ 91,200.00		-		
1000<1100	1050	75	\$ 78,750.00		-		
1100<1200	1150	49	\$ 56,350.00		-		
1200<1300	1250	38	\$ 47,500.00	\$ 718,850.00	339.00	9169	27.04719764
1300<1400	1350	27	\$ 36,450.00		-		
1400<1500	1450	40	\$ 58,000.00		-		
1500<1600	1550	24	\$ 37,200.00		-		
1600<1700	1650	20	\$ 33,000.00		-		
1700<1800	1750	28	\$ 49,000.00		-		
1800<1900	1850	12	\$ 22,200.00		-		
1900<2000	1950	13	\$ 25,350.00		-		
2000<2100	2050	13	\$ 26,650.00		-		
2100<2200	2150	23	\$ 49,450.00		-		
2200<2300	2250	18	\$ 40,500.00		-		
2300<2400	2350	6	\$ 14,100.00		-		
2400<2500	2450	5	\$ 12,250.00		-		
2500<2600	2550	7	\$ 17,850.00		-		
2600<2700	2650	5	\$ 13,250.00		-		
2700<2800	2750	6	\$ 16,500.00		-		
2800<2900	2850	5	\$ 14,250.00		-		
2900<3000	2950	6	\$ 17,700.00		-		
3000<3100	3050	5	\$ 15,250.00		-		
3100<3200	3150	1	\$ 3,150.00		-		
3200<3300	3250	2	\$ 6,500.00		-		
3300<3400	3350	2	\$ 6,700.00		-		
3400<3500	3450	0	\$ -		-		
3500<3600	3550	1	\$ 3,550.00		-		
3600<3700	3650	2	\$ 7,300.00		-		
3700<3800	3750	4	\$ 15,000.00		-		
3800<3900	3850	1	\$ 3,850.00		-		
3900<4000	3950	2	\$ 7,900.00		-		
4000<4100	4050	3	\$ 12,150.00		-		
4100<4200	4150	0	\$ -		-		
4200<4300	4250	1	\$ 4,250.00		-		
4300<4400	4350	0	\$ -		-		
4400<4500	4450	1	\$ 4,450.00		-		
4500<4600	4550	0	\$ -		-		
4600<4700	4650	1	\$ 4,650.00		-		
4700<4800	4750	2	\$ 9,500.00		-		
4800<4900	4850	0	\$ -		-		
4900<5000	4950	2	\$ 9,900.00		-		
5000<5100	5050	0	\$ -		-		
5100<5200	5150	1	\$ 5,150.00		-		
5200<5300	5250	2	\$ 10,500.00		-		
5300<5400	5350	1	\$ 5,350.00		-		
5400<5500	5450	2	\$ 10,900.00		-		
5500<5600	5550	0	\$ -		-		
5600<5700	5650	1	\$ 5,650.00		-		
5700<5800	5750	1	\$ 5,750.00		-		
5800<5900	5850	0	\$ -		-		
5900<6000	5950	0	\$ -		-		
>6000	6050	5	\$ 30,250.00		-		
Highest \$		\$9,526	\$3,353,250				
Rates Quartile point		\$	838,312.50				
Total landholders			13301				

Analysis of LHPA North Coast region

NTH COAST Rates by \$'s	Midpoint	NC	NC X \$MIDPOINT	RATES per quartile point	TOTAL landholders per quartile	Votes per quartile (Rule=highest holder quartile x 1 vote each)	Votes per landholder
<100	50	2546	\$ 127,300.00	\$ 1,261,750.00	10,109.00	10109	1.00
100<200	150	7563	\$ 1,134,450.00		-	0	-
200<300	250	1691	\$ 422,750.00	\$ 422,750.00	1,691.00	10109	5.98
300<400	350	516	\$ 180,600.00	\$ 516,950.00	999.00	10109	10.12
400<500	450	197	\$ 88,650.00				
500<600	550	101	\$ 55,550.00				
600<700	650	50	\$ 32,500.00				
700<800	750	41	\$ 30,750.00				
800<900	850	21	\$ 17,850.00				
900<1000	950	11	\$ 10,450.00				
1000<1100	1050	15	\$ 15,750.00				
1100<1200	1150	5	\$ 5,750.00				
1200<1300	1250	9	\$ 11,250.00				
1300<1400	1350	3	\$ 4,050.00				
1400<1500	1450	7	\$ 10,150.00				
1500<1600	1550	1	\$ 1,550.00				
1600<1700	1650	3	\$ 4,950.00				
1700<1800	1750	3	\$ 5,250.00				
1800<1900	1850	3	\$ 5,550.00				
1900<2000	1950	1	\$ 1,950.00				
2000<2100	2050	2	\$ 4,100.00				
2100<2200	2150	1	\$ 2,150.00				
2200<2300	2250	2	\$ 4,500.00				
2300<2400	2350	0	\$ -				
2400<2500	2450	1	\$ 2,450.00				
2500<2600	2550	1	\$ 2,550.00				
2600<2700	2650	2	\$ 5,300.00				
2700<2800	2750	0	\$ -				
2800<2900	2850	0	\$ -				
2900<3000	2950	0	\$ -				
3000<3100	3050	0	\$ -				
3100<3200	3150	0	\$ -				
3200<3300	3250	1	\$ 3,250.00				
3300<3400	3350	0	\$ -				
3400<3500	3450	0	\$ -				
3500<3600	3550	0	\$ -				
3600<3700	3650	0	\$ -				
3700<3800	3750	0	\$ -				
3800<3900	3850	0	\$ -				
3900<4000	3950	0	\$ -				
4000<4100	4050	1	\$ 4,050.00				
4100<4200	4150	0	\$ -				
4200<4300	4250	0	\$ -				
4300<4400	4350	0	\$ -				
4400<4500	4450	0	\$ -				
4500<4600	4550	0	\$ -				
4600<4700	4650	0	\$ -				
4700<4800	4750	0	\$ -				
4800<4900	4850	0	\$ -				
4900<5000	4950	0	\$ -				
5000<5100	5050	0	\$ -				
5100<5200	5150	0	\$ -				
5200<5300	5250	0	\$ -				
5300<5400	5350	0	\$ -				
5400<5500	5450	0	\$ -				
5500<5600	5550	0	\$ -				
5600<5700	5650	0	\$ -				
5700<5800	5750	0	\$ -				
5800<5900	5850	0	\$ -				
5900<6000	5950	0	\$ -				
>6000	6050	1	\$ 6,050.00				
Highest \$		\$8,130	\$2,201,450				
Rates Quartile point			\$ 550,362.50				
Total landholders							12799

**Attachment 8
Proposed program of rolling performance audits**

