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Local Government: review of current issues

by Gareth Griffith

1. Introduction

When one considers the range of services and regulatory functions performed by local government, it is not surprising that issues concerned with this third tier of government are never far from the political agenda. These include concerns about governance and accountability, the delivery of infrastructure, revenue and funding arrangements and, at the top end of the debate there is the question of the constitutional recognition of local government at the Commonwealth level. The reforms to the planning system foreshadowed in the recent [Green Paper](#) will also impact heavily on local government.

Financial and structural issues are currently on the political agenda in NSW. Back in August 2011, it was reported that the Government would encourage but not force council amalgamations, as well as more collaborative approaches to the delivery of services.¹ Subsequently the O'Farrell Government established an Independent Local Government Review Panel, which is due to report in July 2013. In its November 2012 [discussion paper](#) the Panel said that it "believes that the current system of local government looks superficially well enough, but is really in quite poor shape".² Alongside the Panel, a Local Government Acts Task Force has been appointed to rewrite the *Local Government Act 1993* and examine the *City of Sydney Act 1988*. The Task Force is to complete its work in September 2013.

In February 2013 a report by consultants SGS Economics and Planning, commissioned by Randwick Council, found that the merger of four Sydney councils (Randwick, Waverley, Woollahra and Botany) "would save \$517 million in a decade – and failing a change would leave them with a \$52 million debt in the same period".³ The report was said to be welcomed by the Minister for Local Government, Don Page, who stated "everything is on the table" as "the government pursues far-reaching reforms".⁴

While this e-brief presents an overview of the key issues on the current agenda, its focus is on the question of consolidation and cooperation in local government. A review of the history of local

government in NSW and of the broad service and regulatory functions undertaken by this tier of government can be found in [Briefing Paper No 11/2008](#).

2. Local government in NSW: key facts and figures

Numbers and sizes: The steady decline in the number of local councils in NSW, from 1910 to 2008, is shown in the following table:⁵

1910	324
1967	224
1982	175
1990	176
2000	174
2008	152

According to the IPART's 2009 report [Revenue Framework for Local Government](#):

Area size varies from 5.7 square kilometres (Hunters Hill Council) to 53,508 square kilometres (Central Darling Shire Council). The average area size is 4,658 square kilometres, and about 25% of all councils serve an area that is smaller than 200 square kilometres.⁶

Population: Based on the 2011 census, the following table shows the 5 local councils in NSW with the highest and lowest population:

Highest	Number	Lowest	Number
Blacktown	301,097	Urana	1,158
Sutherland Shire	210,862	Jerilderie	1,495
Wollongong	192,419	Conargo	1,539
Lake Macquarie	189,005	Brewarrina	1,766
Fairfield	187,767	Central Darling	1,992

The next table shows the 5 local councils with the largest and smallest numerical change in population between the 2006 and 2011 census:

Highest	Number/%	Lowest	Number/%
Blacktown	29,385 (10.81%)	Broken Hill	-847 (-4.37%)
Parramatta	18,535 (12.50%)	Moree Plains	-545(-3.90%)
Liverpool	15,540 (9.44%)	Walgett	-489 (-7.04%)
Sydney	12,934 (8.26%)	Hay	-421 (-12.46%)
Bankstown	11,864 (6.96%)	Wakool	-403 (-9.23%)

Regional and metropolitan councils: In respect to the varying challenges facing different regions the 2012 [Review Panel](#) observed that:

The capacity of councils to deliver services varies greatly. Over 90% of the State's people live in about 80 local government areas which have populations of 20,000 or more. By contrast, around 50 councils have

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populations of less than 10,000, and a similar number depend on grants for more than 40% of their revenues.⁷

It is noted by the Panel that local councils in Western NSW, in particular, face major challenges, including declining, ageing and often socially disadvantaged populations.

The Panel also noted its concerns about councils in metropolitan areas, where regional patterns of population growth have the potential to "produce severe imbalances". It was calculated that, on current 2036 projections (under review) and if Sydney (excluding Central Coast and Illawarra) continued to have 41 council areas:

- populations will range from 18,000 to 481,000
- "Central" Sydney will have 18 councils with an average population of about 80,000
- "Eastern" Sydney (east of Parramatta/Auburn/Bankstown) will have 27 councils with an average population of about 97,000, including 9 of less than 60,000. "Western" Sydney will have 14 councils with an average population of about 220,000.⁸

Comparative statistics: The following comparative table is based on a September 2012 performance audit report prepared by the NSW Auditor General:⁹

	NSW	Vic	Qld	SA	Tas	WA
Number of councils	152	79	73	68	29	139
Average population of each council in 2010	47,575	70,192	60,998	23,438	17,505	16,500
Number of councils under 2,000 population	4	0	25	12	2	66
Reduction in councils between 1990-2010	14%	62%	45%	45%	37%	-1%

The same report stated:

Local councils in New South Wales vary enormously in size, geography, demographics and resources. As a result what they do varies greatly. Nevertheless, councils are governed by the same State laws and have similar structures whether they:

- are metropolitan or rural
- have 300,000 residents or 1,200
- have revenues of \$504 million or \$7 million.

Councils get their income from rates, charges, fees for service and government grants. Grants from State and Commonwealth sources can represent a minor contribution (3.4 per cent) up to more than half of a council's income. Generally, rural councils with small populations and large areas depend more upon grants. New South Wales is the only State that caps the amount of rates that councils can charge.¹⁰

Revenue and rates compared: The average rates per capita for 2008-09 across the States were set out in the Independent Local Government Review Panel [discussion paper](#), as follows:¹¹

NSW	Average of others	Difference	Vic	Qld	SA	Tas	WA
\$426.3	\$546.4	\$120.1	\$537.4	\$540.5	\$588.5	\$522.5	\$542.9

The Independent Pricing and Regulatory Tribunal (IPART), in its submission to the Panel, said that:

over the period 2001/2 to 2010/11, growth in the total revenues of NSW councils was 5.7% per annum, compared to an average of 8.0% for the other mainland States. Taxation revenue (rates) increased by 4.4% per annum in NSW compared to 8.0% in the other mainland States.¹²

3. Recent legislative initiatives

Under the O’Farrell Government a number of legislative reforms relevant to local government have been passed relating among other things to electoral, governance and accountability issues. In brief, these include:

Local Government Amendment (Elections) Act 2011 – enabling the number of councillors or wards to be reduced without the need for a constitutional referendum (s 224A(2) and s 210B, *LGAct 1993*).

Local Government (Shellharbour and Wollongong Elections) Act 2011 – providing for elections for mayors and councillors for the Shellharbour City Council and the Wollongong City Council, both of which had been dismissed in 2008.

Local Government Amendment (Conduct) Act 2012 - providing for the Director-General of the Department of Premier and Cabinet to conduct an investigation and determine whether a councillor has engaged in misconduct, as well as to take appropriate disciplinary action (s 4440H, *LGAct 1993*).

Local Government Amendment (Members of Parliament) Act 2012 - preventing a person from holding the dual role of a Member of Parliament of NSW and a councillor or mayor of a council (s 275(a1), *LGAct1993*).

On 26 February 2013 the [Local Government Amendment \(Early Intervention\) Bill 2013](#) was introduced in the Legislative Assembly with the aim of addressing “collective dysfunction and poor performance by councils”. It seeks to achieve this by putting in place an “early intervention framework to drive improvement” by, among other things, providing the Minister for Local Government with the power to issue a “performance improvement order”. New powers are also proposed to suspend a council for up to three months.¹³

4. Unfinished business? A decade of inquiries into Australian local government

In its [Working Paper No 4](#) of September 2011 the Australian Centre of Excellence for Local Government (ACELG) reviewed the many inquiries into the state of local government in Australia published over the preceding decade. These were set out as follows:

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- [Commonwealth Grants Commission Review of the Operation of Local Government](#) (Financial Assistance) Act 1995 (2001)
- House of Representatives Standing Committee on Economics, Finance and Public Administration ('Hawker' report), [Rates and Taxes: A Fair Share for Responsible Local Government](#) (2003)
- South Australian Financial Sustainability Review Board, [Local Government in South Australia: Assessing Financial Sustainability: a discussion paper](#) (2005)
- [Independent Inquiry into the Financial Sustainability of NSW Local Government, Are Councils Sustainable?](#) ('Allan' report, 2006)
- [Western Australian Local Government Association Systemic Sustainability Study](#) (2006)
- [PriceWaterhouseCoopers National Financial Sustainability Study of Local Government](#) (2006)
- [Local Government Association of Tasmania Review of the Financial Sustainability of Local Government in Tasmania](#) (2007)
- [Report of the Queensland Local Government Reform Commission](#) (2007)
- [Productivity Commission Assessing Local Government Revenue Raising Capacity](#) (2008).¹⁴

From the listed inquiries, the Working Paper extracted the key policy issues to emerge, as follows:

- Local government's role and functions have expanded considerably over recent decades, and there is now a mismatch between expenditure demands and current levels of revenue, especially own-source revenues
- This mismatch manifests itself particularly in inadequate infrastructure maintenance and renewal
- More could be done by councils themselves to increase own source revenues and to improve financial governance and asset and financial management
- Local government's performance in long term strategic, asset, financial and workforce planning needs to improve considerably
- Many smaller councils struggle with lack of scale in their operations
- Greatly expanded regional cooperation and resource sharing may offer an alternative to amalgamations as a means of enabling councils to improve their efficiency and effectiveness
- Neither amalgamation nor resource sharing will ensure the sustainability of thinly populated and often geographically very large rural and remote councils: increased external support appears essential
- State governments should avoid cost-shifting on to local government, reduce compliance costs, and remove unwarranted restrictions on local government revenue-raising
- The federal government should review various aspects of the system of financial assistance grants, including the annual escalation factor
- State, and to a lesser extent federal, government relations with local government need to be enhanced through a variety of inter-government agreements.¹⁵

According to the Working Paper, government responses to the findings of the above inquires included (in part):

- The 'Inter-Governmental Agreement establishing Principles Guiding Inter-Governmental Relations on Local Government Matters' (cost-shifting) signed in 2006, and subsequent subsidiary agreements in most States
- Relations on Local Government Matters' (cost-shifting) signed in 2006, and subsequent subsidiary agreements in most States
- Federal funding for community infrastructure provided as part of the stimulus response to the Global Financial Crisis of 2008
- Federal funding of programs to improve asset and financial management, and collection of consistent national data, through the Local Government Reform Fund (launched in 2009)
- A review of rate-pegging in NSW by the State's IPART in 2009 (see below)
- Introduction in 2009 of the Integrated Planning and Reporting Framework in NSW to improve strategic, asset, financial and workforce planning.¹⁶

In respect to Integrated Planning and Reporting (IP&R), IPART explains that:

By 30 June 2012, all NSW councils were required to implement the IP&R framework. This means that they should have:

- identified and planned for funding priorities, asset management and service levels following engagement with their communities, including on how these priorities are to be paid for
- developed a set of plans in consultation with their communities, including a Community Strategic Plan, a Long Term Financial Plan (both for at least a minimum of 10 years), and a 4-year Delivery Program and 1-year Operational Plan with accompanying budgets
- established a series of reporting processes.¹⁷

The unfinished business identified by the ACELG 2011 Working Paper included (in part):

- Ongoing concerted efforts to expand local government's own-source revenues from rates, fees and charges, consistent with the findings of the "Henry" 2009 tax review.
- Related measures to improve the quality and consistency of financial governance, applying principles such as those outlined by the Productivity Commission (2008) and some form of performance auditing against agreed key indicators.
- Expanded and strengthened regional collaboration and resource sharing (shared services), based on the establishment of robust and well resourced regional entities, amounting in some instances to fully-fledged 'regional councils'.
- Further examination of the potential for council amalgamations in specific regions and circumstances.
- A new or revised inter-government agreement to establish a clearer consensus on the evolving responsibilities of local government and the role it may reasonably be expected to play in the broader system of government.

5. Consolidation and cooperation in local government

The May 2011 report [Consolidation in local government](#) was undertaken as a collaborative research project between ACELG, the Local Government Association of South Australia (LGASA) and Local Government New Zealand. In the wake of the plethora of reports, each wanted to "take a fresh look at the issue of consolidation in local government". The term "consolidation" was preferred to "amalgamation", it was said, "to embrace a wide range of options that may deliver economies of scale or scope, or other benefits directed towards more effective local government". The options considered included those of shared service delivery, various models of regional collaboration, boundary adjustment, and voluntary, forced and failed amalgamations of councils.¹⁸

Its headline conclusions, in [summary](#), were as follows:

- Ongoing change in local government is unavoidable, and consolidation in its various forms will be part of that process.
- As a general rule benefits of some sort do accrue when councils adopt mechanisms to collaborate or consolidate with other local authorities.
- Potential benefits are reduced or lost when the process is flawed due to inadequate planning and consultation or a failure to consider all the options available and precisely what each should achieve.
- There is little evidence that amalgamation will automatically yield substantial economies of scale.
- What is more obvious is that various forms of consolidation have the capacity to yield economies of scope.¹⁹

On the theme of cooperation and resource sharing amongst councils, with specific reference to NSW, the report, noted:

In NSW a round of largely forced amalgamations in 2003-4 has been followed by strong state government support for regional cooperation, resource sharing and shared service delivery. Voluntary regional cooperation was first encouraged nationally by the Whitlam federal government in the mid-1970s, and again by the Hawke-Keating governments in the 1980s and early 1990s. It took root across much of NSW and both during and since the last round of restructuring has been promoted as an alternative to council amalgamations. An often quoted example is the Wellington- Blayney-Cabonne 'strategic alliance' in the central western region of NSW, which was established in 2003 explicitly as an 'alternative model for local government reform'. Voluntary regional cooperation of this sort can, however, raise complex issues of governance and may be fragile...²⁰

6. Councils in cooperation

The leading Australian textbook on the pros and cons of consolidation/amalgamation on one side and cooperation or the provision of shared services on the other is *Councils in Cooperation* by Brian Dollery, Bligh Grant and Michael Kortt. It sets out its own account of the challenges facing Australian local councils and the range of potential responses to these. One major issue identified is what is called the "local infrastructure crisis", to which a number of suggested solutions are noted, including the issuing of municipal bonds on the Australian equity market.²¹

A second major issue is the “operational efficiency” of local government, especially comparatively small regional, rural and remote local authorities. Dollery et al comment that mergers between councils have not generally achieved their intended aims. They say this conclusion finds “endorsement” in various national and State inquiries:

which have been uniformly sceptical of forced merger programs and instead advocated resource sharing, shared service provision and additional collaborative arrangements through Regional Organisations of Councils, Regional Alliance Models, and other cooperative arrangements between local councils as the best means of enhancing the operational performance of local government.²²

Referred to extensively by Dollery et al is the 2007 paper by the NSW Department of Local Government, [Collaboration and Partnerships between Councils: A Guidance Paper](#) which distinguishes between Regional Organisations of Councils (ROCs) on one side and Strategic Alliances on the other. Strategic Alliances are described as “a voluntary cooperative model based on a Memorandum of Understanding” and linking “a variety of services in ways that support each other”. The 2007 paper notes that:

This is the model essentially at the core of strategic alliances such as: New England, Wellington Blayney Cabonne, Mid North Coast Group, Richmond Tweed Clarence, Barwon Darling, Bombala Cooma-Monaro Snowy River, Mid Lachlan, and Wingecarribee Wollondilly. Similar models are being developed by Bathurst Dubbo Orange, Blue Mountains Penrith, and Goulburn-Mulwaree Palerang Strategic Alliances.²³

The ROC model on the other hand is described as establishing “a corporate entity to develop integrated service approaches on behalf of member councils”. Such arrangements are said to be “usually based on member contributions and allow the ROC to employ staff to drive regional partnership initiatives”. According to the 2007 paper:

A number of other ROCs operate under a common constitution but the employment of staff rests with individual councils. Such ROCs include CENTROC, Northern Sydney ROC and Namoi ROC. This requires clear agreement between councils as to how associated costs are met.

The key feature of this approach is that councils have identified interrelated areas in which they can benefit from a common approach. The projects undertaken by the partnership support each other.²⁴

Two examples of Strategic Alliances in NSW are discussed by Dollery et al, as follows.

New England Strategic Alliance of Councils (NESAC): This voluntary alliance of four adjacent councils was operative from 2004 to 2009. In respect to its demise, one comment is that NESAC “was *not* formed as a positive, governing arrangement; rather, it was put in place to stave off compulsory amalgamation”. It said that: “Once this goal was achieved, the underlying rationale for the Alliance was no longer present”. The fact that the arrangement was non-binding, leaving councils free to exit at any time was also seen as problematic for this arrangement.²⁵

Wellington- Blayney-Cabonne strategic alliance (WBC Alliance): More positive is the account of the WBC Alliance, established in August 2003,

again in response to the threat of amalgamation. In this case, however, the councils had held talks over many years “in an effort to develop more efficient methods of delivering improved services”. A constitution was agreed to with the aims of: exploiting potential economies of scale through joint service provision; increasing the range and quality of services available to residents; reducing the cost of these services to ratepayers; and retaining and even expanding job opportunities for the residents of the WBC Alliance. It is said that overtime that Alliance has “both evolved and strengthened considerably”, with a renewed emphasis on such things as procurement, staff skills, lobbying and advocacy. By 2009-10, accumulated savings achieved by the WBC Alliance were “estimated to be in excess of \$3 million across a broad range of activities”.²⁶

Two examples of ROCs in this State are discussed by Dollery et al, as follows.

Western Sydney Regional Organisation of Councils (WESROC): Of WSROC it is noted that it has consolidated its “status as the key representative of Western Sydney’s regional interests” and that one of its primary functions continues to be “to achieve savings for its member councils derived from collective procurement”. In 2011, WSROC appointed a full-time Procurement and Joint Activities Coordinator.²⁷

Riverina Eastern Regional Organisation of Councils (REROC): REROC is a second NSW case study considered by Dollery et al, which includes a detailed breakdown of the savings derived from shared service between 1998 and 2004. By reference to its 2010-11 Annual Report, it said that REROC displays “commitment to financial transparency, benchmarking, economic efficiency and shared services...”. By reference to its submission writing and lobbying activities, REROC is also said to provide a representative voice for the councils under its umbrella, a voice that in turn reflects the “inherently collaborative nature” of REROC.²⁸

A third successful example of the ROC model operating in NSW is the Hunter Councils group which, according to the 2011 report [Consolidation in local government](#):

has developed a unique, strongly entrepreneurial model that achieves major economies of scale in selected areas of activity by extending its services beyond the region and to non-council members.²⁹

For Dollery et al, the broad conclusion to emerge is that the key challenges facing local government, of local infrastructure renewal and financial sustainability:

cannot be solved through structural reform which fosters shared service delivery, despite the fact that modest savings will emerge from judiciously designed shared service entities. Instead, new approaches to financing New South Wales local government are required.³⁰

7. Independent Local Government Review Panel

The issues of infrastructure renewal and funding generally are among those raised by the Review Panel in their November 2012 [discussion paper](#), as are governance, regional collaboration and shared services and amalgamations. It also noted that both the NSW and Victorian Auditors-

General have highlighted the need for improved monitoring of the performance of local government as a “basis for comparative benchmarking and continuous improvement”.³¹

On the health of the system, the Panel wrote:

On the whole, councils continue to deliver a reasonable range of services and do so quite efficiently. But on closer examination it becomes evident that underlying financial problems and infrastructure backlogs are mounting; grants are not being allocated sufficiently to areas of greatest need; many more councils should be applying for Special Rate Variations; efficiency, effectiveness and regional collaboration must be improved considerably to make the best use of scarce resources; there are too many layers of regulation; too many councils focus on compliance rather than performance; the local government associations need to play a stronger role; and so on.³²

The [discussion paper](#) went on to observe:

Despite recent improvements, the State local relationship is typically regarded in local government circles as one of ‘master to servant’. Compared to other States, NSW has been slow to establish processes for regular policy dialogue between State and local government. Some State policies affecting local government cut across each other with adverse, unintended consequences. For its part, local government has failed to raise its sights and make it itself a more attractive partner.³³

On the subject of “structure and boundaries”, the Panel outlined its approach as follows:

The Panel will investigate the need for new local government structures at regional and sub-council levels. It will also explore a range of possible new models of cooperative governance and service delivery in western NSW.

The Panel will seek further evidence on the benefits and drawbacks of boundary changes in different circumstances. It will formulate proposals for amalgamations, new regional entities and shared services as appropriate throughout NSW. There is a case to consider significant consolidation of local government across the Sydney metropolitan area, and in other major urban regions, and some regional centres.

If further boundary changes are to be pursued, especially on a voluntary basis, there will need to be a well-resourced, strongly proactive process. The Panel will consider how that might best be facilitated.³⁴

The following factors were set out as informing the Panel’s assessment of local government boundaries: population growth; accessibility; communities of interest; local identity and sense of place; strategic capacity; efficiency and effectiveness; strong centres; infrastructure assets; removing disruptive boundaries; and combining existing municipalities.³⁵

8. Constitutional recognition of local government

The issue of the constitutional recognition of local government has a long history and a large body of commentary relevant to it, including a particularly good overview by Nicola McGarrity and George Williams which can be found [here](#).³⁶

The issue has come into sharper focus in recent years in the aftermath of two recent High Court cases, [Pape v Federal Commissioner of Taxation](#)³⁷ and [Williams v Commonwealth of Australia](#).³⁸ The last decision in particular put in doubt the constitutionality of the Commonwealth providing direct funding for such programs as *Roads to Recovery*.

In a preliminary report released in January 2013 a Joint Select Committee of the Commonwealth Parliament recommended (by majority) that a referendum be held at the same time as the next federal election to provide for the "financial recognition of local government" in the Australian constitution.³⁹ Specifically, the majority recommended that s 96 of the Australian Constitution be amended to read:

...the Parliament may grant financial assistance to any State or to any local government body formed by State or Territory legislation on such terms and conditions as the Parliament thinks fit.

Coalition members of the Committee agreed with the broad thrust of the recommendation but dissented on the proposed timetable for a referendum. It was noted that in its 2011 report the [Expert Panel on the Constitutional Recognition of Local Government](#) had supported a 2013 referendum on financial recognition, provided a number conditions were met, including negotiation with the States to "achieve their support for the Government's proposed question". The Expert Panel report noted that "the New South Wales Government does not support financial recognition in the absence of clear evidence that existing funding arrangements are deficient".⁴⁰

In the event, Coalition members of the Joint Select Committee reserved their position "pending the outcomes of any response by the Government" and the Committee's final report in March 2013.

9. Conclusion

Local government in NSW is clearly a focus of debate at present, across a range of issues, from financial sustainability to structure, accountability and integrity in governance. Whether the time has come for the "financial recognition" of local government in the Australian Constitution remains to be seen.

¹ M Whitbourn, "NSW puts council mergers on agenda", *Australian Financial Review*, 10 August 2011, p1.

² Independent Local Government Review Panel, [Better Stronger Local Government: the case for sustainable change](#), November 2012, p 9.

³ V Champion, "[Merging councils could save \\$517m](#)", *The Daily Telegraph*, 28 February 2013.

⁴ N Hasham, "[Mergers report looks at super council plan](#)", *SMH*, 28 February 2013. ACELG, [Consolidation in Local Government: a fresh look – Report, Volume 1](#), May 2011, p 14.

⁶ IPART, [Revenue Framework for Local Government](#), Final Report, December 2009, p 23.

⁷ Independent Local Government Review Panel, n 2, p 19.

⁸ Independent Local Government Review Panel, n 2, p 25.

⁹ NSW Auditor-General's Report, [Monitoring local government](#), September 2012, Extract from Appendix 3.

¹⁰ [Monitoring local government](#), p 7.

¹¹ Independent Local Government Review Panel, [Better Stronger Local Government: the case for sustainable change](#), November 2012, p 18.

- ¹² [Better Stronger Local Government: the case for sustainable change](#), p 17. IPART's function in respect to local government are set out on its [website](#). In 2010 IPART was given functions in regulating council rate increases, including determining the rate peg (the maximum allowable increase in local government general income). For a recent analysis of local government financing see – ACELG, [In our hands: strengthening local government revenue for the 21st century](#), Working Paper, February 2013.
- ¹³ NSWPD, 26 February 2013 (Proof p 32), [Second Reading Speech](#).
- ¹⁴ ACELG, [Unfinished Business? A decade of inquiries into Australian local government](#), Working Paper No 4, September 2011, p 2. Note that the IPART's 2009 report [Revenue Framework for Local Government](#) was not included "because IPART's work was very tightly focused and its recommendations were confined to setting out an ongoing framework to regulate rate revenue".
- ¹⁵ ACELG, Working Paper No 4, p 4.
- ¹⁶ *Ibid*, p 5.
- ¹⁷ IPART, *Our role in local government rate setting and special variations*, Fact Sheet, November 2012. It is noted that the IP&R Framework is explained in more detail in [Planning and Reporting Guidelines for local government in NSW and Planning and Reporting Manual](#) published by the DLG.
- ¹⁸ ACELG, [Summary – Consolidation in local government: a fresh look](#).
- ¹⁹ For an analysis of what is meant by economies of scale and economies of scope see - B Dollery et al, *Councils in Cooperation: shared services and Australian local government*, The Federation Press 2012, pp 126-127.
- ²⁰ ACELG, [Summary – Consolidation in local government: a fresh look](#), p 19.
- ²¹ B Dollery et al, *Councils in Cooperation: shared services and Australian local government*, The Federation Press 2012, p 2.
- ²² Dollery et al, p 3.
- ²³ NSW Department of Local Government, [Collaboration and Partnerships between Councils: A Guidance Paper](#), p 10.
- ²⁴ [Collaboration and Partnerships between Councils: A Guidance Paper](#), p 10.
- ²⁵ Dollery et al, pp 206-207.
- ²⁶ Dollery et al, pp 207-213.
- ²⁷ Dollery et al, pp 174-175. For an earlier appraisal see - Department of Local Government, Review Report, [Wellington Blayney Cabonne Strategic Alliance](#), November 2007. See also WBC Strategic Alliance, [Response to the Independent Review Panel into Local Government](#), September 2012.
- ²⁸ Dollery et al, pp 182-183.
- ²⁹ [Consolidation in Local Government: a fresh look – Report, Volume 1](#), p 45.
- ³⁰ Dollery et al, p 251. Discussed is the Destination 2036 Outcomes Report that arose from the August 2011 summit meeting.
- ³¹ [Better Stronger Local Government: the case for sustainable change](#), p 33.
- ³² [Better Stronger Local Government: the case for sustainable change](#), p 9.
- ³³ [Better Stronger Local Government: the case for sustainable change](#), p 9.
- ³⁴ [Better Stronger Local Government: the case for sustainable change](#), p 5.
- ³⁵ [Better Stronger Local Government: the case for sustainable change](#), p 29.
- ³⁶ N McGarrity and G Williams, "Recognition of local government in the Commonwealth Constitution" (2010) 21 *Public Law Review* 164.
- ³⁷ (2009) 238 CLR 1.
- ³⁸ (2012) 288 ALR 410; [2012] HCA 23 (20 June 2012). For a commentary see – G Griffith, [The High Court's decision in the School Chaplains case](#), E-brief 14/2012.
- ³⁹ Commonwealth Parliament, Joint Select Committee on Constitutional Recognition of Local Government, [Preliminary report on the majority finding of the Expert Panel on Constitutional Recognition of Local Government: the proposal, timing and likely success of a referendum to amend section 96 of the Australian Constitution to effect financial recognition of local government](#), p 2. Note that the five Coalition members of the committee issued a dissenting report.
- ⁴⁰ [Expert Panel on the Constitutional Recognition of Local Government](#), Final Report, December 2011, p 2.

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