

Administrator Columns by Dr Ian Tiley

Column 1: Local Government Financial Sustainability and Asset Management

This is the first of a regular series of articles giving my perspective on several pressing issues being faced by NSW Local Government and by your Armidale Regional Council.

Local government reform in New South Wales has accelerated since 2011. A key driver for this reform is issues pertaining to the financial sustainability of councils. The financial sustainability of a council is closely linked to the management of infrastructure. A large majority of council services are provided by infrastructure, which typically represents the majority of a council's assets.

NSW Treasury Corporation offers the following definition of financial sustainability: "A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community."

This definition recognises the need for a long term view and one that considers the relationships between revenue, infrastructure and service levels.

The Charter under the Local Government Act, 1993 requires councils

- 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 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.

For at least the first decade after the 1993 Act was proclaimed, only a small number of councils prepared strategic asset management plans. From 1993, most councils adequately developed asset registers to comply with the accounting standard AAS27. However attention was generally not directed to the wider purpose of the Charter.

The requirements in the AAS27 general purpose financial reporting arrangements include the preparation of a Special Schedule Seven report, which reviews the status of a council's assets.

The Local Government Act was amended in 2009 to include the Integrated Planning and Reporting Framework (IP&R) which will soon be strengthened under an amendment to the Act, and requiring all councils in NSW to establish a Long Term Financial Plan, informed by an asset management plan. IP&R mandates improved reporting, benchmarking, collaboration and industry capacity building in respect of the sector's asset management practices and ultimately the services delivered to the community.

A key aspect of the IP&R framework is that asset management should have a service delivery focus and the assets provided should be appropriate to meet the needs of the community, as set

out in the community strategic plan. However, at the time of implementation of IP&R, the asset management plans developed by most councils modelled existing levels of service and used age-based, not condition rated, deterioration models. Therefore the full benefits of the framework are yet to be achieved.

Your Council has made good progress with asset management but still faces many challenges.

Column 2: International Women's Day marks a call to action for accelerating gender equality

We recently celebrated International Women's Day (IWD) - a global day celebrating the economic, political and social achievements of women. The day also marks a call to action for accelerating gender parity.

I have been giving speeches on IWD for about forty years - the day, and the issues behind this day, are very close to my heart.

IWD has been observed since 1908, a time of great expansion and turbulence in the industrialised world. The colours of green, white and violet were adopted by the suffragettes, as they campaigned for the right to vote. Violet stood for freedom and dignity, white for purity in private and public life and green was the colour of hope.

One year ago organizations and individuals around the world pledged to help women and girls achieve their ambitions; to challenge bias; to call for gender-balanced leadership; to value women and men's contributions equally; and to create inclusive flexible cultures.

Disappointingly, the World Economic Forum recently predicted the gender gap won't close entirely until 2186. We should not have to wait another 170 years to achieve gender equality!

Australia is a developed first world country. Our gender gap is estimated to be 68% closed. We are ranked 46 in the global rankings.

- Men still earn more than women, and women still do most of the house-hold chores.
- One in four women in Australia experience physical, emotional or sexual abuse.
- Gender inequality contributes to the murder of one Australian woman almost every week.

Myths rob women of their power to advance themselves, their families, communities and ultimately their nations. Myths including: women are better suited to baby-making than money-making; women are not good at business; gender inequality doesn't exist; and women are not good at managing money.

If we truly want to change the world, we need to stop believing and perpetuating these myths and work on creating a more gender balanced society with many more female leaders.

Our challenge is to make a future in which every girl has equal opportunity to take up positions of political leadership. It's a huge challenge. Things are improving, but progress is slow.

If we are serious about achieving gender equality, we need to be serious about empowering women and girls to learn, lead, decide and thrive. Developing the leadership capacity of girls in particular, not only helps them to secure better livelihoods and better health today, but can also create a generation capable of delivering future change.

Can you believe that today there are 130 million girls across the world who are being denied the basic right of getting an education? Indeed, if the number of girls out of school formed a country, it would be the tenth largest on the planet.

Around the world, IWD must be an important catalyst and vehicle for driving greater change. This year's theme, 'Be Bold for Change', encourages each of us to show leadership in our own spheres of influence to take bold pragmatic action to accelerate gender parity.

We have the capacity to be the voice to start foundations and to move mountains. To make a change you have to be bold, brave and courageous – and believe in what you are doing.

Council acknowledges this vital issue and is determined and committed to lead by example to make a difference throughout the Armidale region to achieve equity for all women, from all backgrounds and walks of life. It is up to each of us to be bold for change, to stand up for what is right, fair and equal. Gender equality is everyone's issue.

Column 3: The Great War in Broad Outlines Exhibition Armidale Folk Museum 6 - 27 March 2017

Supported by the Belgium Embassy and the Kingdom of Belgium, this locally designed exhibition is a cooperative effort by the Armidale Folk Museum, Armidale & District Historical Society and the UNE Heritage Centre.

This exhibition focusses on the role of local servicemen and women in Belgium and France and the 33rd Battalion AIF which was formed in January 1916 at a camp established at the Armidale showground. The bulk of the battalion's recruits were drawn from the New England region and thus it was dubbed "New England's Own". The Battalion's first and only commanding officer was Lieutenant Colonel Leslie Morshead, who would become famous as the commander of the 9th Australian Division during the Second World War.

The 33rd Battalion consisted of about 1000 men; maintained at that level by continual reinforcements. It became part of the 9th Brigade of the 3rd Australian Division. It left Sydney, bound for the United Kingdom in May 1916. Arriving there in early July 1916, the Battalion spent the next four months training. It crossed to France in late November 1916, and moved into the trenches of the Western Front for the first time on 27 November, just in time for the onset of the terrible winter of 1916-17.

The Battalion had to wait until the emphasis of British and Dominion operations switched to the Ypres sector of Belgium in mid-1917 to take part in its first major battle at Messines, launched on 7 June. The Battalion held the ground captured during the battle for several days afterwards and was subjected to intense artillery bombardment.

The battalion's next major battle was around Passchendaele on 12 October 1917. The battlefield, though, had been deluged with rain, and thick mud tugged at the advancing troops and fouled their weapons. The battle ended in a disastrous defeat.

For the next five months the 33rd alternated between periods of rest, training, labouring, and service in the line. When the German Army launched its last great offensive in the spring of 1918, the Battalion was part of the force deployed to defend the approaches to Amiens around Villers-Bretonneau. It took part in a counter-attack at Hangard Wood on 30 March 1918, and helped to defeat a major drive on Villers-Bretonneau on 4 April that year.

Later in 1918, the 33rd also played a role in the Allied offensive. It fought at the battle of Amiens on 8 August, during the rapid advance that followed, and in the operation that breached the Hindenburg Line at the end of September 1918, thus sealing Germany's defeat.

The 33rd Battalion disbanded in May 1919. Its war was constant barbed wire, gas, trenches, bombardments and gunfire. The soldiers acquitted themselves well in battle but it came at a terrible price – 413 were killed in action or died of wounds, while 4,300 suffered casualties.

In 2014, I visited most of these historic places. It was a compelling, sombre but must do pilgrimage. The imitation kangaroos in shop windows at Villers-Bretonneau, the Australian sponsored school with its memorabilia and the signs 'N'oubliez pas les Australiennes', (never forget the Australians) were intensely evocative. The fact that 100 years on the French still fondly remember these gallant soldiers is very special indeed.

To stand on the battlefield at Passchendaele where in one day Australia lost almost 5000 of its very best and finest was something I will never forget. Such a tragic waste of precious Australian lives.

To walk among the memorials, cemeteries and thousands of graves makes one abhorred by the absolute futility of war and killing.

At war's end, these veterans returned home. Many wore the physical and mental scars of their ordeal. A grateful New England erected memorials in every town and today, still "we will remember them".

It was an honour to officially launch The Great War in Broad Outlines exhibition at the Armidale Folk Museum.

Column 4: Federal Assistance Grants indexation freeze impact on councils

Restrictions to councils' revenue raising ability, including almost 40 years of rate pegging, mean local councils cannot meet the needs of growing communities. Treasury Corporation's 2013 assessment of the financial sustainability of NSW councils raised serious concerns about councils' ability to fund current and future service levels. Councils also have a large and growing infrastructure renewal backlog (\$7.4 billion at 30 June 2012).

If NSW councils are to meet the growing needs of NSW communities, it is essential that they have access to adequate financial resources. It is clear that the current financial base of councils is inadequate to meet these needs.

NSW councils' financial capacity to maintain existing services and infrastructure is already stretched. In many instances councils are already being forced to cut services and defer critical infrastructure expenditure.

Since 1976, when the Frazer government introduced the Personal Income Tax (PIT) Grants to Australian local government councils, at two per cent of PIT collections, councils have received a share of Commonwealth taxation revenue. Gradually the amount of the allocations has reduced in real terms and as a percentage of tax collected to now well less than 0.7 per cent of collections. In recent years the name of the Grant was changed to Federal Assistance Grants (FAGs).

For your Council, between 2010 and 2015 the combined increase in the FAGs allocation was only \$473k. Therefore, in real terms once the Consumer Price Index (CPI) is applied, council's grant has been declining. This continues a very long term trend. The burden of the current FAGs freeze policy has been moved directly to the ratepayer and the Council has had to absorb the funding reduction.

In the 2014-15 Federal budget the decision was made to pause the indexation of FAGs for three years. The continuation of this freeze means the grants have not increased in line with CPI and population increases.

The subsequent reduction of FAGs to local government has cut hundreds of millions of dollars from local communities each year. According to Government estimates, the 'frozen' portion of FAGs amounts to more than \$300 million per year being taken out of communities during the 3 years of the freeze, and almost \$1 billion over the Budget out-years.

Although the 2016-17 Federal budget out-years signalled an expectation that annual indexation of FAGs would return from 2017-18, the local government sector has not received a cast-iron guarantee that the Federal Government will deliver on its promise to restore the indexation of FAGs in the 2017-18 budget.

A key factor in improving local government council revenue capacity will be for the Federal Government to restore the FAGs annual indexation, and more importantly to increase the percentage of Income Tax collections to the sector to a much more realistic and acceptable level.

Column 5: UNE Smart Region Incubator launched

I was excited to be a part of the recent launch of the UNE Smart Region Incubator.

Armidale Regional Council (ARC) is strongly supportive of the establishment of the UNE Smart Region Incubator. While I confess to not having a crystal clear understanding of how the Incubator will work in a practical sense, I do understand that it will enable start-ups and SME's access to research data through a data sharing platform, which has not been done before.

These businesses will be able to connect regionally, nationally and internationally which will undoubtedly be a great tool for them. The incubator I understand provides physical and virtual spaces and will leverage off the competitive advantage of UNE research, expertise, technology and business relationships.

This project is perhaps also well described as creating an innovation ecosystem where research, knowledge, and data can be connected with entrepreneurial ideas to grow high value and adaptive businesses to 'future proof' our regional economy.

Council acknowledges and thanks the NSW Government for funding of \$1million to make this project happen.

The timing of this incubator for ARC region is impeccable as it will build on the current regional economy strengths, help shape new enterprises especially in agriculture and will support existing businesses to unleash the opportunities by accessing this innovation community.

There is also strength through the incubator being connected to UNE and by extension to ARC and the New England regional community.

The future is looking consistently more positive for the Armidale region as Council works closely with the University to promote a climate of open exchange and cooperation for the benefit of our community.

Since the formation of Armidale Regional Council in May 2016, Council has been working tirelessly to deliver improved and unified services to the community. We are committed to exploring optimal approaches to better service delivery, and strengthening our connections with local community groups and organisations.

I am so very proud and appreciative of the superb efforts of the Council's workforce during my tenure to date.

Many great Council projects are now underway or planned for our special region – including the airport terminal extension, major road upgrades, timber bridge replacements, the Guyra Main Street upgrade, the new state of the art War Memorial Library and a large number of valuable community projects supported through the Stronger Communities Fund. It is timely that the Smart Region Incubator now enters the playing field!

It is important to build on the strong foundations that we have in our region and to support existing and new businesses to access the creative and innovative opportunities now available on our doorstep. The Smart Region Incubator will be front and centre to unleash the opportunities.

For those people who have a business idea, or are working in isolation to achieve their dream, this Incubator space will provide an opportunity for them to come together, collaborate and grow their business. Our individual efforts will be all the stronger through working together collaboratively.

Column 6: Affordable Housing and Local Government

The United Nations Declaration of Human Rights includes that “all people have a right to housing which is secure, hygienic, affordable and of a standard consistent with human dignity” and states that it is the responsibility of government to provide shelter for its citizens.

Affordable housing is an area of critical need in Australia whether it is rental accommodation or purchase of property. Without an adequate ongoing supply of affordable housing there is the stark prospect of greater poverty and homelessness. Some local government entities have committed to playing a part in helping to secure a greater stock of social housing for the benefit of those in need.

The National Housing Strategy defined affordable housing as “conveying the notion of reasonable housing costs in relation to income: that is, housing costs that leave households with sufficient income to meet other basic needs such as food, clothing, transport, medical care and education. The ratio of housing costs to income is the common measure to determine affordability”. The ratio is regarded as needing to be below 30 per cent.

Many Australian families pay more than 30 percent of their income in rent. As mortgage payments and rent devour greater proportions of income, life has become much more stressful for low to middle income earners.

New South Wales Councils are required, under section 8 of the Local government Act 1993, to adhere to a Charter which in several locations gives local government the legal capacity to engage in affordable housing. It states the obvious that local government leadership also has a compelling moral obligation to engage in provision of community needs. I believe that your Council needs a strategic goal to address the increasing demand for housing options and the emerging need to support the most vulnerable community members.

In my view, the core objectives for a local council, and specifically Armidale Regional Council in this area need to include research of housing needs and supply, including the different types of housing and the degree of unmet housing need through affordability or appropriateness; developing housing policies and an affordable housing strategy; to consult and work with housing and housing support agencies; to research affordable housing funding opportunities; and to develop partnerships with government, business, private and community sectors in the planning and development of affordable housing projects.

Guiding principles which could underpin an Armidale Regional Council Affordable Housing Strategy might include:-

1. A commitment to providing access to housing that is appropriate and affordable so that all residents are able to access housing.
2. Openness and transparency whereby all interest groups could be engaged in debate about how housing problems were to be defined, what issues were to be addressed and prioritised, what solutions considered, the recommendations to be made and what opportunities implemented.
3. Fairness and equity with costs and benefits of policy outcomes fairly distributed among residents and interest groups with an emphasis on ensuring that the least well-off or those most disadvantaged receive appropriate priority.

4. Efficiency and effectiveness should dictate that public resources are applied in such a way as to maximise beneficial outputs and outcomes for dollars expended.
5. Simplicity and ease of administration so that policy recommendations should be easy to implement and administer and the costs of administration contained.
6. Sustainability or triple bottom line of social, economic and environmental responsibility to ensure that housing is provided in a way that contributes to the development of inclusive and sustainable communities and is compatible with the goal of environmental sustainability.
7. Partnership, which is a critical collaborative approach by community, private sector and all levels of government to addressing housing needs.

Lack of ability to purchase or rent housing has obvious social adverse impacts primarily for the poor and disadvantaged. There needs to occur much more public and private development of affordable housing. Realistic solutions need to include building of public housing on surplus local, state and commonwealth land and possibly paying rent assistance direct to landlords in return for discount in rents for people on prescribed welfare benefits.

Affordable housing is all about families, children and young people. It is about ensuring that low and middle income earners have a solid base to their lives and placing people in a stronger position to have choices and make their own decisions for their futures.

Affordable housing in my view is an area of critical need whether it is rental accommodation or purchase of property. Without affordable housing there is the stark prospect of poverty and homelessness for those caught in the web of rising prices and inadequate housing stock. Strong communities such as in the Armidale region need citizens who are in a sound position to make positive choices for their futures and available, affordable and appropriate housing is pivotal for this to be possible.

Column 7: Local Council Rates – Pegging and Freezing

Local government operates in an increasingly complex and dynamic environment and needs to cope with changing needs, and with expectations of improving services but with low taxes and charges.

In NSW rate-pegging in its contemporary form commenced in 1978 when the newly elected Wran Labor Government introduced a scheme to limit the rapid increases in council rates. This had its genesis in the fact that in the period from 1973 to 1976, rates increased by an average of 188%. Under the current rate-pegging regime, the Independent Pricing and Regulatory Tribunal (IPART) sets an upper limit on the total increase in rates allowable, but it also allows councils to apply for “special rate variations” above the rate peg.

As a general trend, the rate cap and the CPI track each other closely. The CPI is a measure of the rate of increase of a given basket of goods and services rather than a measure of local government production costs. Assessment of local government costs now occurs as IPART has responsibility for determining the annual rate peg percentage.

Rate capping can have effects such as facilitating “blame-shifting” by councils for fiscal distress, exacerbating financial sustainability concerns due to restricted opportunity for “own-source” revenue, increasing the discordance between the rate base and resident ability to pay, and an underutilisation of borrowing to fund capital expenditure due to uncertainty regarding future rate rises.

The NSW rating system has been tried and tested over many decades. It in my view has, on the whole worked reasonably well, rate pegging aside. The Local Government Act now provides an effective tool with Special Rate Variations to address financial sustainability, infrastructure maintenance and renewals gaps, and revenue needs with genuine community engagement, as required under the Integrated Planning and Reporting (IP&R) provisions.

The theoretical basis for municipal rating has spawned robust debates in NSW over many years. The central pillar is the proposition that a tax based on land is efficient. However, a tax based solely on land value is usually undermined by concessions and exemptions.

Rates are politically unpopular. In the Australian milieu, where local government is controlled by its respective state and territory governments, this has seen popular pressure applied to these governments to exert control of rate setting. In NSW, this led to the introduction of rate pegging between 1901 and 1952 and then again from 1978 to now.

In NSW the levying of rates is complicated by minimum base rates, rate concessions, exemptions and rate pegging. With base rates, NSW councils have full discretion regarding whether they should be imposed. However, a base rate ceiling is prescribed. Use of a base rate reduces the influence that property values exert on council rates. In many respects, a base rate undermines the economic arguments for levying tax on property values.

Municipal tax exemptions can undermine the equity and sustainability of extant council rating practice. Whenever an entity is exempted from municipal taxation, then other residents will be required to accept lower levels of service or pay higher rates.⁴¹ Exemptions have been progressively added to NSW municipal taxation over a long period.

Rate pegging limits the increase in total rate revenue levied by councils to a fixed percentage increase calculated by IPART. However, rate pegging does not necessarily limit the rise in a

given person's local tax liability which may still rise substantially as a result of a new property valuation in excess of the average increase in valuation for the entire local government area or due to a re-categorisation of land use.

The main arguments against rate-pegging in NSW are fivefold. It limits a council's ability to respond to community demands for additional and/or improved services. It reduces municipal financial sustainability, prevents remedial action to address infrastructure backlogs, encourages councils to cross-subsidise services through user charges and fees, and it runs counter to local council accountability. However, proponents of rate-pegging declare that it prevents misuse of municipal monopoly power, imposes fiscal discipline on councils and increases operational efficiency.

It is unlikely that rate pegging will be discontinued in NSW. It is to be hoped that future IPART assessments factor in the real cost increases experienced by local government.

Column 8: Importance of Effective State and Local Government Relations

One of the most difficult issues facing NSW local government concerns its ongoing relationship with the state. To achieve its potential for community, local government needs a harmonious and productive partnership with the state - with individual agencies and in the broader political and policy framework context.

Local councils in all Australian local government systems are 'creatures of statute' in the sense that their existence, functions, powers, and structures depend on the legislative whim of their parent state and territory government, as expressed in the respective local government enabling Acts.

The regulatory framework governing the activities and performance of local councils is similar in the various state and territory jurisdictions, all of which have a Department (Office) of Local Government, a Local Government Grants Commission, and ancillary regulatory bodies, as well as a Local Government Act and supporting legislation. In its role as an inhibitor or controller of local government, the state jurisdiction exercises broad powers.

In NSW, the state-local relationship falls short of a partnership. Day-to-day working arrangements between councils and state agencies are generally satisfactory, but there are inconsistencies and lack a guiding policy framework regarding the role local government is expected to play as part of the overall system of government. Dialogue on policy issues is sometimes cursory and disjointed, and there often seems to be little respect or regard for local government as an institution. Unlike states such as Queensland, Tasmania and South Australia, NSW does not have a robust system for negotiating protocols and partnerships between state and local governments. Often there are not in place effective arrangements for co-operative strategic planning at the local and regional level.

Local government in NSW would in my view be more effective if there were arrangements with the State Government that better coordinated activities and enabled more strategic approaches to responding to community needs. Other worthwhile initiatives should focus on increasing the efficiency, effectiveness and coordination of services and infrastructure of State and Local Government; improving the integration of strategic planning processes at both levels of government by State and Local Government; promoting open and accountable government and transparent processes; fostering more consistent approaches to the framing of policies and legislation that affect the other party; and providing guidance for local governments and State Government agencies in their interaction with each other.

There exists in NSW in my view, a broad range of options and opportunities for improvement of State-Local cooperation. Relations between State and Local Government should be conducted in a greater spirit of mutual respect with an emphasis on improving communication and collaboration. Moreover, local government's collective capacity as a sphere of democratically elected government with broad powers, responsibilities, and discretions in relation to local areas should be enhanced.

Council accountability to its communities and capacity for self-management should be maximized while the diversity of local government financial capacity and the State Government's fiscal position should be mutually recognised. To enhance decision making the transparency of the financial relations between State and Local Government should be improved.

Planning for new functions or services, or where significant change is proposed by Commonwealth, State or Local Government, there should be inclusion and identification of necessary funding sources and proposed funding changes. The use of intergovernmental agreements should be promoted to secure effective Commonwealth, State, and Local Government participation in programs in which the parties have a significant statutory or financial involvement.

State and Local Government has a responsibility to contribute to sustainable development that allows people and communities to provide for their social, economic, environmental and cultural well-being for current and future generations. This should mean that the parties could contribute to each others' strategic planning processes, thus enabling more aligned strategic plans.

Outcomes for communities would be considerably improved if more cooperative engagement initiatives were the norm between the NSW State and local councils.

Column 9 Council and Community: The vitality of genuine community engagement

It is probably fair to suggest that, over the years, at least some local councils have not engaged sufficiently with those they are elected to represent. Moreover, some elected representatives take the view that they were elected to govern and make decisions and that perfunctory “consultation” was the limit of what was required.

To most effectively represent the community Armidale Regional Council (ARC) requires a consistent and best practice approach to engaging with its constituents. In my view, the traditional local government approach of “top down” informing and consultation goes only part way to genuine commitment to community participation and engagement. For me, an effective well performing Council listens attentively and heeds its constituent’s views and wishes.

It is vital that ARC is open, transparent and accountable, making decisions in the best interests of the public. Council needs to develop and strengthen trust with the community and build citizen confidence in Council’s capacity to plan and make decisions that will respond to the present and future needs of the constituents of the LGA.

Effective community engagement is an integral part of developing Council plans, policies, and the provision of services and assets. Engagement is an important part of the democratic system under which Council operates. Best practice community engagement should be built on openness, transparency, trust, and respect.

An engagement strategy should outline the commitment, principles, and engagement framework under which opportunities will be made available for the community to contribute to the Council’s decision-making processes. The community should be kept well informed throughout the engagement process and receive feedback that demonstrates how their input influenced the decision.

Community engagement should apply to all facets of Council’s operations including corporate, strategic land use, financial planning, and Council’s day to day business activities. It needs to be multifaceted, requiring a standard of consultation that appropriately responds to the nature, complexity and impact of the matters involved. Engagement methods and techniques used will vary according to circumstances.

A consistent approach should be undertaken by Council and staff in relation to projects requiring community consultation. It is vital to create an organisational culture and staff capacity ensuring that community engagement processes add value, and comprise best practice and good governance. Moreover, engagement methods need to be flexible, inclusive and appropriate to those being engaged.

When the Council engages with community it should consider all groups, even though it may be difficult to reach every diverse community group, and some groups will choose not to engage. The Council should also have proper regard to the reasonable expectations of the community, to the costs and benefits of the engagement process, and to intergenerational equity.

The level of community engagement undertaken should always be appropriate to the nature, complexity and impact of the issue, plan, project, or strategy. Adequate time and reasonable opportunity should be provided for people to present their views to Council in an appropriate manner and format.

Processes need to be used to help assist people participate in engagement where otherwise they may have limited accessibility to Council. A summary of community responses should always be made available for the public to review and respond.

A local Council that consistently engages effectively with its community is helping to safeguard local democracy while placing people at the centre of local government.

Column 10 Regional Local Government Co-operation: Improving local representation and services

For a short time, Armidale Regional Council (ARC), with four neighbouring councils, has been a member of the New England Group of Councils (NEGOC) which unfortunately has not yet secured significant outcomes. However, NEGOC has commendable objectives of facilitating regional strategic planning; participating in intergovernmental collaboration; engaging in regional advocacy; facilitating the exchange of knowledge between member councils; and collaborating on improved service delivery.

The NSW Government will shortly legislate to create Joint Organisations (JO's) for the local government sector after modelling five trial JO's over the past two years. JO's, which will have legal status, will probably replace most ROC's. All NSW councils will be required to be members of a JO which will agree on a regional statement of priorities. In the Northern Tablelands, it is likely that there will be seven member councils of the JO for the region.

In recent decades, local governments have more actively engaged in cooperative activities, especially with the objective of improving service delivery for constituents. In New South Wales, Regional Organisation's of Councils (ROC's) have generally been effective in this regard and have often engaged collaboratively to advocate and lobby Governments for better services and improved infrastructure outcomes for their communities.

Councils have, for example, demonstrated the capacity to provide shared services in fire protection; emergency services; health administration and planning; noxious weeds; museums and art galleries; garbage services; water and wastewater; tourism and regional promotion; and sale yards and markets. However, there is a scarcity of solid empirical evidence on the economic effects of shared services in Australian local government.

Most councils in NSW participate in some form of collaborative arrangements for the performance of at least some of their functions, particularly delivery of specific services or projects, including through ROCs. However, ROCs share some key features which differentiate them from other forms of collaboration. These include an emphasis on political leadership, multi-purpose agendas and engagement in advocacy and lobbying around wider regional policy issues.

In some quarters, this has led to ROCs being discounted as a primary option for shared delivery of "traditional" local government services, as their focus has tended to lie elsewhere, in areas such as advocacy and lobbying. They have also been regarded as being too "political" and less structured than some alternative models, such as formal shared services agreements.

While ROCs have been criticised as lacking the capacity to provide consistent and significant outcomes in the delivery of shared services, research indicates that, in NSW at least, ROC's are the primary form of multi-purpose shared services provision by local government. Furthermore, their role in regional advocacy is not only an important form of collaborative delivery but also supports their activities in developing shared services in operational areas. Moreover, several government agencies such as the Department of Planning and Infrastructure and Transport NSW

are adopting policy and planning processes with a regional focus and have been increasingly engaging with local government through ROCs.

Overall, the role of shared services is one amongst many means of ameliorating the financial constraints on local councils. I believe that shared service arrangements cannot solve all the service provision problems of local governments. The judicious use of shared service models for carefully selected local government service functions can make a modest contribution to cost savings and improved local service provision.

It is my view that shared service arrangements can be beneficial for councils both in terms of cost savings and enhanced service quality. Nevertheless, the delivery of shared services by ROCs remains patchy and uneven. This reflects the disparate size, number, and wealth of participating councils, as well as variations in factors such as the level of commitment and institutional leadership involved. It will be incumbent on the JO's when introduced to significantly improve regional collaboration for their constituencies.

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