

**Submission
No 182**

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Sydney Metropolitan Mayors

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22 July 2015

Madeleine Foley
The Director
General Purpose Standing Committee No. 6
By email gpscno6@parliament.nsw.gov.au

Dear Ms Foley

**Submission to Inquiry Relating to Local government in New South Wales by
Legislative Council inquiry General Purpose Standing Committee No. 6.**

This submission is made on behalf of Sydney Metropolitan Mayors, an organisation of inner and outer urban Sydney metropolitan councils, representing more than two million residents.

Established in July 2013, Sydney Metropolitan Mayors aims to provide a cohesive voice for Sydney, regardless of geographic boundaries or political persuasion. Our member councils include a diverse cross section of the Sydney metropolitan area reflecting the needs of both suburban and inner urban councils, large and small.

We aim to build a productive relationship with the NSW State Government and with other bodies which represent the interests of local government in NSW and together to play a constructive and valuable role in developing policy to support local councils and to benefit the Sydney Metropolitan area.

Sydney Metropolitan Mayors recognises the need for a modern 21st century system of local government and planning in New South Wales to secure the environmental, social, cultural and economic sustainability of our city and our state. To this end, Sydney Metropolitan Mayors welcomed and supported the majority of recommendations contained in *Revitalising Local Government*, the final report of the Independent Local Government Review Panel. These widely supported recommendations provided a coherent and effective package of reforms that would have enjoyed a high level of support had they been adopted by the State Government and progressed in conjunction with the local government sector. Implementing these recommendations would have helped ensure that local government in NSW is financially sustainable to provide for our communities now and into the future.

I enclose a copy of Sydney Metropolitan Mayors' Response to the Independent Local Government Review Panel's Final Report.

Unfortunately *Revitalising Local Government* contained a misplaced focus on amalgamations, overshadowing its more significant and generally supported recommendations. These recommendations highlighted the most important priorities for local government in NSW: establishing a sustainable revenue base and establishing a relationship of respect and cooperation between local and state government.

The Fit for the Future process continues the focus on amalgamations.

Sydney Metropolitan Mayors does not oppose voluntary amalgamations, provided that they have community support and financial benefits, and the government provides reasonable financial assistance to achieve and support the amalgamation.

Forced amalgamations will not deliver the reform local government needs. There is no substantiated support or evidence base that extensive amalgamations in the Greater Sydney Region and which are not supported by councils and the community would address the key issues of financial sustainability, strategic capacity and state-local cooperation. The overwhelming view of local government practitioners is that massive structural change, especially if forced, is disruptive and costly, open to partisan manipulation and is a distraction from the needed fundamental reforms.

Sydney Metropolitan Mayors considers that, if the NSW Government committed to a program of positive reforms, widespread amalgamations would not be necessary. Local government would be well placed to deliver a stronger and more prosperous NSW in partnership with the State Government.

sincerely

Clover
Lord Mayor of Sydney
Chair, Sydney Metropolitan Mayors

Encl.

Sydney Metropolitan Mayors

Working together for NSW - a new era of collaboration between Local and State Government

Response from the Sydney Metropolitan Mayors to the Independent Local Government Review Panel's Final Report *Revitalising Local Government*

Executive Summary

Sydney Metropolitan Mayors welcomes the majority of recommendations in *Revitalising Local Government* and believe these have the capacity to ensure that local government in NSW is financially sustainable to provide for our communities now and into the future.

A broad consensus for action has emerged from the local government reform process, beginning with Destination 2036 and continuing with the work of the Independent Local Government Review Panel.

Across the local government sector, there is a broad level of agreement on the changes needed to secure a sustainable future for democratic, community based local government.

However, there is no substantiated support or evidence base that extensive amalgamations in the Greater Sydney Region would address the key issues of financial sustainability, strategic capacity and state-local cooperation.

Sydney Metropolitan Mayors considers that, if the NSW Government commits to a program of positive reforms, widespread amalgamations are not necessary and local government will be well placed to deliver a stronger and more prosperous NSW in partnership with the State Government.

The State's commitment to 'no forced amalgamations' is essential to maintain broad support. The overwhelming view of local government practitioners is that massive structural change is disruptive and costly, open to partisan manipulation and is an unnecessary distraction from the needed fundamental reforms.

Renewed commitment to the policy of 'no forced mergers' is needed to maintain trust and create the environment for action on agreed and effective reform.

Sydney Metropolitan Mayors considers that the Independent Local Government Review Panel's final recommendations continue a misplaced focus on amalgamations. ***The most important reform priorities for local government in NSW are to establish a sustainable revenue base and establish a relationship of respect between local and state government.***

The widely supported recommendations in *Revitalising Local Government* provide a coherent and effective package of reforms that would have a high level of support if adopted by the State Government and progressed in conjunction with the local government sector.

However, Sydney Metropolitan Mayors believe that additional, focussed consultation and research within the sector are generally required for most measures to ensure that they achieve the desired outcomes.

The next stage of the reform process involves developing implementation strategies that can deliver the needed change in a way that achieves greatest benefit, avoids an onerous burden on councils and achieves continuity of essential services during transitions.

This submission recommends an implementation program using Working Groups with senior state government representatives, elected officials, experienced local government practitioners and relevant technical experts. The working groups would focus on quick action for broadly supported recommendations with a program of work on recommendations requiring further research and consultation.

Introduction

The Association of Sydney Metropolitan Mayors has considered the final report of the Independent Local Government Review Panel - *Revitalising Local Government*.

Sydney Metropolitan Mayors strongly supports the NSW Government's position of no forced amalgamations and urges the government to continue this valuable reform process to strengthen and support our sector. We welcome the opportunity to work closely with the State Government to build a strong local government sector that is better able to deliver a stronger and more prosperous NSW.

This submission provides:

- Information on the composition of the Sydney Metropolitan Mayors (page 3)
- Key areas for priority reform action (page 4)
- Proposals for implementation working groups (page 9)
- Our collective response to each of the individual recommendations (page 11).

The process for this review program emerged from the Government's Destination 2036 program and workshop held in Dubbo in August 2011. However, it is widely acknowledged, by both the Minister and the Review Panel led by Professor Sansom, that the impetus for this process came directly from the sector.

Local government has sought meaningful, far-reaching reform for many years. It is therefore a key principle proposed by the Sydney Metropolitan Mayors' member councils that real reform can only be achieved in partnership with the sector. This, for our member councils, is the key guiding principle.

We have based our response on the genuine need for effective reform, together with working in partnership with the State Government and other partners on achieving real benefits for our Councils and our communities.

We have focussed on the positive aspects of the Panel's report in order to pave a positive way forward. However, we are also of the view that there has been little evidence provided, either in this report or elsewhere, to support the view that larger councils are more financially sustainable. Indeed, the most recent research (Drew and Dollery 2014) demonstrates "little evidence of any statistically significant association between financial sustainability ratios and population size for greater Sydney Councils" (Dollery, 2014).

Our view is that a concerted reform program is needed, building upon the elements within the sector that are acknowledged to be working well. An example of this is the now well-established Integrated Planning and Reporting Framework (IPR) Framework. This has been well received across many councils and has provided the basis for genuine 'buy-in' by communities into the practical aspects of council strategic planning and project delivery. This process, when well-executed, has the potential to stimulate creative action by communities that encourages community engagement and draws on local knowledge to find locally-appropriate solutions.

This is one example where reform of the sector, already well underway, can be further built-upon to achieve many of the results sought by both the sector and the NSW Government. Member councils of the Sydney Metropolitan Mayors are of the view that a program of reforms agreed between local and state government can deliver the needed results without widespread amalgamations.

About the Sydney Metropolitan Mayors (SMM)

Sydney Metropolitan Mayors was established in July 2013 and comprises twenty two of the thirty-eight councils in the Sydney metropolitan area. This large group of like-minded Mayors have come together to represent their councils in Sydney and the more than two million residents they represent, and to provide a cohesive voice for Sydney, regardless of geographic boundaries or political persuasion.

Our member councils include: Auburn Council, Ashfield Council, Bankstown City Council, Blacktown City Council, Botany Bay City Council, Burwood Council, Canada Bay Council, City of Canterbury, Fairfield City Council, Holroyd City Council, Hunter's Hill Council, Leichhardt Council, Manly Council, Marrickville Council, Mosman Council, Pittwater Council, Randwick City Council, Rockdale City Council, Ryde City Council, Strathfield City Council, the City of Sydney and Woollahra Council.

Our member councils include a diverse cross section of the Sydney metropolitan area reflecting the needs of both suburban and inner urban councils, large and small. Specifically we represent both the largest and the smallest councils within the area. Collectively our members represent all political persuasions, is larger than any ROC within NSW and represents the majority of both the Councils within and the population of the Sydney metropolitan area.

Our Mission - To provide strong local government leadership and a voice on behalf of all Sydney Metropolitan councils to work co-operatively for the benefit of the Sydney region and communities

Our Principle Purpose - The Sydney Mayors Association (SMM) exists to defend, advocate and coordinate action on matters of shared interest and concern to councils within the Sydney Metropolitan Area.

The SMM is run by an Executive elected annually from its member councils with a view to representing diversity of geographic location and political affiliation within the metropolitan area.

The SMM meets regularly to provide a forum for discussion on a range of common interests with specific regard to:

- *Regulation and reform of the local government sector*
- *Reform of the planning system and regulations*
- *Major Transport and Infrastructure issues*

- *Conservation and environmental issues*
- *Funding issues*
- *Economic development issues*

and any other matter that may be raised by a member council that has broad relevance to the Councils in Metropolitan Sydney.

We aim to build a productive relationship with the NSW State Government and with other bodies which represent the interests of local government in NSW and together to play a constructive and valuable role in developing policy to support local councils and to benefit the Sydney Metropolitan area.

Areas for Priority Reform Action

Member councils of the Sydney Metropolitan Mayors share support for the majority of the recommendations, and the principles and priorities to guide reform, contained within Revitalising Local Government.

We propose the establishment of four implementation working groups that will include State Government representatives, elected officials, experienced local professionals and technical experts. Later in our submission (page 9) we provide more detail regarding the focus and establishment of these working groups to implement this program of reform.

The four working groups reflect broadly cohesive reform areas. These working groups would enable cooperative work to proceed on the issues with a focus on quick implementation where possible, building consensus on other matters and developing alternative approaches where necessary.

The four priority areas are:

1. **Financial Sustainability:** Initiatives that improve the financial sustainability, productivity and capability of councils, including enhancing councils' needs for infrastructure renewal.
2. **Collaboration and Coordination:** Initiatives that recognise that a strong collaborative relationship between state and local government, based upon a formal agreement developed through broad consultation with the sector.
3. **Governance:** Initiatives which improve governance, and provide increased options for locally appropriate actions to meet the needs of communities.
4. **Continuous Improvement:** Initiatives that recognise reform is an ongoing process, requiring the input of the sector on an ongoing basis.

1. Financial Sustainability

(Addressing the Report Themes of Fiscal Responsibility; Strengthening the Revenue Base, Meeting Infrastructure Needs and Improvement, Productivity and Accountability)

The most critical reform that confronts local government in NSW is the need to secure a sustainable revenue base following years of rate-pegging and cost shifting.

There are well documented reports, surveys and studies that speak to the extensive financial issues that impact on local government. These include cost-shifting from both the Federal and State Governments with no reliable revenue stream; devolution of services to local government

from other levels of government where service is expected with no funding; and the need to respond to higher community demands or expectations for new or higher service levels.

The 2009 Integrated Planning and Reporting (IP & R) amendments to the *Local Government Act 1993* provide a robust framework for councils to undertake long term community, financial and asset planning.

This framework involves the community in setting their Council's strategic direction, and focus Councils on setting priorities within this agreed strategic direction. Within the framework, priorities can be diverse, including renewal of essential infrastructure, provision of new infrastructure, further development of existing services and the introduction of new services. Priorities may arise or change due to the changing nature of the community.

The integrated planning and reporting framework has also made clear that some councils lack the resourcing to implement their identified strategic plan and have little flexibility under state legislation to develop an improved revenue base. The financial capacity of some councils could be further undermined by planned planning reforms, which propose reduced infrastructure contributions from new development.

The planning and reporting framework needs to be matched with further reforms that strengthen the financial sustainability of councils. *Revitalising Local Government* makes recommendations that could achieve this, particularly to strengthen the revenue base of councils.

Reform of the Rating System

We agree with *Revitalising Local Government* that significant changes to the rating system are warranted in order to strengthen councils' revenue base within the overall framework of fiscal responsibility (page 38). We agree with the principle that rates should be set in accordance with the principles of well-designed taxation systems – equity, efficiency, simplicity, sustainability and policy consistency. Changes need to be undertaken carefully to minimise potential impacts on local communities and maximise benefits in the long-term.

Revitalising Local Government's recommendations to strengthen the revenue base of councils provide the foundation for detailed work to be undertaken by the proposed working group to develop workable, supportable proposals.

Greater flexibility in the setting of rates, provided that appropriate planning, reporting and governance structures are in place, would enable councils to better address the needs of their communities and plan for current and future provision of essential infrastructure and services.

Reduction in Cost Shifting

While we disagree with the claim in *Revitalising Local Government* that cost-shifting has been overstated in challenges to the financial sustainability of councils, we support further work on its suggestions for dealing with cost-shifting.

The problems associated with infrastructure renewal, closely linked to financial reform, are well researched and documented.

The Panel has recognised this critical issue and acknowledged that existing mechanisms go some way toward addressing this issue – such as the Local Infrastructure Renewal Scheme (LIRS). We support extension of this scheme, along with other proposals, however we also

believe more can be done in this area through partnership and collaboration between the NSW State Government and local councils.

Ensuring financial sustainability must precede any consideration of amalgamations. As has been demonstrated through research, merging a group of councils that lack the financial capacity to meet the needs of their areas will inevitably result in a larger council that is unable to meet the needs of a larger council. Where councils elect to amalgamate, they should do so from a position of greatest possible strength and sustainability.

In brief, the key priorities financial sustainability are:

- **Fiscal responsibility and reform** - a comprehensive review of the rating system and reform of rate pegging is required.
- **Support for infrastructure needs** - based upon an understanding of the nexus between fiscal reform and infrastructure renewal.

2. Collaboration and Coordination

(Addressing the Report Themes of: Regional Joint Organisations; Advance Structural Reform and State-Local Government Relations)

The second most important area of reform is the need for a whole-of-government commitment to cooperation, coordination and respect. This includes local, state and federal collaboration and coordination, including new structures where necessary to support that cooperation.

Reform to establish a modern system of local government in NSW, vital for the economic, social and environmental well-being of our state, can only be achieved by a coordinated and consultative process across all three tiers of government.

We agree with the observation in *Revitalising Local Government* that:

“More productive relations between the State and local government are essential to create the right platform for reform – and to realise the benefits. Whilst the quality of the relationship has improved over the past two years there is a legacy of distrust that still colours dealings between the two sectors. Neither side is convinced that the other is a consistently reliable partner. Further steps need to be taken to address this state of affairs and establish a mature relationship based on shared information, collaborative planning, negotiation and trust.” (p124, our emphasis)

Local government needs to be integrally involved in ***in proposals for reform from the beginning of the process***. This approach underpins our approach for implementation working groups to deliver on the opportunity for reform.

Sydney Metropolitan Mayors agree with the assessment that improved cooperation between state, local and federal governments is essential to achieve effective metropolitan governance and improved metropolitan planning.

It is also noteworthy that the sector has a proven track record for collaboration around common areas of interest as well as resource and intelligence sharing. These groupings are not necessarily geographic, as has been focussed upon in *Revitalising Local Government*, but can centre on a river, a road or an issue of significance to a group of councils.

The Cooks River Alliance, a partnership of eight councils: Ashfield, Bankstown, Canterbury, City of Sydney, Hurstville, Marrickville, Strathfield and Rockdale; who work together with communities for the health of the Cooks River Catchment is one successful example, amongst many that exist in the Sydney Metropolitan area.

Joint Organisations

Regional delivery, cross-council collaboration and other forms of practical reform are supported by the member councils. However, further work on the shape of these Joint Organisations, and how they may work in the environment of the existing Regional Organisation of Councils (ROCs) is worthy of further investigation and study.

Metropolitan Planning

Further work is needed regarding how metropolitan planning can operate in the context of reform within the local government sector. More work is required to develop detailed mechanisms for state-local cooperation, collaboration and coordination.

Our member councils strongly believe in participation in a genuine partnership is the only road to real reform in our sector. All efforts should be geared towards sustaining a positive relationship between the NSW State Government and local councils so we can avoid a cycle of review, response and inaction.

The existence of local government as a system of elected bodies should be recognised by an amendment to the existing provision in the Constitution (recommendation 58).

In brief, the key priorities for collaboration and coordination are:

- **Advancing structural reform** - developing practical models for the proposed joint organisations and joint metropolitan planning, with alternatives and options.
- **Working on reform in partnership** - recognition that any reform process can only be successfully achieved by partners genuinely committed to reform.

3. Governance

(Addressing the Report Themes of: Political Leadership and Good Governance)

A sustainable future for local government requires strong governance arrangements and increased leadership capacity to deliver on needed and agreed outcomes for their local communities.

This will require councils to be adequately equipped with the resources to play a strategic leadership role as partners with the State Government in regional planning and implementation.

Revitalising Local Government provides a valuable but insufficient contribution to addressing this need as part of its proposals to review the roles of mayors, general managers and councillors. Proposals include mandatory direct election of mayors in large councils (Box 22) and increased leadership responsibilities for mayors (Box 21).

Flexible Models for local solutions

Members of Sydney Metropolitan Mayors have diverse views on these governance reforms, reflecting a divergence in local need. It is recommended that State legislation include more than one model that can be adopted and adapted according to local need.

In particular, a contemporary model needs to reflect the diversity in our local communities and the political structures that support them must provide the flexibility to respond to that diversity. In particular, the issue of popularly elected Mayors is rightly one for local communities to decide. While consistency in the Mayoralty would strengthen the structure of the Council of Mayors, the issue of popularly elected Mayors and how communities are politically represented should be one for local decision.

This arises from councils being democratically elected bodies. Frequently this results in Councillors representing divergent and competing political interests. Councils also operate like parliaments in that they meet and make decisions in public, while boards generally make decisions behind closed doors. Council decisions are frequently made after robust debate, with board-style collegiate, consensus decision making only around non-contentious matters.

The inevitable consequence is that elected councillors frequently work in opposition to each other, as occurs in State and Federal Parliament.

While *Revitalising Local Government* recognises that “the wording of the Act reveals evident tensions in the councillor’s role”, there is no effective resolution of the tension. The report states that section 232 of the *Local Government Act* sets out the functions of councillors “as members of a governing body” with councillors forming a ‘board of directors’. It also sees the role of the councillor as an elected person as “more clearly ‘political’ and includes those functions that most councillors would regard as fundamental to being re-elected.

Given this tension, the approach suggested by the Independent Local Government Review Panel in its original discussion paper, *Better Stronger Local Government: The Case for Change* may provide a way forward. In that paper the Panel stated:

“... the Panel is considering a range of governance models from which councils could choose according to their local circumstances.” (Page 32)

We recommend that there needs to be alternative models in the Act, with the appropriate model for each Council determined by the council, with consideration the nature of the area it represents, its demographics and its established political culture.

In brief, the key priority for governance reform is:

- **Political leadership and good governance**—encouraging strong and capable local representatives.

4. Continuous Improvement

(Addressing the Report Themes of: Improvement, Productivity and Accountability)

Sydney Metropolitan Mayors endorse the principle of continuous improvement and ongoing reform.

We recommend putting priority on strengthening existing mechanisms in the sector to achieve this outcome, rather than focussing on new structures and processes. In addition to the integrated planning and reporting framework, many councils already have programs targeted at identifying ongoing improvements.

It is vital that the role of continuous improvement be placed in the context of broader reform that improves financial sustainability, develop more cooperative state-local relationships and strengthen governance and leadership. In this context, it is critical that continuous improvement be part of an ongoing partnership, not imposed in an authoritarian manner.

Once many of the other proposed reforms are implemented local councils will be well placed to achieve compliance without such high levels of advice and intervention by the Division of Local Government, freeing up resources to focus on areas such as innovation and improvement of the sector generally.

Sydney Metropolitan Mayors recommends that the current reform process focus on recommendations with broad support, with contentious and unclear proposals generally deferred for later work as part of the process of continuous improvement and ongoing reform.

In brief, the key priority for continuous improvement is:

- **Improving productivity with agreed principles**—based upon an understanding of locally appropriate actions; no duplication of services; no additional burdens on local government and support for a good governance framework.

Local Government Reform Implementation Working Groups

The next stage of the reform process involves developing implementation strategies that can deliver the needed change in a way that achieves greatest benefit, avoids an onerous burden on councils and achieves continuity of essential services during transitions.

It is necessary to move quickly to maintain the impetus for change and the broad support for reform.

We recommend a program of implementation working groups on key reform areas. These working groups would involve State Government representatives, elected officials, experienced local government practitioners and relevant technical experts.

This approach provides the potential to build communication, cooperation and trust between local and state government, which is required by the majority of reforms recommended in *Revitalising Local Government*.

We propose the establishment of four working groups, based around the major priorities identified:

- Financial sustainability;
- Collaboration and Coordination;
- Governance; and
- Continuous improvement;

The Role of Implementation Working Groups

Terms of Reference

Each working group would need detailed Terms of Reference based on implementing recommendations in *Revitalising Local Government*.

Each Working Group would be tasked to identify and progress:

- Quick start projects and trial programs;
- Changes that can be fast-tracked through state-local agreements;
- Recommendations for short-term legislative change; and
- Strategy for longer term projects, particularly where further consultation or research is needed.

Membership

Membership of each working group would be jointly determined by the Minister for Local Government, the President of Local Government NSW and the Chair of Sydney Metropolitan Mayors on a consensus basis.

While each working group could have its own specific membership needs, each would comprise:

- Serving and former local government mayors and councillors;
- Officers of relevant government departments and agencies – with sufficient seniority to be able to contribute meaningfully to the work of each working group;
- Senior Council staff with expertise relevant to the working group; and
- Others with relevant professional or technical expertise.

Former local government mayors and councillors could be drawn on for their experience, while not being driven by the demands of currently holding office.

Timeline

With sufficient focus, and depending on the State Government's response to the report and the submissions received, the working groups could be established by late April/early May, providing scope for the following timelines:

- **August:** Recommendations relating to quick start projects and early implementation.
- **September/October:** Recommendations requiring legislative change, with the aim of introducing changes into Parliament during the spring session.
- **November/December:** Strategy on longer term recommendations, including progress on contentious issues.

We support the State Government maintaining its commitment to no forced amalgamations. Implementation of reforms with consensus support is required to build cooperation and capacity in advance of consideration of controversial recommendations.

Amalgamations prior to the implementation of systematic reform will achieve nothing except a waste of resources and entrenching of existing issues.

Amalgamations as contemplated by the Panel may not be necessary, or may vary greatly from those currently recommended, once the other necessary reforms have been appropriately adopted, supported and implemented.

Detailed Response to Recommendations

In the following table, the “summary position” reported refers to the following positions:

- **Broad support:** A significant majority of Sydney Metropolitan Mayors members support the recommendation, although clarification and further work is generally indicated.
- **Support with qualifications:** Sydney Metropolitan Mayors supports the recommendation in principle, subject to further work or clarification.
- **Clarification required:** Sydney Metropolitan Mayors considers the recommendation does not contain sufficient detail to adequately understand or implement the proposal.
- **Not Supported:** A majority of Sydney Metropolitan Mayors members do not support the recommendation.
- **Not applicable:** Sydney Metropolitan Mayors are not commenting on issues that are not of direct relevance for all or most member councils.

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
• SYDNEY METROPOLITAN MAYORS COMMENT		
Recommendations for fiscal responsibility		
1	<p><i>Establish an integrated Fiscal Responsibility Program, coordinated by DLG and also involving TCorp, IPART and LGNSW to address the key findings and recommendations of TCorp’s financial sustainability review and DLG’s infrastructure audit (5.1 and 5.3)</i></p> <ul style="list-style-type: none"> • Full endorsement for this recommendation is constrained by concerns about the adequacy of the TCorp framework and methodology, particularly its comparability and applicability to all local government areas. Further development is required. • The principles behind this recommendation are supported in general, but if the reforms are to achieve the desired outcomes it is essential that the mechanics are developed in close consultation with the local government sector. • It is recommended that an agreed and transparent framework needs to be developed with the involvement of local government practitioners. Participation by the Local Government Professionals Association (LGPA) is recommended. • Refer to Financial Sustainability Working Group for refinement and implementation. 	Broad support

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
<ul style="list-style-type: none"> • SYDNEY METROPOLITAN MAYORS COMMENT 		
2	<p><i>As part of the program:</i></p> <ul style="list-style-type: none"> — <i>Adopt an agreed set of sustainability benchmarks (5.1)</i> — <i>Introduce more rigorous guidelines for Delivery Programs as proposed in Box 9 (5.2)</i> — <i>Commission TCorp to undertake regular follow-up sustainability assessments (5.3)</i> — <i>Provide additional training programs for councillors and staff (5.3)</i> — <i>Require all councils to employ an appropriately qualified Chief Financial Officer (5.3)</i> <ul style="list-style-type: none"> • Further development of a transparent framework is required in consultation with experienced local government practitioners. • Refer to Financial Sustainability Working Group for development and implementation. 	Broad support
3	<p><i>Place local government audits under the aegis of the Auditor General (5.4)</i></p> <ul style="list-style-type: none"> • Endorsement of this recommendation is constrained by concerns that it would represent duplication and impose an unnecessary impost on local government. • It is recommended that Councils should have capacity to choose their own auditor with the Auditor General's role covering development of a framework/policy and review. • Refer to Financial Sustainability Working Group for refinement, consultation and implementation. 	Support with qualifications
4	<p><i>Ensure that the provisions of the State-Local Government Agreement are used effectively to address cost-shifting (5.5)</i></p> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors supports this recommendation in principle, subject to consultation on implementation • Refer to Financial Sustainability Working Group for refinement, consultation and implementation. 	Broad support
Recommendations for Strengthening Revenues		
5	<p><i>Require councils to prepare and publish more rigorous Revenue Policies (6.1)</i></p> <ul style="list-style-type: none"> • Refer to Financial Sustainability Working Group for consultation on the detail and content of revenue policies and implementation. 	Broad support
6	<p><i>Commission IPART to undertake a further review of the rating system focused on:</i></p> <ul style="list-style-type: none"> — <i>Options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long term sustainability (6.2)</i> — <i>More equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable (6.3)</i> <ul style="list-style-type: none"> • The rating system needs a fundamental, comprehensive review and overhaul. This review needs to address the total rating package, including exemptions and non-rateable properties and moving to ending rate 	Broad support

• **SYDNEY METROPOLITAN MAYORS COMMENT**

pegging.

- The methodology and terms of reference for the review need to be developed and guided by experienced local government practitioners.
- Refer to Financial Sustainability Working Group for the development of Terms of Reference and consultation.

7 *Either replace rate-pegging with a new system of ‘rate benchmarking’ or streamline current arrangements to remove unwarranted complexity, costs, and constraints to sound financial management (6.5)* **Support with qualifications**

- There is broad support for the reform of rate pegging, with strong support for the removal of rate pegging. However, there are significant reservations about the recommendation due to lack of clarity and certainty about the alternatives proposed.
- Subject to clarification, Sydney Metropolitan Mayors support the proposal for “Earned exemption from rate pegging” (Box 13, page 45).
- Further work is required in conjunction with experienced local government professionals.
- Refer to Financial Sustainability Working Group for refinement, consultation and implementation.

8 *Subject to any legal constraints, seek to redistribute federal Financial Assistance Grants and some State grants in order to channel additional support to councils and communities with the greatest needs (6.6)* **Clarification required**

- Sydney Metropolitan Mayors supports in principle the proposal that grants assistance be directed to areas most in need, subject to development of a transparent and equitable methodology, and the implementation of other financial reforms to secure the sustainability of local government, especially reform of rate pegging.
- More information is needed on this proposal as the agreed outcomes can be achieved in a range of ways. Sydney Metropolitan Mayors reserves judgement on the basis that it is unclear what overall impact this recommendation could have on local government financial sustainability.
- Refer to Financial Sustainability Working Group for further development.

9 *Establish a State-borrowing facility to encourage local government to make increased use of debt where appropriate by:* **Broad support**

— *Reducing the level of interest rates paid by councils*

— *Providing low-cost financial and treasury management advisory services (6.7)*

- Sydney Metropolitan Mayors supports the principle of reducing the cost of borrowings where infrastructure projects can benefit from being forward funded.
- Refer to Financial Sustainability Working Group for implementation.

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS**• SYDNEY METROPOLITAN MAYORS COMMENT****SUMMARY
POSITION**

- 10 *Encourage councils to make increased use of fees and charges and remove restrictions on fees for statutory approvals and inspections, subject to monitoring and benchmarking by IPART (6.8)* **Broad support**
- Sydney Metropolitan Mayors supports this recommendation subject to appropriate use of fees and charges, although questions the need and role of IPART in monitoring.
 - Refer to Financial Sustainability Working group for development of guidelines and implementation.
-

Recommendations for Meeting Infrastructure Needs

- 11 *Factor the need to address infrastructure backlogs into any future rate-pegging or local government cost index (7.1)* **Broad support**
- Refer to Financial Sustainability Working Group for development of implementation strategy.
-

- 12 *Maintain the Local Infrastructure Renewal Scheme (LIRS) for at least 5 years, with a focus on councils facing the most severe infrastructure problems (7.2)* **Broad support**
- Sydney Metropolitan Mayors strongly supports the continued operation of the Local Infrastructure Renewal Scheme and endorses this recommendation subject to the development a transparent methodology to determine the “most severe infrastructure problems”.
 - Refer to Financial Sustainability Working Group for development of guidelines and implementation.
-

- 13 *Pool a proportion of funds from the roads component of federal Financial Assistance Grants and, if possible, the Roads to Recovery program in order to establish a Strategic Projects Fund for roads and bridges that would:* **Clarification required**
- *Provide supplementary support for councils facing severe infrastructure backlogs that cannot reasonably be funded from other available sources*
 - *Fund regional projects of particular economic, social or environmental value (7.2)*
- Sydney Metropolitan Mayors provides qualified support in principle for targeting funds to areas most in need, subject to the implementation of other financial sustainability reforms, and further information and development.
 - Any the program would require transitional arrangements to phase in changes that would negatively affect some council’s financial sustainability. The proposal is supported subject to it forming part of a range of financial reforms to enable councils that are adversely affected to access alternative revenues.
 - Refer to Financial Sustainability Working Group for the development of transparent criteria and a transitional implementation program.
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REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
<ul style="list-style-type: none"> • SYDNEY METROPOLITAN MAYORS COMMENT 		
14	<p><i>Require councils applying for supplementary support from the Strategic Projects Fund to undergo independent assessments of their asset and financial management performance (7.2)</i></p> <ul style="list-style-type: none"> While supporting the general intent of this recommendation, Sydney Metropolitan Mayors considers the proposal would duplicate other fiscal recommendations. Refer to Financial Sustainability Working Group for coordination with other recommendations to no unnecessary duplication of work and development of transparent guidelines. 	Clarification required
15	<p><i>Carefully examine any changes to development (infrastructure) contributions to ensure there are no unwarranted impacts on council finances and ratepayers (7.3)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors strongly supports this recommendation. Effective coordination is required between local government reform and State Government planning reforms. Refer to Financial Sustainability Working Group for implementation. 	Broad support
16	<p><i>Adopt a similar model to Queensland’s Regional Roads and Transport Groups in order to improve strategic network planning and foster ongoing improvement of asset management expertise in councils (7.4)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports this recommendation subject to further information. Sydney Metro Mayors notes that this proposal might be of greatest benefit to councils outside the Sydney metropolitan area. Refer to Financial Sustainability Working Group for implementation. 	Broad support
17	<p><i>Establish Regional Water Alliances as part of new regional Joint Organisations proposed in section 11 (7.5).</i></p>	Not applicable
Recommendations for Improvement, Productivity and Accountability		
18	<p><i>Adopt a uniform core set of performance indicators for councils, linked to IPR requirements, and ensure ongoing performance monitoring is adequately resourced (8.1)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports the recommendation subject to an implementation program that avoids duplication of existing processes or meaningless indicators. Performance indicators need to be targeted to informing local decision making, with experienced local government practitioners involved in developing the measures. Refer to Continuous Improvement Working Group for development, consultation and implementation. 	Support with qualifications
19	<p><i>Commission IPART to undertake a whole-of-government review of the regulatory, compliance and reporting burden on councils (8.2)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors strongly supports this review. Refer to Continuous Improvement Working Group for consultation and implementation. 	Broad support

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
• SYDNEY METROPOLITAN MAYORS COMMENT		
20	<i>Establish a new sector-wide program to promote, capture and disseminate innovation and best practice (8.3)</i> <ul style="list-style-type: none"> Sydney Metropolitan Mayors considers this recommendation would duplicate existing effort. The Centre for Excellence in Local Government already exists and local government already shares knowledge. Refer to Continuous Improvement Working Group to consider whether further development of existing programs could provide benefit. 	Not supported
21	<i>Amend IPR Guidelines to require councils to incorporate regular service reviews in their Delivery Programs (8.4)</i> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports in principle the development of a good governance framework with a range of professional strategies, such as continuous improvement. Each council can then implement the elements appropriate for their local area. Refer to Continuous Improvement Working Group for consultation and implementation. 	Support with qualifications
22	<i>Strengthen requirements for internal and performance auditing as proposed in Box 17 (8.5)</i> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports in principle strengthening internal and performance auditing, subject to further clarification of the range of proposals in Box 17. Some recommendations could be quickly supported and implemented, while others that need further consideration and development. Refer to Continuous Improvement Working Group for consultation, further development and implementation. 	Clarification required
23	<i>Introduce legislative provisions for councils to hold Annual General Meetings (8.6)</i> <ul style="list-style-type: none"> Sydney Metropolitan Mayors does not see the need for Annual General Meetings but considers this a matter for councils to decide. Of significant concern is the likelihood of duplication and conflict with existing processes for annual reporting. Some councils have held annual reporting events with mixed interest from local communities. Sydney Metropolitan Mayors proposes that no further action be taken on this recommendation, although Councils could be encouraged to hold Annual General Meetings if locally appropriate. 	Not supported

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24	<i>Develop a NSW Local Government Workforce Strategy (8.7)</i> <ul style="list-style-type: none">• Integrated Planning and Reporting processes require a local Council workforce strategy and this recommendation needs to focus on broader issues such as education, training and salary levels, especially in comparison with state Government and private sector.• A local government workforce strategy needs to be considered in the context of the broader public sector.• Refer to Continuous Improvement Working Group for consultation, further development and implementation.	Support with qualifications
25	<i>Explore opportunities for the Local Government Award to continue to evolve to address future challenges facing the sector and changing operational needs.</i> <ul style="list-style-type: none">• Refer to Continuous Improvement Working Group for consultation, further development and implementation.	Broad support

Recommendations for Political Leadership and Good Governance

26	<i>Amend the Local Government Act to strengthen political leadership:</i> <ul style="list-style-type: none">— <i>Require councils to undertake regular ‘representation reviews’ covering matters such as the number of councillors, method of election and use of wards (9.1)</i>— <i>Before their nomination is accepted, require all potential candidates for election to local government to attend an information session covering the roles and responsibilities of councillors and mayors (9.1)</i>— <i>Amend the legislated role of councillors and mayors as proposed in Boxes 19 and 21, and introduce mandatory professional development programs (9.2 and 9.3)</i>— <i>Provide for full-time mayors, and in some cases deputy mayors, in larger councils and major regional centres (9.3)</i>— <i>Amend the provisions for election of mayors as proposed in Box 22 (9.3)</i><ul style="list-style-type: none">• Sydney Metropolitan Mayors strongly supports the need to strengthen political leadership and considers that more discussion is needed to identify the most effective strategies to achieve this.• This recommendation (including Boxes 19, 21 and 22) include a diverse range of proposals where some might be quickly supported and implemented, while others need further consideration and development. Sydney Metropolitan Mayors provides qualified support for many of the proposals, but believes that further consensus could be achieved with further work and consultation.• There is a diverse range of views, reflecting divergence in the ways local councils need to operate. It is recommended that State legislation include a more than one model, which can be adopted and adapted locally according to need.• Sydney Metropolitan Mayors supports a further review process to clarify the role of the mayors, general managers and councillors.• As part of this review, Sydney Metropolitan Mayors endorses the need to provide mayors with sufficient authority to engage effectively with State	Clarification required
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and Federal Government as equal partners and decision makers. There is broad support for the view that Mayors require longer than one year terms to provide effective leadership. However, members have diverse views on whether this requires most or all councils to have full-time, four year, popularly elected mayors and deputy mayors. Further discussion and consultation is needed.

- While a “representation review” can be beneficial in some areas where local issues need to be addressed, the proposal for regular or legislated representation reviews risks creating a meaningless bureaucratic process.
- Sydney Metropolitan Mayors strong supports effective information for potential candidates, but supports mandatory attendance only for first time candidates. Similarly, Sydney Metropolitan Mayors endorses the need for training, but considers that it should be dependent on qualifications and experience of Councillors, rather than mandatory.
- Refer to Governance Working Group to develop a range of models that can be adopted by local councils in line with their individual culture, local community and circumstances.
- Refer to Governance Working Group for consultation, further development and implementation.

<p>27 <i>Increase remuneration for councillors and mayors who successfully complete recognised professional development programs (9.2-9.4)</i></p> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors provides limited and qualified support for this recommendation, subject to further information. • Refer to Governance Working Group for development and consultation. 	<p>Clarification required</p>
<p>28 <i>Amend the legislated role and standard contract provisions of General Managers as proposed in Boxes 23 and 24 (9.5)</i></p> <ul style="list-style-type: none"> • This recommendation (including Boxes 23 and 24) includes a wide range of proposals where some might be quickly supported and implemented, while others need further consideration and development. Sydney Metropolitan Mayors provides qualified support for many of the proposals, but believes that further consensus could be achieved with further work and consultation. • Refer to Governance Working Group for development and consultation. 	<p>Support with qualifications</p>
<p>29 <i>Amend the provisions for organisation reviews as proposed in section 9.6</i></p> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors supports the proposal to provide increased legislative guidance on how Council can determine the organisational structure. However further clarification is needed on how and whether these specific measure can achieve the desired outcome of an organisational structure that is well aligned to deliver on the organisations adopted strategies. • Refer to Governance Working Group for further development and implementation. 	<p>Broad support</p>

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<ul style="list-style-type: none"> • SYDNEY METROPOLITAN MAYORS COMMENT 		
30	<p><i>Develop a Good Governance Guide as a basis for ‘performance improvement orders’ and to provide additional guidance on building effective working relationships between the governing body, councillors, mayors and General Managers (9.7)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors support the development of further guidance on good governance, subject to extensive input from experienced local government professionals. Refer to Governance Working Group for further development and implementation. 	Broad support
Recommendations to Advance Structural Reform		
31	<p><i>Introduce additional options for local government structures, including regional Joint Organisations, ‘Rural Councils’ and Community Boards, to facilitate a better response to the needs and circumstances of different regions (10.1)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports the introduction of additional options, subject to further clarification about how the new structures are to operate and details around their relationship with existing structures and functions within the local government sector in NSW; and subject to member councils retaining their autonomy. Clarification is particularly needed in relation to the future of Regional Organisations of Councils (ROCs). There is also concern that needs to be addressed that the implementation of Joint Organisations could be ‘amalgamations by stealth’. Refer to Collaboration and Coordination Working Group for further development and implementation. 	Support with Qualifications
32	<p><i>Legislate a revised process for considering potential amalgamations & boundary changes through a re-constituted and more independent Boundaries Commission (10.3)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports the continuation of the State Government’s policy of no forced amalgamations. In this context, Sydney Metropolitan Mayors supports the development of an independent Boundaries Commission subject to development of transparent terms of reference and membership criteria. Refer to Collaboration & Coordination Working Group for further development and implementation. 	Clarification required
33	<p><i>Encourage voluntary mergers of councils through measures to lower barriers and provide professional and financial support (10.4)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors is of the view that progress on a package of broadly supported reforms, in consultation with experienced local government practitioners, provides greatest practical scope for achieving local government sustainability. Any package of measures to support voluntary mergers needs to be developed in this context. Refer to Collaboration and Coordination Working Group for further 	Support with qualifications

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development and implementation.

<p>34 <i>Provide and promote a range of options to maintain local identity and representation in local government areas with large populations and/or diverse localities (10.5)</i></p> <ul style="list-style-type: none"> • This proposal should be developed to provide genuine options for consideration by large councils. It must not be seen as mechanism to be used in conjunction with forced amalgamations. • Refer to Governance Working Group for further development and implementation. 	<p>Broad support</p>
<p>35 <i>Establish new Joint Organisations for each of the regions shown on Maps 2 by means of individual proclamations negotiated under new provisions of the Local Government Act that replace those for County Councils(11.5)</i></p> <ul style="list-style-type: none"> — <i>Defer establishment of JOs in the Sydney metropolitan region, except for sub-regional strategic planning, pending further consideration of options for council mergers (11.5)</i> — <i>Enter into discussions with 2-3 regions to establish ‘pilot’ JOs (11.5)</i> — <i>Re-constitute existing County Councils as subsidiaries of new regional Joint Organisations, as indicated in Table 5 (11.2)</i> — <i>Establish Regional Water Alliances in each JO along the lines proposed in the 2009 Armstrong-Gellatly report (11.3)</i> — <i>Set the core functions of Joint Organisations by means of Ministerial Guidelines (11.6)</i> — <i>Seek federal government agreement to make JOs eligible for general-purpose FAGs (11.6)</i> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors endorses the need for more effective and mandatory mechanisms for regional collaboration, strategic planning and delivery. There is broad support for this reform, although the recommendation includes a wide range of proposals where some might be quickly implemented and others are not supported. Further consensus could be achieved with further work and consultation. • Members have diverse views of the appropriateness of the proposed model, current boundaries and the likely relationship of Joint Organisations with existing cooperative structures. • Sydney Metropolitan Mayors exists to promote metropolitan-wide coordination and will work with the State Government on developing an appropriate model. This process should begin immediately with trials, including in the Sydney metropolitan area, rather than be deferred for discussion on council mergers. • More information is needed on whether Ministerial Guidelines are appropriate and directions in these proposals need to be decided following further development and pilot projects. • Aspects in this recommendation that relate to regional areas and county councils are not applicable to Sydney Metropolitan Mayors. • Refer to Governance Working Group for further development and 	<p>Clarification required</p>

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implementation.

36	<i>Identify one or more regional centres within each Joint Organisation and:</i> <ul style="list-style-type: none">— <i>Create a network of those centres to drive development across regional NSW (11.7)</i>— <i>Consider potential mergers of councils to consolidate regional centres, as indicated in Table 6 (11.7)</i>	Not applicable
37	<i>Develop close working partnerships between Joint Organisations and State agencies for strategic planning, infrastructure development and regional service delivery (11.8), and</i> <ul style="list-style-type: none">— <i>Add representatives of Joint Organisations to State agency Regional Leadership Groups (11.8)</i>— <i>Give particular attention to cross-border issues and relationships in the operations of Joint Organisations and in future regional strategies (11.9)</i><ul style="list-style-type: none">• Sydney Metropolitan Mayors endorses the need for more effective local-state engagement in regional strategic planning and delivery. There is broad support for this reform, although the recommendation includes proposals that need to be finalised through consultation.• Refer to Collaboration and Coordination Working Group for further development and implementation.	Broad support

Recommendations for 'Rural Councils' and Community Boards

38	<i>Establish a working party as part of the Ministerial Advisory Group proposed in section 18 to further develop the concept of 'Rural Councils' for inclusion in the re-written Local Government Act (12.1)</i>	Not applicable
39	<i>Include provisions for optional Community Boards in the re-written Act, based on the New Zealand model, but also enabling the setting of a supplementary 'community rate' with the approval of the 'parent' council (12.2)</i>	Not applicable

Recommendations for Metropolitan Sydney

40	<i>Strengthen arrangements within State government for coordinated metropolitan planning and governance, and to ensure more effective collaboration with local government (13.1)</i> <ul style="list-style-type: none">• Sydney Metropolitan Mayors endorses the need for more effective local-state engagement. While there is broad support for this reform, the mechanisms to achieve it need further consultation and development.• Refer to Collaboration and Coordination Working Group for further development and implementation.	Broad support
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REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
• SYDNEY METROPOLITAN MAYORS COMMENT		
41	<p><i>Seek evidence-based responses from metropolitan councils to the Panel's proposals for mergers and major boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (13.3)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors does not support wide-spread amalgamations at this time and supports implementation of a package of broadly supported reforms, in consultation with experienced local government practitioners. An evidence-base case for voluntary mergers cannot be developed unless other reforms are progressed and the benefits of those reforms assessed. 	Not supported
42	<p><i>Prioritise assessments of potential changes to the boundaries of the Cities of Sydney and Parramatta, and</i></p> <ul style="list-style-type: none"> <i>— Retain a separate City of Sydney Act to recognise its Capital City role</i> <i>— Establish State-local City Partnership Committees for Sydney and Parramatta along the lines of Adelaide's Capital City Committee (13.4)</i> <ul style="list-style-type: none"> Sydney Metropolitan Mayors has not formed a position on these proposals. Member councils will make their own submissions. 	Not applicable
43	<p><i>Pending any future action on mergers, establish Joint Organisations of councils for the purposes of strategic sub-regional planning (13.5)</i></p> <ul style="list-style-type: none"> See comments above at recommendation 35. Sydney Metropolitan Mayors endorses the need for more effective regional planning and delivery and this recommendation is of benefit in itself, not as a fall-back for a flawed merger strategy. Further work and consultation is required on the nature and structure of Joint Organisations. Refer to Collaboration and Coordination Working Group for further development and implementation. 	Support with qualifications
44	<p><i>Maximise utilisation of the available local government revenue base in order to free-up State resources for support to councils in less advantaged areas (13.6)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors supports in principle the targeting of resources to areas of greatest need. However, this recommendation raises significant issues of equity, transparency and accountability that need to be resolved prior to any action. Any progress on this recommendation needs to occur within the context of other recommendations related to financial sustainability and state-local collaboration. Refer to Financial Sustainability Working Group and Collaboration and Coordination Working Group for consultation and further discussion. 	Clarification required
45	<p><i>Continue to monitor the sustainability and appropriateness in their current form of the Hawkesbury, Blue Mountains and Wollondilly local government areas (13.7)</i></p>	Not applicable

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
• SYDNEY METROPOLITAN MAYORS COMMENT		
46	<i>Promote the establishment of a Metropolitan Council of Mayors (13.8)</i> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors has been established to promote metropolitan-wide coordination. We would support the transformation of the current group into an effective, broad-based Council. • Further work is required to develop effective governance structures and to generate the broadest possible support and active engagement in a Metropolitan Council of Mayors. • Refer to Collaboration and Coordination Working Group for further development and implementation. 	Unanimous
Recommendations for Hunter, Central Coast and Illawarra		
47	<i>Seek evidence-based responses from Hunter and Central Coast councils to the Panel's proposals for mergers and boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group (section 18.1) for review, with the possibility of subsequent referrals to the Boundaries Commission (14.1 and 14.2)</i>	Not applicable
48	<i>Defer negotiations for the establishment of a Central Coast Joint Organisation pending investigation of a possible merger of Gosford and Wyong councils (14.2)</i>	Not applicable
49	<i>Pursue the establishment of Joint Organisations for the Hunter and Illawarra in accordance with Recommendation 35 (14.1 and 14.3)</i>	Not applicable
Recommendations for Non-Metropolitan Regions		
50	<i>Explore options for non-metropolitan councils in Group A as part of establishing the Western Region Authority proposed in section 16 (15.1)</i>	Not applicable
51	<i>Refer councils in Groups B-F to the Boundaries Commission in accordance with Table 11 and the proposed timeline (15.1)</i>	Not applicable
52	<i>Complete updated sustainability assessments and revised long term asset and financial plans for the 38 councils identified in Table 11 by no later than mid-2015 (15.2)</i>	Not applicable
Recommendations for Non-Metropolitan Regions		
53	<i>Agree in principle to the establishment of a Far West Regional Authority with the functions proposed in Box 39 and membership as proposed in Figure 9 (16.3)</i>	Not applicable
54	<i>Adopt the preferred new arrangements for local government set out in Box 40 as a basis for further consultation (16.4)</i>	Not applicable
55	<i>Establish a project team and reference group of key stakeholders within the DPC Regional Coordination Program to finalise proposals (16.5)</i>	Not applicable
Recommendations for State-Local Government Relations		

REVITALISING LOCAL GOVERNMENT – RECOMMENDATIONS		SUMMARY POSITION
<ul style="list-style-type: none"> • SYDNEY METROPOLITAN MAYORS COMMENT 		
56	<p><i>Use the State-Local Agreement as the basis and framework for a range of actions to build a lasting partnership, and negotiate supplementary agreements as appropriate (17.2)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors strongly supports this recommendation, subject to the state and local government being equal partners and implementation strategies being developed cooperatively with experienced local government practitioners. Refer to Collaboration and Coordination Working Group for further development and implementation. 	Broad support
57	<p><i>Introduce new arrangements for collaborative, whole-of-government strategic planning at a regional level (17.3)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors strongly supports this recommendation, subject to the state and local government being equal partners and implementation strategies being developed cooperatively with experienced local government practitioners. Implementation mechanisms will need to align with a range of recommendations above. Refer to Collaboration and Coordination Working Group for further development and implementation. 	Broad support
58	<p><i>Amend the State Constitution to strengthen recognition of elected local government (17.4)</i></p> <ul style="list-style-type: none"> Sydney Metropolitan Mayors believe this reform could provide the basis for building a new partnership of equals between state and local government. Refer to Collaboration and Coordination Working Group for further development and implementation. 	Broad support
59	<p><i>Seek advice from LGNSW on the measures it proposes to take to meet its obligations under the State-Local Agreement (17.5)</i></p> <ul style="list-style-type: none"> Refer to Collaboration and Coordination Working Group for monitoring and implementation. 	Broad support
60	<p><i>Strengthen the focus of DLG on sector development and seek to reduce its workload in regulation and compliance (17.6)</i></p> <ul style="list-style-type: none"> Refer to Collaboration and Coordination Working Group for advice on implementation. 	Broad support

• SYDNEY METROPOLITAN MAYORS COMMENT

Recommendations for Driving and Monitoring Reform

<p>61 <i>Establish a Ministerial Advisory Group and Project Management Office (18.1 and 18.2)</i></p> <ul style="list-style-type: none"> • Sydney Metropolitan Mayors supports the principle of driving and monitoring reform with the involvement of local government practitioners, transparency and independence. These reforms need to be implemented before consideration is given to disruptive and costly restructuring proposals. Work needs to be undertaken in the spirit of partnership proposed in recommendation 56. • Refer to Continuous Improvement Working Group for consultation, further development and implementation. 	<p>Support with qualifications</p>
<p>62 <i>Refer outstanding elements of the Destination 2036 Action Plan to the Ministerial Advisory Group (18.1)</i></p> <ul style="list-style-type: none"> • Implement before consideration is given to disruptive and costly restructuring proposals. Work needs to be undertaken in the spirit of partnership proposed in recommendation 56. • Refer to Continuous Improvement Working Group for consultation, further development and implementation. 	<p>Support with qualifications</p>
<p>63 <i>Adopt in principle the proposed priority initial implementation package set out in Box 42, as a basis for discussions with LGNSW under the State-Local Government Agreement (18.3)</i></p> <ul style="list-style-type: none"> • Refer to all Working Groups to develop practical yet ambitious implementation programs, using Box 42 as a basis for discussions. 	<p>Support with qualifications</p>
<p>64 <i>Further develop the proposals for legislative changes detailed in Boxes 43 and 44, and seek to introduce the amendments listed in Box 43 in early 2014 (18.5)</i></p> <ul style="list-style-type: none"> • Refer to relevant Working Groups to develop legislative proposals. 	<p>Support with qualifications</p>
<p>65 <i>Adopt in principle the proposed implementation timeline (18.6)</i></p> <ul style="list-style-type: none"> • Refer to all Working Groups to develop practical yet ambitious implementation programs, with the draft timeline as a basis for discussions. 	<p>Support with qualifications</p>