



Modernisation of Local Government in NSW

NSROC Discussion Paper – 2010

The Northern Sydney Regional Organisation of Councils (NSROC) represents seven member Councils in northern Sydney: Hornsby; Hunter's Hill; Ku-ring-gai; Lane Cove; North Sydney; Ryde and Willoughby.

NSROC is a voluntary organisation established to provide strong local government leadership; to work co-operatively for the benefit of the Northern Sydney region; and to effectively advocate on agreed regional positions and priorities.

This paper is for discussion purposes only. It does not reflect any particular views of the NSROC Board.

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CONTENTS AND KEY QUESTIONS

Executive Summary	3
Background	4
Part 1 - Modernising the Financing of Local Government	5
<i>What new sources of revenue could councils examine? What changes could be made to the administration or structures of existing revenue sources? How can councils reduce demand or reduce services to improve financial sustainability? How can councils improve efficiencies and capacity?</i>	
Part 2 - Modern approaches to Community Wellbeing	11
<i>What measures or actions, other than those identified through community strategic planning, could councils be undertaking to enhance community wellbeing? What changes should be made to councils' services to reflect changing demographics and the additional demand for services based on population growth?</i>	
Part 3- Modern approaches to the Natural and Built Environment	13
<i>How can councils change or improve their management and activities to generate sustainable outcomes for their local residents? How might these actions be funded? How can local government contribute to population planning processes? What elements should be taken into consideration when managing the population of a local government area? How should planning powers be divided between State and local government to deliver effective infrastructure that matches both local community and broader community needs?</i>	
Part 4 - Modern approaches to the Roles, Responsibilities and Operations of Local Government	15
<i>How should the relationship between the State "local government" portfolio and councils be structured and operate? How should councils representation be structured to reflect the community interest and deliver effective democracy? Do councillors require additional support or training to undertake their complex decision making roles in contemporary councils? What should be the key thresholds and decision criteria for changing the structure and size of councils?</i>	
Part 5 - Local Government Leadership in Modernisation discussions	23
<i>How can local government lead change and how should the campaign for change be managed?</i>	
Appendix 1 – Legislative History of Local Government	24
Appendix 2 – Roles and Functions of NSW Local Government	25
Appendix 3 – Amalgamation Proposals from various sources	27
Appendix 4 – Strategic Paths for Change Leadership	28

EXECUTIVE SUMMARY

Local government is continuously changing in response to government policy, community needs and values, evolving technology and management practices. In recent times there has been a very substantial increase in the range and complexity of local government services. Given this dynamic background, the modernisation of local government is a frequent public discussion topic alongside broader debates about all levels of government in Australia.

In 2010 a new focus on local government modernisation is being promoted by the NSW Local Government Association (LGA) and this paper has been developed to support and inform the discussions of the NSROC Board. It is partly structured around issues suggested by the Local Government Association and appended with other matters which have arisen in recent public debate.

Modernisation has not been formally defined in this paper. Instead it catalogues various actions and perspectives that are often labelled as modernisation by councils, government, academia and the general public.

While evaluating the various modernisation initiatives, this paper also suggests an approach to modernisation analysis and process. It is suggested that prior to undertaking specific reforms, a rigorous process of identifying and understanding the roles and responsibilities of 'modern' local government, together with a clear vision and understanding of its future would provide a stronger and robust base on which to effect real change.

The paper poses various questions about the modernising of local government finances, improving community wellbeing, the approach to the natural and built environment and the definitions of local government roles and responsibilities. The structure and size of councils in NSW is continually debated and often the main focus of the modernisation debate. However this paper argues that these matters should be a secondary consideration and a consequence of the re-definition of contemporary roles and responsibilities for local government. Once these top level issues of purpose and function have been determined, then council structures should be reviewed in conjunction with consideration of regional approaches or structural reform.

In a constantly changing world, local government must have the flexibility and robustness to adapt and respond to community requirements. This is the essential quality needed for effective local government.

BACKGROUND

At the Local Government Association (LGA) Conference in October 2009, a preliminary discussion on “Modernisation of Local Government” was initiated by the LGA Executive. The Conference resolved that the LGA support continuing work on a joint project with the Shires Association to pursue modernising Local Government in the coming year.

At the NSROC Board Meeting on 13 February 2010, NSROC agreed that member Councils undertake a robust dialogue on ‘Modernisation of Local Government’.

On 16 March 2010, the LGA wrote to all Councils and proposed that Modernisation be the focus of 2010 NSW Conference (to be held in October 2010).

Specifically the LGA has requested that discussion and Conference Motions be based around three themes:

Part 1 - Modernising the Financing of Local Government

Part 2 - Modern approaches to Community Wellbeing

Part 3 - Modern approaches to Natural and Built Environment

The LGA has provided further detail of what topics might be captured in these categories. The LGA also noted that motions or discussions should not revisit established LGA positions such as removal of rate pegging and constitutional recognition.

In late May 2010 the LGA released a substantial discussion paper on Modernisation which is currently circulating for comment with coordinated program of consultation to be rolled out in the second half of 2010.

PURPOSE OF THIS PAPER

The purpose of this Discussion Paper is to pose some general questions and provide some comparative data and research information, which may assist NSROC Councillors in consideration of their views.

The paper has been structured under the 3 themes proposed for the LGA 2010 Conference however some additional sections have been included:

Part 4 - Modern approaches to the Roles, Responsibilities and Operations of Local Government

Part 5 - Local Government Leadership in Modernisation Discussions

Each section concludes with general questions to be considered in future forums or deliberations.

PART 1 – Modernising the Financing of Local Government

1.1 BACKGROUND

Local government financing has undergone various reviews over the years. In 2008, the Productivity Commission examined “Local Government Revenue Raising Capacity” across the nation. It found that the ratio of local government rates revenue to GDP fell from 1990 to 2006 while local government services have increased in diversity and costs.

A study commissioned by the LGA in 2005 (the Allan Report), found that while NSW councils are generally low in debt levels (measured against asset levels), 25% were considered ‘financially unsustainable’. In this analysis the definition of unsustainable is based on continued and increasing operating deficits - that is a council’s operating costs perpetually exceed their operating revenue or, put another way, their current spending exceeds their current income.

Increased operational costs can be caused by a variety of factors. For example: increased legislative requirements such as disability access requirements and increased childcare worker to child ratios; new technologies such as website services and CCTV systems; or underlying utilities costs such as increased electricity charges for a council aquatic facility.

The Allan Report observed that some councils attempt to close the gap between spending and income by tapping into capital revenue, grants and proceeds from asset sales. The consequence of this action is that capital assets are not being maintained and renewed appropriately which leads to a growing ‘infrastructure renewal’ gap.

The Allan Report was one of the main bases for the LGA position on the removal of rate pegging to allow councils to adequately fund the services they provide. However rate pegging is not a single solution to council sustainability. A recent Price Waterhouse Coopers study also estimated that somewhere between 10 to 30% of the 565 councils around Australia were also financially unsustainable despite most jurisdictions being free from rates capping.

Over time council activities and services have evolved and broadened from simple roads and rubbish to multiple services. Some of these functions are taken on by councils voluntarily. Other services are a result of cost shifting.

In 2003, a Federal Parliamentary inquiry (The Hawker Inquiry), demonstrated that the impact of cost shifting by the states onto local government was between \$500 million to \$1 billion per year. A NSW analysis on the impacts of cost shifting undertaken by the LGSA in 2007/08 suggest that \$430million or 5.92% of Local Government’s total income (before capital amounts) is cost shifted in NSW each year.

These reports pinpoint the two significant problems with local government financing:

- 1) the inadequacy of actual revenue levels to match current services, and,
- 2) the reliance on inappropriate and outdated funding sources.

The question of how to ‘modernise’ local government finances then requires exploration of options to:

- secure new sources of revenue;
- boost existing revenue;
- reduce demand on existing services and/or reducing services; and
- improve efficiencies and capacity.

1.2 ISSUES

1.2.1 New revenue sources

Councils must have adequate financial resources. Property rates are accepted as a council tax, which is relatively inexpensive to administer, easily understood by the public and difficult to avoid or evade. It is the substantial core funding for most councils in Australia. (At a national level - on average 37% of council revenues come from rates, with fees and charges contributing another 45%, and the remaining 18 % from grant funding.)

However, in NSW council rates do not reflect inflation and the growth in real income per head, which is generally created as living standards rise. For this reason there is a suggestion that councils look at a 'growth tax', such as a share of GST from the Federal Government based on population as an alternate core funding source.

The recent Henry Report on Taxation in Australia, (and the Federal government's response), has recognised that councils should be given more autonomy in property tax setting. But disappointingly there have been no proposed reforms to assist local government long term financial capacity or access to any growth tax. Consistent with the arguments for constitutional recognition, local government should be looking at a more definitive funding arrangement with the Federal Government.

For most councils the biggest growth in revenue has been from fees, charges, asset and investment income. However, some of these revenues are capped by legislative requirements that do not reflect any notion of cost recovery (such as Development Application fees). Generally speaking councils are not permitted to operate as profit making entities in competition with private business so service revenue is also capped. Where councils have a legislative responsibility or a monopoly right to provide a service (such as waste collection), then charges are often limited to a cost recovery basis or limited by State price controls. Investment income has recently come under scrutiny due to problems with investments during the global financial crisis.

Despite these limitations, councils have considerable skills and resources that can be utilised to develop potential new revenue streams. Councils are already established to manage services for aged and youth groups or deliver building inspections programs. A revenue option might be for councils to seek service agreements (and income) for the roll out of State and Federal Government programs or services. Local Government could even have responsibility for the delivery of all services within the local government area, where economies of scale do not dictate a broader area of coverage.

A further option is for councils to host 'whole of government front desks' for referral and information services relating to various different government agencies. This may be a simple leasing arrangement with other levels of government or some shared front desk staff and service delivery arrangement.

Forum Discussion Question – What new sources of revenue could councils examine?

1.2.2 Boosting revenue from existing sources

As noted previously there are several sources of existing council funding – rates and special levies, developer contributions, user fees and charges, and grant funding. There are potential options for reforming these existing revenue sources.

- **Rates**

The NSW Government has recently accepted the recommendation of the IPART Report on Revenue Framework for Local Government. From July 2010 IPART will be responsible for the review of development contribution plans and the assessment of specific council applications for rate variations. Operational details are yet to be released on how this process will be undertaken, however it is also anticipated that councils will have the option of applying to IPART for approval of long term revenue planning structures which will include the following:

Option A – Medium Term Revenue Paths.

This option retains the basic ratepayer protections of pegging but provides a mechanism for councils to seek multi-year or medium term revenue paths with incentives to improve financial management.

Option B – Earned Autonomy

This option provides an alternative mechanism where councils can seek full autonomy in setting rates over a multi-year period providing the council:

- 1) meets key financial indicators and demonstrate certain sound financial management, and;
- 2) demonstrates an explicit community mandate for the proposal.

Options A and B work together with Option A being the default position for all councils ultimately replacing the current regime of year to year variations. IPART argues that these changes address the concerns with the current framework, specifically:

- the lack of transparency about rate setting process and variation decisions;
- the disconnect between rate rises and each council's cost increases; and
- the annual incremental approach which discourages medium and long term financial and strategic planning.

- **Rates and long term financial planning**

Within the new Community Strategic Planning Framework councils are required to adopt a Long Term Financial Plan. These plans will include an estimate of the rate base required by councils to meet their identified community outcomes over a 10 year planning horizon.

Recent statements from the Division of Local Government suggest that councils who make applications to IPART for special rate variations based on these plans will be exempt from rate pegging.

- **Special levies**

Another change in rates management might be for greater disclosure by councils of each rate cost component in order to give confidence to the community about the benefit of rate rises. From recent observation of special levies, some argue that the public seems to be more accepting of increased rates where there is a dedicated and specific outcome attached. (It is acknowledged that councils' largest cost area is generally wages and administration and hence cost component disclosure would make this more visible.)

A further option might be to articulate within the rates notice those cost components tied to cost shifting by State or Federal government such as street lighting or fire levies.

- **Rates basis**

In addition to the IPART rates reform, some argue that a change of the rates base should be considered. Currently NSW rates are levied on unimproved land value. An increase in land value can be achieved through population growth, investment in public facilities and infrastructure, and investment in public utilities and community development. While none of these improvements are created by the land owner, that owner receives a large increase in land value. Some argue that the local community should recapture these ‘unearned increments’ of land value through a form of betterment tax. Alternatively some also suggest that the rating system be changed to Capital Improved Value (as in Victoria) to allow for the benefit of increased property values to be obtained by councils.

- **Development contributions**

Development contributions are a charge on new dwellings (levied per lot). They are designed to contribute to supporting community infrastructure demanded by the development such as drainage etc. Development contributions are not a very stable source of income for councils because the peaks and troughs in the development industry. Revenue also differs dramatically between different councils. Councils with greenfield sites tend to have more funds generated than those with established communities.

A problem with the current system is that development contributions must be spent on new infrastructure but not augmenting existing infrastructure or maintenance. This presents difficulties for metropolitan councils who are undertaking urban renewal or infill development as improvements to existing infrastructure tend to be required rather than the development of new infrastructure.

Most infrastructure provision is large scale and development contributions have to be held and aggregated by councils. This again causes frustration for councils and communities as infrastructure may not be delivered concurrently with the relevant development. Care must be taken about the contribution rate charged for development. Councils must strike a balance between the setting a price that reflects the cost of the infrastructure required but not too high as to pose as a barrier to development occurring at all. Recently the State Government’s placed a cap on Section 94 developer contributions (to \$20,000 per lot) that applies across the state. This does not recognise that the vast difference in infrastructure costs and developer returns in different council areas. Some suggest that rather than a cap, the development contributions system should have a differential flat rate across all development (but with major development having a higher percentage than “mums and dads” development).

Overall, as a source of revenue, development contributions need to be re-structured to reflect both the reality of major infill development occurring in NSW, and the differentials across the State in infrastructure outlays and development returns.

- **Fees and charges**

Councils have the capacity to impose fees and charges on certain services. Different councils apply different pricing regimes. Some charges might be based on a cost recovery principle, while others may be based on capacity to pay. Some argue it is fairer for councils to apply more direct user charges because the connection between many new services that councils provide and the services most ratepaying residents use is becoming very limited.

- **Grants**

Some argue that the current ad hoc discretionary State and Federal grant funding mechanisms (excluding Federal Assistant Grants (FAGs)) absorb substantial administration costs across levels of government for relatively small gains. Strict grant criteria may not be targeted to the specific council’s needs and instead may compel councils into unneeded projects that comply with a macro agenda of

government. An alternative option might be to fold discretionary grant monies into a larger FAG allocation to each council who can then identify a hypothecated (tied) spending regime with their constituents.

Forum Discussion Question - What changes could be made to the administration or structures of existing revenue sources?

1.2.3 Reducing demand on existing services/ reducing existing services

As noted previously, council services are expanding dramatically. In its 2008 report the Productivity Commission identified a wide range of local government functions and services across Australian councils. This array of services includes those statutorily required of councils through Local Government legislation but also those that have arisen by convention or by “cost shifting” from other levels of government.

TABLE 1: Sample of Local Government Functions and Services

Function category	Service Examples
Engineering and infrastructure	Public works design, construction and maintenance of roads, bridges footpaths, drainage, cleaning, waste collection and management
Property related	Domestic waste management including solid waste and recycling services (also water and sewerage in some regional councils)
Administration, regulation and planning	Land use and town planning (including heritage) development approvals, building inspection, licensing certification and enforcement, administration functions relating to quarries, cemeteries, parking stations and street parking
Environmental and health	Catchment management, parks and gardens, tree removal, pest and weed control, water sampling, food sampling, immunisation, public toilets, noise control, meat inspection and animal control
Community and social	Aged care and child care services, health clinics, youth centres, community facilities, counselling and welfare services
Recreation cultural and education	Swimming pools, libraries, art galleries, theatres, museums, recreation centres, sports facilities, camping grounds, community festivals, tourism
Other	Bus services, markets, economic development promotion and group purchasing, security and CCTV monitoring

Some have argued that councils should withdraw from non-statutory services to improve financial sustainability but also to make the responsibility of each level of government more transparent. This is sometimes described as a ‘minimalist’ approach to local government services provision that focuses on core responsibilities only.

Alternatively, some suggest that councils should be rationing these services based on stricter eligibility criteria or pricing mechanisms. This is sometimes called the ‘optimalist’ approach which suggests that councils should provide core services then a suite of additional services based on criteria such as willingness to pay and demonstrated demand.

Others argue that the services that councils currently provide reflect a ‘devolution’ of service delivery effectiveness. While some services are notionally a state or federal responsibility, in reality the service has devolved to local government and is more effective in achieving community outcomes. An example of this might be council providing day respite for the aged. This perspective of broad ranging service provision is often described as a “maximalist” approach.

While ‘practical devolution’ of services to local government may have occurred, the statutory and financial recognition for these services is absent and is compromising council’s financial sustainability. For

example, council provided community bus services are unable to charge passengers because of the State government's competition restrictions under their statutory responsibility for public transport provision. Under these current legislative restrictions, councils with a 'maximalist' approach run a high risk of becoming financially unsustainable in the long term.

Forum Discussion Question - How can councils reduce demand or reduce services to improve financial sustainability?

1.2.4 Improving efficiencies and capacity

A further means to improve financial sustainability is through improving council's financial, management and organisational efficiencies.

Councils are constantly looking for efficiencies in services and facilities. Councils aim to design and manage their services in ways which minimise costs. Efficiencies can be achieved through internal systems reform. For example council asset management programs might include coordinated scheduling of asset upgrades with private development or public utility improvements.

Councils also look for efficiencies through various shared systems and alliances, which aim to generate costs savings across councils. For example NSROC councils undertake joint procurement and have shared services providers such as internal auditors. Some have suggested that a template agreement on sharing administrative functions and service delivery where delivering services over a larger area rather than one council area would lead to further efficiencies.

Some argue that more joint activities could take place if certain legal structures applying to local government were removed. The Local Government Act severely restricts the delegation of decision authority to third parties and this limits councils' capacity to explore and implement joint programs. Some argue that if this impediment was removed then initiatives such as green technologies, which some councils may not be able to individually fund and deliver, could be achieved through cross council alliances.

Evolving technologies in E-Government and IT provide a dynamic area for increased efficiencies in local government. Councils need to recognise the ability of the Internet to deliver solutions and improve business performance. There is also the need to effectively prioritise information technology implementation so that resources are directed to systems that will deliver the highest level of benefits, in terms of financial or customer service, to the council. Such systems also place new demands and require specialist expertise within councils' organisations.

Councils in NSW are now subject to quite rigorous and prescriptive long term financial planning and asset management requirements that in many cases equate to commercial and corporate business requirements. This has resulted in a fairly transparent and standardised approach to local government financial management. However, organisational structures of individual councils are different across local government. Councils generally tailor their organisational structures to match their specific community's needs and vision. Some argue that such differentiation provides flexibility and responsiveness and in turn drives efficiencies in services. Others argue that if done poorly or too frequently, then such differentiation can lead to public confusion about council's responsibilities and excess spending in management structure development. A key challenge for councils is to balance these tensions in their organisation's design to maximise savings and effectiveness.

Forum Discussion Question – How can councils improve efficiencies and capacity?

PART 2 – Modern approaches to Community Wellbeing

2.1 BACKGROUND

The LGA paper suggests that discussions on ‘community wellbeing’ should canvass innovations in areas such as social planning and community development, community services, health and recreation services, safe environments, and cultural services.

As noted in Table 1 (page 9), many of these ‘community wellbeing’ services are not statutory responsibilities of local government. Rather all levels of government implicitly or explicitly through their Departmental structures (for example the NSW Department of Community Services or the Federal Ministry for Arts) make some contribution and take some responsibility in these areas of community wellbeing. Therefore consideration has to be given to whether the current form and level of contribution made by local government to these areas is appropriate.

However such a discussion cannot be thoroughly undertaken without examining some key questions particularly:

- What is community wellbeing?
- How is it measured?
- Who should provide it?

There are various views on the subject of ‘community wellbeing’ and how it should be provided. Some argue community wellbeing is an aggregate of minimum services that meet a specific community’s needs. Others see it as a measure of community connectedness and participation in local decision-making. Therefore the existence of a local decision body such as the councils itself can be seen to contribute to community wellbeing.

Historically communities have been associated with specific geographic areas. Today there are different types of communities. For example, communities of interest reflecting common characteristics, concerns or activities and communities of attachment based on a sense of common identity with others. Thus community is a complex and multi layered concept. No local government structure can fully reflect all these aspects, but the core aim is that a council should be accessible, responsive and accountable to the community it serves.

Others argue community wellbeing is expressed through the level of participation in local decision-making. Generally councillors are seen as the proxy for that participation, acting as a representative voice for their residents. But more frequently councils are engaging in direct participation with their communities, for example through internet based consultation with user groups and area community forums.

Whilst the current local government structure requires that councillors are democratically elected, some argue that these other methods of communication and consultation can generate democratic outcomes which reflect a more accurate view held by the community at large. Some see the current system as the ‘squeaky wheel’ approach, whereby only a minority of stakeholders choose to participate and engage with their local councillors and the ‘squeaky wheel’ views become magnified but not representative. Because of these potential distortions in consultation, some argue that councils can actually diminish ‘community wellbeing’.

A third perspective on ‘community wellbeing’ is illustrated by the concept of Community Capacity Building. Community Capacity Building (CCB) basically refers to ‘local solutions to local problems’, which enable communities to deal with problems, ultimately without relying on external resources. CCB is often described as a series of processes by which communities:

- organise and plan together
- develop healthy lifestyle options
- empower themselves
- reduce poverty and suffering
- create employment and economic opportunities
- achieve social, economic, cultural and environmental goals together

CCB can be seen as a way of encouraging the development of more 'healthy' or 'active' communities. The pooling of skills and resources, as well as the identification of key local problems addressed through common action, can provide a springboard for effective action. Researchers working on CCB projects have seen their use to address basic issues like improving local parks or play facilities or providing community coffee mornings and befriending services to isolated groups such as the elderly.

Importantly it is not simply the development of these facilities that is the CCB outcome but also the linked outcomes of pride, key skills and the capacity of communities to become more supportive and social spaces in their own right. Local government's role in CCB is commonly viewed as an enabler of process not a deliverer of outcomes. In some respects a measure of success in CCB is the effective independence of the community from local government support and services.

2.2 ISSUES

2.2.1 Community wellbeing

Councils in NSW are undertaking an extensive process of 'community wellbeing' assessment through their Community Strategic Planning processes. This strategic consultation and analysis is used to pinpoint each community's needs against its capacity and, in effect, evaluate wellbeing. Not surprisingly many councils are finding that their communities desire more support or argue that existing services need improvement.

Forum Discussion Question - What measures or actions, other than those identified through community strategy planning, could councils be undertaking to enhance community wellbeing?

2.2.2 Demographic and ageing demands

NSW and Australia are facing a growing and ageing population. The most recent analysis suggests that by 2050 there will be only 2.7 people working for every one retired person compared to today where there is a ratio of 5 working persons to every retired person. This means the demand on all government services is likely to increase while the incomes and capacity for communities to pay is diminished. Moreover aged and retired residents tend to be higher users of local government services.

Forum Discussion Question – What changes should be made to councils services to reflect changing demographics and the additional demand for services based on population growth?

PART 3 – Modern approaches to the Natural and Built Environment

3.1 BACKGROUND

Modern approaches to the natural and built environment must be underscored by principles of sustainability. Councils, along with other levels of government, have already revised their approaches to sustainability through activities such as natural environmental management, building controls, water and energy conservation, and community education. However, while there is no dispute about the merits of these actions and their overall benefits, many initiatives require up front investment by councils without a direct financial return.

Councils have certain statutory obligations for environmental management based on the broad charter in the Local Government Act to “*properly manage develop, protect, restore, enhance and conserve the environment...*”. There are also specific environmental activities allocated to councils such as waste collection and disposal. The nature of these responsibilities and the choice of council responses has widened considerably over time. For example waste disposal has evolved from a simple process of collection and dumping in landfill to a market integrated process with high technology and investment in recycling facilities.

Climate change and climate adaptation poses new challenges and possible responsibilities for local government. Councils will have to deal with new scenarios such as rising sea levels which directly impact on land planning processes and new carbon taxing regimes which will impact on council finances.

Alongside these environmental pressures, NSW and Australia are facing a growing population. Current estimates are that Sydney will have a population of 7 million by 2050. This has direct ramifications for the population density of our communities.

The State Government has spelt out its agenda for managing these new demands in plans such as the 2005 Metropolitan Strategy (currently under review) and other key strategic documents relating to infrastructure and planning. Over the last decade substantial shifts in planning powers over urban development from local to state government have occurred through instruments such as SEPPS, organisations such as the Redfern Waterloo Authority and planning assessors such as Joint Regional Planning Panels. Further State planning controls to fast track urban renewal and transport infrastructure are currently being explored including a proposal for a Sydney Metropolitan Development Authority.

A common argument put forward to justify these changes is the apparent slowness and ad hoc development outcomes of local government. A common response to this argument is that development is not slow and that councils, as planning authorities, are an appropriate safeguard against unchecked development and allow for local consultation and local decision making.

3.2 ISSUES

3.2.1 Sustainability

Councils are generally well aware of both their consumption of resources and their contribution to environmental outcomes. Increasingly, the environmental costs of council activities will become transparent through environmental levies, charges or direct taxes which will impact directly on council operations.

It is critical that councils who represent and act for their residents have the capacity, resources, skills, influence and adaptability to tackle these issues robustly and effectively. This means that strategic

investment in technologies and expertise will be required, as well as, marshalling direct action by residents in the most effective way to improve outcomes.

A key problem for local government is the disconnect between different efforts and approaches by different levels government on environmental initiatives. Councils generally focus on achieving local sustainable outcomes. However community expectations sometimes drive councils to undertake initiatives that may be better delivered at a different scale than through local action. There is a strong need for the development of better approaches to coordinate local action with wider state, federal and global action to maximise environmental gains while conserving council resources.

Forum Discussion Question – How can councils change or improve their management and activities to generate sustainable outcomes for their local residents. How might these actions be funded?

3.2.2 Population and planning

Population growth has a profound impact on the natural and built environment and therefore local government must be more actively involved in the determination of population growth and settlement policies. The current system of decision making at a Federal level, does not incorporate an analysis and subsequent support for managing population growth at the local level. State government has also failed to engage with local government in population growth planning. For example the NSW Metropolitan Strategy has dictated growth rates and housing targets down to LGA levels without transparency, or consultation with local government.

Councils need to be involved in the management of population growth. They need support in responding to its impacts. This includes support to provide and maintain key transport links, support to minimise environmental damage, and support to provide facilities for leisure, cultural recreation and waste services.

Forum Discussion Question – How can local government contribute to population planning processes? What elements should be taken into consideration when managing the population of a local government area?

Infrastructure planning is important for local community functionality and will be under stress as population increases. The cost and provision of modern infrastructure is very different from its historical delivery. Councils are dealing with considerable financial outlays for roads and other local infrastructure. Supporting processes of public consultation and statutory requirements such as environmental assessments are now required for most works which add costs to infrastructure projects.

Key infrastructure, such as transport and utilities services, that are delivered by State government have similar costs and statutory requirements. In recent times, through SEPPS and other mechanisms such as Joint Regional Planning Panels, the State Government has been assuming more responsibility for consultation and other statutory requirements for these projects. State governments argue local government may be captured by local interests that frustrate the delivery of projects which have broader public benefit.

However this State process for infrastructure delivery also bypasses councils role in community engagement and there is less debate and input about the needs of the local community. The key question is how local government should maintain a role in consultation and local integration for these larger infrastructure projects.

Forum Discussion Question – How should planning powers be divided between State and local Governments to deliver effective infrastructure that matches both local community and broader community needs?

PART 4 – Modern Approach to the Roles, Responsibilities and Operations of Local Government

4.1 BACKGROUND

4.1.1 Prescribed Roles and responsibilities

Traditionally the 'roles and responsibilities of local government' have been enshrined in legislation, starting with the first compulsory system of local government in 1906 through to the current Local Government Act (1993) (see Appendix 1 for Legislative History of NSW Local Government).

The Local Government Act (1993), as amended, provides for the 'roles and responsibilities' for local Councils as follows:

Chapter 3 What is a council's charter?

The charter comprises a set of principles that are to guide a council in the carrying out of its functions. A council may add other principles not inconsistent with those in the Chapter.

Section 8 The council's charter

(1) A council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- to engage in long-term strategic planning on behalf of the local community
- to exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- to be a responsible employer.

For further details of functions and ancillary roles see Appendix 2.

This myriad of local government responsibilities - both prescribed by legislation and undertaken in practice - can be categorised into four types of activities:

- 1) Mini parliament – where councils are making policies and advocating on behalf of constituents;
- 2) Service provider – where councils are responsible for the provision of a standard of service to clients/constituents;
- 3) Regulator – where councils are empowered to make orders and enforce civic controls; and
- 4) Corporate manager – where councils, as statutory corporations with substantial businesses and asset portfolios, are managers of large financial organisations.

Considering this multiplicity of functions and responsibilities, local government is an extremely complex operational organisation. Councils operations extend far beyond that of a corporate entity or a simple mimic of other levels of government. In fact some argue it is the most complex organisation within our society.

For example take the unique capacity of councils to set and enforce municipal laws but also to consider appeals to such laws. This is the case in the management of certain planning controls where councils evaluate appeals to their prescribed planning arrangements. Some may argue that this is a contradictory arrangement and is inconsistent with the separation of parliamentary and judicial roles that apply in other levels of government.

4.1.2 Recent reforms and proposals

There have been three major changes to the NSW local government system of administration under the banner of 'Local Government Reform' by the State government:

- 1980 The Bain's Report, which led to the major amalgamation of Councils, reducing the number from 275 to 170.
- 1993 The Local Government Act, which was the first rewrite of legislation since 1919
- 2010 Currently Councils are implementing the new Local Government Planning & Reporting legislation and this will be the first major external change since 1993.

Most recently, other organisations have also released proposals that include reform or modernisation proposals for Sydney metropolitan councils specifically. In late 2009 the Australian Institute of Consulting Engineers released a paper **Sydney Towards Tomorrow**, which proposed the following Key Recommendations:

1. *One Plan for Sydney - Focus on quality medium density forms within the existing urban footprint and high density around existing transport corridors and nodes. This means an increased focus on urban consolidation and less focus on fringe development. Live, work, play communities delivered by a structure planning process that brings together all elements on infrastructure into a single spatial agency.*
2. *Infrastructure that delivers carbon neutrality to Sydney via both short term sustainability based procurement and longer term sustainable planning.*
3. *Abolish the transport tax base and introduce a user pays system.*
4. *Consolidate local urban councils from 42 to 11 (in the Sydney Basin) and one regional council for each of Newcastle, Illawarra and the Central Coast.*
5. *Reform governance structures so that there is one body responsible for the policy, planning, safety and funding of transport infrastructure management, development, maintenance and operation across all nodes.*

In 2010 the NSW Business Chamber released **10 Big Ideas to Grow NSW**, which proposed the following:

1. *Ensure taxpayers get better value for money by auditing government services and performance.*
2. *Create jobs by cutting employment taxes and red tap. Cut Payroll tax to 4.95% by 2015.*
3. *Protect the NSW Budget by fighting for a fairer share of GST*
4. *End the blame game in hospitals by handing funding to the Federal government*
5. *Move economic growth to the centre of State Government decision making by establishing the Department of Business Growth*
6. *Encourage growth in regional NSW through funding government and business relocations to regional areas*
7. *Get politics out of infrastructure by establishing Infrastructure NSW*
8. *Take charge of Sydney traffic by appointing a Transport Tsar*
9. *Help Sydney prepare for the future by creating 10 super councils*
10. *Better prepare young people for the workforce by improving the HSC for students not attending university.*

Appendix 3 outlines the metropolitan council amalgamation proposals proposed by these two organisations.

4.2 ISSUES

4.2.1 Roles and responsibilities

Any discussion on modernisation must first establish a sound case for change, rather than leaping to new models, structures or quick solutions.

Modern businesses restructure every few years to respond to the changing dynamics of the market and the community. Until 1993, NSW local government had not been substantially reviewed for 75 years. However the 1993 Act is now over 15 years old and it is not unreasonable to argue that a review of the Act must be part of any modernisation process. The Act, and other supporting legislation, determine the principle relationships and activities of local government by defining the powers of the State government, the role of councillors and the functions, structure and size of NSW local government. These elements are discussed below.

4.2.2 The role of the State Government

As noted throughout this paper, council activities are driven by mix of statutory and non-statutory responsibilities. Oversighting the performance of statutory responsibilities of local government is the State Government. The portfolio of local government (formerly the Department of Local Government and currently the Division of Local Government) is the administrator of NSW local government oversight.

This portfolio and its function is rarely discussed in the context of local government reform however it can be argued that it has a significant impact on the success of local government. A key criticism in

recent times has been the lack of advocacy by the portfolio for the needs of local government and the failure to promote connections with other critical portfolios such as transport and planning.

Councils argue that the current State Government is too focused on its policing or compliance role with local government. Historically the Department of Local Government has taken the view that, provided councils meet minimum benchmarks or standards, then councils should have relative discretion and autonomy to tailor their operations to their specific community's needs. However while this might be an appropriate *laissez-faire* view, contradicting this approach is the State Government's continued revenue constraint of rate pegging and the take over of planning powers from local government.

A further concern has been the lack of advocacy by the Department for improvements in complementary development such as major infrastructure coordination. For example, the recent Community Strategic Planning process is an illustration of the continuing disconnect between State and local government agendas. While each council has been directed to seek out the communities' concerns across a range of issues covering all government jurisdictions, the State Government has made no commitment to evaluate or act upon the communities' concerns that relate to other levels of government which are being identified through this consultation process.

Recent relocation of the Department into a Division within the Department of Premier and Cabinet is supposed to reflect local government's increased influence and relevance in State Government strategic decision making although it is too soon to evaluate if this is being achieved.

Some councils argue that a redirection of the Division's focus is required that includes:

- articulating the State Government's vision for local government as a complementary partner in improving community outcomes;
- driving innovation rather than prescribing minimum standards; and
- advocating for improved capacity of local government.

Forum Discussion Question – How should the relationship between the State “local government” portfolio and councils be structured and operate?

4.2.3. The role of Councillors

Prior to discussion of local government structure and form, the role of local government leaders, that is councillors, must be considered in the discussion of modernisation.

Councillors act in two main roles:

- a representative role as the democratically elected official of their community; and
- a strategic decision making role as part of a governing council.

- **Councillors as democratically elected officials**

Councillors are currently democratically elected for standard 4 year terms in NSW. However local government representation is not standardised across NSW. Some councils have wards and others do not, which means some councillors might have different expectations from their constituency in terms of ward relevant and general council relevant decisions.

Moreover, unlike Federal and State government electorates, the population of local council electorates are not standardised. This means that some councillors may represent a different number of people than another councillor in another LGA. As pointed out by the NSW Business Chamber, in Sydney for example, there is one councillor for every 18,000 people in Blacktown, but only one councillor per 3,500 residents in Woollahra.

Some argue that these representation discrepancies are undemocratic and that reform to standardise representation should be undertaken by merging councils into standard demographic sizes.

A common response to this proposal is that provided a council is financially sustainable, then a community should have the right to choose any demographic size it feels represents its community of interest. Also at a practical level it is argued that it would not be possible to standardise a ratio of representation across local government areas because of the continual redistributions of boundaries that would be required as populations shift and grow.

A further criticism is that a reduction in the number of councils, together with a reduction in the number of Councillors, automatically leads to a lack of local democracy. However this need not be the case and there can be many opportunities for local interests and concerns to be reflected back to councils through their representatives and through new direct consultation processes. For example many local authorities utilise market research and customer survey techniques to stay in touch with the aspirations of their constituency.

The challenge for councils is to consider whether local democracy is being achieved through the current representation structure and how councillors may need to respond to consultation processes that are also seen to generate local democratic viewpoints.

Forum Discussion Question - How should councils representation be structured to reflect the community interest and deliver effective democracy?

- **Councillors as strategic decision makers**

Modern councillors are required to make multiple decisions ranging from advocacy and policy making to judicial determinations and corporate management. Like all elected officers, Councillors are not required to have any qualifications to represent their constituents. Although council's management often provide some induction and familiarisation courses to their councillors. More recently councillor training courses have been also been developed by the Division of Local Government.

However the reality of modern council management is that councils are frequently required to operate like corporate boards. Councillors, like corporate board members, are required to make decisions relating to governance, strategic planning and direction, risk management, financial management and oversight of organisational performance. In any other sector these kind of corporate management decisions would be undertaken by individuals with relevant qualifications.

With this in mind, it has been suggested that prospective councillors should undertake training courses to ensure better decision making is achieved. Some have even suggested that councillors should obtain a certificate of competency relating to local government legislation and polices before they can nominate to be a candidate for a council election.

Alternatively some have argued that once elected, councillors should undertake training to enable them to participate in particular types of decisions or capacities. A system of Continuing Professional Development (CPD) that requires elected representatives to acquire and update their skills and knowledge is commonly proposed.

Following on from this debate is the issue of reimbursement of training and the remuneration of Councillors. Some argue that remuneration could be changed and linked to a sliding scale reflecting the undertaking of Continuing Professional Development. Others argue that given the complexity of

decision making and burden of responsibilities, the current remuneration rates and support services for councillors are insufficient.

Forum Discussion Question – Do councillors require additional support or training to undertake their complex decision making roles in contemporary councils?

4.2.4 The structure of councils

The size of councils in NSW is continually debated and often the public focus of the “reform or modernisation” debate about local government. However the size of Councils should be a secondary consideration following the re-definition of contemporary roles and responsibilities for local government. Once these have been determined then structures should be reviewed in conjunction with consideration of regional approaches or solutions to structural reform.

Ideally the structural qualities of councils should be assessed against the following criteria of whether the council structure can:

- Provide high quality services effectively
- Deliver services locally and accessibly
- Give good value for money
- Respond to local needs and wishes
- Respect community of interest and enhances local democratic representation
- Reflect public preferences
- Provide clear accountability
- Facilitate joint action with other partners
- Demonstrate financial viability

In effect, a business case for structural reform needs to be developed by councils and their critics that demonstrates that these qualities will be enhanced through a new council structure.

4.2.5 The size of Councils

The subject of amalgamations in any serious discussion on modernisation cannot be simply ignored, but as asserted in this Paper, it must be considered as an outcome of a review of the appropriate roles and responsibilities of local government.

The common approach in both Australian and overseas experiences to local government reform is a ‘catch-all’ amalgamation response. Similarly in NSW ‘reforms’ have involved amalgamations (1980 in NSW), major legislative change (1993 new LG Act), or interventions by the State (Inner City Councils Inquiry, Warringah, Ku-ring-gai, Tweed, Bega and Shellharbour in recent years). But what is also indicated is that these have rarely succeeded in producing seamless and trouble-free transitions, nor have they produced significant gains in efficiency and effectiveness, particularly in the short-term.

Amalgamations are more often than not presented as a solution, regardless of whether the problem is the financial weakness of small rural councils, or slow processing of development applications in the inner city. The two current proposals for Sydney metropolitan council amalgamations assert that failures in delivery and inconsistent approaches to planning, housing, growth and infrastructure will be alleviated by amalgamations. However it is also acknowledged that the most critical issues affecting Sydney’s functionality - that is transport, housing, water and power infrastructure - have been denied or delayed by State government approval authorities or State government policy decisions. Therefore it is far from proven that mergers of Sydney councils will remedy these critical problems.

A common misconception about consolidation of councils is the generation of dramatic cost savings. While service efficiencies and rationalisation of assets may achieve some savings, the evidence from interstate and international experiences show that major savings are not substantial. The Dollery and Crase 2004 evaluation of Australian Municipal Amalgamation programs highlights that while proponents of amalgamations typically argue that substantial economic benefits will inevitably flow from fewer large Councils, that almost no empirical evidence supports these conclusions:

*“In the first place, the economic benefits that are likely to flow from amalgamations are unlikely to be significant in the light of recent Australian experience with municipal amalgamations programs. For instance, despite the inflated promises the architects of the South Australian and Victorian Council mergers, the economic results have proved disappointing. For example, whereas the Victorian State Government claimed that its amalgamation program would yield direct cost savings of 20%, the net result has been only 8.5%, most of which has derived from competitive tendering and not restructuring (Allan, 2003 p75) Similarly, in South Australia the authorities promised savings of 17.4%, but only achieved a mere 2.3% (Allan, 2003 p75)”.*¹

What has been found is that when councils merge the public expects all services to be raised to the standard provided by the member council with the best services and facilities. This means upward harmonisation of services, wages, salaries and technology to the highest common standard rather than the lowest².

Studies have also found that the larger the merger area and the higher the density, the stronger the demand to retain public assets such as local recreation facilities. This has meant that anticipated savings through asset sales have not been realised. As such the savings across the new amalgamated councils are far less substantial than expected.

While some third parties, such as the NSW Business Chamber acknowledge transitional costs (suggesting approximately \$10million is required per merger of super councils), such proponents fail to take account of this long term cost uplift of the new larger councils. Similarly the assumption by the Australian Consulting Engineers that a 20% savings may result from merged councils also fails to acknowledge the service standard and wages creep that has been evident in many council amalgamations.

A further misconception is that merging several financially unsustainable councils will produce a financially sustainable one. As noted in Part 1, financial sustainability is compromised when council spending exceeds its income. Without a more rigorous examination of revenue and outgoings, an amalgam of councils might simply increase revenue and commensurate spending without addressing the shortfalls between them.

As cost savings are not necessarily delivered by amalgamations, the question must be asked what other benefits are achieved. As noted because of harmonisation, service standards tend to rise across amalgamated areas so some argue that amalgamations can achieve improvements in community outcomes and improved service standards. However service harmonisation can be also achieved across council areas without amalgamations through common joint service agreements or joint contracting.

¹ 'Is Bigger Local Government Better? An Evaluation of the Economic Case for Australian Municipal Amalgamation Programs', B. Dollery and L. Crase, Working Paper Series, School of Economics, University of New England, 2004-4, page 22.

² 'Managing the Coordination of Services Delivery in Metropolitan Cities: the Role of Metropolitan Governance', E. Slack, Policy Paper, Urban Development Unit, Finance Economics and Urban Development, The World Bank, 2007

A further issue to consider is the alignment options for amalgamation and their positive and negative implications. Some possible alignment options to consider are:

- Alignment congruent to state and commonwealth regional zoning;
- Alignment to 'communities of interest' capturing a major centre;
- Alignment to geography and environment such as natural catchments; or
- Alignment to scale reflecting an optimal service delivery capacity.

Unfortunately few of these existing boundaries are consistent - including those defined by a common level of government. For example in NSW, the Department of Planning's planning regions do not consistently overlay with the Department of Industry or Transport's regions and are certainly not parallel to natural catchment area boundaries. It must be recognised that whatever way LGAs are realigned, there will be contradictions in structural and vertical integration across government which might take away as many existing synergies and efficiencies as it creates new ones.

In light of these issues, advocates for amalgamation therefore need to articulate the rationale or business case for specific amalgamation configurations and allow for a transparent assessment of benefits in light of the many false assumptions currently made about amalgamations and their benefits.

Forum Discussion Question – What should be the key thresholds and decision criteria for changing the structure and size of councils?

PART 5 – Local Government Leadership in Modernisation Discussions

5.1 BACKGROUND

Leading change in local government presents challenges. There are entrenched positions and viewpoints to consider within the sector. However, these challenges are not unique and may be found in any organisation where there is a need to introduce or implement new ways of doing business or delivering services.

Over the past four decades, there have been numerous efforts to effect change in local government throughout Australia. These efforts have gone under many banners - total quality management, business process reengineering, amalgamations, restructuring and cultural change to name a few. But, in almost every case, the basic goal has been the same - to make fundamental changes in how business is conducted in order to help cope with a new, more challenging environment.

A few of these 'corporate' change efforts have been successful. A few have been utter failures. The most general lesson to be learned from the more successful cases is that the change process goes through a series of phases that, in total, usually require a considerable length of time. Skipping steps creates only the illusion of speed and may produce perverse outcomes.

A second very general lesson is that critical mistakes in any phase can have a devastating impact, slowing momentum and negating hard-won gains.

The final lesson from these experiences is that successful change is not only about what is changed but how it is changed. This discussion endeavours to chart some ways in which the sector can lead or implement successful strategies for modernisation.

5.2 ISSUES

Leading strategy differs from managing operations. Management plays an essential part in making the changes happen; it empowers the 'doing'. Leadership inspires the transition; it is what energises people and sustains a change in behaviour and approach.

Change leaders must build a sense of urgency about the need for change by creating energy and motivation both within the sector and to the broader community. Within the sector, change leaders need to reduce fear, anger and complacency internally within councils. They need to maintain processes and systems that keep the operations of the council operating smoothly, while also engaging staff to create, adapt and meet the demands of the future.

External to the sector, change leaders must also build public confidence in, and understanding of the value of councils. Public support not only assists in transition but enhances outcomes. There is little value in an improved local government regime if the public has *no knowledge of it and doesn't take advantage of the benefits*.

The LGSA, NSROC and councils must be proactive and create a climate for change that is positive and publically visible. Appendix 4 provides an example of Strategic Paths for Change Leadership.

Forum Discussion Question - How can local government lead change and how should the campaign for change be managed?

APPENDIX 1 – Legislative History of NSW Local Government

- 1905-1906** Compulsory system of local government incorporation introduced. The Local Government (Shires) Act divided the whole state into shires (except for existing municipalities and the Western Division). The Local Government (Extension) Act applied the Local Government (Shires) Act to municipalities. These two Acts were then combined to form the Local Government Act of 1906. This meant that councils in new South Wales could no longer make by-laws or ordinances.
- 1906** The Municipal Association becomes the Local Government Association. There were 134 shires and 193 municipalities in NSW.
- 1908** The Shires Association was formed.
- 1910** 324 local government units in the state with an average of 5,073 people per unit.
- 1919** The Local Government Act 1919 established. This Act was criticised in part due to the fact that final decisions still rested with the Governor-in-council or the minister.
- 1945** Town planning provisions were inserted into the 1919 Act. This gave the local councils power to prepare town planning schemes and control all new development and land use.
- 1967-1980** About 90 local government boundary changes occurred in New South Wales.
- 1979-1980** The state government legislated to considerably reduce the number of county districts and local government areas in NSW despite opposition from the local councils and the general public.
- 1985-1986** The Local Government Act 1919 was amended to eliminate the need for numerous approvals to be obtained by councils in exercising their functions.
- 1993** Local Government Act (1993) amends the 1919 Act.

APPENDIX 2 – ROLES AND FUNCTIONS OF NSW LOCAL GOVERNMENT (excerpts from the Local Government Act 1993)

Chapter 5- Section 22 Other functions

A council has the functions conferred or imposed on it by or under any other Act or law. **Note** While the main functions of councils are provided for under this Act, councils also have functions under other Acts. Some other Acts and some of the functions they confer include:

Community Land Development Act 1989	planning functions as consent authority
Companion Animals Act 1998	companion animal registration and control
Conveyancing Act 1919	placing covenants on council land
Environmental Planning and Assessment Act 1979	environmental planning
Fire Brigades Act 1989	payment of contributions to fire brigade costs and furnishing of returns
Fluoridation of Public Water Supplies Act 1957	fluoridation of water supply by council
Food Act 2003	inspection of food and food premises
Impounding Act 1993	impounding of animals and articles
Library Act 1939	library services
Protection of the Environment Operations Act 1997	pollution control
Public Health Act 1991	inspection of systems for purposes of microbial control
Recreation Vehicles Act 1983	restricting use of recreation vehicles
Roads Act 1993	roads
Rural Fires Act 1997	issue of permits to light fires during bush fire danger periods requiring the furnishing of information to the Rural Fire Service Advisory Council and its Co-ordinating Committee
State Emergency Service Act 1989	recommending appointment of local controller
Strata Schemes (Freehold Development) Act 1973	approval of strata plans
Strata Schemes (Leasehold Development) Act 1986	approval of leasehold strata plans
Swimming Pools Act 1992	ensuring restriction of access to swimming pools
Coastal Protection Act 1979	limitation on coastal development by councils
Environmental Offences and Penalties Act	forfeiture of council functions to person appointed by Governor
Freedom of Information Act 1989	council required to publish certain information, to grant access to certain documents and to amend certain records that are shown to be incomplete, incorrect, out of date or misleading
Heritage Act 1977	rating based on heritage valuation
State Emergency and Rescue Management Act 1989	council required to prepare for emergencies
Unclaimed Money Act 1995	unclaimed money to be paid to the Chief Commissioner of Unclaimed Money

Chapter 6 Service functions of councils

This Chapter confers on councils their service or non-regulatory functions.

Examples of these functions include the provision, management or operation of:

- community services and facilities
- public health services and facilities
- cultural, educational and information services and facilities
- sporting, recreational and entertainment services and facilities
- environment conservation, protection and improvement services and facilities
- waste removal, treatment and disposal services and facilities
- pest eradication and control services and facilities
- public transport services and facilities
- energy production, supply and conservation
- water, sewerage and drainage works and facilities
- storm water drainage and flood prevention, protection and mitigation services and facilities
- fire prevention, protection and mitigation services and facilities
- land and property development
- housing
- industry development and assistance
- tourism development and assistance.

This list of examples is not exhaustive.

A council may have other service functions under other Acts. For example, a council has functions relating to the provision and management of roads under the *Roads Act 1993*.

Chapter 7 Regulatory functions of councils

The major regulatory functions of councils are found in this Chapter. It lists the activities that are regulated and it sets out the means of their regulation.. A council, in relation to a range of activities within its area, exercises regulatory functions of 2 main kinds.

First—various activities can only be carried out if the council gives its **approval** (for example, the operation of a caravan park). Some of these approvals may also be granted as part of the development consent process under Part 4 of the *Environmental Planning and Assessment Act 1979*.

Second—a council can **order** a person to do, or to stop doing, something (for example, a council can order a person to keep fewer animals on specified premises).

Chapter 8 Ancillary functions of a council

This Chapter confers on councils certain functions, which it is necessary or desirable for them to have in order to carry out their other functions. These functions are “ancillary” in the sense that they are auxiliary to, they give support to, and they aid the carrying out of, the other functions of a council, particularly its service and regulatory functions.

APPENDIX 3 - Amalgamation Proposals from various sources

NSW Business Chamber 2010 Amalgamation proposal - 10 Metropolitan Councils	Australian Consulting Engineers Association 2009 Amalgamation proposals – 11 Metropolitan Councils	‘Barnett Report’ 1973* Amalgamation proposal - 20 Metropolitan Councils
<ol style="list-style-type: none"> 1. City of Sydney 2. East Sydney (Botany Bay, Randwick, Waverley and Woollahra) 3. South (Kogarah, Hurstville, Canterbury, Rockdale, Sutherland and Marrickville) 4. Inner West (Ashfield, Burwood, Canada Bay, Leichhardt and Strathfield) 5. Inner North (Lane Cove, North Sydney, Ryde, Willoughby, Hunters Hill and Mosman) 6. North (Hornsby and Kuring-gai) 7. North East (Manly, Pittwater and Warringah) 8. West Central (Auburn, Bankstown, Fairfield, Holroyd and Parramatta) 9. North West (Baulkham Hills, Blacktown, Blue Mountains, Hawkesbury and Penrith) 10. South West (Wollondilly, Camden, Campbelltown and Liverpool) 	<ol style="list-style-type: none"> 1. City of Sydney, Randwick, Botany Bay, Marrickville, Ashfield, Leichhardt, Woollahra, Waverly 2. North Sydney, Mosman, Lane Cove, Willoughby, Manly, Ku-ring-gai, Warringah, Pittwater 3. Burwood, Strathfield, Canada Bay, Ryde, Parramatta, Holroyd, Auburn 4. Bankstown, Canterbury, Rockdale, Hurstville, Kogarah 5. Sutherland 6. Campbelltown and Camden 7. Liverpool & Fairfield 8. Blacktown 9. Penrith and Hawkesbury 10. The Hills and Hornsby 11. Blue Mountains 	<ol style="list-style-type: none"> 1. Campbelltown 2. Penrith 3. Windsor and Colo 4. Blacktown 5. Liverpool 6. Parramatta, Holroyd 7. Baulkham Hills, Hornsby (part) 8. Ku-ring- gai, Hornsby (part) 9. Ryde, Parramatta (part), Hornsby (part) 10. Willoughby, Hunters Hill, Lane Cove, North Sydney and Mosman 11. Manly, Warringah 12. Woollahra, Waverly, Randwick, 13. Botany, South Sydney, Marrickville and Leichhardt 14. Ashfield, Burwood, Strathfield, Concord, , Drummoyne 15. Canterbury, Bankstown 16. Hurstville, Kogarah, Rockdale 17. City of Sydney 18. Sutherland Shire, Wollongong (part) 19. Camden Wollondilly 20. Blue Mountains

* The Barnett Report into Local Government Areas and Administration in NSW was commissioned by the NSW Government in 1973 and undertaken as an independent Committee of Inquiry with various government appointees.

APPENDIX 4 - Strategic Paths for Change Leadership

This model is based on John Kotters success criteria for transformational leadership.

1. Establish a Sense of Urgency

- Help others see the need for change and the importance of acting immediately
- Identifying and discussing (potential) crises

2. Create a Guiding Coalition

- Make sure there is a powerful group guiding the change, one with leadership skills, bias for action, credibility communication skills and authority and, analytical skills. A group powerful enough to lead & influence the change
- Get the group to work together like a team

3 Develop a vision and strategy

- Clarify how the future will be different from the past, and how you will make the future a reality
- Create a vision to help direct the change effort
- Develop strategies to achieve the vision

4 Communicate the Change Vision

- Make sure as many others as possible understand and accept the vision and the strategy
- Use every vehicle possible to constantly communicate the new vision and strategies
- Have the guiding coalition role model the behaviour expected

5. Empower others to act

- Remove as many barriers as possible so that those who want to make the vision a reality can do so
- Enable others to act on the vision by getting rid of obstacles, encourage risk taking
- Alter systems or structures that undermine the change vision

6. Generate Short-term Wins

- Create some visible, unambiguous successes as soon as possible
- Plan for and generate short term wins / improvements in performance
- Recognise and reward those people who make wins possible

7. Consolidate and Sustain Momentum for Changes

- Press harder and faster after the first success
- Do not let up, consolidate improvements and sustain the momentum for change
- Use increasing credibility to change all systems, structures and policies that don't fit together and don't fit the transformation effort

8. Embed New Approaches into the Culture

- Hold on to the new ways of behaving, and make sure they succeed until they become a part of the culture
- Articulate the connections between the changes and organisational success