

The Director  
General Purpose Standing Committee No. 6  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

03 September 2015

Dear Ms. Foley

The Standing Committee asked a number of questions on notice and the following responses are provided as requested.

**Questions (page40 & 42):**

**The Hon. LOU AMATO:** Can you describe the workforce profile of the local government sector and outline any challenges facing it?

**Mr SMITH:** I will take that question on notice.

**The Hon. BEN FRANKLIN:** I have a question to put on notice. Picking up on a point made earlier by my colleague, will you provide, if possible, a breakdown of the proportion of men and women employed in local government by category?

**Mr SMITH:** I am more than happy to do that.

The Office of Local Government statistical return for the 2013/14 year advises that 19,476 (FTE) staff were employed in local government in NSW.

The OLG provides no other workforce profile data.

In 2013 Local Government Professionals Australia, NSW commenced the Operational and Management Effectiveness Survey and after two years we are able to provide the following workforce profile data from a representative sample of seventy-seven (77) Councils in NSW.

With specific reference to the question we are able to provide the following profile data and Local Government Professionals (NSW) would welcome the opportunity to provide a presentation to the Committee of all our survey findings.

**Profile of the workforce with respect to age**

	FY 14	FY13
Baby Boomers (1943-1966)	49%	51%
Gen X (1967-1990)	33%	32%
Gen Y and younger (post 1980)	18%	17%

## Profile of the workforce with respect to gender

### Gender by generation (FY14)

	Male	Female
Baby Boomers (1943-1966)	32%	17%
Gen X (1967-1990)	18%	15%
Gen Y and younger (post 1980)	10%	7%

This shows a more even split in younger generations in line with Australian workforce.

### Gender by staff level (FY14)

	Male	Female
General Manager*	84%	16%
Director	75%	25%
Manager	66%	34%
Team Leader	64%	36%
Supervisor	68%	32%
Other staff	57%	43%

Overall, 31% all local government manager level positions and higher are female

Please note that in Australia women currently comprise only 26% key management personnel positions and 17.3% CEOs. (Australian companies S&P and ASX 100, Workplace Gender Equality Agency, November 2014)/ On this basis local government is broadly in line with these numbers.

*\*Note as at 25 August 2015 this is the gender split of all General Managers Level for entire sector*

	Number	Percentage
Female	22	15%
Male	130	85%
Total	152	100%

## Profile of workforce – attraction and retention (FY14)

The percentage of all employees who joined in the first year declined a little between 2013 and 2014 – from 19% to 17%. The loss rate of staff overall is 10.7% and this declined from 11.4% in 2013 and outlines a very stable workforce.

New to local government employee loss rates (within first year employment) are higher at 17.9%.

**Questions (page 34):**

**The Hon. PETER PRIMROSE:**

**If the Minister subsequently chooses to have forced amalgamations or mergers, do you believe that the Boundaries Commission process should be gone through or should there be an attempt to take that away in some way?**

**Mr SMITH:**

**No, I believe that the Boundaries Commission process should stay in place.**

**Mr DAVID SHOEBRIDGE:**

**As strengthened in the recommendations of Professor Sansom?**

**Mr SMITH: Not necessarily. I will take that on notice.**

**Response:**

In responding to these questions it is important to refer to those parts of the report that are shown below (shaded) and are extracts from pages 74, 75 and 76 of the final Panel Report.

In referring to these extracts it is vital that they be taken in context with the current legislation.

In considering Section 263 and Box 26, this should not be done in isolation from Sections 261 and 262 as the Panel recommends a change to the membership of the commission and how the panel is to be constituted.

While it is relevant to consider the above, Section 218F must also be considered as this is a possible scenario that may allow the government to proceed with amalgamations without referral to the Boundaries Commission.

Local Government Professionals (NSW) does not have a formal policy position on these matters however, it is reasonable to comment that there has been and will continue to be some debate as to whether and how the proposed changes recommended by the Panel strengthen the Boundaries Commission.

Similarly, there is already much debate, little agreement and no evidence to support the criteria contained in Box 27, to which the Panel recommends that the Boundaries Commission should refer, when considering amalgamations and/or boundary changes.

Local Government Professionals (NSW) would suggest that there needs to be more discussion, consultation and consensus around these matters, including perhaps a draft of any proposed legislation, as a matter of some urgency, before any final determinations are made in relation to the current process.

**Page 74 of the final Panel report states in part...**

**"10.3 Towards a better process**

In the end, arguments about 'forced' versus 'voluntary' amalgamations are essentially a distraction from the core issue, which is how the role and capacity of NSW local government can best be strengthened in the interests of the communities it is expected to represent. That objective will not be achieved by self-interest or special pleading. It requires a willingness to take a fresh look at the system of local government and its relationship with the State, and to explore

new options with an open mind. At the very least, merger proposals and boundary changes that appear to have merit ought to be properly considered, even if they are ultimately rejected.

The Panel has little doubt that the majority of those in local government who argue so strongly for 'no forced amalgamations' are in fact rejecting amalgamations under almost any circumstances. For reasons given earlier, the Panel cannot see this as a reasonable or realistic attitude. It therefore suggests that 'no forced amalgamations' be replaced with a new policy based on the following principles:

- That the State government's currently unfettered right to impose amalgamations and major boundary changes more or less at will should be limited
- That any amalgamation or major boundary change should be preceded by careful analysis of the issues to be addressed and all the options available
- That there should be full community consultation
- That the process should be handled by an expert, independent body
- That the Government should not be able to over-rule the findings and recommendation of that body without good cause."

**and later on the same page...**

"As far as its own task is concerned, the Panel wishes to emphasise that setting out desirable options for boundary changes is NOT the same as recommending forced amalgamations. Moreover, under the current provisions of the Local Government Act, amalgamations and boundary changes cannot occur without a *further process* after the Panel completes its work, and would involve the Boundaries Commission (see below). Thus whether and when the Panel's options are pursued is entirely a matter for the State government and the councils and communities involved.

The process for any future mergers or major boundary changes should therefore be based on a well-managed, four-step process:

- Deciding about the need for change, assessing the business case and formulating a suitable proposal
- Detailed planning for the transition and ongoing implementation
- Effectively managing all aspects of implementation in accordance with an agreed plan
- Ongoing monitoring and evaluation."

**Page 75 of the final Panel Report states...**

**"Reconstituting the Boundaries Commission**

The NSW Local Government Act already contains provisions for an independent Boundaries Commission and for a review process that, in the case of amalgamations, involves consulting every elector in the affected areas through questionnaires or a formal poll. The Panel believes that these provisions offer a starting point for a much improved system. However, they were compromised by amendments made to the Act in 1999 which gave the Director General a similar

role to the Commission, such that the Commission's authority and independence were significantly weakened. Those amendments need to be repealed.

The other major stumbling block with the current provisions is that unqualified decision-making power is vested in the Minister. S/he decides whether or not a proposal should even be considered by the Commission in the first place, and can then substantially amend the Commission's ultimate recommendations – without any scrutiny or need for explanation. Again, this needs to change to increase public confidence in the decision-making process."

**"Box 26 (page 75)** outlines the Panel's proposals for a better approach, so that in future councils and communities can be assured that proposals for amalgamations and boundary changes will be examined independently, impartially and on the merits of the case. This will hopefully overcome the current impasse.

As part of these changes, the Panel believes that the Boundaries Commission should have an ongoing research and monitoring role. It should periodically review boundaries across the State, and also monitor practices in other jurisdictions. Again, this should help build trust in its independence and capacity." *(Copy of Box 26 attached)*

**Page 76 of the final Panel Report states...**

#### **"Factors in defining boundaries**

Section 263 of the Local Government Act already lists a range of factors to be taken into account by the Boundaries Commission in considering council boundaries. This offers a useful starting point but the Panel believes some additional points need to be included and that consideration of boundary changes should be more clearly outcomes-focused. Box 27 suggests criteria on which to base a revised list."

## **BOUNDARIES COMMISSION**

### **261 Membership of Boundaries Commission**

- (1) The Boundaries Commission is to consist of 4 commissioners appointed by the Governor.
- (2) Of the commissioners:
  - (a) one is to be a person nominated by the Minister, and
  - (b) one is to be an officer of the Department nominated by the Director-General, and
  - (c) 2 are to be persons appointed from the panel constituted under section 262 (1).
- (3) Despite subsection (2), the Boundaries Commission is taken to be properly constituted when the commissioners referred to in paragraphs (a) and (b) of that subsection have been appointed.
- (4) The commissioner referred to in subsection (2) (a) is the chairperson of the Boundaries Commission.
- (5) Schedule 2 has effect with respect to the commissioners and the procedure of the Boundaries Commission.

### **262 How is a panel to be constituted for the purposes of making an appointment as a commissioner?**

- (1) There is to be a panel consisting of 8 persons who are councillors nominated by the executive of the Local Government and Shires Association of New South Wales.

- (2) The nomination of members of the panel must be made in the manner determined by the Minister. A person must not be nominated as a member of the panel unless he or she has consented in writing to be nominated.
- (3) If an insufficient number of nominations have been made to the panel to enable the Governor to appoint a commissioner or commissioners in accordance with this Part, the Governor may appoint a person to be a commissioner on the recommendation of the Minister.

## **FUNCTIONS OF THE BOUNDARIES COMMISSION**

### **263 Functions of the Boundaries Commission**

- (1) The Boundaries Commission is required to examine and report on any matter with respect to the boundaries of areas and the areas of operation of county councils which may be referred to it by the Minister.
- (2) For the purpose of exercising its functions, the Boundaries Commission:
  - (a) may hold an inquiry if the Minister so approves, and
  - (b) must hold an inquiry if the Minister so directs,but may not hold an inquiry otherwise than as referred to in paragraph (a) or (b).
- (2A) Despite subsection (2), the Boundaries Commission must hold an inquiry for the purpose of exercising its functions in relation to a proposal for the amalgamation of two or more areas that has been referred to it in accordance with section 218F.
- (2B) Reasonable public notice must be given of the holding of an inquiry under this section.
- (3) When considering any matter referred to it that relates to the boundaries of areas or the areas of operations of county councils, the Boundaries Commission is required to have regard to the following factors:
  - (a) the financial advantages or disadvantages (including the economies or diseconomies of scale) of any relevant proposal to the residents and ratepayers of the areas concerned,
  - (b) the community of interest and geographic cohesion in the existing areas and in any proposed new area,
  - (c) the existing historical and traditional values in the existing areas and the impact of change on them,
  - (d) the attitude of the residents and ratepayers of the areas concerned,
  - (e) the requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level, the desirable and appropriate relationship between elected representatives and ratepayers and residents and such other matters as it considers relevant in relation to the past and future patterns of elected representation for that area,
  - (e1) the impact of any relevant proposal on the ability of the councils of the areas concerned to provide adequate, equitable and appropriate services and facilities,
  - (e2) the impact of any relevant proposal on the employment of the staff by the councils of the areas concerned,

- (e3) the impact of any relevant proposal on rural communities in the areas concerned,
  - (e4) in the case of a proposal for the amalgamation of two or more areas, the desirability (or otherwise) of dividing the resulting area or areas into wards,
  - (e5) in the case of a proposal for the amalgamation of two or more areas, the need to ensure that the opinions of each of the diverse communities of the resulting area or areas are effectively represented,
  - (f) such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.
- (4) The Boundaries Commission is not entitled to examine or report on any matter relating to the area of operations of a county council constituted or proposed to be constituted for the supply of electricity.
- (5) The Boundaries Commission must allow members of the public to attend any inquiry held by the Commission under this section.
- (6) The Boundaries Commission may continue with an examination or inquiry even though a commissioner or acting commissioner replaces another commissioner during the course of the examination or inquiry.
- (7) The Supreme Court may not make an order in the nature of prohibition in respect of, or an order for removing to the Court or quashing, any decision or proceeding made or conducted by the Boundaries Commission in connection with the exercise of its functions.

## LOCAL GOVERNMENT ACT 1993

### SECT 218F Referral of proposal for examination and report

- On making or receiving a proposal, the Minister must refer it for examination and report to the Boundaries Commission or to the Director-General.
- Sections 263, 264 and 265 apply to the examination of a proposal by the Director-General in the same way as they apply to the examination of a proposal by the Boundaries Commission.
- For the purpose of examining a joint proposal of 2 or more councils for the amalgamation of two or more areas under section 218A, the Boundaries Commission or Director-General, as the case requires, must seek the views of electors of each of those areas:
- by means of:
  - advertised public meetings, and
  - invitations for public submissions, and
  - postal surveys or opinion polls, in which reply-paid questionnaires are distributed to all electors, or
- by means of formal polls.
- The period over which the views of electors are to be sought as referred to in subsection (3) must be a period of at least 40 days.



- Part 3 of Chapter 4 applies to a formal poll taken by the Boundaries Commission or Director-General in the same way as it applies to a council poll referred to in that Part.
- If a proposal that is not supported by one or more of the councils affected by it, or that is an amalgamation proposal, has been referred to the Director-General under subsection (1):
  - the Director-General must furnish the Director-General's report to the Boundaries Commission for review and comment, and
  - the Boundaries Commission must review the report and send its comments to the Minister.
- The Minister may recommend to the Governor that the proposal be implemented:
  - (a) with such modifications as arise out of:
    - (i) the Boundaries Commission's report, or
    - (ii) the Director-General's report (and, if applicable, the Boundaries Commission's comments on that report), and
  - (b) with such other modifications as the Minister determines, but may not do so if of the opinion that the modifications constitute a new proposal.
- (8) The Minister may decline to recommend to the Governor that the proposal be implemented.



**Question (page 42):**

**Can you provide on notice what you think is the best way forward to address the terminology and the benchmark of depreciation across the 152 NSW local councils?**

**Response:**

Certainly the terminology in the asset expenditure area can be confusing and is open to many different interpretations. The differing interpretations of what the various components of expenditure on assets are, can lead to material differences in the annual financial outcome for a council.

It is recommended that the Office of Local Government (OLG) adopt a standard terminology for expenditures on assets that applies in all instances. A commonly used definition for asset expenditures differentiating between operational expenditure and capital expenditure is:-

**Expense**

- **Operational expenses**  
The ongoing, day-to-day expenditure required to provide the asset including utilities, cleaning, security, administrative support.
- **Maintenance expenditure**  
Planned or reactive minor works that ensure the asset provides service for the expected period of time, but does not increase the level of service the asset provides. It may be determined by expenditure below a threshold.

**Capital**

- **Renewal works**  
Improves the condition and extends the estimated remaining useful life of the asset without increasing the service
- **Upgrade works**  
Expenditure on an existing asset that increases capacity or provides an additional or enhanced service
- **New works**  
Construction and acquisition of assets to provide a new service that previously did not exist.
- **Intervention Point**  
This is the point in the life of an asset that a Council has determined where the asset will be renewed, should it follow its normal depreciation curve. It is the planned intervention point, not the design life of an asset, and should be based on the prevailing conditions for that Council area, taking into account factors such as weather, soil, patterns of use etc.
- **Useful Life**  
The useful life of an asset will be the complete life expected of an asset, being the intervention point period, plus the number of years that the Council allows for renewal to happen.

- **Remaining Useful Life**  
This is the amount of useful life left in an asset, i.e. before it would fail, not before it is required to be renewed.

### **Funding**

- **Renewal Funding**  
This is the level of funding that should be provided on an annual basis, and it should be the equivalent of straight line depreciation, but only over the Intervention Point period, and indexed. The Intervention Point period is shorter than the useful life, and allows for funds to be available when the Council is ready to renew an asset. The funding should be placed into the Asset Replacement Reserve.

Renewal funding will not match the rate of depreciation, as in the earlier years of the life of an asset it will be greater than depreciation, however in the latter years depreciation will be higher. Therefore the straight line method for funding will address intergenerational funding.

Should a Council determine that they will replace an asset through loans then the Council should fund the principal and interest of the loan, through incorporating the cost into funding calculations.

- **Loan funding for Asset Renewals**  
This is where the funds required to renew or create an asset requires two or more years of Renewal funding to undertake the work and/or to achieve economies of scale. In these situations, loans should be a funding option.

The loan should be matched to the useful life of the asset, and the principal and interest costed into the annual straight line funding calculations, with the Asset Replacement Reserve used to fund the principal and interest.

Standard terminology will assist in moving to greater confidence in the asset numbers produced by Councils; however, these definitions are still open to interpretation when it comes to maintenance and renewal expenditure. The threshold at which maintenance becomes renewal can, and generally is different, from council to council.

Determining a benchmark for the proportion of an asset repaired, for example 20%, and then converting this to a dollar amount, could give a standard threshold, above which the expenditure is deemed renewal.

This could be determined for each of the main asset classes and adopted as a standard to be used by each council in allocating expenditure between maintenance and renewal. Annual indexation in line with the Local Government Cost Index would keep the costs current.

The OLG could invite representatives from LG Professionals Finance Professionals and IPWEA to form a working party to determine the first threshold standards.

A high percentage of the responses to the IPART Methodology for Assessment of Council Fit for the Future Proposals are critical of the FFTF benchmarks because of the inherent flaws in their calculation. In particular the result for 4 of the 7 indicators is impacted by depreciation.

The main issues in the responses about the benchmarks are:

*Building and Asset Renewal Ratio*

- Depreciation included in the denominator is an ongoing issue as it is considered to be unreliable and easily manipulated to reach a desired result.
- Depreciation can vary for neighbouring councils.
- Methods of depreciation can be different - straight line or consumption based will result in different depreciation expenses.
- Valuation cycles may vary from annual, to 3, to 5 years, once again impacting depreciation expense.
- A three year average is too short as renewal expenditure can vary significantly from year to year.

*Infrastructure Backlog Ratio*

- Asset data reliability as Special Schedule 7 not audited.
- Subjectivity in quantifying backlog.
- The use of written down value (WDV) as the denominator results in a higher ratio compared to using replacement cost.
- The measure of satisfactory can vary from council to council

*Asset Maintenance Ratio*

- Similar data reliability issues
- Interpretation of asset maintenance and operational costs versus renewal as outlined above

*Operating Performance Ratio*

Real Operating Expenditure

- Similar data reliability issues as both ratios include depreciation.

The depreciation issue is not easily solved. Before you get to the actual calculation of the depreciation or consider a benchmark, the various inputs to the calculation must be addressed.

These inputs are:

- Determining the asset value given the renewal threshold issue discussed above.
- Useful life.
- Remaining useful life.

Other concepts such as backlog, what is satisfactory and depreciation method also need to be addressed and standards developed.

One or more Working Parties as discussed above could be tasked with determining standards for each component.

It is acknowledged that not all councils will agree with the standards but the issues of comparability and manipulation may disappear giving some confidence in the ratios.

Our conclusion is that OLG needs to be resourced sufficiently to take the lead in establishing the standards for asset expenditure terminology and the various inputs to the calculation of depreciation.

**Question (page 42)**

**You talked about the way forward and addressing S94 and S94A. How do you believe we can get the best out of it?**

**Response:**

The provision of infrastructure in both greenfields and infill areas is costly and involves complicated interaction in many cases between Local, State and Federal authorities.

LG Professionals does not have an adopted policy on S94 and S94A. However, the following observations are made:

1. Section 94 contributions are restricted for only new infrastructure and have to demonstrate nexus to service the increased population, strictly in accordance with projects listed in the Section 94 Capital Works Schedule.

Section 94 administration is complex, dwelling contributions are capped at \$20,000 and Section 94 Plans are open to being challenged.

2. In comparison, Section 94A contributions do not have the same nexus requirements and may be used for new infrastructure and the renewal and upgrading of infrastructure due to intensified use. Section 94A contributions are effectively a tax on development and are non-contestable.

A Works Schedule supports a Section 94A Plan, and is able to be modified to meet infrastructure requirements for new upgrade and renewal works.

The Association does support systems where the beneficiaries of a service/infrastructure/facility should pay for, or at least contribute fairly to its provision.

IPART, in their 2012 response to the Green Paper - *NSW Planning System Review* also stated two further principles that LG Professionals generally support –

- Contributions or levies should reflect the efficient cost of providing infrastructure
- Calculating the contributions or levies should be clear and readily understood.

The Association further supports the collection of contributions and levies prior to the issue of approvals for sale of lands or occupation and due to the fluctuations in development activity, Local Government should be permitted a period of between 5-7 years to expend all contributions received.

In conclusion there is a saying about history repeating itself and the following paper should be compulsory reading for anyone thinking that amalgamations are the sinecure for all problems in local government and Councils.

*Working Paper Series (03-2010 April 2010)*  
*Local Government Amalgamation in New South Wales*  
*Ian Tiley and Brian Dollery*  
*Centre for Local Government, UNE*

**Abstract:**

*Australian local government has been forced in recent decades to engage in 'amalgamation wars'. State governments have been the primary initiators for reducing numbers of local authorities, usually on the premise that there were too many authorities. States have pursued amalgamations often on the pretext of the perceived need for greater efficiency and better service delivery to local communities. However, numerous scholars, as well as practitioners in the local government sector, have argued that amalgamations on their own have not necessarily generated efficiencies. In addition, communities have often strongly opposed mergers and appealed against the perceived loss of local identity and local democracy. This paper examines the recent history of amalgamations of New South Wales councils and other structural reform initiatives in local government in that state.*

Should you require any further information, or wish to discuss our responses please do not hesitate to contact the undersigned on \_\_\_\_\_ or email [genmanager@huntershill.nsw.gov.au](mailto:genmanager@huntershill.nsw.gov.au)

Yours sincerely

Barry Smith  
President  
Local Government Professionals Australia, NSW

**Attachments**

- Box 26 page 75 Final Report – Local Government Independent Review Panel
- Box 27 page 76 Final Report – Local Government Independent Review Panel

## Attachment 1

### Box 26: A Revised Process for Boundary Changes

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|---|---|
| <ul style="list-style-type: none"> <li>○ Reconstitute the Boundaries Commission to comprise three members, none of whom may be a serving public official nor a current or former councillor or State politician: an independent chair nominated by the Minister and two other members nominated jointly by the Minister and President of LGNSW</li> <li>○ Appoint Commission members for a minimum 5 years</li> <li>○ Give the Commission a small dedicated secretariat, plus funding for research</li> <li>○ Require the Commission to undertake regular reviews of local government boundaries across NSW, in accordance with a schedule to be determined by the Minister, and to initiate proposals for changes when there is evidence they are warranted</li> <li>○ Allow the Minister, any council or public authority, or a group of electors (250 or 10%, whichever is the lesser, across the affected area/s) to submit a specific proposal to the Commission</li> <li>○ Require the Commission to determine whether or not the proposal has sufficient merit to proceed, and to publish the reasons for its decision</li> <li>○ If the proposal proceeds, require the Commission to prepare a public information report setting out arguments for and against</li> </ul> | <ul style="list-style-type: none"> <li>○ Retain the current provisions for inquiries, surveys and polls, but remove the Minister's power to decide whether an inquiry is warranted</li> <li>○ In every case of an amalgamation, require the Commission to conduct a survey or poll of all residents and ratepayers in the area/s affected, unless two or more councils have proposed a voluntary merger and the Commission is satisfied that those councils have already undertaken adequate community consultation</li> <li>○ Require the Commission at the end of its investigations to report to the Minister on whether or not the proposal should proceed and, if so, precisely what form it should take and what steps and resources are required for its effective implementation</li> <li>○ Enable the Minister to request the Commission to reconsider its recommendations, but require any proposed amendments and the reasons for them to be published</li> <li>○ Require the Minister to implement the Commission's final recommendations in full unless s/he reasonably forms the opinion that the process has been flawed and/or that to proceed would be contrary to the wider public interest.</li> </ul> |
|---|---|



## Attachment 2

### Box 27: Criteria for Determining Future Local Government Boundaries

#### • Sustainability and Strategic Capacity

Councils need a strong base to ensure their long-term sustainability; to achieve economies of scale and scope; to deliver quality services; to provide a pool of talented councillor candidates; to attract skilled staff; and to develop strategic capacity in governance, advocacy, planning, and management.

#### • Efficiency and Effectiveness

Councils should be able to operate efficiently and effectively within the limits imposed by their location, geography and the characteristics of the communities they serve. They should be able to provide 'value for money' to their ratepayers and external funding agencies.

#### • Integrated Planning

LGA boundaries should not unnecessarily divide areas with strong economic and social inter-relationships; they should facilitate integrated planning, coordinated service delivery, and regional development.

#### • Local Identity and Sense of Place

Consistent with the need for integrated planning, boundaries should reflect a sense of identity and place, including important historical and traditional values. (However, other mechanisms available to maintain local identity should be taken into account.)

#### • Population Growth

The boundaries of a local government area (LGA) should be able to accommodate projected population growth generated by the LGA over at least the next 25 years.

#### • Accessibility

As a general rule, it should be possible to drive to the boundaries of a LGA from a main administration centre within 60-90 minutes in country areas and within 30 to 45 minutes in metropolitan areas.

#### • Strong Centre

Each LGA should have a substantial population centre that can provide higher order commercial, administrative, education, health and other services.

#### • Key Infrastructure

As far as possible, key transport infrastructure such as airports and ports, and those nearby urban and regional centres that are principal destination points, should be within the same LGA.

#### • Combining Existing Municipalities

Wherever practicable, amalgamations should combine the whole of two or more existing LGAs without the additional cost and disruption of associated boundary adjustments.