TOWARDS THE COUNCIL OF THE FUTURE.

Contents.

The Expert Panel.

The LGA of SA established a three person expert panel to develop a vision for a "Council of the Future".

The Panel is chaired by former State Government Minister, Hon Greg Crafter AO with former District Court Judge, Christine Trenorden and the former Director of the Australian Centre for Excellence in Local Government, Professor Graham Sansom.

Greg Crafter was a Member of the SA House of Assembly for 14 years and for eleven of those years held various Ministerial portfolios including Education and Children's Services, Community Welfare, Aboriginal Affairs Housing, Urban Development, Local Government Relations and Recreation and Sport. Mr Crafter chaired the review of Senior Secondary Education in SA and was a member of the Fahey Review which examined the structure and efficiency of the public service.

Christine Trenorden is a former Senior Judge of the District and Environment, Resources and Development (ERD) Court and has expertise in planning, environmental and natural resources and Local Government law. Christine is currently a Visiting Professor at the School of Energy and Resources, University College London, in Adelaide.

Professor Graham Sansom was until recently the Director of the Australian Centre of Excellence for Local Government and the Centre for Local Government at the Sydney University of Technology. Graham has also been CEO of the Australian Local Government Association and is Chair of the New South Wales Government's Local Government Review Panel.

The Expert Panel
Professor Graham Sansom, Mr Greg Crafter (Chair) and Ms Christine Trenorden

Terms of Reference.

In 2011 the Local Government Association (LGA of SA) launched its Local Excellence Program which focuses on the future of Local Government in South Australia in the theme areas of:

1. Community Engagement;
2. Financial Reform;
3. Service Efficiency and Effectiveness; and
4. Governance.

Specifically, the Local Excellence Program aims to:

~ redefine the role and functions of Councils in key areas of activity;

~ consolidate opportunities and identify service innovation using test sites;

~ enhance the skills of staff and Council Members in governance and community engagement;

~ identify the barriers to service delivery, governance and intergovernmental excellence in South Australia, as well as strategies to raise performance; and

~ undertake research to enhance future State/Local Government relations.

A key feature of the implementation of the Program is the formation of a Local Excellence Expert Panel. The key role of the Panel is to turn its mind to the following issues when considering the future of the Local Government sector and, in particular, the "Council of the Future":

1. role and functions;
2. governance framework, including accountability and integrity issues;
3. community engagement and capacity building;
4. performance aspirations in key functional areas;
5. financial arrangements;
6. intergovernmental relationships;
7. regional collaboration; and
8. partnerships with the private sector.

The Panel will deliver a report to the LGA of SA's Annual General Meeting in October 2013.

In undertaking its work, the Panel will draw on the information gained from the relevant Local Excellence projects, seek written submissions and verbal deputations from Councils, written submission from the public and other stakeholders and tap into resources provided by researchers, experts and academics.

How to Provide a Submission.

HAVE YOUR SAY!

In this paper you will find a series of discussions and some questions or "discussion" points. These discussion points have been prepared to stimulate your thinking and you are encouraged to shape a response around them. It is important to note however, we don't expect submissions to address every issue and you are also welcome to provide any other information you think would be useful for the Panel to consider.

For practical purposes, responses should be succinct and, where it is possible, provide examples/case studies to illustrate the points being made.

You are able to respond to the issues in two main ways – either by responding to the questions or discussion points that interest you on the *Have Your Say* section of the Expert Panel's website or by making a written submission by close of business Friday 30th August 2013.

Submissions should be emailed in Microsoft Word format to: expertpanel@lga.sa.gov.au, and marked to the attention of the Panel's Executive Officer, Tony Lawson. Please include the name of the individual and/or organisation providing the submission as well as contact details to enable the Panel to seek further information or clarification, if required.

Please note that submissions will be uploaded on to our website. If you require your submission to remain confidential you will need to clearly state that.

The Panel will be conducting a number of visits and hearings around the State.

If you have any questions about the submission process or the Expert Panel, please contact:

Tony Lawson
Phone: 0417895180
Email: tlawcons@bigpond.net.au
www.lga.sa.gov.au/LEPanel

Review of SA Planning System

Also please note that the SA Government has appointed an expert panel to undertake a wide ranging inquiry into the planning system and provide advice to the Government and Parliament on potential reforms.

Given its importance to the Local Government sector you may wish to make a submission to that review as well. Submissions can be made at www.thinkdesigndeliver.sa.gov.au

"There is no pot of gold, so we have to look at ways where we can work smarter and more efficiently."

Part 1 - Introduction and Overview.

THE EXPERT PANEL'S APPROACH

The purpose of this Discussion Paper is to seek feedback on a range of information and ideas being considered by the Expert Panel (the Panel). The paper should not be interpreted as a statement of findings and recommendations at this stage. However, in the final report due in October 2013 the Panel will be making a series of recommendations for the LGA of SA's consideration.

The Panel wishes to generate debate about the challenges to be faced by the Council of the Future and what it may look like. It should be noted that true to its charter the Panel has focussed on 'the future' as being 20 to 25 years or more. However, there are likely to be a number of concepts and ideas which have application and could be acted upon in a shorter timeframe.

The Panel has set out to chart the Council of the Future from various perspectives by using a consultative approach, referencing key projects from the Local Excellence Program, conducting research into Local Government reform in Australia and internationally, as well as holding hearings and seeking submissions. In the first call for submissions over 100 were received from key stakeholders, including government, Councils, peak bodies and the general community.

These submissions have been analysed and key themes have emerged which the Panel has drawn upon to frame many of the discussion points outlined in this Discussion Paper.

In addition to the process of inviting submissions, many face to face meetings have been held with individuals and groups. Also Panel members have participated in conferences and other discussions with similar reviews in other Australian States and New Zealand.

As well, in recent months research has been commissioned to gain a greater understanding of:

~ population projections in South Australia, particularly the ageing profile of the community and the loss of highly qualified young people to opportunities interstate and overseas.

~ structures, roles and functions of regional local government authorities.

~ local representation issues including role of Mayors and elected members, compulsory voting and drawing on independent expertise.

~ how regional subsidiaries are being utilised, their strengths and weaknesses and legislative flexibility to expand their scope.

~ emerging ideas around community governance and whether legislation is required to set out the roles, functions and powers of community governance bodies, as well as possible funding and resource arrangements.

The Panel is keen to hear from a still broader cross section of the Local Government community across the State, and also wishes to intensify its dialogue with the State and Federal Governments and other stakeholders. A number of visits and hearings are being conducted in metropolitan Adelaide and in regional and rural South Australia.

SETTING THE SCENE

There are many issues impacting on our communities such as the changing state and national economy, population shifts from rural to city and within both metropolitan and regional areas, the ageing population, increasing demands for new and different services, technological innovations and environmental pressures. Overlaying these issues is Local Government's capacity to provide appropriate levels of infrastructure and community and other services, effectively manage assets and play its role in achieving long-term financial sustainability for our State.

It is vital that appropriate efforts be made and practices introduced to ensure that the role of Local Government into the future is clearly articulated, and that available revenue options are considered and where appropriate implemented to address cost pressures and enhance community development and economic competitiveness.

In addition Councils will need to deal with a number of emerging challenges including climate change adaptation and mitigation, technological change, better management of waste and improved planning outcomes.

The President of the Local Government Association of South Australia, returning from a delegation to Canberra, recently had this to say:

The message out of Canberra was clear, there is no pot of gold, so we have to look at ways where we can work smarter and more efficiently. We have to look at where we can partner with State and Federal Government s and where we will have to bite the bullet and go it alone. (LGA of SA News Issue 152, October/November 2012, LGA of SA)

This outlook is one of the key reasons why the Local Government Association of SA (LGA of SA) established the Expert Panel to identify the Council of the Future. It is not that the system is already "broken"; or that Local Government is totally resistant to change, as Councils frequently make adjustments to meet the needs of their communities.

However, the LGA of SA of SA has recognised that the sector cannot rest on its laurels and hope that it can adapt to and meet the vast array of challenges that are looming over the horizon without a clearer idea of precisely what those challenges are and the impacts they are likely to have on the way Councils are structured and operate.

An informed debate is needed to ensure that Local Government and local communities are better prepared to deal with the challenges of the future.

In contrast to reform activities in other jurisdictions the State Government is not wielding the "big stick" for reform in South Australia. The Panel therefore applauds the initiative taken by the Councils of SA through the LGA of SA to discern the Council of the Future and to plan for the future now rather than react to change when it arrives on the doorstep.

Snapshot

Today there are:-

~ 68 Councils within SA - 19 Councils in the Adelaide metropolitan area with an average population of 63,000

~ 49 country Councils with an average population of 9,000

~ The Coorong District Council has the largest area at 8,862 square kilometres

~ The Onkaparinga Council has the largest population of approx.165,000.

~ The Orroroo Carrieton has smallest population of 932 (as at 2011)

~ There are 714 Council Members

~ There are more than 10,000 employees

~ More than $19 billion worth of infrastructure assets are maintained

~ Operating expenditure exceeds more than $1.8 billion a year

# "Local Councils will have to seriously re-think their role, functions and structures.

Part 2 - Local Government in a Changing World.

The Panel has been asked to consider what the "Council of the Future" might look like in 20 to 25 years or more. This requires an understanding of the likely impact of major changes occurring in the economies and demography of South Australia as a whole and its local and regional communities; the changing fortunes of federal and State Governments; and hence potential shifts in the roles and responsibilities of each of the three tiers of government and the ways in which they will relate to each other in future. The following sections provide some relevant background and ideas to inform discussion of those issues.

MORE FOR LESS

GREAT EXPECTATIONS　　　**GOING, GOING... GONE?**

VIRTUALLY HERE　　　**THE SILK HIGHWAY**

FOREVER YOUNG

GLOBAL TRENDS

The Panel is looking ahead to the next 20 to 25 years. Coming decades will bring numerous challenges for all tiers of Government including the complex relationships between them which currently exist. Some have been evident for a while, others will be new. For example the CSIRO[1] has identified six inter-linked 'global megatrends', shown and summarised here.
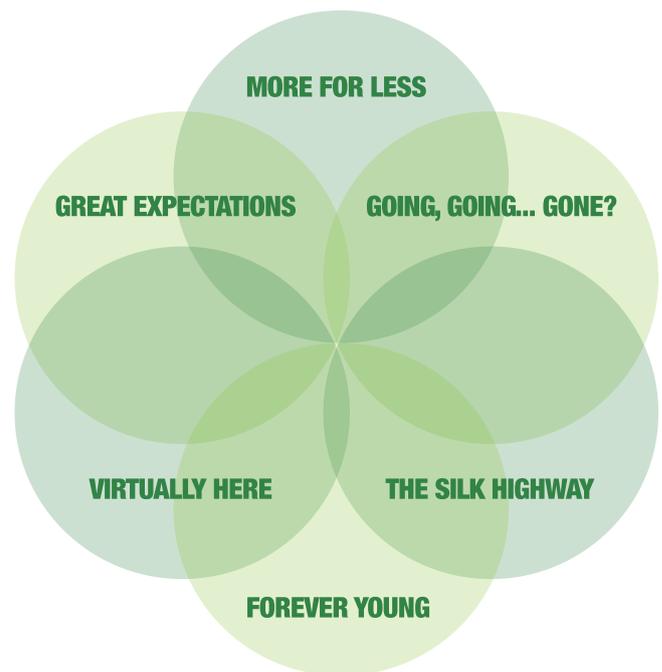
~ *More from less:* Ensuring quality of life for current and future generations within the confines of limited resources.

~ *Going, going... gone?:* Much of the natural world that humans depend upon is at risk of being lost forever – but there is also a positive story and a potentially bright future.

[1] Hajkowicz SA, Cook H, Littleboy A. 2012. *Our Future World: Global megtrends that will change the way we live.* The 2012 Revision. CSIRO, Australia.

- ~ *The silk highway:* Coming decades will see billions of people in Asia and, to a lesser extent, South America and Africa transition out of poverty and into the middle income classes.

- ~ *Forever young:* The ageing population is an asset – elderly citizens provide a wealth of skills, knowledge, wisdom and mentorship.

- ~ *Virtually here:* A world of increased connectivity where individuals, communities, governments and businesses form new connections and selectively access information through multiple channels.

- ~ *Great expectations:* The rising demand for experiences over products and the rising importance of social relationships.

THE SYSTEM OF GOVERNMENT

In discussing the System of Government in South Australia and elsewhere the Panel is cognisant of two important matters as follows;

- ~ Local Government in South Australia is a creation of the State Government and legislation currently provides for a range of regulatory responsibilities for Local Government.

- ~ In both the United Kingdom and New Zealand jurisdictions there are two tiers of Government compared with the three tiers in Australian jurisdictions.

In broad terms the Panel sees the potential for changes over coming decades to be of such magnitude that local Councils will have to seriously re-think their role, functions and structures. Collectively the relationship between the three tiers of Government in this country will be challenged as never before in the history of the Federation.

Firstly, the Panel's work cannot be conducted in the absence of an understanding of the financial

stressors facing State Governments in formulating their annual budgets and the resultant trend lines in service provision. At the same time, many local Councils have been expanding their role across a wider range of programs, such as economic and community development and environmental management. In some cases this has resulted from Federal and State policies and grant funding.

The Panel believes the clarification of the division of responsibilities between the three tiers of government (and their respective statutory authorities) and the structures and processes for achieving fair and just outcomes for the communities they serve requires urgent attention, although in a rapidly changing world it recognises the difficulty of setting precise and firm limits.

In recent years Councils in South Australia have accepted greater responsibility for the delivery of community health services, environmental protection programs and services, family and community services including the arts and regional economic development. To a large extent these have evolved in an ad hoc way and on occasion without reference to or recognition of Local Government.

Some Councils have greater capacity than others to embrace these initiatives. For example in areas of declining rural populations we are aware some Councils are struggling to meet their basic statutory obligations let alone take on onerous new responsibilities. Yet it is the residents of those communities who are all too often in the greatest need of accessible community services. The current structure of Local Government with 68 separate legal entities of varying size and capacity means that some programs, if transferred to Councils, might not be delivered in accordance with community expectations and legislative standards.

We have noted the establishment of the "Big Society" policies in the United Kingdom which aim to instill in local communities the sense of duty to care for those in need and to deliver services by and within those communities. The empowerment of local communities is discussed in this context. As experience has shown elsewhere, Local Government has a vital role to play in urban renewal policies and practices and the economic development of regions and the State as a whole.

Regional cooperation between State and Local Government and the private sector is the way forward if it is strategic and collaborative and there are wins all round. Education outcomes, training opportunities and jobs in growth industries are key determinants for building healthy and sustainable communities of the future to improve communities with poor outcomes for already disadvantaged kids and their families.

In the years ahead we anticipate a serious consideration of these policy developments in the Australian context. Local Government will need to take a central place in any such debate.

There can be no doubt that the role and function of Councils is increasing and with their close proximity to those whom they serve there is strong community acceptance of this tier of government. However, this does not necessarily validate the current structure of local government in South Australia's 68 Councils. It is noted that there is a broad spectrum of Councils in Australia ranging from large Councils providing a range of services (eg public transport and human services) through to very small Councils with populations of less than a thousand people. While size is not a determining factor on its own, it may contribute to the varying capacity of Councils to provide services to their communities.

The importance of regional governance and service provision entities is growing rapidly and this development is of considerable interest to the Panel in envisioning the Council of the Future.

Whatever the future may hold the Panel considers that the competence of the Council in both the areas of administration and governance is of the highest importance in building capacity for the Council of the Future to deliver the range and quality of services required of them and to build a confident future for the local tier of government. The discussion paper outlines many of the issues to be embraced in a continuing program of improvement for every element of Local Government.

The Australian Centre of Excellence for Local Government (ACELG) in its report *Consolidation in Local Government: A Fresh Look* described the concept of 'strategic capacity' in Local Government in the following terms:

In the report - Consolidation in Local Government: A Fresh Look (a collaborative research venture between the Australian Centre of Excellence for Local Government {ACELG}, Local Government Association of South Australia {LGA of SA}, and Local Government New Zealand {LGNZ}), the concept of 'strategic capacity' is used in terms of it being essential to local government's long term success as a valued partner in the system of government and this factor emerged as probably the most important issue for councils to consider in examining different modes of consolidation[2].

ACELG defined 'consolidation' to include not only amalgamations of Councils but also enhanced regional collaboration and shared services. The Panel endorses ACELG's conclusion that, whether through consolidation or by other means, Local Government must take action to strengthen its capacity to play a leadership role at local and regional levels in Australia's evolving system of government.

DEMOGRAPHIC CHANGE

The impact of demographic change is one of the least understood but at the same time most significant of all of the trends impacting on the environment in which Local Government functions[3]. There appears to be a view that population will continue to grow and that positive net migration is always going to be a significant contributor to the growth of the State and nation.

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[2] Chris Aulich, Melissa Gibbs, Alex Gooding, Peter McKinlay, Stefanie Pillora and Graham Sansom -
Consolidation in Local Government: A Fresh Look. Australian Centre of Excellence for Local Government {ACELG},
Local Government Association of South Australia {LGA of SA}, and Local Government New Zealand {LGNZ},Volume 1 May 2011 p10
[3] The future direction of Local Government – what it means for rural and provincial New Zealand",
a paper to Australian and NZ CEO's March 2013 – Peter McKinlay.

A report prepared for the Panel by the Australian Population and Migration Research Centre at the University of Adelaide (April 2013) forecasts key demographic changes over the next decade. The report notes that the most important resource of any Local Government area is its residents and knowing about their changing size, composition and distribution is essential. Understanding how or why they are changing is absolutely fundamental to good governance at the local level.

The University of Adelaide report highlights a number of key issues with implications for Councils:

~ The level of international migration to South Australia and resultant shifts in the ethnic composition of communities.

~ The potential to use different elements of the immigration programme to meet local labour needs and overcome skills or labour shortages.

~ The extent to which efforts to increase population density in built up areas are successful and the impacts of such increases.

~ Over the next quarter century the number of South Australians aged 65 years and over will double, as will their ratio to the working age population.

~ Patterns of mobility within the baby boomer cohort as they retire, which is not entirely understood at this stage. What will baby boomers do when they leave the workforce – age-in-place, downsize within their local community or move to high amenity sea change or tree change areas? (Note: There are considerable challenges for local government caused by an ageing population which needs to be taken into account in planning and decision making).

~ The widening gap between the upper and lower ends of the income distribution and challenges for some communities.

~ The identification of groups vulnerable to exclusion, such as people who are poor, homeless or at risk of homelessness, disabled, Aboriginal, non-English speakers, and the aged in local areas.

~ Seasonal variations in population size in country areas and allocation of resources to take account of this.

~ Households becoming more diverse and complex in their structure and functioning and housing affordability issues.

~ Mining expansion, which will not only influence mining areas but also other areas e.g. as a result of a fly-in-fly out work culture.

~ Food security issues, with an increased emphasis on agriculture and agriculture processing.

~ Climate change and environment factors influencing where (and how) people live and work, and fundamental questions of sustainability[4].

When the absolute change in the number of people projected to be living in each of South Australia's Local Government areas over the next 10 years is examined, it appears there are several Local Government areas in regional areas of South Australia; including the Far North, Whyalla and Eyre Peninsula, Murraylands and Riverland, and Yorke and Mid-North regions, that can expect to see population decline in the coming years.

The Local Government areas projected to see the biggest increase in terms of net growth by 2021 are Playford, Onkaparinga, Port Adelaide Enfield and Charles Sturt, Local Government areas that are all located within Adelaide metropolitan area. The largest overall growth is expected in Playford Local Government area, which is projected to grow by nearly 50 percent; or 40,000 people, in this period. Local Government areas located within the Adelaide metropolitan region and peri-urban (or urban fringe) regions, such as the Adelaide Hills and Fluerieu, and Barossa regions are expected to see the highest rates of growth over the next ten years. Roxby Downs Local Government area in the Far North has the highest projected growth rate in 2006-11 and well above average expected growth in 2011-2021; but this is dependent largely on mining activities in the area; while all other Local Government areas in the Far North are expected to see below average growth or decline.

[4] Demographic Trends in South Australia and Their Implications for Community Demands on Councils and Their Capacity to Meet Those Demands - Professor Graeme Hugo, Dr Kelly Parker, Dr George Tan & Dr Helen Feist (University of Adelaide April 2013). The full report is available on the Local Excellence Expert Panel website under Research.

Population growth in South Australia over the past ten years has been confined to coastal communities (caused largely by an influx of the elderly) and areas close to Adelaide and mining communities, whereas the wheat-sheep belt and Riverland areas have experienced slowed growth or decline (see Table right).

Table: Projected Population and Average Annual Growth Rates, 2011-2021,
Top and Bottom 10 South Australian Local Government areas

LGA of SA name	Projected Total Population			Projected Average Annual Growth Rates	
	2011	2021	Change 2011-2021	2006-2011	2011-2021
Playford	82,027	121,777	39,750	2.8	4.8
Light	14,408	20,456	6,048	2.5	4.2
Roxby Downs	5,345	7,525	2,180	5.2	4.1
Adelaide	20,720	27,997	7,278	3.5	3.5
Gawler	21,828	29,188	7,360	2.5	3.4
Mount Barker	31,082	39,642	8,560	2.5	2.8
Yankalilla	4,776	6,033	1,257	2.2	2.6
Victor Harbor	14,298	17,673	3,375	2.9	2.4
Alexandrina	24,567	29,412	4,845	2.9	2.0
Barossa	23,318	26,955	3,637	1.8	1.6
The Coorong	5,890	5,813	-77	-0.1	-0.1
Kimba	1,162	1,141	-21	0.0	-0.2
Loxton Waikerie	11,957	11,699	-258	-0.2	-0.2
Tatiara	7,101	6,920	-181	-0.1	-0.3
Coober Pedy	1,999	1,939	-60	-0.1	-0.3
Mount Remarkable	2,925	2,836	-89	-0.1	-0.3
Flinders Ranges	1,760	1,677	-83	-0.3	-0.5
Southern Mallee	2,166	2,048	-118	-0.5	-0.5
Northern Areas	4,722	4,451	-271	-0.4	-0.6
Orroroo/Carrieton	948	888	-60	-0.5	-0.6
SOUTH AUSTRALIA	**1663477**	**1852372**	**188895**	**1.3**	**1.1**
Greater Adelaide	**1284354**	**1443779**	**159425**	**1.4**	**1.2**
Rest of State	**379123**	**408593**	**29470**	**1.0**	**0.8**

Source: Planning SA projections data (derived from ABS 2006 Estimated Resident Population)

FEDERAL INFLUENCES

The Panel is also conscious of key initiatives at the federal level. It seems certain that the federal election to be held on September 14th 2013 will now include a referendum requiring a vote on 'financial' recognition of Local Government in the Australian Constitution – confirming the Federal Government's ability to fund Councils directly (as it does with the Roads to Recovery program) rather than having to channel support via the States (as it does with annual Financial Assistance Grants). This referendum could prompt a lively debate centred on the future role of Local Government in Australia. The division of responsibilities for services and the funding arrangements for their effective delivery would be at the centre of this debate.

In addition, the Federal Government has commissioned a review of current arrangements for the distribution of Financial Assistance Grants (FAGs) to identify tangible measures for improving the impact of the FAGs on the effectiveness of Local Governments and their ability to provide services to their residents within the current funding envelope. Terms of reference for this review also include consideration of the current minimum grant guarantee as well as whether steps need to be taken to provide increased support to rural-remote Councils. Significant changes to the current FAGs arrangements could have profound implications for the structure of Local Government.

A third issue concerns the prospects for the Federal budget. Over the next 5-10 years the flow of grant funding to the State and Local Government is likely to be severely constrained and grants may even decline in real terms. In recent times many local Councils, especially in rural, regional and remote areas have benefited to a greater or lesser extent by additional flows of funding through fiscal stimulus measures and new regional development programs. Those flows are likely to dry up and this may compound the difficulties faced by Councils in maintaining and improving infrastructure and meeting service needs. It could also impact their longer term sustainability.

STATE GOVERNMENT

Seven Strategic Priorities of Government

With the appointment of new Premier (Hon Jay Weatherill) the State Government in July 2012 announced that its focus would be on seven strategic priorities which are in effect future goals for the State. These seven priorities directly support achievement of many of the targets outlined in the SA Strategic Plan (SASP). The SASP will continue to guide the work of the government. The seven strategic priorities cover the following areas;

~ Creating a vibrant city

~ Safe communities, healthy neighbourhoods

~ An affordable place to live

~ Every chance for every child

~ Growing advanced manufacturing

~ Realising the benefits of the mining boom for all South Australians

~ Premium food and wine from our clean environment.

Local Government will need to consider how it can contribute to the Seven Strategic Priorities as a partner of the State Government. Each of these priorities have a direct relationship to the role of Local Government in the building of a just and prosperous South Australia.

State/Local Government Relations

The State Government recently announced changes to the State/Local Government Relations portfolio, including changes to ministerial responsibility for relevant Acts. Under these changes:

~ The current minister will retain her title of Minister of State/Local Government Relations

~ The Primary Industries and Regions SA Department (PIRSA) will assist Councils to engage directly with State Government agencies and the Federal Government on regional economic matters.

~ PIRSA will also be responsible for the Outback Communities Authority.

~ The Local Government Act 1999 and the Local Government (Elections) Act 1999 will become the responsibility of the Minister for Planning.

~ The Local Government Forum will be managed by the Department of the Premier and Cabinet in its capacity as the central agency for inter-governmental relations.

It remains to be seen how these changes will alter State-Local Government relations. They could be seen as a positive sign of the mature and cooperative relationship between the two tiers, and recognition of Local Government's ability as a sector able to manage its own affairs. The Panel has seen a strong desire on the part of Local Government to manage its own affairs in this way without other forms of intervention formerly vested in the State Government. However, the State/Local Government Agreement and Minister's Local Government Forum are key components of the relationship between the State and Local Government sectors in terms of strategic planning, resolution of conflicts and management of related programs.

Review of SA Planning System

The SA Government has appointed an expert panel (Planning Panel) to undertake a wide ranging inquiry into the planning system and provide advice to the Government and Parliament for potential reforms.

The Planning Panel is required to report by December 2014 and its terms of reference include the following —

(a) review legislation relating to planning, urban design and urban renewal—including the Development Act 1993 and the Housing and Urban Development (Administrative Arrangements) Act 1995

(b) review the role and operation of all other legislation that impacts on the planning system

(c) review statutory and non-statutory governance and administrative arrangements relating to the planning system

(d) propose a new statutory framework, governance and administrative arrangements for the planning

system, and

(e) consider any matters referred to the Panel by the Minister for advice.

Recommendations of the Planning Panel must be directed towards realising the vision of—

(a) a vibrant inner city for Adelaide—including the city centre, park lands and inner suburbs

(b) liveable, affordable and healthy neighbourhoods, and

(c) thriving, sustainable regional communities

as outlined in the 30-Year Plan for Greater Adelaide and the new strategic plans for regional areas of the State.

This review could have considerable implications for Local Government's role in policy and place making. By way of illustration, the recently released White Paper on the review of NSW Planning System (see http://www.planning.nsw.gov.au/a-new-planning-system-for-nsw) proposes a number of measures;

~ effective community participation through imposing a duty on Councils to adhere to a Community Participation Charter,

~ a 5-track system within Council for the assessment of development applications, and

~ de-politicised decision making for development that will have significant environmental impact or departs from the strategic plan, through expert independent assessment and hearing panels established by Councils and joint regional planning panels.

Local Government Reform

The Panel commissioned a report on recent and current reforms to Local Government in Australia and New Zealand[5]. There are currently some 28 separate review and reform processes, which continue to place the sector "under the microscope" and subject to extensive structural and legislative changes.

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[5] Review of Current Local Government Reform Processes in Australia and New Zealand – March 2013 - prepared by Gooding Davies Consultancy Pty Ltd for the Local Government Association of South Australia and the Australian Centre of Excellence for Local Government. The full report is available on the Local Excellence Expert Panel website under Research.

A key difference between the Panel's review in South Australia and those elsewhere is that it has been initiated by the Local Government Association, whereas in the other jurisdictions the reviews have been commissioned by their respective governments. However, this could be seen as adding to the importance of achieving necessary change in South Australia as a demonstration of the sector's ability to manage its own affairs.

A brief summary of the Local Government review and reform processes occurring in Australia and New Zealand is provided below.

- ~ The reform processes range from:
    - ~ comprehensive reforms of the whole local government sector (for example in Queensland and New Zealand)
    - ~ integrated planning in Western Australia,
    - ~ performance reporting in Victoria or
    - ~ changes to electoral arrangements in Tasmania.
- ~ Many of the reform processes start with a strong rationale relating to Government concerns about specific aspects of Local Government structure or performance, particularly financial performance. Examples are
    - ~ Victorian Local Government Performance Network
    - ~ introduction of integrated reporting requirements in Western Australia, and
    - ~ New Zealand reforms.
- ~ The reform processes have not necessarily resulted in consistent responses, for example, legislative requirements to prepare long-term community and financial plans have been addressed as follows:
    - ~ removed from legislation (Queensland)
    - ~ considerably streamlined (New Zealand)
    - ~ strengthened (Western Australia and New South Wales)

- ~ The Queensland de-amalgamation process and to some extent the New Zealand reforms also provide interesting examples of governments seeking to reverse aspects of the reforms implemented by previous governments.
- ~ In contrast to the reforms, most of the review processes have involved or are currently engaged in extensive consultation processes involving Councils, other relevant stakeholders and the wider community.
- ~ most of the reviews can be described as potentially comprehensive processes, addressing Local Government structure and operation.
- ~ In the NSW, Western Australian metropolitan and South Australian projects, independent panels have been involved in at least part of the review process; in most of the others working groups or similar bodies have been or will be established.
- ~ While most of the review processes are relatively open-ended they also start with at least some reference to existing Local Government issues or problems for example, problems around infrastructure provision, asset management and long-term financial sustainability.
- ~ In addition many of the reviews (for example, those in NSW, South Australia and Western Australia) specifically reference the broader challenges the sector faces from demographic, social and economic change.
- ~ The Tasmanian *Role of Local Government* review presents an interesting contrast because unlike all the other reviews and reforms, it does not start by outlining any specific issues or problems and in fact is described as "an exercise of problem definition".

Financial Prospects

It is generally accepted that since the 2005 Financial Sustainability Inquiry there has been an enhanced financial performance of Local Government in South Australia. However it needs to be emphasised that the current financial condition of individual Councils varies substantially. The overall sound and improving financial performance and position of the sector disguises the significant financial difficulties facing a small number of Councils under their current revenue and expenditure policy settings. The Financial Sustainability Inquiry[6] noted that more reliable data on asset management was required and as a consequence the LGA of SA has implemented a Local Excellence Project (project no 28) which aims to enhance the capacity of the sector in financial and asset management.

To paraphrase Barry Burgan[7] Local Government is entering another critical period. Over the last decade, the sector has implemented systems and processes that have focussed on improving the management of expenditure, and specifically expenditure on assets, and has significantly improved the outlook for sustainable operations. However, the future will see additional pressures in terms of constrained revenue bases from traditional sources, while there are expectations of increased demand for services and cost pressures. In the Panel's view, the issue of the long term sustainability of the current pattern of local Councils will require further examination.

Photo: Milton Wordley

[6] Rising To The Challenge – Towards Financially Sustainable Local Government in South Australia Volume 1: Overview - Financial Sustainability Review Board - August 2005

[7] Financing of Local Government Service Delivery into the Future: Discussion Paper prepared by Barry Burgan International Centre for Financial Services, Business School University of Adelaide.

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"The panel is interested in options to facilitate improved community governance.

Part 3 – A Vision for The Council of The Future.

In order to address its terms of reference the Panel decided to identify the key features of the "Council of the Future". These include both the broader contextual framework for Local Government and some specific features of an individual Council.

In so doing the Panel has taken into account the dominant themes to emerge from the first round of consultation and submissions.

It is important to reiterate that there are a number of key drivers for change which will impact on the Council of the Future. In the Panel's view, change is inevitable, but the manner in which this is managed by Councils and the sector as a whole will determine whether the outcomes are positive or negative. To summarise, the key drivers for change include:

~ Fewer resources from traditional sources.

~ Pressures to provide a greater range of services.

~ The importance of fair and just outcomes in the delivery of services across a vast and diverse State.

~ The rapidly ageing population and the loss of young skilled young people to access greater career opportunities interstate and overseas.

~ The declining rural population.

~ The impact of the new technology shaping almost every aspect of the communities of the future.

~ Climate change and the need for responses.

~ The need to retain the notion of "place" as lifestyles and communities change.

~ Communities increasingly expecting to be more effectively engaged in decision making.

~ The need to be aware of the needs of the poor, the sick and disadvantaged in our communities in designing and delivering services.

For the purposes of discussion, the Panel has made a number of assumptions in setting down Future Scenarios as a guide for discussion of the future operating framework for Local Government in South Australia. These suggestions are grounded in the evidence of models and experiences elsewhere and would require changes in policy and practices to achieve a more robust, vibrant and viable tier of government. These assumptions are discussed under each of the terms of reference as they underpin the features of the Council of the Future and they are the areas which the Panel wishes to pursue in more detail and on which recommendations to the LGA of SA are likely to flow. While the following sections explore in more detail the future scenarios the key areas on which the Panel is seeking debate and discussion include the following:

~ Keeping Local Government structures and arrangements "local" but ensuring there is capacity to provide the full range of services to communities.

~ Local representation issues including elections and structures; eg wards or no wards.

The roles and functions of Mayors and whether they should have more responsibility and "executive powers".

~ The roles of and functions of Elected Members and the issue of mandatory training.

~ The utilisation of independent and skilled members of the community in decision making.

~ Options to facilitate improved community governance including legislative provisions, powers and roles and functions of sub-Councils and local and/or community boards.

~ The move to regionalisation and different organisational and structural arrangements designed to build greater capacity; eg existing LGA of SA regional structures could provide the nucleus for the establishment of stronger regional collaboration and partnerships and there may be opportunities to broaden these out to also include cross state border arrangements

based on regional economic development activities eg Riverland and South East.

~ The "one size fits all" approach to governance and the capacity of smaller regional and rural Councils to being technically compliant in the same manner as larger Councils, while at the same time requiring resources to provide services to their communities of a high standard.

~ The utilisation of a number of corporate structures including the outsourcing to commercial enterprises, undertaking shared services and resource sharing arrangements between Councils and establishing regional authorities and subsidiaries for specific functions.

~ Improved financial arrangements utilising a number of financial and management mechanisms.

~ Improved State/Local inter-governmental relationships and the roles and mechanisms for both State Government and the LGA of SA to drive change and including whether current agreements and MOU's are providing good outcomes.

This Discussion Paper we trust will evoke an informed and bold response from a broad cross section of the South Australian community. The services provided by Councils are of fundamental importance in maintaining safe, healthy and prosperous communities where there is a genuine concern for one's neighbour.

Based on the evidence assembled to date, the Panel is convinced that Councils will have to change considerably in both the way they are structured and the way they will operate. It is vital that the Local Government community has an informed discussion about these issues.

This is a once in a generation opportunity to influence the shape of the "Council of the Future".

GOVERNANCE

For the purposes of the discussion on Governance the Panel notes that this relates to the exercise of authority by the elected Council body given by the Local Government Act to manage the affairs of the community within the Council area.

The current Local Government Act is largely an enabling Act and while there is a view that it is quite prescriptive, the reality is that the objects are broad and largely positive. There are not many specific requirements spelt out for Councils nor are there many restrictions to the range of activities Councils may undertake. There are a number of guiding principles such as openness, transparency and accountability and some general directions for the operation of Councils and Council authorities; eg subsidiaries as defined by the Local Government Act.

While Local Government is still an instrument of State Government under the State constitution, the State Government has accepted that it is a genuine tier of government able to conduct itself in a mature and competent way, to provide a range of services which meet the needs of the community and to be accountable for its actions.

Obviously, as a statutorily based tier of government it is required to operate transparently and accountably within various legal frameworks and is subject to oversight by the ICAC, Anti-Corruption Branch, Ombudsman and Auditor General.

There is general agreement that Local Government needs to be kept 'local' to the maximum possible extent, whilst maximising its strategic capacity. This highlights the importance of the Councillors' representational and decision-making roles, and of Councils' responsiveness to local needs.

Electoral systems should be designed to ensure as far as possible an adequate spread of representation geographically across Local Government areas, and that Councils reflect the make-up and interests of the community as a whole. Important considerations here include the number of Councillors; whether election is by wards or 'at large'; whether wards have 1, 2 or 3 Councillors; and the system of voting.

There have been moves globally to reduce the number of members on both corporate and community organisations boards. The arguments advanced to the Panel revolve around decisive and affective decision making and policy formulation such that Councils should be like a 'board of directors', focused on strategy and leaving all day-to-day implementation of policies in the hands of senior management. An extension of that argument is that like company directors the fewer Councillors should be better paid, perhaps subject to completion of relevant training.

Across the country there has been a concern that some Councillors are simply not performing at the level required. Some are seen to lack a mature approach to political and working relationships, financial acumen and budgeting skills, and to focus on representation on relatively minor matters to the detriment of operating at a strategic level. This raises the question of the need for on-going training of elected members and whether this should be mandatory across the board or at a minimum for chairs of committees and office holders.

The Panel notes that a new Code of Conduct has been prepared aimed at strengthening the performance of Councillors in SA.

Questions are also asked about the average age of Councillors and why younger people and women are not attracted in sufficient numbers to the role, or do not continue beyond one term.

A specific aspect of political governance that needs to receive more attention concerns the role, responsibilities and authority of mayors. Research by ACELG suggests that South Australia could learn from recent experience in other jurisdictions – notably Queensland, New Zealand and England in order to define an expanded role for mayors that couples increased responsibilities and authority with an expectation of strategic political leadership and accountability for following through on agreed policies and legislative requirements.

Further, the "one size fits all" approach to governance has been raised as an issue in terms of the capacity of smaller regional and rural Councils to being technically compliant in the same manner as larger Councils,

while at the same time requiring resources to provide services to their communities of a high standard. While all Councils need to be accountable and transparent there may be options to either have differing legislative standards or a regional shared services approach to the provision of services.

Future Scenario

The Council of the Future takes account of the broad legislative underpinnings, focussing on accountability and transparency, greater strategic capacity and an enhanced role in local community governance based on the following framework;

- ~ Strong and robust governance
- ~ Operating in a strategic manner
- ~ Providing effective leadership to the community
- ~ The Mayor to have greater responsibilities and authority through appropriate executive powers
- ~ Highly motivated and qualified elected members
- ~ Valuing the input of skilled and experienced persons (independent non-elected appointees) according to community needs and aspirations
- ~ High level management capable of effectively and confidently leading and managing change with an emphasis on effective community engagement
- ~ The effective delegation of authority to the administration to implement the Council policy agenda
- ~ The administration operates within a clear governance and accountability framework, and a robust performance measurement and management system
- ~ the administration is responsible for the development of relevant policies and procedures, strategic and business plans, financial and asset management plans
- ~ The application of community governance principles for service provision
- ~ Equality of gender balance in staff and elected members
- ~ Vibrant, energetic leadership

The outline of this framework raises a number of questions regarding the leadership and management roles and responsibilities of the organisation of local governance.

Discussion Points - Mayor/Chair

- ~ Should the Mayor/Chair be elected directly by the community?
- ~ Should the Mayor/Chair be required to undertake mandatory professional development to enhance his/her leadership and advocacy skills?
- ~ Should the Mayor/Chair have some additional powers and support to effectively perform his/her leadership and advocacy role? (For example in New Zealand the Mayor of Auckland Council has the power to appoint chairs of committees and to set the vision and has an office and staff to support them in their role)?
- ~ Should the Mayor attract a larger allowance than he/she currently does in order to support the enhanced role and functions of this office as well as the additional time and expertise required of the role?
- ~ Should a prospective Mayor have at least one term as a Councillor before standing for election?
- ~ Should a mayoral candidate also be able to stand at elections as a Councillor?
- ~ Should a Mayor/chair only be allowed to serve a maximum of 2 consecutive terms?

Discussion Points - Elected Members

- ~ Are there some basic skills that an elected member should possess to run for office, and should there be mandatory professional development to enhance those skills?
- ~ Should a new elected member have participated in an introductory program on the roles and responsibilities of a Councillor before he/she becomes a Councillor?
- ~ Should an elected member attract a greater allowance than currently in order to attract more qualified and experienced people?
- ~ Should elected members be limited to serving no more than 3 terms or 12years?

Discussion Points - Council

~ Should there be upper and lower limits for numbers of Councilors per Council? What should the basis for determining those numbers?

~ Should there be provision for the appointment by Councils of some independent members on the basis of their skills and experience?

~ Should independent members have a deliberative vote in Council meetings and be able to chair committees related to their specialist skills and experience?

~ Should the Council undergo regular independent assessments of its performance along similar lines to company boards, with the results reported in the Council annual report?

~ Should video recordings of all public meetings be provided on-line on the Council website?

~ Should all decisions be provided to the community utilising conventional communication channels and social media including Twitter and Facebook?

Discussion Points – Administration/Services

~ Does the CEO have sufficient delegated authority to implement the Council policy agenda? What limitations should be placed on such delegations?

~ Is it possible to define a list of 'core' Council services? If so, what are they?

~ What are the areas of activity in which Councils are likely to have to expand their range of services over the next 20 years?

~ In seeking to provide practical, cost effective and efficient services to the community should Councils as a matter of course utilise a number of corporate structures including the outsourcing to commercial enterprises, undertaking shared services and resource sharing arrangements between Councils and establishing regional authorities and subsidiaries for specific functions?

~ Should there be a common set of service standards across a region developed and agreed in conjunction with the community?

Additional comments/suggestions

In addition to the Discussion points outlined above do you have any additional comments and/or suggestions?

COMMUNITY ENGAGEMENT

(translating to Community Governance)

The language around community engagement has changed significantly over recent years. There has been a progression from 'community consultation' to 'community engagement' and now 'community governance'. Community 'consultation' which is the term used in the Local Government Act 1999 is increasingly being re-defined as 'engagement' and 'governance'. This involves Councils going well beyond seeking views on specific decisions to having an ongoing dialogue with their constituents about service delivery and the key issues facing the area, using techniques such as neighbourhood forums and online panels.

Community governance takes the notion of community engagement to another level and can be seen as Local Government working with a broad range of other government and community stakeholders to determine preferred futures, and to facilitate shared decisions and joint action to achieve agreed outcomes, including the quality of the local environment and how communities access the services they need. A closely related concept is that of 'place shaping', (internationally, the concept of place shaping may apply not just at a neighbourhood or community level, but at a district or regional level depending on the issue being addressed) identifying the special characteristics of local places (typically neighbourhoods or defined parts of a Local Government area) and taking action on a number of fronts – economic, social and environmental – to enhance the quality of the place and the quality of life of its people)[8].

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[8] McKinlay P., Pillora, S., Tan, S.F., Von Tunzelmann, A. 2011. Evolution in Community Governance: Building on What Works. Australian Centre of Excellence for Local Government, University of Technology Sydney.

Such practices include the Council acting as advocate, bringing together communities, service providers and government agencies to develop solutions in areas such as public transport, education and health services, through to the Council taking a role in capability development for locally based community organisations, helping them develop as legitimate means of expressing community aspirations and seeking means for delivering on those[9]. The range of practice differs considerably, depending on the size, demographics and composition of Councils.

The recent Perth Metropolitan Local Government Review recommended that *"The newly created Local Governments should make the development and support of best practice community engagement a priority, including consideration of place management approaches and participatory governance modes, recognition of new and emerging social media channels and the use of open-government platforms."* [10]

The New South Wales Independent Panel is looking to design legislative provisions for a form of 'sub-Council' governance in both small rural-remote communities and in large/amalgamated metropolitan Councils. Local Government New Zealand is interested in the operation of local boards and the impact on local democratic decision-making. New Zealand's Department of Internal Affairs is developing possible options for sub-Council governance as part of the next round of legislative reform.

The Expert Panel's commissioned work on community governance will address a number of issues including legislative provisions, powers and roles and functions of sub-Councils and/or local boards. Consequently, the Panel is interested in options to facilitate improved community governance which may include the concept of local and/or community boards (as in New Zealand).

In addition the Panel is interested in the lessons of local examples of arrangements at the Cities of Marion and Unley whereby independent people possessing a range of skills and experience are appointed to

committees and working groups to enhance community governance and expand the resources available to Councils and communities.

Future Scenario

The Council of the Future it is envisaged will have well established community governance and engagement processes and arrangements under community governance principles based on developing solutions which suit the circumstances of individual places.

The Council works with a broad range of other government and community stakeholders to determine preferred futures, and to facilitate shared decisions and joint action to achieve agreed outcomes, including the quality of the local environment and how communities access the services they need.

A range of structures are utilised to facilitate improved community governance including local and/or community boards and relevant Council committees are established with independent people appointed to these committees based on the skills and experience they bring to the tasks at hand.

There is an acknowledgement of the need to reach out to more people more effectively and there is a genuine endeavour to engage with the community by asking strategic questions regarding community governance eg

- ~ What functions are best done by community?
- ~ What functions are best done by local government and other agencies?
- ~ What functions are best done collaboratively?
- ~ What can Local Government stop doing that impedes community action?
- ~ What can Local Government offer to support community action?

[9] McKinlay P., Pillora, S., Tan, S.F., Von Tunzelmann, A. 2011. Evolution in Community Governance: Building on What Works. Australian Centre of Excellence for Local Government, University of Technology Sydney.
[10] Metropolitan Local Government Review Final Report Of The Independent Panel July 2012

Discussion Points – Community Engagement

~ Should the annual statutory reporting requirements of Councils be transformed into more broad based community engagement processes to ensure greater community access to information and reporting?

~ Should video recordings of all Council meetings be readily available on Council websites?

~ Should legislation require that every Council have a community governance framework in place?

~ Alternatively, should the legislation establish a process for triggering the establishment of community governance?

~ If legislation does make provision, could it simply be along the lines that Councils are obliged to introduce a form of community governance satisfying general principles in the legislation, if a community or communities requested this?

~ If Councils establish community governance structures –

  ~ what powers should they have?

  ~ Are they simply advocates?

  ~ Do they have certain local planning or decision-making powers - perhaps over 'minor' local works amongst other matters?

  ~ Should they have the power to raise their own funding - perhaps as with UK parish Councils as a precept on the parent Council's rate?

  ~ How are they served? Should they have the right to determine their own support even though a creature of the parent Council, or should they be served by the administration of the parent Council and what would this mean for autonomy in operation?

~ Should community governance structures bring together experts and people with deep knowledge of the community to review and provide advice on community needs and aspirations?

Additional comments/suggestions

~ In addition to the above do you have any additional comments and/or suggestions?

FINANCIAL RELATIONSHIPS

Revenue from rates represent 57% of total revenue in South Australia (compared to only 37% on average for all States), sales of goods and services 16%, and grants from the Commonwealth are 12% (Burgan). This difference is largely as a result of SA Councils not having responsibilities for the provision of major infrastructure such as water and sewerage.

In a relative sense, South Australia has lower revenues as a share of GSP than other states in terms of sales of goods and services, and other revenue, but significantly higher rates revenue. It has marginally higher grants revenue relative to GSP (this is related to a lower GSP per head of population – and Commonwealth grants are primarily distributed on a per capita basis).

Snapshot

In 2010-11 SA Councils:-

~ collected 754,487 tonnes of waste,

~ maintained 74,695 km of local roads

~ serviced 842,186 active library users

~ spent about $164m on sport and recreation and about $209 million on community services and public safety.

It is also noted that since the Global Financial Crisis (GFC) the Federal and State Governments have been contracting expenditure and increasing borrowings, while it would appear that Local Government has not been cutting back in as a dramatic way and it is also not borrowing at anywhere the same levels as those of the other governments.

This is potentially partly due to the positive outcome of increased financial sustainability of Councils arising out of the 2005 Financial Sustainability Inquiry commissioned by LGA of SA. There appears to generally be a risk averse approach in Councils emanating in expectations put simply that increased grants will continue to flow from the other governments. As highlighted this may not be the case and in fact grants

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from other governments may continue to decline in many programs.

There is a range of additional measures which Local Government needs to look at to increase revenue, including:

~ establishing a future research agenda that informs the core decisions for the future

~ establishing a financial services agreements between local and other government funders

~ improving governance and management skills capacity.

A report by Ernst and Young recommends that Councils leverage existing funding sources to improve their access to finance for investment in new or upgraded infrastructure.[11]

The issue of Financial Assistance Grants (FAGs) is the subject of a current review being undertaken by the Federal Government. The stated objective is to identify tangible measures for improving the impact of the FAGs on the effectiveness of Local Government.

Future Scenario

The Council of the Future provides innovative and flexible service delivery to meet community needs utilising a number of financial and management mechanisms as follows:

~ Traditional rates revenue

~ Increasing expenditure on infrastructure and capital improvements through additional borrowings

~ Establishing a financial services agreement between local and State Government

~ Undertaking commercial activities and public private partnerships through "arms length entities" under appropriate prudential requirements

~ Improving 'strategic' and streamlined procurement processes to assist Councils better manage procurement activities

~ Sharing services through shared service arrangements with appropriate structures managed by a board comprising CEOs, or through regional groupings of Councils

~ Exercising best practice in linking Asset and Infrastructure Management Plans and Long Term Financial Plans

~ Improving governance and management practices and skills

Discussion Points – Financial Relationships

~ Is there scope to achieve further significant increases in rate revenues, given that this may well become an even more important source of funds if grants continue to decline in real terms?

~ Should the FAGs minimum grant be abolished to free-up more funds for the neediest Councils and those with limited rating potential?

~ At the same time, should there be a threshold eligibility test for FAGs based on whether Councils are taking all possible steps to maintain and improve their sustainability; eg through improved financial and asset management and meaningful regional collaboration?

~ Should FAGs funding be provided on a regional basis rather than on an individual Council basis?

~ Should Councils increase borrowings to provide more infrastructure and capital improvements to meet community needs?

~ Should Councils undertake commercial activities and public private partnerships as "arms length entities" under appropriate prudential requirements?

~ What more needs to be done to improve Councils' performance in preparing and linking Asset and Infrastructure Management Plans and Long Term Financial Plans to ensure improved budget outcomes?

~ Would regional groupings of Councils assist Councils to be financially sustainable?

[11] See Ernst & Young, 'Strong Foundations for Sustainable Local Infrastructure' http://www.regional.gov.au/local/lgifr/index.aspx.

~ Is there scope for shared service arrangements between Councils, managed by a board of the CEOs of Councils under subsidiary provisions?

~ Do the legal provisions for subsidiary bodies need review?

Additional comments/suggestions

~ In addition to the above do you have any additional comments and/or suggestions?

INTERGOVERNMENTAL RELATIONSHIPS

While Local Government is statutorily a creation of the State there nonetheless needs to be a genuine inter-governmental partnership at work to best serve local communities.

As already stated the very recent restructuring of the Office for State Local Government Relations (OSLGR) may indicate a positive recognition of the cooperative relationships between State and Local Government; a recognition of the Local Government sector as a mature sector able to manage its own affairs.

As identified by the NSW Independent Panel nowhere in Australia is there a 'perfect' State/local relationship: inter-government relations are always complex and subject to tensions. There is a role for both State Government and the LGA of SA to drive change but the mechanisms for achieving mutual outcomes remain unclear.

It may be that the replacement of OSLGR could involve the establishment of a joint State/Local secretariat staffed by a small number of senior State and Local Government officers which supports and manages important areas of cooperative activity such as annual budget cycles, infrastructure provision, common approaches to the Federal Government , proposing relevant coordinated policy and service delivery programs, management of high level and strategic agreements and enhancing common areas of responsibility; eg disaster and state emergency responses.

The Regional Strategic Partnership model described later in this paper also provides a basis for groupings of Councils collaborating and negotiating with State and Federal Government to achieve improved outcomes for their regions.

Some Federal Government programs are presently implemented by Local Government, as the governing body closest to the communities targeted by such programs. Should Local Government be implementing other State and Federal programs, as the agent of those governments, in the best interests of local communities? If Local Government is to become an agent of other tiers of government, the reporting required for accountability purposes could be an expensive burden. This should not be a barrier, but may require some innovative thinking and solutions.

Future Scenario

The Federal and State Governments recognise Local Government as a mature sector of government, where appropriately the affairs of regional and local communities are managed and through which Federal and State Government programs are implemented as a 'one stop shop'.

The establishment of a joint State/Local Secretariat staffed by a small number of senior State and Local Government officers has been established to support and manage important areas of cooperative activity such as:

~ annual budget cycles,

~ infrastructure provision,

~ common approaches to the Federal Government ,

~ proposing relevant coordinated policy and service delivery programs,

~ management of high level and strategic agreements (eg including Financial Relations Agreement framework), and,

~ enhancing common areas of responsibility eg disaster and state emergency responses.

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~ Should there be different mechanisms to manage intergovernmental relationships in achieving better outcome for their communities?

~ Should there be a joint State /Local Secretariat established to support and manage important areas of cooperative activity?

~ In the interests of greater efficiency should Local Government be an implementing agency for Federal Government programs (with necessary implementation funding provided)?

~ If Local Government is to be an agent for either State or Federal Government programs, what kind of accountability/reporting measure can be put in place?

Additional comments/suggestions

~ In addition to the above do you have any additional comments and/or suggestions?

REGIONAL COLLABORATION AND PARTNERSHIPS

In a paper on the theme of merging cities Slack and Bird (2013) conclude that, *"A strong regional structure that encompasses the entire economic region is clearly needed to address externalities in service provision, ensure the fair sharing of costs, and enable the coordination of service delivery across the city-region. At the same time, lower tiers can be responsive to variations in local preferences and provide greater citizen access to government decision-making. In this way, a two-tier model can help municipalities achieve the benefits of larger size without compromising the advantages of staying small."* [12]

Dealing with remote areas, a recent report of the NSW Independent Local Government Review Panel highlighted the need to consider new governance arrangements for the far west region of NSW in response to population decline, vast distances and isolation. Similar conditions also exist in parts of South Australia. The NSW Panel noted that *"one option might be some sort of joint local-State Government authority, with local community Councils providing democratic representation and some place-based services. Alternatively, there could be a region-wide Local Government – perhaps a modified County Council – that works through community Councils and delivers programs as an agent for State and Federal Governments."* [13]

Snapshot
There are large geographic areas of sparsely settled land in the north of SA that have Local Government provided through a statutory authority and five areas are supported by Aboriginal organisations (but without the powers of a local Council).

A strong regional approach is also evident in New Zealand and in the Auckland context the regional approach is supported and supplemented by the creation of local boards. While local boards have only been operating for a short period of time and with mixed results largely due to a lack of clarity around roles and functions, the concept of local boards with clear roles and responsibilities, has the potential to provide genuine and powerful local representation.

A move towards regional collaboration and regional structures offers Local Government a positive way ahead to build significant local capacity. It is noted here that the Expert Panel reviewing the SA Planning System is charged with making recommendations including for the realisation of the vision of achieving thriving, sustainable regional communities.

[12] Slack, Enid and Bird, Richard. 2013 Merging Municipalities: Is Bigger Better? Institute on Municipal Finance and Governance University of Toronto no 14 p30

[13] Better, Stronger Local Government The Case for Sustainable Change, NSW Independent Local Government Review Panel, November 2012 - p27.

Existing LGA of SA regional structures could provide the nucleus for the establishment of stronger regional collaboration and partnerships and there may be opportunities to broaden these out to also include cross state border arrangements based on regional economic development activities; eg the Riverland and South East.

Councils with their knowledge of the community could play a central role in the redevelopment of areas in need. The issue of partnerships with the private sector in the UK is seeing Local Government being partners with the private sector in the redevelopment of social infrastructure in areas of need. The concept of urban renewal we are currently seeing in South Australia is focussed only on the physical component of housing and physical infrastructure but not broader social infrastructure.

The issues outlined under the other areas of Governance, Community Engagement and Financial and Inter-governmental Relationships all contribute to and underpin the Future Scenario outlined below.

Future Scenario

The boundaries of a region should be determined by agreement but it is suggested that for governance purposes an area needs to comprise a reasonable level of population, in order for it to be viable and sustainable.

The following are some thoughts on what might comprise a "regional strategic partnership":

~   The regional strategic partnership could be established by agreement or by legislation.

~   The various established Local Government regions across the State could form the basis for regional strategic partnerships but there is merit in attempting to align as many State and Federal Government boundaries as is practical.

~   The final structure of the governance of the region and the role, function and powers of the regional and existing Councils requires careful consideration. One potential model is as follows:

~   The existing Councils would continue to operate as separate entities providing local representation to their communities, but with a reduced range of responsibilities (perhaps similar to Community Boards in New Zealand .

~   The Mayors of the existing Councils that comprise a region could become the members of the governing body for the region.

~   A Regional Strategic Partnership secretariat could be established as an adjunct to the Regional Council administration to provide administration and planning support and arrange delivery of services as decided by the Board.

~   In addition to the Mayors of the participating Councils in the Regional Strategic Partnership the Federal and State Government elected representatives whose electorates span the Regional Strategic Partnership area and representatives of any statutory bodies addressing economic development and natural resource management. (In this way the design of programs, the allocation of funding and evaluation and accountability measures might achieve greater focus and community acceptance and reduce overlap and bureaucracy).

~   Services may be provided by existing agencies, local boards, or by regional business units which would operate by contestability principles and have clear KPI's which are publicly reported.

~   The Regional Strategic Partnership in seeking to provide practical, cost effective and efficient services to the community may utilise a number of corporate structures including the outsourcing to commercial enterprises, undertaking shared services and resource sharing arrangements between Councils and establishing regional authorities and subsidiaries for specific functions.

~   It is not proposed that regional strategic partnerships be another tier of government but would bring together in a coordinated manner all the existing tiers of government, and other agencies and organisations providing services in the region and supporting the regional community.

~ Among other things it overcomes overlap and duplication and through greater capacity ensures that the available funds and resources are equitably and effectively allocated to the community.

The Regional Strategic Partnership sets the policy and the service delivery framework for the full range of regional-level roles and responsibilities which may include:

~ Planning & Development

~ Education (facilities and infrastructure management, coordination of community activities)

~ Health (community and primary)

~ Economic development

~ Natural resource management

~ Regional development

A number of positive features could flow from this model including:

~ Greater accountability and transparency

~ The removal of unnecessary overlap and duplication

~ The improvement of strategic planning for the region

~ The attraction of investment from governments and the private sector

~ Increased efficiency and effectiveness in decision making

~ Increased efficiency and effectiveness of service delivery

~ The provision of a greater range of cost effective services which would be beyond the capacity of individual Councils

~ Improved natural resource management and environmental outcomes Improved infrastructure planning and implementation and linkages with financial plans and budgets

~ A strengthened position in relation to other governments

~ Improved planning and development policy and execution across the region.

Discussion Points - Regional collaboration and partnerships

~ Is this model likely to prove feasible and to deliver significantly improved outcomes?

~ Should the existing regional structures and boundaries be used as a starting point for Regional Strategic Partnerships?

~ Is the notion of existing Councils retaining their identity but acting as 'community or local boards' and providing local representation workable?

~ Should key regional policy and service delivery decisions be transferred to a Regional Council Strategic Partnership?

~ Should the range of regional activities extend to planning and development, education, health and economic development?

~ Are there other sectoral areas that should be included in regional activities?

Additional comments/suggestions

~ In addition to the above do you have any additional comments and/or suggestions?

The Panel trusts that the range of structural and other changes embodied in this Discussion Paper will stimulate thinking and debate about the future role and function of the Council of the Future.

Please remember that they are suggestions and options, not predictions or recommendations, and that the Council of the Future in 20 to 25 years time would probably reflect some of these elements, but not necessarily all.

You are invited to comment on any aspect of this Paper and to indicate your support or otherwise for the various options outlined.

Responses received from this Discussion Paper will assist the Panel in making its final recommendations due in October 2013.

"This is a once in a generation opportunity to influence the shape of the "Council of the Future.""

Local Excellence
Expert Panel
The Council of the Future

Local Government Association
of South Australia