

2018-19 Budget - Submission of NSW Local Government Priorities

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Executive Summary

Councils are central to bringing communities to life and Government programs to fruition.

In this 2018-19 pre-Budget submission, Local Government NSW (LGNSW) calls on the State Government to recognise - and fund - councils for the crucial role they play in delivering both the basic infrastructure every local community needs, and the Government's priorities on the ground, so that every NSW community benefits.

The NSW Government is reaping the rewards of strong economic growth and windfall revenues from stamp duty and asset sales, which LGNSW gratefully acknowledges is being ploughed into many local infrastructure projects and services.

The sale of NSW's share of Snowy Hydro Trading Pty Ltd provides the NSW Government another opportunity to make a substantial capital investment in local infrastructure. LGNSW warmly welcomes the Premier's commitment that the \$4 billion sale proceeds will be invested in rural and regional NSW.

Local government is one of the biggest sectors in the NSW economy. It contributes by:

- spending more than \$11 billion each year;
- maintaining and upgrading infrastructure and land assets worth \$136 billion; and
- employing more than 50,000 people, many of which are in rural and regional NSW.

As a result of 40 years of rate-pegging and the escalating cost shifting burden placed on local government (estimated by LGNSW to be \$6.2 billion over the past 10 years), the sector requires funding support via the NSW Budget to continue to provide the basic infrastructure and services people in communities need. This includes housing supply, roads, bridges, traffic facilities, water supply and sewerage, stormwater and drainage systems, libraries, sporting fields, playgrounds, parks and more.

LGNSW's pre-submission on the NSW Budget 2018-19 provides a comprehensive summary of 30 recommendations across 11 Government agencies, which were developed following extensive consultation with NSW councils. The top 6 priorities are highlighted in this summary.

Our Budget requests highlight the unique and inherent interdependence between State and local government: councils rely on funding support from the State to meet basic local infrastructure requirements, and the State Government relies on councils to implement its policy priorities at the local level, which also eat into council resources.

Whether it be delivering faster housing, infrastructure, litter reduction initiatives, road safety targets, the Greater Sydney Commission's three-cities plan, Crown Land reforms, the Easy-to-do Business initiatives, regional economic activation or freight and ports plans, local government values its role working side-by-side with the State to benefit people and communities in NSW.

Of our 30 budget recommendations in this submission, there are 6 funding priorities:

- 1. Waste and Recycling** - LGNSW calls on the NSW Government to return all waste levy payments made by councils to local government for the purposes for which they are collected; and to allocate the waste levies collected from all other parties to waste initiatives. Priority due to China's National Sword policy and Container Deposit Scheme impacts.
Budget impact – unknown (Councils estimate they pay over \$305 million pa)
Proposed funding source: Waste Levy
- 2. Open Space** – Local government seeks funding to preserve and enhance open and recreational spaces in growth areas. Councils are fast-tracking housing and development to cater for forecast high population growth and must secure open space for long-term liveability.
Budget impact: \$1 Billion over 4 years
Proposed funding source: Restart NSW
- 3. Access to Restart NSW and other grants** - LGNSW calls on the NSW Government to remove the Restart NSW Funding eligibility requirements for a benefit-cost ratio of greater than 1, or introduce a hardship category, to help prevent priority projects being deemed ineligible. The Government should also improve access to competitive grants for disadvantaged rural and regional councils by removing matching funding requirements and extending application periods to six weeks.
Budget impact: Nil
Proposed source: N/A
- 4. Funding the most disadvantaged local government areas** – A dedicated, untied recurrent grant program should be established for the 20 most disadvantaged councils in NSW to help meet their communities' needs. These councils are in remote areas, with declining and disadvantaged populations and little or no access to additional revenue or funding. These challenges create ever-growing infrastructure deficits and negative social impacts.
Budget impact: \$40 million per annum
Proposed funding source: Fit for the Future funding reserve
- 5. Public Libraries** - Increase funding to public libraries to help meet the growing demand for onsite and digital services, driven by population growth, increased density and the growing digital divide. NSW Public Libraries receive the lowest per capita funding of any Australian State or Territory and this must be redressed.
Budget impact: Increase of \$7 million in 2018-19 rising to \$22 million increase in 2021-22
Proposed funding source: Consolidated Fund
- 6. Road Safety Funding** - Allocate funding under the new road safety plan to council owned and managed local and regional roads to improve safety outcomes.
Budget impact: \$125 million in 2018/19
Proposed funding source: Consolidated Fund

This submission is not limited to the financial needs of councils. If the Government is to maximise its investment in local communities, LGNSW strongly believes both spheres of government must work together to foster stronger partnerships. Many of our recommendations have been framed to reinforce this approach.

LGNSW trusts this submission will assist the Premier, the Treasurer and the NSW Government in setting its budgetary priorities for 2018-19 and beyond, and looks forward to working with Government to deliver them for our communities.

Summary of Budget Priorities

Theme 1: A better budget and funding process for local government

	\$	Cluster/Agency	Funding source
Transparent funding arrangements - Improve transparency in State/local government funding arrangements (e.g. Planning Reform Fund), and prepare a 'Local Government Budget Statement'.	n/a	Treasury	n/a
Access to Restart NSW Fund - Remove the requirement under the Restart NSW Fund for a benefit-cost ratio of greater than one, or alternatively introduce a hardship category, to avoid the likelihood of high priority or worthwhile projects being deemed ineligible.	n/a	Treasury	n/a
Access to grants - Improve access to competitive grants for disadvantaged rural and regional councils by removing matching requirements and extending minimum application periods to six weeks for all councils.	n/a	All agencies with grant programs	n/a
Emergency Services funding - Re-commence the implementation of a broad property based fire and emergency services levy that replaces the current insurance and council levies.	\$25m in 2018-19	Treasury	Funded through the proposed new levy (e.g. FESL)
Performance Measurement Framework - Accept LGNSW's offer to work in partnership to develop a Local Government Performance Measurement Framework that fosters transparency, improvements in service delivery and outcomes and recognises the differences that exist between councils.	\$35m over 2 years	Department of Planning & Environment (DP&E) / Office of Local Government (OLG)	Fit for the Future funding reserve
Funding Joint Organisations - Fully fund the establishment and operations of JOs.	\$4m in 2018-19	DP&E / OLG	Fit for the Future funding reserve
Funding our most disadvantaged councils - Establish a dedicated untied recurrent grant program for the 20 most disadvantaged councils in NSW to assist them in meeting their communities' needs without impacting their financial sustainability.	\$40m per annum	DP&E / OLG	Fit for the Future funding reserve
Funding for planning panels - Provide funding for affected councils to meet the cost of mandated Local Planning Panels.	\$3.4m per annum	DP&E	Planning Reform Fund

Theme 2: Investing in local and regional infrastructure

	\$	Cluster/Agency	Funding source
Housing – Provide additional infrastructure funding to councils, through the Housing Acceleration Fund and other mechanisms, to facilitate achievement of housing supply targets.	\$2b over 4 years	DP&E	Increase Budget allocation (asset sales)
Open space – Fund councils to preserve, maintain and enhance open space and recreational spaces, particularly in targeted growth areas.	\$1b over 4 years	DP&E	Restart NSW Fund
Regional Roads Block Grants - Increase funding under the Regional Roads Block Grants to address the annual life-cycle funding gap of local government's regional road network and help meet the needs of a growing population.	\$41.5m per annum	Transport for NSW / Roads & Maritime Service (RMS)	Increase Budget allocation
Fixing country roads - Maintain the successful Fixing Country Roads program.	\$543m	Transport for NSW / RMS	Rebuilding NSW Fund
Fixing metropolitan roads - Establish a Fixing Metro Roads program to fund strategically significant local road infrastructure on key freight corridors in metropolitan NSW.	\$50m per annum	Transport for NSW / RMS	New Budget allocation
Road safety funding - Provide increased focus and funding under the new road safety plan on council owned and managed local and regional roads.	\$125m in 2018-19	Transport for NSW / RMS	Increase Budget allocation
Country Passenger Transport grants - Provide additional funding under the Country Passenger Transport Infrastructure Grants Scheme for the construction of fixed and informal bus stops on rural and regional roads.	\$3.5m in 2018-19	Transport for NSW	Increase Budget allocation

Theme 3: Working together to address our environmental challenges

	\$	Cluster/Agency	Funding source
Waste levy - Return all waste levy payments made by councils to local government for the purposes for which they are collected; and allocate the waste levies collected from all other parties to waste initiatives.	\$516m in 2018-19	DP&E / Environmental Protection Authority (EPA)	Waste Levy
Weed management - Increase funding for local control authorities to undertake weed management and regulatory functions.	\$10m per annum	Department of Industry / Primary Industries	Increase Budget allocation
Biodiversity - Support councils to implement the NSW Government's Land Conservation and Biodiversity Management reforms.	\$10m over 2 years	DP&E / Office of Environment & Heritage (OEH) / EPA	Increase Budget allocation
Street lighting - Establish an energy efficient street lighting fund to help councils fund street lighting upgrades.	\$10m in 2018-19	DP&E / OEH	Climate Change Fund
Urban tree canopy - Dedicate funding to support an expansion of the urban tree canopy, particularly in newly developed residential areas.	\$5m per annum over 5 years	DP&E / OEH	Climate Change Fund
Climate risk abatement - Provide funding for councils to implement projects that reduce climate risks to the community and to local infrastructure.	\$3m per annum over 5 years	DP&E / OEH	Climate Change Fund
Coastal and estuary grants - Increase the Government's funding commitment to coastal and estuary management.	\$36.8m in 2018-19	DP&E / OEH	Climate Change Fund

Theme 4: A real partnership in social and community services

	\$	Cluster/Agency	Funding source
Pensioner rebate - Reimburse councils for the full cost of pensioner rate rebates or, at a minimum, maintain the current percentage share.	\$64m per annum or \$7.5m per annum	Treasury	New Budget allocation or maintain Budget allocation
Libraries - Increase funding for council libraries so they can fulfil their important role in enhancing literacy, delivering government services and building community wellbeing.	\$7m in 2018-19 increasing to \$22m in 2021-22	DP&E / State Library Service	Increase Budget allocation
Counter terrorism - Establish a grant program for affected councils to implement the Australia-New Zealand Counter-Terrorism Committee's <i>Australia's Strategy for Protecting Crowded Places from Terrorism</i> (Resolution 43).	\$5m per annum over 3 years	Department of Justice / Office of Emergency Management	New Budget allocation
Disability access – Provide funding to councils via LGNSW to maintain and expand the very successful Lift & Change Facilities program.	\$2m in 2018-19	Department of Family and Community Services (FACS)	New Budget allocation
Sport and recreation - Redirect any unclaimed funds from the \$207m Active Kids voucher program into investment in local sports infrastructure.	Unknown	Department of Industry / Office of Sport	Surplus funds from the Active Kids program
Aboriginal Cultural Heritage - Provide resources for training of council staff in the management of Aboriginal Cultural Heritage.	\$0.6m over 2 years	DP&E / OEH	Reallocation from Aboriginal Heritage Grants
Aged and disability services - Extend funding to councils to help maintain home support programs during the roll-out of the NDIS until June 2020.	\$7m per annum for 2 years	FACS	Continuance of existing funding
Arts - Maintain the Create NSW Arts and Cultural Development Program (ACDP) fund, increase the percentage of the fund allocated to councils and reinstate funding of an Arts & Culture Policy Officer in LGNSW.	\$5.8m per annum	DP&E / Create NSW	Reallocation from ACDP

Theme 1: A better budget and funding process for local government

Local government is a central player in community life and public expectations of the role and functions of local government continue to grow.

While the State Government has recognised the growing role and influence of local government and its capacity to work as a partner, particularly regarding infrastructure delivery, LGNSW believes it is time for the financial arrangements between the two spheres of government to become more transparent and certain and to work together more constructively to improve outcomes for local communities.

This section sets out the priorities of LGNSW in terms of:

- Improving transparency in State/local government funding arrangements, including through the preparation of a 'Local Government Budget Statement'.
- Removing the eligibility requirement under the *Restart NSW Fund* for a benefit-cost ratio of greater than one, or alternatively introducing a hardship category, to avoid the likelihood of high priority or worthwhile projects being deemed ineligible.
- Improving access to competitive grants for disadvantaged rural and regional councils by removing matching requirements and extending minimum application periods to six weeks for all councils.
- Re-commencing the implementation of a broad property based fire and emergency services levy that replaces the current insurance and council levies.
- Developing in partnership with LGNSW a Local Government Performance Measurement Framework that fosters transparency, improvements in service delivery and outcomes and recognises the differences that exist between councils.
- Fully funding the establishment and operations of Joint Organisations.
- Establishing a dedicated recurrent grant program for the 20 most disadvantaged councils in NSW to assist them in meeting their communities' needs without impacting their financial sustainability.
- Providing funding for affected councils to meet the cost of Local Planning Panels.

1. Budget transparency

Summary

NSW Treasury should increase transparency in State/local government funding arrangements and prepare a 'Local Government Budget Statement' as part of the State Budget.

Request

LGNSW calls on the NSW Government to improve the transparency of the financial relations between the NSW Government and NSW local government by providing detailed information in its public budget papers about its total funding assistance to NSW councils.

This information should include separate details of all capital and recurrent funding provided to councils *through* the State (e.g. financial assistance grants) and all capital and recurrent funding provided to councils *by* the State. This includes both 'block' grants (e.g. library grants) and competitive grants (e.g. Arts and Cultural Development). The breakdown of grants should also distinguish between payments for services provided on behalf of the State and payments to local government for its own purposes.

Rationale

Disclosing payments to local government accords with the principles of fiscal transparency and accountability and would enhance evidence based decision making. It would encourage full documentation of assistance to local areas in all spheres of government. It would also allow local government to have a fuller picture of its true financial position.

It has always been unclear, for example, what proportion of State funds for arts and culture are expended directly by the State Government or are allocated to non-state organisations, including local government.

The Planning Reform Fund is another example where fiscal transparency must be improved. The fund was established to support councils to implement land use planning reforms and it is entirely funded by fees paid by councils to the Department of Planning & Environment. Transparency must be improved with respect to income and expenditure of the fund to ensure moneys paid into the fund are used exclusively to support planning reform in or for councils, including grants to councils and funding of e-Planning.

The publication of a "Local Government Budget Statement" is already standard practice in some other States, where State Governments publish this data as part of their annual budget papers.

LGNSW appreciates that NSW Treasury may need to establish processes to collect and/or compile this data. However, it understands the Office of Local Government already collects, as part of its annual Financial Data Return¹, information on the total amount of grant funding provided by the State Government to each council. This data provides a breakdown of funding received by major categories of assistance and for major programs. While the data is based on actual results for the previous year, its publication as part of the State budget papers would represent an important starting point, which could be expanded upon over time.

How

In the first instance, LGNSW suggests that the Office of Local Government reports, within the Planning and Environment Cluster section of Budget Paper No. 3, the total amount of grant funding (both capital and recurrent) provided to each NSW council.

¹ Note 3 to the Financial Statements.

LGNSW would be keen to work with NSW Treasury, the Office of Local Government and the NSW Audit Office to develop and implement a more comprehensive 'Local Government Budget Statement'.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Local Government
NSW Treasury

2. Reconsider benefit-cost ratio requirement for funding under Restart NSW

Summary

Remove the requirement for a benefit-cost ratio of greater than one, or introduce hardship provisions, for projects to be funded under the *Restart NSW Fund*.

Request

LGNSW calls on the NSW Government to remove the requirement of a benefit-cost ratio greater than one for projects to be eligible for funding under the *Restart NSW Fund* and its associated funding programs, as the requirement could result in high priority or worthwhile projects being deemed ineligible. Alternatively, the Government could introduce hardship provisions for projects that do not have a positive benefit-cost ratio, but are deemed to meet essential social, environmental or public health needs.

Rationale

All projects seeking funding under the various funding programs made available through the *Restart NSW Fund* must be supported by an "...economic assessment to ensure the project is expected to produce a net economic benefit and improve economic growth and productivity in the State (demonstrated by a benefit-cost ratio greater than one)".²

While benefit-cost analysis is an essential tool to understand whether the total benefits of a policy, project or program exceed its total costs, the requirement of a benefit-cost ratio greater than one for projects to be eligible for funding under the *Restart NSW Fund* does not seem entirely appropriate for various reasons, including:

- Capturing and monetising all social benefits is often complex and difficult, particularly for 'public' benefits associated with social cohesion, environmental or public health outcomes. The template benefit-cost analysis, and underlying assumptions currently applied to many funding programs may not capture all these benefits comprehensively. As a result, many worthwhile projects might not get over the line.
- Distributing funding in a fair and equitable manner might not be possible where the benefit-cost analysis process is not consistent and robust across the board.
- Requiring a benefit-cost ratio of greater than one for projects that are to meet externally set minimum standards (e.g. drinking water quality requirements) is generally not appropriate. Benefits and costs associated with such minimum requirements should have been considered when setting the minimum standard. In these scenarios, a benefit-cost analysis on an individual project basis is useful to compare various options and identify the option with the greatest ratio. However, there should not be a requirement to exceed a certain ratio threshold.

How

N/A

Who - Responsible agency/cluster

NSW Treasury

² NSW Budget 2017/18, Budget Paper No. 2 – Infrastructure Statement, (2017), page 2-15.

3. Improving access to grant funding for smaller rural and regional councils

Summary

Remove grant matching requirements for smaller rural and regional councils and extend minimum grant application periods to six weeks.

Request

LGNSW calls on the NSW Government to improve access to competitive grant funding for small rural and regional councils by removing matching requirements or allowing in-kind contributions and extending minimum application periods to six weeks for all councils.

Rationale

Many competitive grants administered by State agencies include a requirement for the grant applicant to make a financial contribution to the proposed project, often on a dollar for dollar basis. In addition, most grant programs have a four-week application period.

These requirements mean often that the organisations best placed to obtain the grant funding are those that:

- Are going to proceed with the project in any event.
- Have the budget flexibility to be able to match the grant.
- Can dedicate or buy-in resources to prepare grant applications.

Unfortunately, many small councils do not fall into this category and as a result they may be unable to apply, unable to meet the assessment criteria or unable to provide a competitive application if they do apply.

This is particularly the case for new grant programs, where councils have not been able to factor matching requirements into their forward budgets and/or they are unable to dedicate the staff resources to the application.

The Regional Tourism Fund is a good example. The \$13 million fund consists of two streams: The Regional Cooperative Tourism Marketing Program and the Regional Tourism Product Development Program.

To be eligible for funding support, cash contributions of \$100,000 to \$500,000 for the Regional Cooperative Tourism Marketing Program and \$15,000 to \$150,000 for the Regional Tourism Product Development Program are required. This requirement puts the funding out of reach of many smaller regional and rural councils which are unable to fund the required cash contribution.

Many of the State's grant programs are only open for submissions for four-weeks, and can be announced and opened without warning. For many grants, particularly those that require a council contribution, a council resolution is required before the application can be submitted. At a minimum, this timeframe should be six weeks to allow the application to go through the council approval process. Alternatively, open applications should be considered where possible. LGNSW and councils welcome the Government's adoption of this approach for the Safe and Secure Water Program, which will provide greater flexibility and allow for better planning and business case development by councils.

How

Cash contributions should be reduced by creating smaller minimum grant amounts or by accepting in-kind contributions from councils.

Who - Responsible agency/cluster

All agencies with grant programs.

4. Reform of the funding of the NSW emergency services

Summary

Allocate \$25 million to re-commence and re-design the implementation of a property based fire and emergency services levy, which would be collected by Revenue NSW.

Request

LGNSW calls on the NSW Government to allocate \$25 million to restart the reform of emergency service funding arrangements and redesign the property based levy to:

- include the funding currently raised by the 11.7% council contribution; and
- have the new levy collected by Revenue NSW instead of councils.

Rationale

According to the “correspondence principle”, each sphere of government should, to the extent possible, finance its own expenditure functions from its own revenue sources. This ensures the level of government that provides the function is accountable to those that fund its activities, as well as those who are expected to benefit from them. Funding and performance of functions should be transparent so that the taxpayer understands what they are being taxed for and by whom.

The provision of fire and emergency services is not a function of local government. Councils do not have any operational or strategic decision-making role in the provision of these services, nor do they have any input into fire and emergency service budgets, just as they have no role regarding the NSW Police or Ambulance services’ budgets. Therefore, councils should not be required to fund these services via their own revenue raising powers.

Funding through the 11.7% council contributions also lacks transparency as some costs of providing fire services are hidden in general rates. Ratepayers may not be able to identify this contribution to the funding of fire services and are generally not aware that they pay through their council rates for a State Government service. Essentially, the current funding scheme imposes a hidden state tax on local ratepayers.

LGNSW has long called for the abolition of the Emergency Services Levy (ESL), including both the contribution by insurance companies and the contribution by local government, and for emergency services to be funded by a broad-based property levy. This support has always been conditional on the abolition of the existing ESL on councils (11.7% of total emergency services budget).

A property based levy would ensure that all property owners finance the services in an equitable manner; not only owners that are insured. The levy should be based on the rateable value of each property and, for reasons of administrative simplicity, collected by Revenue NSW.

In 2017, the NSW Government deferred the implementation of the new Fire and Emergency Service Levy (FESL) indefinitely. This Levy was to replace the contribution from the insurance industry with a fairer, property based levy collected by councils on behalf of the State Government. The Government has already put in place the required frameworks, IT and systems infrastructure at a cost of \$25 million so it is prudent to recommence now, and build on the IT work already done, before the technology becomes outdated and taxpayer funds wasted.

In redesigning the FESL, the Government should pursue a comprehensive property based levy that replaces both the contribution by insurance companies and the contribution by local government and that is collected by Revenue NSW.

Based on the process undertaken during 2016-17 to establish the FESL, LGNSW believes funding in the order of \$25 million will be required.

How

All establishment and on-going administration costs should be funded through the levy.

Who - Responsible agency/cluster

NSW Treasury

5. Performance Measurement and Reporting Framework

Summary

Allocate \$35 million over two years to develop a Local Government Performance Measurement Framework and related reporting tools.

Request

It is time for the NSW Government to act on the recommendations of the Auditor General's 2012 Performance Audit of the (then) Division of Local Government; the 2013 Final Report of the Independent Local Government Review Panel; and the Auditor General's 2018 Performance Audit of Council Reporting on Service Delivery to develop and implement a local government performance measurement and reporting framework.

Specifically, LGNSW calls on the NSW Government to allocate \$35 million over two years (2018-19 and 2019-20) to fund:

- the development, in consultation with LGNSW, of a Local Government Performance Measurement and Reporting Framework that fosters improvements in service delivery and outcomes and recognises the differences that exist between councils;
- the creation of an on-line data portal that will allow councils to upload and download data in 'real time'; and
- the creation of an interactive website that will allow the community to review and compare their council's performance.

Based on the experience of Victoria, funding of approximately \$30 million will be required to meet the cost of developing and installing relevant software in all councils to allow them to upload performance data and download benchmarking and performance reports. A further \$5 million should be allocated to develop a user-friendly website for councils and the community.

Rationale

Prior to Government's Fit for the Future program, the Office of Local Government (OLG), together with LGNSW, councils and other key stakeholders had made material progress toward the establishment of such a framework and OLG had taken steps to improve its reporting on council performance, as reflected in its *Your Council Report 2015*.

That work ceased when Fit for the Future commenced and OLG's reporting on council performance has, since then, been limited to a spreadsheet of raw council data, which has significantly reduced transparency and public accessibility to council performance information. LGNSW and councils, together with the University of Technology Sydney, have continued to work on the development of performance measures in recognition of its importance to councils. OLG has, to date, declined LGNSW's offer to join in this work. Given OLG's role as the local government regulator and the body that will ultimately determine what data is reported and published, it is essential that OLG partners with the sector to finalise this initiative.

How

From remaining Fit for the Future funding reserve.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Local Government

6. Fully fund the establishment and initial operations of Joint Organisations

Summary

Provide an additional \$4 million to fully fund the establishment and initial operations of Joint Organisations (JOs).

Request

The NSW Government should allocate \$4 million for the establishment and initial operations of JOs, in addition to the \$3.3 million seed funding provided in the 2017-18 Budget.

Rationale

While LGNSW acknowledges the Government's 2017-18 Budget commitment to provide \$3.3 million in seed funding to establish JOs, this amount falls far short of what will actually be required. Depending on the number of JOs created, this funding could equate to less than \$200,000 per JO.

To be successful, it is essential that the newly formed JOs are adequately resourced, for both their establishment (much of which will be sunk costs), and for their initial operations. This could be achieved through the investment of an additional \$2 million in 2018-19 and in 2019-20.

How

From remaining Fit for the Future funding reserve.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Local Government

7. Supporting our most disadvantaged councils and their communities

Summary

Establish a \$40 million recurrent fund for distribution among the 20 most disadvantaged councils to enable them to more adequately meet their communities' needs for infrastructure and services without negatively impacting on their financial sustainability.

Request

LGNSW calls on the NSW Government to address the intrinsic and unique disadvantages faced by predominantly remote and small rural councils and their communities by establishing a \$40 million recurrent fund, to be distributed as a supplement to the Financial Assistance Grants (FAGs).

LGNSW believes that without a material and ongoing injection of financial support, the sustainability of these councils will continue to deteriorate, which will be to the detriment of their communities and ultimately to NSW.

Under this proposal, the \$40 million fund would be distributed among those 20 councils that are assessed by the Local Government Grants Commission as having the greatest level of need. The funds would be distributed among these councils based on their per capita relativity, as determined by the Grants Commission.

Rationale

In recent years, there has been a progressive erosion in Commonwealth general purpose funding of local government. Since 1995-96, FAGs as a proportion of total Commonwealth tax revenue have fallen from 1% to approximately 0.57% in 2017-18. In addition, under the minimum grant principle established in the *Local Government (Financial Assistance) Act 1995* (C'wth), 30% of the general purpose funding pool is required to be distributed on a per capita basis. As a result, there is a significant shortfall between the level of assessed need³ among the remote and small rural councils, and the pool of funds available for distribution. Population decline among many of these councils is exacerbating the problem.

LGNSW has consistently advocated to the Commonwealth for an increase to the FAGs pool and a change to the current distribution arrangements, but despite the Commonwealth commissioning five reviews since 2000, it has shown little will to address the issue in NSW.

LGNSW recognises recent efforts of the NSW Local Government Grants Commission to redistribute as much funding as it can to the neediest councils within its legislative constraints. It also recognises the NSW Government's attempts, through its Far West Initiative, to address the issue of sustainability among the far west councils. However, given issues such as the tyranny of distance, staff shortages and the lack of appropriate infrastructure, initiatives such as resource sharing and strategic alliances will do little to address the problems at hand.

The Far West of NSW covers 40% of the State's landmass but includes less than 1% of the population. Its communities are confronted by many issues that present complex local challenges. They have very limited access to own source revenue and are by necessity heavily reliant on grants from other spheres of Government to fund their operations.

As a result, these councils have great difficulty securing and retaining a skilled workforce, their capacity to meet community needs is severely limited and most face major infrastructure backlogs⁴.

³ As determined by the NSW Local Government Grants Commission

⁴ *Revitalising Local Government* Final Report of the Independent Local Government Review Panel 2013, page 117.

Based on the Local Government Grants Commission's 2017-18 calculations, the following 20 councils could share in the additional funding allocation proposed:

Central Darling	Bogan	Murrumbidgee	Warren
Bourke	Lachlan	Hay	Gilgandra
Brewarrina	Cobar	Walgett	Coolamon
Carrathool	Bland	Wentworth	Narrandera
Balranald	Lockhart	Coonamble	Gwydir

How

From remaining Fit for the Future funding reserve.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Local Government

8. Funding for mandatory Local Planning Panels

Summary

Provide funding of \$3.4 million per annum for those councils required to implement mandatory Local Planning Panels (LPPs).

Request

LGNSW opposes the mandatory imposition of LPPs on councils and objects to the decision to mandate LPPs for all Sydney councils and Wollongong council.

Given LPPs are proceeding, LGNSW calls on the NSW Government to:

- provide on-going funding of \$100,000 (approx. \$3.4 million per annum) to each council in the Sydney Region and Wollongong to implement the roll-out of mandatory LPPs; and
- allocate specific funding and resources to the Department of Planning and Environment (DP&E) to review the ongoing costs of LPPs to councils and take action to amend Development Application fees to cover the additional financial burden on councils.

Rationale

The Government's decision to mandate LPPs in Sydney and Wollongong (34 councils in total) imposes an unwarranted administrative and cost burden on these councils and creates an additional layer of bureaucracy. Councils are required to pay all the costs associated with the running of the panel, including remuneration of members. Under new provisions in the *EP&A Act*⁵ each council must:

- provide staff and facilities to enable the LPP to exercise its functions;
- monitor the performance of its LPP; and
- provide a detailed annual report to the Department of Planning and Environment.

Councils and their ratepayers should not have to carry these additional upfront and ongoing administrative costs of mandatory local planning panels.

The DP&E estimates that each council affected faces additional costs of \$100,000 a year. LGNSW considers this an underestimate given the professional level remuneration required to be paid to LPP members, the likely volume of DA referrals and planning proposals and the number of briefings required to keep the panel members across the breadth of plan making changes facing Sydney councils in the next few years.

During the parliamentary debate on the *Environmental Planning and Assessment (EP&A) Amendment Bill 2017* and in response to LGNSW advocacy, the NSW Government made a commitment to review the cost of operating mandatory LPPs.

The Minister for Planning, the Hon Anthony Roberts MP, speaking about the reforms, stated that his department "...will monitor the costs and savings to councils and, if necessary, allow adjustment to development application fees to ensure the cost of LPPs is not borne by ratepayers generally. We can do this through changes to the regulation"⁶.

LGNSW is aware the University of Technology, Sydney, has been engaged to undertake a preliminary review, however it is essential that the Government fully funds this review and the costs of any recommendations flowing from the review.

⁵ Refer *EP&A Act 1979*, section 23LA, sub-sections (3), (4) & (5).

⁶ Hansard, Legislative Assembly, 15 November 2017.

How

The Planning Reform Fund should be used to assist councils in administering the set-up costs for LPPs. This is a suitable use of this fund.

LGNSW also expects to see appropriate funds and resources allocated to the DP&E to enable thorough monitoring and evaluation of LPPs, and in particular all ongoing costs, and to see action taken to amend relevant DA fees to cover the additional ongoing financial burden on councils.

Who - Responsible agency/cluster

Department of Planning and Environment

Theme 2: Investing in local and regional infrastructure

LGNSW recognises and welcomes the Government's reinvestment of revenue from asset sales into infrastructure projects and calls for further investment to be focused on the delivery of up-front infrastructure at regional and local levels.

Achieving the Government's housing supply targets will put significant pressure on councils in designated growth areas to fund necessary supporting infrastructure and provide adequate open space and recreational areas. To ensure these targets are not only met, but that they provide quality and sustainable local living environments, up-front investment must be made which cannot be funded through councils' existing contribution arrangements.

Throughout rural and regional NSW, investment in roads is a crucial "last mile" component of the State's infrastructure program. The State's major road network ultimately connects to local roads on which the State relies for the movement of goods and people. Local roads are the last leg of the supply chain. Transport movements and demands on local roads will only increase as the NSW population grows by 2.7 million people by 2036.

While both the NSW and Federal Governments have increased spending on roads in NSW, including funding for black spots, safer roads programs, and the local government road safety program, more assistance is needed to specifically address the local road network, including issues relating to the freight task and heavy vehicle traffic.

This section therefore outlines LGNSW's key infrastructure investment priorities, namely:

- Providing additional infrastructure funding to councils to help meet housing supply targets.
- Providing funding to councils to preserve, maintain and enhance open space and recreational spaces, particularly in targeted growth areas.
- Increasing funding under the Regional Roads Block Grants to address the annual life-cycle funding gap of local government's regional road network and help meet the needs of a growing population.
- Maintaining the successful Fixing Country Roads program.
- Establishing a Fixing Metro Roads program to fund strategically significant local road infrastructure on key freight corridors in metropolitan NSW.
- Providing increased focus and funding under the new road safety plan on council owned and managed local and regional roads.
- Providing additional funding under the Country Passenger Transport Infrastructure Grants Scheme for the construction of fixed and informal bus stops on rural and regional roads.

9. Achieving housing supply targets

Summary

Provide an additional \$2 billion over 4 years to councils to fund critical enabling infrastructure to help meet housing supply targets.

Request

LGNSW calls on the Government to provide additional infrastructure funding of \$2 billion over 4 years to councils, through the Housing Acceleration Fund and other mechanisms, to facilitate the achievement of the Government's housing supply targets.

Rationale

The housing affordability crisis, particularly in Sydney, has several dimensions:

- first home buyers are facing often insurmountable price barriers,
- tenants are struggling under increasing rents,
- more people are simply being excluded from both the home buying and rental markets and social housing waiting lists continue to grow.

LGNSW recognises the Government's 2012 initiative to establish the \$875 million Housing Acceleration Fund (HAF) and its 2017 initiative to provide an additional \$1.6 billion for the Fund from Restart NSW and the State Capital Program. LGNSW notes that since 2012, the HAF has provided \$528 million of funding to 27 projects. However, LGNSW notes that increased housing supply and record development approvals have not yet had an effect on housing costs.

LGNSW also recognises the NSW Government's new Low-Cost Loan Initiative to help councils invest in housing-related infrastructure sooner, but notes this is a loans scheme to expedite development, not a funding scheme.

LGNSW believes the NSW Government must significantly increase assistance to local government to deliver critical enabling infrastructure to facilitate accelerated housing development.

How

Additional Budget allocation (asset sales).

Who - Responsible agency/cluster

Department of Planning and Environment

10. Funding for open space and recreational spaces

Summary

Provide \$1 billion over 4 years to councils to preserve, maintain and enhance open space and recreational spaces, particularly in targeted growth areas.

Request

The Government must expand on its \$100 million commitment to secure strategic open green space through the allocation of a further \$900 million over the next four years to facilitate strategic land purchases, particularly in designated “brownfield” urban growth areas.

Rationale

LGNSW welcomes the Government’s recent announcement to commit \$100 million to secure strategic open green space; however the funding is inadequate to achieve the Government’s strategic objective of increasing open space.

While the development of new communities in greenfield areas provides opportunities for increasing open space through the preservation of lands, development within existing communities through urban infill provides real threats to open space. These areas have limited or no capacity to preserve open space. Rather, they require investment in the purchase and restoration/decontamination of existing utilised land. The cost of such land is prohibitively high and this must be addressed by the Government.

How

Restart NSW Fund.

Who - Responsible agency/cluster

Department of Planning and Environment

11. Regional Roads Block Grants

Summary

Increase funding under the *Regional Roads Block Grants* program by \$41.5 million per annum and index funding adequately from thereafter to address the annual life-cycle funding gap of local government's regional road network and help meet the needs of a growing population.

Request

LGNSW calls on the NSW Government to increase funding under the *Regional Roads Block Grants* program by \$41.5 million per annum to address the annual life-cycle funding gap of local government's regional road network (i.e. increase funding from the current \$180.7 million per annum to \$222.2 million per annum in 2017-18 plus indexation).

A new indexation methodology should address the inadequacy of the current CPI based indexation and instead reflect the annual increases in road construction and maintenance costs shown by the Australian Bureau of Statistics' Local Road Construction Cost Index. Currently, the Consumer Price Index, which does not reflect construction cost movements, is used to determine annual funding increases.

Rationale

To provide a local road network that is effective and efficient in facilitating private and commercial travel and the movement of goods, local government requires increased funding to help address the infrastructure renewal backlog present in its regional road network.

Councils are responsible for managing over 164,000 km (90%) of local and regional roads in NSW. For regional roads and bridges, which are partly funded by the NSW Government under *Regional Road Block Grants* and *Repair* programs, the life-cycle cost is \$248.5 million per year. Actual expenditure (including existing block grant funding) amounts to \$207 million per annum, leaving a life cycle funding gap of \$41.5 million per year.⁷

How

New Budget allocation.

Who - Responsible agency/cluster

Transport for NSW - Roads and Maritime Service

⁷ IPWEA NSW, Road Asset Benchmarking Project 2014, *Road Management Report*, (2015), page 23 f (tables 21 and 23).

12. Fixing Country Roads

Summary

Continue to fund the successful *Fixing Country Roads* program.

Request

LGNSW calls on the NSW Government to continue the successful *Fixing Country Roads* program and provide targeted funding assistance to strategically significant local road infrastructure on key freight corridors in regional NSW.

Rationale

To improve the efficiency and resilience of the road network, councils seek to address key freight connectivity constraints on their local road and bridge network.

Economic growth and resilience depend on the basic local infrastructure councils provide, such as roads and bridges. A better road network enhances freight and transport productivity and contributes to the generation of jobs in relevant industries. However, councils with their limited taxation power (rates on land) often do not have the capacity to raise sufficient funds on their own to maintain and renew existing infrastructure and depend on intergovernmental transfers. This is particularly the case in regional and rural areas where the rating base is small.

The *Fixing Country Roads* program provides targeted funding to address the vital first and last mile components of the State's strategic road freight transport network. This funding not only addresses councils' own infrastructure backlog but, by improving the efficiency of freight networks, it also has positive benefits to regional, State and national economies.

The 2017-18 NSW Budget confirmed a total commitment of \$543 million to the *Fixing Country Roads* program, including \$155 million for projects from rounds one and two that have already been expended and/or allocated. LGNSW welcomed the allocation of \$100 million in the 2017-18 NSW Budget to fund round three of the program, noting the Government's announcement on 12 December 2017 that \$92 million of the \$100 million had been allocated to over 70 projects throughout the State. LGNSW also welcomed the Government's announcement in December 2017 that applications for the program can now be received from councils at any time.

How

Funding should be made available from Rebuilding NSW. (According to the NSW Government, the total funding commitment of \$543 million consists of \$500 million directly from Rebuilding NSW and a \$43 million transfer from Restart NSW to Rebuilding NSW).

Who - Responsible agency/cluster

Transport for NSW - Roads and Maritime Service

13. Fixing Metro Roads

Summary

Establish a \$50 million *Fixing Metro Roads* program to fund strategically significant local road infrastructure on key freight corridors in metropolitan NSW.

Request

LGNSW calls on the NSW Government to establish a *Fixing Metro Roads* program, modelled on the successful *Fixing Country Roads* program, to provide targeted funding of \$50 million per annum to strategically significant local road infrastructure on key freight corridors in metropolitan NSW.

Rationale

To improve the efficiency and resilience of the road network, councils seek funding to address key freight connectivity constraints on their local road and bridge network (urban freight pinch points) and open heavy vehicle access on metropolitan local roads.

Economic growth and resilience depend on the basic local infrastructure councils provide, such as roads and bridges. A better road network enhances freight and transport productivity and contributes to the generation of jobs in relevant industries. However, councils with their limited taxation power (rates on land) often do not have the capacity to raise sufficient funds on their own to maintain and renew existing infrastructure and are often dependent on intergovernmental transfers.

Recent work undertaken by LGNSW, Roads and Maritime Services (RMS), the National Heavy Vehicle Regulator and the Institute of Public Works Engineering Australasia, demonstrated a funding need exists in Sydney and other metropolitan areas, similar to the one being addressed by the *Fixing Country Roads* program, as the result of ever-increasing first and last mile demands on local roads in these regions⁸. There have been significant increases in construction, logistics, port access and general delivery related road freight in recent years.

Creating a *Fixing Metro Roads* program would provide targeted funding to address the vital first and last mile components of the State's strategic road freight transport network. This funding would help address both councils' infrastructure backlog and, by improving the efficiency of freight networks, would have positive benefits to regional, state and national economies.

How

New Budget allocation.

Who - Responsible agency/cluster

Transport for NSW - Roads and Maritime Service

⁸ NSW Road Freight Industry Council Network Connectivity Sub-Committee.

14. Road safety initiative

Summary

Provide an additional \$125 million to specifically address road safety outcomes on the council managed local and regional road network.

Request

LGNSW congratulates the NSW Government on its new road safety plan and focus on improved road infrastructure funding and investment to address road safety issues.

LGNSW particularly welcomes the new Saving Lives on Country Roads program (\$125 million), including the focus on relatively small, low-cost improvements which can provide significant benefits on many of these roads.

The initiative to expand rollout of rumble strips and tactile markings is especially welcome and addresses concerns raised by councils via the LGNSW 2017 Annual Conference.

It unclear what proportion of funding will be earmarked for local government to address safety issues on council managed roads. While the package includes a necessary focus on country roads, more targeting is needed for council owned and managed local and regional roads. Based the Centre for Road Safety's crash data, LGNSW believes there is ample justification for a matching contribution (\$125 million) to be allocated.

Rationale

The overall safety plan does not explicitly recognise that State roads and local roads have different problems requiring different solutions. Local government faces challenges that limit its ability to achieve safety outcomes on its roads. Councils have limited resources and access to funding to address a 160,000km local and regional road network, 80% of which is in non-urban or regional areas of the State. These challenges reflect characteristics endemic to local roads including:

- A wide geographic spread of accident locations across this network
- The wide variation in the condition of local roads (e.g. sealed and unsealed surfaces, road widths, corners and alignments often of different standard from State roads)
- A higher proportion of vulnerable road users such as pedestrians, cyclists, children and aged people using local roads

LGNSW asks that the plan is amended to include specific reference to these unique characteristics and needs of local roads, and how the important initiatives outlined in the plan will be applied across councils' road networks.

Overall, LGNSW welcomes the Government's commitment to working more closely with local government in addressing road safety.

How

Additional Budget allocation.

Who - Responsible agency/cluster

Transport for NSW - Roads and Maritime Services

15. Country Passenger Transport Infrastructure Grants – school bus routes

Summary

Provide additional funding of \$3.5 million to councils within the existing Country Passenger Transport Infrastructure Grants Scheme (CPTIGS) to upgrade council-managed bus stops on school bus routes in rural areas.

Request

LGNSW calls on the NSW Government to increase funding to councils under the Country Passenger Transport Infrastructure Grants Scheme (CPTIGS) from \$3.5 million to \$7 million in 2018-19 to enable councils to undertake a full upgrade of council managed formal and informal bus stops on school bus routes in rural areas.

Rationale

The CPTIGS provides subsidies for constructing or upgrading bus stop infrastructure owned and maintained by regional local councils. A total of \$3.25 million has been allocated in this biennial 2018-19 funding round.

However, additional funding for councils is required to upgrade formal and informal bus stops on school bus routes in rural areas and address the recommendations from the Transport for NSW School Bus Safety Community Advisory Committee arising from some recent incidents on school bus routes.

How

Increase Budget allocation.

Who - Responsible agency/cluster

Transport for NSW

Theme 3: Working together to address our environmental challenges

Councils play an important role in addressing environmental issues in their local area and mitigating against climate change. The strategies and initiatives required to address these issues are often resource intensive and require funding. Reforms and initiatives in the State Government sphere, which are delivered locally, must be supported with adequate funding if they are to be implemented successfully by councils on the ground.

To ensure State and Local Government are working together effectively to maintain, conserve and enhance our environment, LGNSW has identified the following key budgetary issues:

- Returning all waste levy payments made by councils to local government for the purposes for which they are collected; and allocating the waste levies collected from all other parties to waste initiatives.
- Increasing funding for local control authorities to undertake weed management and regulatory functions.
- Supporting councils to implement the NSW Government's Land Conservation and Biodiversity Management reforms.
- Establishing an energy efficient street lighting fund to help councils fund street lighting upgrades.
- Dedicating funding to support an expansion of the urban tree canopy, particularly in newly developed residential areas.
- Providing funding for councils to implement projects that reduce climate risks to the community and to local infrastructure.
- Increasing the Government's funding commitment to coastal and estuary management.

16. Waste levy

Summary

Return all waste levy payments made by councils to local government for the purposes for which they are collected. This may include waste avoidance, reduction, recycling, waste management and infrastructure. Waste levies collected from other parties should also be allocated to waste initiatives.

Request

The objective of the waste levy is to reduce waste generation and increase resource recovery. Accordingly, this money should be used to support waste avoidance, reduction, recycling and waste management programs and to deliver appropriate waste infrastructure for the community. This is especially important to help councils respond to the effects of China's National Sword Policy and to implement the Container Deposit Scheme.

According to the 2017-18 NSW Budget, revenue collected through the waste and environment levy (from all stakeholders) during the period is forecast at \$2.130 billion.⁹

Rationale

The NSW Waste and Resource Recovery (WARR) Strategy 2014-2021 establishes a number of targets:

- Increase recycling rates to 70% for municipal solid waste
- Increase overall waste diverted (from all sectors) to 75%
- Manage problem wastes by establishing 86 drop-off facilities and services across NSW
- Reduce the number of littered items by 40% (Premier's Priority)
- Reduce the number of illegal dumping incidents by 30%

Local government participation is essential to achieve each of these targets.

However, the level of waste levy income returned to councils under the *Waste Less, Recycle More* (WLRM) extension has fallen from an estimated 32% of levy income in the original WLRM to just 18%. This means that council funding to support the objectives of the waste levy and WARR Strategy are increasingly limited.

The effective rate of return of funds to local government over the WLRM extension period (2017-18 to 2020-21) is estimated to be 18% based on the following estimates/assumptions:

- Revenue collected through the waste levy during the period of the WLRM extension is estimated at \$2.130 billion.
- \$682 million is contributed to the waste levy revenue from local government based on the estimate that the municipal waste stream¹⁰ contributes around 32% of total levy income.¹¹
- Over the WLRM period (2017-18 to 2020-21), local government will have access to \$70 million in direct funding from the WLRM extension, and access to a further \$100 million in contestable grants. Assuming a 50% success rate in those contestable grant programs, this results in an 18% rate of funds returned to local government.
- A 100% success rate in the contestable programs would equate to a 25% rate.

The effective rate over the previous WLRM period (\$465.7 million over the 5 years from 2012-13 to 2016-17) was estimated to be 32%.¹²

⁹ NSW Budget 2017-18, Budget Paper No. 1 – Budget Statement, table 5.4, page 5-7.

¹⁰ Municipal Solid Waste - waste collected by, or for, local councils including solid waste from households including recycling, organics and waste, and solid waste from municipal parks and gardens and other public places.

¹¹ KPMG, Review of the NSW Waste and Environment Levy - Final Report, (2012), table 2-3, page 16.

¹² LGNSW, Submission to NSW Budget 2016-17, (2017), page 21f.

Further, waste and recycling infrastructure is insufficient to service the needs of the NSW community. With increasing waste generation rates and limited landfill space, this is a growing issue. We note that a draft Waste and Resource Recovery Infrastructure Strategy 2017-2021 has been prepared, however this represents more of a needs analysis than a forward strategy. LGNSW therefore calls on the State Government to develop a comprehensive funded waste infrastructure strategy to address this issue. Funding to support waste infrastructure should be drawn from the Waste Levy.

How

The funding is already raised via the waste levy. This is about how the funding is spent.

Who - Responsible agency/cluster

Department of Planning and Environment – Environment Protection Authority

17. Weeds management

Summary

Increase funding for local control authorities to undertake weed management and regulatory functions to \$20 million per annum, with a 3-year rolling forward commitment.

Request

LGNSW calls on the NSW Government to increase funding for local control authorities (LCAs) to undertake weed management and regulatory functions to \$20 million per annum, with a 3-year rolling forward commitment.

Rationale

Councils play a significant role in the management of weeds. While the NSW Government helps by providing grant funding under the Weeds Action Program (WAP) - \$10 million in 2017-18 - this funding has not been sufficient to allow councils to adequately undertake their weed management and regulatory functions. The Natural Resources Commission's Review of Weed Management, for example, reported that councils spent at least \$2 for every \$1 provided under the WAP in undertaking weed management functions between 2010-11 and 2012-13.

Not only is the current level of annual funding provided under WAP inadequate, it is falling in real terms. Under the WAP 2010-2015, funding averaged \$10 million per year and it has remained at that dollar amount under the WAP 2015-2020.

In addition, the *Biosecurity Act 2015* has increased resourcing requirements for LCAs (e.g. inspection regimes, monitoring and enforcement) and funding is needed to ensure regional weed plans can be delivered and appropriately regulated, and that there is sufficient funding available to deal with weed incursions.

LGNSW calls on the NSW Government to redress this increasing shortfall and increase funding under WAP 2015-2020 to \$20 million in 2018-19.

In addition, funds are allocated to WAP annually by Treasury and annual commitments to date have been made in June or later, providing little certainty or ability to forward plan, LGNSW therefore calls for WAP1520 funding to be confirmed for the duration of the program.

LGNSW also calls on the Department of Primary Industries to review the formula and policy which determines how weeds funding is allocated.

How

Additional budget allocation.

Who - Responsible agency/cluster

Department of Industry - Primary Industries (Biosecurity and Food Safety)

18. Land conservation and biodiversity management reforms

Summary

Provide \$10 million over two years to support councils to implement the NSW Government's Land Conservation and Biodiversity Management reforms.

Request

LGNSW calls on the NSW Government to help councils implement the Government's Land Conservation and Biodiversity Management reforms, with a focus on ensuring their planning and approval processes are adapted to align with the new legislation.

Specifically, LGNSW calls on the NSW Government to provide:

- \$2 million per year over two years (2018-19 and 2019-20) to support all NSW councils to integrate the requirements of the new legislation into their current planning processes; and
- \$3 million per year over two years (2018-19 and 2019-20) to assist councils to verify local vegetation mapping to ensure accuracy in their local biodiversity data, for inclusion in the biodiversity values map.

Rationale

The biodiversity reforms have created a change in practice for councils in their management of vegetation in urban areas, through the introduction of the Vegetation SEPP (non-rural areas). The SEPP was never exhibited and, as a result, councils did not have the opportunity to adapt their current systems to align with this new approach to vegetation clearing.

Councils are also required to assess biodiversity assessment reports which will accompany DAs for projects requiring a more detailed biodiversity assessment. Support to councils to undertake this new responsibility is needed beyond the 12-18 months of the current capacity building program led by the Office of Environment and Heritage and the Office of Local Government.

There is a clear benefit in ensuring that the best available biodiversity information is included in the biodiversity values map, with local data and greater accuracy in vegetation management decisions.

How

New Budget allocation.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

19. Energy efficient street lighting

Summary

Establish a \$10 million energy efficient street lighting fund to help councils fund street lighting upgrades.

Request

LGNSW calls on the NSW Government to support councils in making the transition to energy efficient street lighting, including by providing \$10 million funding support for upgrading street lighting infrastructure, particularly where significant regulatory barriers such as high claimed residual values of old assets are present.

Rationale

The current regulatory framework for street lighting represents a significant barrier to investment in energy efficient lighting, such as LED. While councils are responsible for funding the cost of street lighting, the electricity distribution network service providers are responsible for the operation of lighting infrastructure, meaning there is little incentive for service providers to upgrade infrastructure simply to achieve energy efficiencies.

Street lighting is an essential public service which councils are legally responsible for providing to the community under the *Roads Act (NSW) 1993* and the *Local Government Act (NSW) 1993*. However, with very limited exceptions, street lighting infrastructure (i.e. luminaires, lamps etc.) is provided as a non-contestable monopoly service by the three NSW electricity distribution network providers (Ausgrid, Endeavour Energy and Essential Energy). Street lighting is unlike other aspects of the electricity distributors' businesses because the utility owns the end-user's electrical appliance, the street light.

This separation of ownership and responsibility has led to a fundamental misalignment of interests with financial and non-financial costs to the community. Electricity distributors are incentivised to maximise the returns from their street lighting businesses and minimise liability exposures but little else. In contrast, councils have a much wider set of street lighting priorities including:

- minimising total long-term costs to the community including moving to more energy efficient and/or lower maintenance lighting infrastructure;
- reducing greenhouse gas emissions; and
- improving lighting quality for the community with consideration to public safety, public amenity and light pollution.

LED technology is widely accepted as the lowest total cost lighting option, capable of saving 30%-70% of the energy compared to current road lighting, with much lower failure rates and at a lower overall cost. There are also potential safety gains from deploying high quality white light on main roads in place of high pressure sodium lighting that currently dominates in NSW. Investing in the upgrading of street lighting in NSW to LED would create a lasting economic benefit for NSW electricity consumers and ratepayers.

Under the current regulatory framework, if an upgrade occurs, the affected council/s would be exposed to the full cost of the upgrade, including the unrecovered cost of the old streetlights. With inflated values assigned to old street lights, this significantly affects the residual cost to be borne by the council/s. This is of significant concern considering the large legacy of aged and grossly over-valued public lighting assets, particularly within Ausgrid's network area.

How

Climate Change Fund. LGNSW would welcome the opportunity to contribute to the design and assessment criteria for the suggested grant program

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

20. Increasing urban tree canopy and urban green cover

Summary

Provide \$5 million per annum over 5 years to support expansion of the urban tree canopy.

Request

LGNSW calls on the NSW Government to provide funding to support an expansion of the urban tree canopy in all urban areas in NSW, particularly in newly developed residential areas, to protect vulnerable community members from extreme temperatures and improve biodiversity outcomes.

Rationale

Tree canopy and green cover provide multiple benefits, including:

- Heat mitigation through transpiration, shade and passive cooling.
- Biodiversity protection, providing important habitat and corridors for birds and animals.
- Energy efficiency by reducing the need for air conditioning in offices and homes.
- Improved air quality.
- Water absorption capturing stormwater and reducing peak flows and improved water quality.
- Noise reduction.

This proposal aligns with the draft Greener Place Policy, an urban Green Infrastructure policy for NSW as well as the Climate Change Fund draft strategic plan and the green grid aspirations of the Draft District Plans and the Greater Sydney Commission's *Towards Our Greater Sydney 2056* plan.

How

Climate Change Fund. LGNSW would welcome the opportunity to contribute to the design and assessment criteria for the suggested grant program.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

21. Addressing climate change risks

Summary

Provide \$3 million per annum over 5 years to implement projects that reduce climate risks to the community and to local infrastructure.

Request

LGNSW welcomes the NSW Government's Climate Change Policy Framework and the Draft Strategic Plan for the Climate Change Fund.

LGNSW calls for specific programs for local government to be included in the action plans to deliver on the policy framework, including providing new funding and resources to councils (\$3 million per annum over 5 years) to help address and mitigate the significant environmental, economic and social impacts of climate change.

Rationale

Potential impacts of climate change, such as increased frequency and intensity of extreme weather events and natural disasters, higher temperatures, or sea level rise, will put pressure on local services and infrastructure, reducing the life of assets, increasing whole-of-lifecycle cost or requiring new infrastructure solutions.

Many NSW councils are already taking significant steps to incorporate climate change into day-to-day operations, strategic planning and the land use planning and development assessment process. Since 2006 LGNSW has provided professional development to build capacity of staff and councillors to address climate risks. From July 2014 to June 2018, LGNSW has partnered with the NSW Office of Environment and Heritage to provide funding through the *Building Resilience to Climate Change Program* to fund councils to address climate change risks within their operations to protect assets and their communities. Councils have shown a high demand, with many quality projects not proceeding due to the limited funds available. The Building Resilience to Climate Change program is developing tools and providing demonstration projects that increase the capacity of the local government sector.

This proposal aligns with the policy directions within the NSW Climate Change Policy Framework.

Councils require consistent, high quality, up to date and localised climate information. Provision of knowledge and tools for example, benchmarking / diagnostic and costing tools would also be useful for both local government and state agencies to inform adaptation strategies, service provision and asset management (e.g. flood plain mapping, water sensitive urban design, incorporation of climate change risks into all aspects of infrastructure planning and management).

How

Climate Change Fund. LGNSW would welcome the opportunity to contribute to the design and assessment criteria for the suggested grant program.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

22. Coastal and estuary management

Summary

Increase funding from \$63.2 million to \$100 million and re-assess the eligibility criteria to ensure local government can access the funding.

Request

LGNSW calls on the NSW Government to increase the coastal hazard component of the *Coastal and Estuary Grants Program* from \$63.2 million to \$100 million and improve funding arrangements to:

- Increase the matching grant amount provided by the NSW Government to ensure smaller councils are not disadvantaged;
- Not only provide funding for the initial construction but also contribute to the full lifecycle cost of any infrastructure; and
- Provide additional funding under the program for the restoration and/or modification of ageing sea walls in estuaries, particularly in the Sydney region.

Rationale

There are significant built and natural assets at risk within the coastal zone that provide amenity, recreation, and services. Coastal areas have cultural significance and provide many economic development opportunities through industries and tourism.

How

Climate Change Fund.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

Theme 4 – A real partnership in social and community services

LGNSW believes a real partnership between the NSW Government and local government can significantly improve the delivery and outcomes of social and community services.

Councils are well placed to deliver on the ground services to help achieve the Premier's priorities, but they require appropriate resources to do so.

This section outlines the priority funding areas that will strengthen councils' partnership with the State Government, namely:

- Fully reimbursing councils for the provision of mandatory pensioner rate rebates or, at a minimum, maintaining the current percentage share of reimbursement to councils.
- Increasing funding for council libraries so they can fulfil their important role in enhancing literacy, delivering government services and building community wellbeing.
- Establishing a grant program for affected councils to implement the Australia-New Zealand Counter-Terrorism Committee's *Australia's Strategy for Protecting Crowded Places from Terrorism*.
- Providing funding to councils through LGNSW to maintain and expand the very successful Lift & Change Facilities program.
- Redirecting any unclaimed funds from the Active Kids program into investment in local sports programs and infrastructure.
- Providing resources for training of council staff in the management of Aboriginal Cultural Heritage.
- Extending until June 2020 funding to councils to help maintain home support programs during the roll-out of the NDIS.
- Maintaining the Create NSW Arts and Cultural Development Program (ACDP) fund, increasing the percentage of the fund allocated to councils and reinstating funding for an Arts & Culture Policy Officer in LGNSW.

23. Pensioner rebates

Summary

Fully reimburse councils for the provision of mandatory pensioner rate rebates or, at a minimum, maintain on a permanent basis the current percentage share of reimbursement to councils.

Request

LGNSW commends the NSW Government for its commitment to maintain the current level of reimbursement for mandatory pensioner rate rebates up until and including 2017-18 despite the cuts to the Commonwealth contribution in the 2014-15 federal budget. LGNSW calls on the NSW Government to at least maintain this funding level on a permanent basis (i.e. 55% of total cost of pensioner rebates, which equated to \$78 million in 2017-18).

More fundamentally, LGNSW calls on the NSW Government to fully reimburse councils for the provision of mandatory pensioner rate rebates, in line with every other State and Territory Government in Australia.

Rationale

The NSW Government, through the Office of Local Government, reimburses councils through the Pensioner Rebate Scheme for 55% of mandatory rebates under the *Local Government Act (NSW) 1993*. Councils cover the remaining 45% from their general revenue (or water and sewerage revenue). The 2014-15 federal budget cut about \$1.3 billion over the forward estimates (2014-15 to 2017-18) of funding provided by the Australian Government under the *National Partnership Agreement on Certain Concessions for Pensioner Concession Card and Senior Card Holders* to a range of concessions available to pensioners. These funds were provided to the States/Territories to support pensioner concessions for transport and utilities services as well as local government rates, water and sewerage charges and domestic waste management charges.

The cost of mandatory pensioner rate rebates is a growing burden for many councils and affects the level and range of services councils can deliver. It also must be recognised that the costs of pensioner rebates are inequitably distributed among councils. Those ratepayers who qualify for rebates are disproportionately represented in local government areas characterised by low income and limited revenue raising capacity, coupled with high demand for council services.

Given the limited revenue base of local government it is unfair that it should be required to fund this form of welfare assistance. Addressing social impact issues through welfare and income support is the responsibility of other spheres of government who can spread the cost of such assistance more equitably and efficiently over a broader revenue base. The NSW Government is the only State Government that does not fully fund mandatory pensioner rate rebates.

How

Increased Budget allocation or maintenance of existing Budget allocation.

Who - Responsible agency/cluster

NSW Treasury

24. Libraries

Summary

Increase funding for council libraries from \$28 million to \$35 million in 2018-19, rising to \$50 million in 2021-22, to help them meet the increasing demands for library services and fulfil their important role in enhancing literacy, delivering government services and building digital and social inclusion in local communities.

Request

LGNSW requests an increase of total public library grants and subsidies to \$35 million in 2018/19 and incremental increases of \$5 million each year for 4 years to \$50 million in 2021-22. This includes \$10 million in 2018/19 for the Public Library Infrastructure Grants component.

Rationale

The NSW Government contribution to the cost of public libraries is 7.8%, which is the lowest nationally (decreasing from 23.6% in 1980). To compensate, local government has been increasing its contribution to libraries every year, which is placing pressure on resources, service levels and opening hours.

While LGNSW recognises that the State Government has recently provided some small increases in funding - an additional \$2.1 million over two years plus infrastructure grants of \$15 million over 4 years - these increases are not sufficient to meet the growing use of local government run public libraries across NSW by people of all ages and backgrounds.

NSW councils manage public libraries in 450 locations across NSW, including 228 in country areas. Libraries are crucial to the achievement of the Premier's Priority of improving education results. Libraries provide critical reading and literacy support especially in disadvantaged and remote communities. Library statistics demonstrate significant increases in the use of library products, such as computers where bookings to use public computers have increased by 4 million in just four years to 9.4 million.

Some research has concluded that for each dollar invested in public libraries they return, on average, approximately four times more¹³.

How - How to implement budget request

Increased budget allocation.

Who - Responsible agency/cluster

Department of Planning and Environment - State Library of NSW (Public Library Services)

¹³ Aabø, Svanhild 2009, 'Libraries and return on investment (ROI): a meta-analysis', *New Library World*, vol. 110, no. 7/8, pp. 311-324.
<http://search.proquest.com/docview/229675815/abstract/133769BC8C52D0450C2/2?accountid=15112>

25. Funding for counter terrorism measures

Summary

Provide \$15 million over 3 years to councils to implement the Australia-New Zealand Counter-Terrorism Committee's (ANZCTC) *Australia's Strategy for Protecting Crowded Places from Terrorism*.

Request

LGNSW calls on the NSW Government to establish a grant program (\$5 million over 3 years) to support councils to implement level the ANZCTC's *Australia's Strategy for Protecting Crowded Places from Terrorism* (the "strategy").

Rationale

Local government is responsible for planning, designing and managing civic spaces, infrastructure and facilities, as well as public activities and events. Councils have a duty of care to develop, implement, and regularly test protective security measures. The onus of risk assessment, including the consideration of risk of terrorist attacks or violent extremism, is on councils as facility and infrastructure owners or event organisers.

Under the strategy, councils are required to modify their public spaces, infrastructure and facilities to reduce the risks associated with terrorism and violent extremism, particularly where the strategy's *crowded places self-assessment audit* indicates high risk.

Funding must be made available to enable councils to implement such risk reducing modifications and make their places and facilities more resilient to terrorism. Funding should also be available for event organisers in local government to develop local strategies to counter terrorism and violent extremism at the events they run. At least one council has already applied for a special rate variation to fund, in part, its obligations under the strategy¹⁴.

To minimise any disruption to the public's enjoyment of public spaces, local government requires support to apply protective security during the early stages of crowded place design. LGNSW calls upon the NSW Government to appropriately fund councils' terrorism risk reduction measures through grant funding administered through a process similar to the Commonwealth Government's Schools Security Program. Under this program, the Commonwealth provided \$18 million over three years up to 2017/18 to protect schools and preschools facing a risk of attack, harassment or violence stemming from racial or religious intolerance through the provision of funding for security installations, such as lighting, fencing and closed-circuit television (CCTV) cameras, and for the cost of employing security guards. In the 2017-18 Budget, the Commonwealth committed a further \$18 million to extend this program.

How

New Budget allocation.

Who - Responsible agency/cluster

Department of Justice - Office of Emergency Management

¹⁴ <https://www.ipart.nsw.gov.au/files/e3d8a536-ca52-46ae-a861-507352104ab5/Application-Notification-Letter-2017.pdf>

26. Inclusive communities - Funding for lift & change facilities

Summary

Establish a \$2 million fund, to be administered by LGNSW, for Lift and Change facilities.

Request

The NSW Government should build on its Lift & Change Facilities Trial and establish a dedicated fund of \$2 million in 2018-19, to be administered by LGNSW, for the construction of an additional 55 Lift & Change facilities and demonstrate its commitment to making NSW a “State of Inclusion”.

Rationale

Some people with severe physical disability and their carers cannot use regular accessible toilets and require adult-sized change tables and hoists. Lift & Change facilities are larger than a standard accessible facility. They have extra features and more space to meet the needs of people with disability and their carers.

Under its Disability Inclusion Action Plan 2015-2019, the NSW Government ran a Lift & Change Facilities Trial in 2016-17 in partnership with LGNSW. The trial aimed to promote the benefits of Lift & Change facilities and encourage positive, inclusive behaviour in local communities. The NSW Government provided participating councils with a co-contribution of up to \$35,000 to provide Lift & Change facilities in local communities.

LGNSW worked effectively with councils to identify sites where Lift & Change facilities could be installed in existing council owned public toilets, including at swimming centres, near beaches and in tourist information centres.

Blue Mountains, Campbelltown, Clarence Valley, Kiama, Northern Beaches, Orange and Shoalhaven councils received co-contributions and have completed Lift & Change facilities. Other Lift & Change facilities will be developed in Cootamundra-Gundagai and two other locations, bringing the total to 10 new Lift & Change facilities in NSW.

The trial has demonstrated the benefits to both residents and visitors by providing facilities which enable people with disability to travel and visit places around the State. The trial has shown there is a demand to provide these facilities in more locations, to give assurance to people with disability that they can find suitable facilities along all major travel routes in NSW. Victoria and Western Australia have committed \$2 million each, and South Australia have committed \$1.7 million to building similar facilities.

How

New Budget allocation.

Who - Responsible agency/cluster

NSW Department Family and Community Services

27. Local sports programs and infrastructure

Summary

Reallocate any unclaimed funds from the \$207 million Active Kids program into investment in local sports programs and infrastructure, including for council-owned fields and facilities.

Request

The four-year Active Kids program, which commenced in January 2018, is designed to help NSW families meet the costs of sport and fitness activities for their school age children. As it is a voucher system with \$100 allocated to each child, each year, over the duration of the program, there will potentially be millions of dollars in unused funds if vouchers are not redeemed.

Any unclaimed funds should be pooled together and dedicated to grassroots facilities where the programs funded under the Active Kids program and similar programs take place. A proportion of the pooled funding should also be available to councils and sport and recreation organisations to provide targeted programs for children disengaged from sport – the very children who are likely to not redeem their Active Kids voucher.

Rationale

There is already very significant pressure on council sporting fields and facilities, and Active Kids will only increase this. The Government has already committed \$207 million in funding to the program but none of this funding is for provision of the facilities (halls, pools, fields etc.) needed for sport and recreation of children and young people nor is any of the funding for the provision of new and targeted programs to encourage children and young people to participate.

How

The Government has already budgeted for the provision and redemption of all vouchers¹⁵ and therefore any funding not redeemed should continue to be applied to local sports programs and infrastructure as per the original intention of Active Kids program.

Who - Responsible agency/cluster

Department of Industry - Office of Sport

¹⁵ Active Kids is a voucher system which relies on parents applying online for the voucher, which not all parents will do. No availability exists for retrospective redemption of vouchers and vouchers cannot be split between multiple clubs or registrations, and therefore some parents may not be able to claim the full \$100.

28. Aboriginal Cultural Heritage reform

Summary

Provide funding of \$600,000 over 2 years to the Aboriginal Cultural Heritage Authority for training of local government staff on the reforms to Aboriginal Cultural Heritage.

Request

LGNSW calls on the NSW Government to provide funding of \$600,000 over 2 years to provide for training of council staff in the management of Aboriginal Cultural Heritage, including tangible culture, intangible culture and living culture.

The Aboriginal Cultural Heritage Reform will have a significant impact on how councils plan for and manage the preservation of Aboriginal cultural heritage through land use planning and other processes. These include:

- Cultural mapping of LGAs for broader recognition of Aboriginal cultural heritage values.
- Liaison with local Aboriginal groups for local decision making by Aboriginal peoples.
- Building Aboriginal networks for better information management.
- Developing Management and Protection Plans for improved conservation of Aboriginal Culture and Heritage.
- Ensuring transparency in the regulatory system.

Rationale

The NSW Government is reforming the way Aboriginal cultural heritage is conserved and managed.

The proposed system aims to fulfil the NSW Government's commitment to deliver stand-alone legislation that respects and conserves Aboriginal cultural heritage for current and future generations.

It also aims to recognise Aboriginal custodianship and ensure Aboriginal people have the authority to make decisions about Aboriginal cultural heritage, while providing clear and consistent processes for economic and social development in NSW.

How

It is proposed funding for the program be provided from Office of Environment and Heritage by augmenting one of the existing programs for local government such as the Aboriginal Heritage Grants program - (\$20,000 - \$70,000 in 2018-19). It is suggested that the funding conditions be amended to provide direct, not matched, funding.

Who - Responsible agency/cluster

Department of Planning and Environment - Office of Environment and Heritage

29. Ageing and disability positions in councils

Summary

Extend until June 2020 funding to councils, to complement the funding provided by Federal Government, to help maintain home support programs during the roll-out of the NDIS.

Request

LGNSW calls on the NSW Government to provide funding of \$7 million per annum from 2018-19 to 2019-20 to continue funding aged and disability worker positions in councils. These positions ensure all people with disability and older people have access to the supports they need to live a full and inclusive life.

Rationale

The roll out of the NDIS and Aged Care reforms are exposing increasing gaps in service provision for people with disability and older people. Strategies are being implemented to address certain gaps but the withdrawal of ADHC services and funding as of July 2018 will impact even further on the level of services to people with disability, older people and carers.

This reduction in funding will leave many people with disability and older people without critical services to meet their support needs. At this time of reform and transition, it is critical the NSW Government works closely with local government (as noted in the NSW Ageing Strategy 2016-2020) to ensure a flexible and diverse approach to services for all is maintained.

Local government needs to be included in any whole-of-government strategies to address the needs of older people and people with disability. Councils' diverse range of community services - from community planning to direct service delivery at a local level - must be supported to address these increasing gaps to our more vulnerable citizens.

The Federal Department of Health recently announced that funding for all Commonwealth Home Support Programs will be extended to June 2020. Continued complementary State Government funding for these positions will help achieve the policy objective of older people living independently in their own home for longer.

As well as ageing and disability workers, councils also need to build the capacity of other council staff to ensure inclusive practices are embedded.

The provision of adequate funding would ensure the NSW Government honours its responsibility and stated priorities (e.g. NSW Ageing Strategy 2016-2020, *NSW Disability Inclusion Act 2014*) to ensure inclusive services for all under the aged and disability reforms.

How

Continue recurrent funding.

Who - Responsible agency/cluster

Department of Family and Community Services

30. Funding for local arts and culture

Summary

Maintain the Create NSW Arts and Cultural Development Program (ACDP) fund, increase the percentage of the fund allocated to councils from 8.5% to 20% and reinstate funding of an Arts and Culture policy officer in LGNSW.

Request

In the 2015/16 financial year councils received approximately \$4.3 million of the \$50.8 million ACDP fund. This amounts to less than 8.5% of the total ACDP allocation.¹⁶

LGNSW calls upon the NSW Government to maintain the Create NSW ACDP fund and raise the percentage of the fund allocated to councils from 8.5% to 20%.¹⁷

LGNSW also calls upon the Government to reinstate funding of \$110,000 per annum to LGNSW for the employment of an Arts and Culture policy officer, a key focus of which is to assist the on-the-ground achievement of the Create in NSW Arts and Policy Framework.

Rationale

According to Infrastructure NSW (October 2016), the State is home to almost 40% of Australia's jobs in the creative industries and the majority of Australia's creative industry businesses. NSW contains almost half of all film, television and radio businesses in Australia and nearly 40% of all music and performing arts jobs in Australia. Creative industries directly employ almost 148,000 people in NSW (around 4.7% of total employment in the State) and account for 6.8% of NSW's total services exports, worth around \$1.38 billion.

Local government's support for the cultural sector equals that of the State and Federal Governments in NSW (30%). Local government is a key generator in the sector. In 2015–16, the estimate of expenditure by NSW councils on cultural activities was \$519.1 million, the highest expenditure in Australia. NSW councils also had the largest amount of cultural capital expenditure (\$96.6 million), and recurrent expenditure (\$422.4 million).¹⁸

Local government owns and manages over 600 museums and galleries as well as keeping places, theatres and performing arts centres, festivals, events and arts precincts in NSW, making it a major player in the sector. Councils are the main managers of arts and culture in regional and remote communities, Western Sydney and in regional Aboriginal communities.

Urban and regional culture are a major tourism driver in NSW. In 2013, \$8.3 billion was spent by cultural and heritage visitors in NSW alone.¹⁹ However NSW has the second lowest per capita cultural expenditure by a State Government in Australia.²⁰ The estimate of per person expenditure funded by the NSW Government was \$76.63 in 2013, comparable to NSW councils' expenditure of \$67.65 per person.²¹

Increased funding for local government services is critical to their capacity to deliver attractive offers and maintain creativity and vitality in NSW. Councils have finite revenue raising capacity, particularly in rural and regional areas, so State Government partnerships are vital. With core

¹⁶ Data has not been released on the 2016/17 financial year.

¹⁷ <https://www.create.nsw.gov.au/news-and-publications/news/artists-and-cultural-organisations-share-18-5-million-in-nsw-government-funding-2/>.

¹⁸ Ibid.

¹⁹ Cultural and Heritage Tourism to NSW, year ending December 2013. <http://www.destinationnsw.com.au/wp-content/uploads/2013/05/Cultural-and-heritage-tourism-YE-Dec-13.pdf>.

²⁰ Cultural Funding by Government 2015–16, Report prepared by a consultant from the Australian Bureau of Statistics on behalf of the Meeting of Cultural Ministers July 2017.

²¹ Ibid.

stability, these operations can meet the pillars of Create NSW's *Cultural Policy Framework 2015: Excellence, Access and Strength*.

LGNSW arts and culture policy officer

LGNSW is strongly committed to advocating for and improving arts and culture in NSW. To this end, LGNSW in collaboration with Create NSW has supported a dedicated arts and culture program in NSW for over 14 years.

As part of this collaboration, Create NSW has provided \$115,000 annual funding to LGNSW to fund a part-time policy officer and a small project/travel budget. This role has been focused on strategic issues, and it has worked at a high level with senior staff and elected members in all 128 councils in NSW.

LGNSW's funding application for 2018-19 was not approved and as a result, LGNSW can no longer provide this strategic advice and support to councils.

How

Reallocation of Create NSW's ACDP's funds and mandate and increase the percentage of the fund allocated to councils from 8.5% to 20%.

Who - Responsible agency/cluster

Department of Planning and Environment - Create NSW