

# **LGNSW Submission to the Office of Local Government on Far West Initiative Consultation Paper**

December 2016

## Opening

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing NSW general-purpose councils, associate members including special-purpose county councils, and the NSW Aboriginal Land Council. LGNSW facilitates the development of an effective community based system of local government in the state.

## Purpose and background

LGNSW is pleased to have an opportunity to make a submission to the Office of Local Government (OLG) on the *Far West Initiative Consultation Paper*. The eight Far West councils – Balranald, Bourke, Brewarrina, Broken Hill, Central Darling, Cobar, Walgett and Wentworth – are long-standing members of our organisation.

LGNSW is aware that the NSW Government established the Far West Initiative Advisory Committee (FWIAC) in September 2015, comprising the Mayors and General Managers (as observers) of the eight Far West councils, along with representatives from Murdi Paaki Regional Assembly (MPRA) and State and Federal agencies. We understand that the committee met on a confidential basis on a number of occasions during 2015-16 and its purpose was to:

- Provide advice to the Minister on the development and implementation of the Far West Initiative.
- Provide advice to the Minister on broader reforms to improve outcomes for the communities of the Far West region.
- Identify strategies that ensure the Far West Initiative contributes to the strategic capacity and financial sustainability of local government in the region.
- Ensure effective collaboration with key stakeholders.

To date, LGNSW, like many other stakeholders inside and outside of the Far West, has been excluded from the deliberations of this confidential committee. However, based on our consultation with our members in the Far West we are aware of the key concerns of councils and their communities as they continue to analyse and debate options to address the challenges facing the region.

LGNSW has been a member of the Ministerial Advisory Group (MAG) since it was formed in February 2015 and through this forum we have raised a number of issues about the Local Government reform program, including specific comments on the needs of our members and their communities in the Far West. LGNSW also pursues these issues through the Local Government Liaison Committee.

## The importance of local government in the Far West

The role that local government plays in remote areas of the Far West is crucial and must be reinforced. There is no doubt that the communities in the Far West need a strong local government presence. The Far West councils are the focal point of their communities and the major service providers. In addition, many decisions that affect the area are made in the bureaucracies of State and Federal Governments, based hundreds of kilometres away, and the councils play a critical advocacy role on behalf of their communities. It is also important to note that local government is often the major employer within each of the communities in the Far West, providing important social and economic benefits to these communities. This is a pivotal consideration in developing solutions for the Far West. Based on the above, and recognising the distances between population centres, it is also clear that amalgamations are

not a viable option for the Far West councils. We acknowledge that the Minister has given a commitment to the Far West councils that there will be no amalgamations.

## General observations

The NSW Government's Far West Initiative (FWI) has concentrated on challenges for governance and service delivery in the Far West. These challenges have been well-documented by the Independent Local Government Review Panel (ILGRP) and others, and do not need to be repeated in this submission. LGNSW and the Far West councils have welcomed the long overdue recognition of the many complex issues impacting on the Far West region of NSW. There is broad agreement that a 'one size fits all' system of governance, with local, state and federal governments each having overlapping responsibilities does not work well in the Far West of NSW, and there is a need for a sustainable change in the way that these areas are serviced.

The local government reform agenda in NSW has paid limited attention to the broader issue of service delivery to communities with the focus largely being on amalgamations. These represent an unfounded and unsubstantiated belief in economies of scale and cost savings over community needs. The conventional reforms that have taken place in other parts of the state use essentially the same model of local government delivering the same services in the same way, but through larger councils. Other than the FWI, there has been limited attention to the potential synergies to be gained from addressing community needs through new service delivery models that involve changing the conventional roles of the three spheres of government and potentially, non-government organisations (NGOs). It is disappointing that the FWI appears to be making little progress on this front. This is clearly a reflection of the ambition and complexity of the task.

For the Far West however, it is widely agreed that the duplication and lack of coordination of services across a range of agencies and service providers, with the resultant ineffective use of resources, is clearly a key area where there is potential to improve outcomes for communities, without the need for structural reform of local government.

While State and Federal agencies were consulted in February 2016, it is unclear what other work has been done to co-ordinate individual agencies and involve them in the development of the FWI. In contrast to original expectations, the FWI appears to have been undermined by the apparent absence of State and Federal Government agencies from meaningful discussion. These agencies must be part of a solution for the Far West. Some stakeholders have suggested that the unique and complex circumstances of the area warrant a dedicated Minister for Far West NSW to drive a whole-of-government perspective and provide coordination across the many State agencies that service the area.

LGNSW acknowledges that the deliberations of the FWIAC have focused on options around a regional management approach. We recognise that the model being explored derives from the final report of the ILGRP which recommended "agreement in principle to the establishment of a Far West Regional Authority"<sup>1</sup>. The ILGRP's supporting documentation recognised that the unique challenges in far western NSW require a "significant paradigm shift in the way governments, their agencies and communities, think and operate."<sup>2</sup> The regional-statutory-body-model that is now being explored does not embody this fundamental 'paradigm shift'. Did the NSW Government, in framing the terms of reference for the FWIAC limit its options only to

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<sup>1</sup> ILGRP, *Revitalising Local Government – Final Report*, October 2013, p.122

<sup>2</sup> Independent Local Government Review Panel (ILGRP), *Strengthening Far West Communities - A Pathway for Change*, 2013, pp. 3 & 18.

a 'regional statutory organisation' approach? LGNSW would like to have seen evidence that other less conventional alternatives have been considered.

The idea to look at service delivery from the three spheres of government at the outset of the Far West work had promise. The fact that it has now been narrowed down to just looking at local government is disappointing. If the NSW Government really wants to do something meaningful to improve the ability of councils to deliver services in the Far West, it would be better off devoting time and resources to increasing the amount of federal and state funding that flows to the region. The Government has not demonstrated how a new body will do anything to address the real issues.

## Stocktake of services and funding

It is disappointing that the NSW Government's investment to date in multiple consultations, studies and reports has omitted the fundamental step of doing a stocktake of current services and funding. The importance of having a comprehensive 'baseline map' of services and funding was highlighted in the consultation with NGOs in 2015:

"A comprehensive map of current services and funding is required to enable systematic identification of service gaps, effective procurement assessment and decision making and consideration of opportunities for improved service efficiency."<sup>3</sup>

LGNSW recommends that a stocktake of services, funding and expenditure (by and from all spheres of government and NGOs in the Far West) should be undertaken by the NSW Government as a matter of priority. This is essential baseline information for designing responses to the needs of the Far West.

## Regional model

LGNSW understands there are mixed views about the form and nature that the proposed regional framework should take for the Far West. Given the vast geographic spread, the existing communities of interest for councils are a critical consideration for any regional governance framework. LGNSW understands that all the councils oppose amalgamation and that many councils hold a firm desire to retain their existing relationships with existing regional organisations of councils (ROCs) and future joint organisations (JOs) (i.e. the east versus west orientation). This must be taken into account in decisions about the form of regional governance going forward, and councils must remain part of the conversation.

In the event that a regional statutory body is to be developed, LGNSW advocates that:

- The Far West councils should determine its statutory functions;
- The NSW Government should commit to funding its establishment and ongoing operation;
- The regional organisation should be a local government organisation, effectively owned and controlled by the councils in the region and councils should have majority voting membership on the governing board;
- Community representation should be by the elected leader i.e. the Mayor;
- Council rate revenue or grants should not be redirected to the new body;
- The organisation should not become a fourth tier of government;
- Any new regional framework should not preclude the Far West councils from also participating in a JO or ROC if they desire to do so.

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<sup>3</sup> NSW DPC & OLG, *Non-Government Organisation Consultation – Summary of Outcomes*, June 2015, p.14

- A new regional framework should also recognise that there are distinct eastern and western subregions which are based on existing communities of interest.

It is interesting to note the NSW Department of Planning and Environment does not acknowledge the potential existence of a Far West regional organisation in its draft regional plan for the Far West. Instead, it recognises three distinct groupings the Far West – Broken Hill/Central Darling; Walgett/Brewarrina/Bourke and Cobar, with connections to the Orana Region, and Wentworth/Balranald having ties to Murray River communities and Mildura in Victoria.

Following are some key success factors that will need to be considered in further developing a regional framework – whether it be a regional statutory body or other alternative model:

- Effective Federal Government engagement - Any advances in improved service delivery and efficient funding will be contingent on having Federal Government ‘at the table’.
- Improved engagement of State agencies – Feedback from Far West councils indicates that the engagement of State agencies has been lacking and there appears to be considerable dissatisfaction to date.
- Empowerment of State agency representatives – The State representative(s) must have the necessary authority/empowerment to both represent and make decisions/ and/or commitments on behalf of the NSW Government. It is unclear how the State will be represented or who will be that person. As mentioned earlier in this submission, it would be worth considering the benefits of having a Minister for the Far West.
- Accountability - A decision will be required as to whom a regional statutory body, if established, would be accountable. In addition, councils have indicated that there need to be agreed performance measures for gauging the success of the regional body. It is assumed that a regional body for the Far West would be established under legislation, along similar lines to that of the provisions governing the JOs. The Far West councils must have the final say in what form these provisions will take.

LGNSW recommends that the above factors be taken into account. We also defer to the individual submissions of Far West member councils for their views on details such as voting rights, Aboriginal representation and nomination of a chairperson.

## Conclusion and recommendations

There are no straightforward solutions to address the unique challenges in the Far West. The need to retain a strong local government presence in the Far West is crucial, and there should be no council amalgamations.

While there appears to be broad support for some sort of regional framework to provide more effective advocacy, coordination and funding, there are mixed views about what form this should take. This submission has raised the question of whether in fact a regional statutory body, as proposed, is the most effective way to achieve the paradigm shift necessary to improve the myriad service delivery and funding issues in the region. Having said that however, this submission also has highlighted a number of factors for consideration should the development of a regional body be agreed as the way forward. Councils must have a decisive role in this dialogue.

This submission has stressed the importance of involving and coordinating all of the individual relevant State agencies in the development of solutions for the Far West, as well as the need to engage in a meaningful way with the Federal Government. LGNSW is disappointed that it

seems the 'solution' has fallen back to a structural governance solution rather than looking at innovative ways to achieve the necessary paradigm shift referred to by the ILGRP.

As a matter of priority, and regardless of whether a regional organisation is to be established, LGNSW recommends that a stocktake of services and funding (from all spheres of government) in the Far West should be undertaken, to provide a baseline map of what is currently being delivered and what funding is being made available.

It is disappointing that the FWI consultation process has failed to reach consensus on many of the key elements of a model for a Far West Regional Statutory Body. There are disparate views among Far West councils on issues such as the:

- need for a regional body;
- roles and functions of the proposed regional body;
- merits and potential benefits; and
- structure of a regional body if it were to be established, and whether it should be a single regional body or incorporate east and west subregions.

Given this situation, it is clear that there is much more work to be done before the State Government proceeds with the establishment of a Far West Regional Statutory Body.

However, there is considerable goodwill in the Far West communities and they remain ready to engage with the NSW Government to find viable solutions to the challenges faced in this remote region. On behalf of our members in the Far West, we seek an undertaking that the Government will work closely with the affected councils and truly listen to their needs and options.

We are available to provide further comment. Please contact Shaun McBride on 02 9242 4072 or [shaun.mcbride@lgnsw.org.au](mailto:shaun.mcbride@lgnsw.org.au) or Jane Partridge on 02 9242 4093 or [jane.partridge@lgnsw.org.au](mailto:jane.partridge@lgnsw.org.au).