

# Fit for the Future

A Blueprint for the future  
of Local Government

SEPTEMBER 2014



Office of  
Local Government

A photograph of a modern building with a prominent glass facade and a red section on the right. In the foreground, a green lawn is filled with people sitting at white plastic tables under large, light-colored patio umbrellas. The scene is bright and sunny, suggesting a community event or a public space. The text is overlaid on the left side of the image.

Strong councils  
providing the services  
& infrastructure  
communities need

# A modern system of local government...



The NSW Government is determined to deliver a strong future for our great State.

**To have a strong future, we need strong councils providing the services and infrastructure communities need.**

It's clear that our system of local government - with boundaries dating back to the 19th century - will not be able to meet the needs of growing and changing communities. Positive change is needed to ensure that councils will be fit for the future.

We need to build on the strengths of local government and learn from the best councils to develop ways of working smarter together.

We want communities to be stronger and able to grow and prosper.

The NSW Government has been working collaboratively with the State's 152 councils to design a more sustainable system of local government—one that provides

quality services and infrastructure and will help us to deliver the housing, jobs and transport that people need.

That's why we have created the \$1 billion Fit for the Future package – to help councils take the next steps towards change. Together, we can lay the foundations for a smarter system of local government across NSW and I look forward to a vibrant future for our communities.

**Hon Mike Baird, MP  
Premier**

# Working together to roll out reform...



The NSW Government has been working with local councils since 2011 to achieve our shared vision of strengthening local communities.

Now it is time to take the next step in the reform journey.

Our \$1 billion reform package will provide support and incentives to help each council become Fit for the Future.

We will make improvements to the local government system, including the laws that govern it, the way the State works with councils and the support that councils receive.

The package is based on the Independent Local Government Review Panel's recommendations and reflects the priorities identified by the sector during the consultation process.

**The Government will continue to work with the local government sector as we roll out this exciting package of reforms.**

To help guide the process, I will be appointing a Ministerial Advisory Group - with representation from Local Government NSW, Local Government Professionals Australia (NSW) and the United Services Union.

Together, State and local government in NSW will create stronger councils and stronger communities.

**The Hon Paul Toole,  
Minister for Local Government**

Up to \$1 billion to  
help councils become  
Fit for the Future



A blueprint for change...

# Why are we investing in local government?

## The NSW Government is committed to rebuilding NSW.

The people of NSW deserve a great place to live - a strong economy, quality services and a bright and prosperous future. To make this happen, we need everyone to play their part - government, business, communities and local councils.

## Local councils have a vital role in shaping communities and helping them grow.

But the system of local government is not working as well as it should be.

More than one-third of the State's councils are facing financial problems.

Many of our growing suburbs are constrained by boundaries that date back to the horse and cart days, and layers of red tape and regulations are making it hard for



people to do business, build homes and receive the services they need.

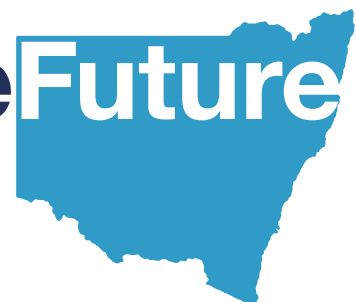
## Something needs to change.

The NSW Government has a plan to revitalise and strengthen local government, investing up to \$1 billion to benefit councils and communities.

**This Blueprint outlines what the State will do to cut red tape, invest in reform and help councils work smarter together.**

It also explains what we are asking local councils to do to ensure they are fit for the future.

# Fit for the Future



# The road to change...

Three years ago, local councils from throughout NSW gathered for a historic summit, Destination 2036, to plan how local government could meet the challenges of the future.

## Councils agreed that change was needed.

Councils wanted to be strong and sustainable and to make a positive difference in their community, but there were various views as to how this could be achieved. The local government sector asked the State to appoint an independent expert panel to carry out a review. The Independent Local Government Review Panel consulted widely in developing its final recommendations.

The Panel concluded that for councils to become strong and sustainable, both the NSW Government and the local government sector would have to play a part.

The State is prepared to change the way it works with councils and to support them through meaningful reform.

Local councils must be prepared to consider new ways of working and new structural arrangements.

The Fit for the Future program brings these changes together to lay the foundations for a stronger system of local government and stronger local communities.



Becoming fit for the future...

# What's on offer for our councils?

One of the biggest investments in local government reform will be a special program to help NSW councils become **Fit for the Future**.

Councils will be asked to assess their current position and submit a Fit for the Future proposal by 30 June 2015.

Through the work of the Independent Panel, further analysis of how councils manage their finances and infrastructure and feedback from the sector itself has helped us to gain a much clearer picture of what a sustainable council looks like.

The Fit for the Future program will use this picture as a guide to help councils move to a more sustainable position.

The NSW Government wants communities to have confidence that their council is financially sound, operating efficiently and in a strong position to guide community growth and deliver quality services.

We will provide generous assistance and support to councils along the way to help them achieve these important outcomes.

There is a range of funding and technical support on offer and councils who become Fit for the Future will receive further benefits and savings.



**\$258m**

To help councils who have decided to merge to make the transition and provide services and facilities communities need.



**Expert assistance**

Funding for experts to help merging councils explore the options and prepare a sound business case.

**\$13m**

To support local transition committees and ensure elected representatives are involved in the merger process.

**One stop shop**

Access to the Office of Local Government's One Stop Shop for local government reform, including a regional relationship manager who understands your area.

**\$5.3m**

To get new regional Joint Organisations up and running.

**Facilitators**

Access to fully-funded professional facilitators who can help councils begin discussions about how to merge and the benefits for their community.

**\$4m**

To help small councils (<10,000 population) develop innovative ways of working.

**Technical support**

Access to a team of technical experts to help prepare your Fit for the Future proposal.

**Up to \$600m**

Potential savings from cheaper finance for Fit for the Future councils to invest in local infrastructure.

## \$153m

Groups of merging councils in Sydney can receive up to \$22.5m to help support their new venture.



The State will provide access to technical experts and facilitators to help councils do the analysis before they proceed with merger plans.



Fit for the Future Councils will have more say in sub-regional planning for Sydney and greater involvement in planning determinations.



Sustaining our global city...

## How will stronger councils help Sydney grow?

Sydney is the fastest growing capital city in Australia. In the next 20 years, a further two million people will make the city their home, with most of them settling in Sydney's west.

A new international airport will be established and major growth centres will be developed in the North West and South West regions. Some communities will quadruple their size.

New motorways and freight hubs will be needed, as well as hospitals, schools and large scale sporting facilities.

**To cope with this growth and Sydney's emerging role as a Global City, we need a modern, more connected system of local government.**

There are currently 41 councils in Greater Sydney, all with their own local rules and regulations.

This means multiple licences, fees and approvals for small business and different development rules for people who want to build or renovate their homes.

It also means people in different suburbs receive different levels of service.

The NSW Government believes everyone in Sydney deserves a strong future.

**Our city cannot continue to be constrained by boundaries that were set over 100 years ago.**

If we are to deliver the housing, jobs and transport people will need in the next 20 years, we must create a more connected system of local government.

The Fit for the Future program will help councils and their communities take advantage of emerging opportunities.

Fit for the Future councils will have a seat at the table in planning Greater Sydney's future, and will receive more local planning powers.

They will also have access to cheaper finance to build and maintain the facilities that communities need, such as roads, parks, footpaths, sporting facilities and community centres.

The NSW Government is investing up to \$1 billion to create a more connected Global city and a smarter system of local government that can provide the services our growing communities need.

## \$105m

Groups of merging councils can receive up to \$13.5m to help support their new venture.



The State will provide access to technical experts and facilitators to help councils do the analysis before they proceed with merger plans.

## \$5.3m

To establish new regional Joint Organisations that will give regional communities a greater say in State planning.

## \$4m

For a small rural councils innovation fund.



A stronger future for our regions...

## How will the changes help regional communities?

Regional communities play a major role in supporting the State's economy.

They put the food on our table and sustain our major export industries, as well as playing a crucial role in education, retail, resources, manufacturing and defence.

For NSW to have a strong future, our regional communities must also be strong.

### **The NSW Government understands that one size does not fit all for regional communities.**

We will provide more than \$5 million in seed funding to establish new regional Joint Organisations that will connect local councils and provide a forum for working with State Government.

The Fit for the Future package will give regional councils a seat at the table in planning growth and major infrastructure for their region and developing local employment opportunities.

### **We will also provide generous support for councils who are ready to join forces with their neighbours to help their communities grow.**

A number of regional councils are already exploring these possibilities and the State Government will support them every step of the way.

Councils who become Fit for the Future will have access to cheaper finance to build and maintain the facilities their communities need, such as better roads and bridges and regional facilities.

We will also establish a \$4 million innovation fund to help our smallest rural councils explore new ways of working together.

Councils with a current, or projected population under 10,000 will be invited to work with the NSW Government in developing a new Rural Council Model.

### **Finding solutions for the Far West.**

Far Western communities have complex and unique needs and are facing real financial and social pressures. They need practical help to deal with these challenges.

People in remote communities deserve quality services and opportunities to grow their region.

The Fit for the Future package will open the way for developing solutions for our Far Western communities that will encourage more connected service delivery.

As a starting point, councils in this region will be invited to a special forum to work through the issues together. They will also not be required to prepare a Fit for the Future proposal at this stage, but are welcome to do so if they choose.

Fit for  
the Future  
councils...

- ✓ Smarter
- ✓ Sustainable
- ✓ Strategic
- ✓ Community  
assets well  
planned  
& maintained
- ✓ Right services  
Right people  
Right place
- ✓ Efficient
- ✓ Focussed
- ✓ Community  
leaders



# What are we asking our councils to do?

## Review their situation

Each council will be asked to look at its current situation and consider the future needs of its community and the recommendations of the Independent Panel.

The NSW Government will provide a self-assessment tool to help guide the discussion. The assessment will help councils to get a clear picture of how they are performing in financial management, service delivery and scale of operations. It will also help them to identify what they may need to do to ensure they are Fit for the Future.

Councils will be encouraged to discuss ideas and options with their community and neighbouring local government areas.

The Office of Local Government will help with guidelines and templates and councils can get support from their regional relationship manager through the OLG's One Stop Shop.

## Prepare a submission

After considering their situation, councils will be asked to submit a proposal on how they intend to become Fit for the Future by 30 June 2015.

The NSW Government will assist by providing guidelines and templates. Councils can get support from their OLG regional relationship manager and will also have access to expert assistance if they want to look at voluntary merger options.

The Panel's recommendations are a good starting point for how councils can achieve the scale and capacity they require to become Fit for the Future.

For some councils, joining forces with their neighbours may be the best option. The Government will provide generous support if they want to pursue that path. For others, adopting a new Rural Council Model (to be developed in consultation with the sector) may give them the flexibility and support they need. Larger councils who are already performing well may develop strategies to strengthen their operations and improve efficiencies.

The proposals will be assessed by an independent expert panel and councils will receive feedback. The Panel will make recommendations to the Minister for Local Government.

## Make the transition

Once councils have a plan in place to become Fit for the Future they will receive assistance and support from the NSW Government to implement their plan.

For merging councils, this includes generous funding to support the transition process and establish their new Fit for the Future venture.

For small councils, the State will provide a special innovation fund to help them set up their new way of working.

Councils in regional areas will also have support in setting up their new regional Joint Organisations.

When Fit for the Future councils have completed their transition, they will have access to a range of opportunities, including cheaper finance options, simplified reporting requirements, priority access to State funding and grants and options for additional planning powers.

Cutting red tape...

## What other reforms are planned?

The NSW Government is providing record investment in local government to help councils become Fit for the Future.

We are making important changes to the rules that govern the way that councils operate. These changes will cut red tape, save councils money and give them more time to concentrate on the things that matter to their community.

We will change the way that councils measure their performance and their accountability to the community. This includes a new role for the Auditor General to strengthen financial oversight.

We will introduce longer terms for Mayors and clearer roles for council leaders. These changes will help to bring more stability and accountability to councils.

The NSW Government will continue to work with councils to identify more opportunities to improve performance and cut red tape.



### Up to \$100m

Reductions in red tape and duplication will save councils up to \$100m.

### Financial Assistance Grants

Considering opportunities to direct Financial Assistance Grants to communities with the greatest need.



### Greater transparency

A new role for the Auditor General will help councils improve performance and give communities the assurance they deserve in how councils are managed financially.

### Two-year terms

Mayors who are elected by the council will serve a minimum term of two years.

### Clearer roles

Clarifying roles for mayors, councillors and general managers and providing guidance to help council leaders work more effectively together.



### New legislation

A new streamlined Local Government Act that cuts red tape and puts Integrated Planning and Reporting at the centre of council activities.

### Smarter procurement

Legislative changes that will give councils more flexibility with procurement and managing contracts on a regional basis.

### Regulatory review

An independent review of the regulatory burden on NSW councils to identify opportunities to improve outcomes and avoid duplication.

### Simplified reporting

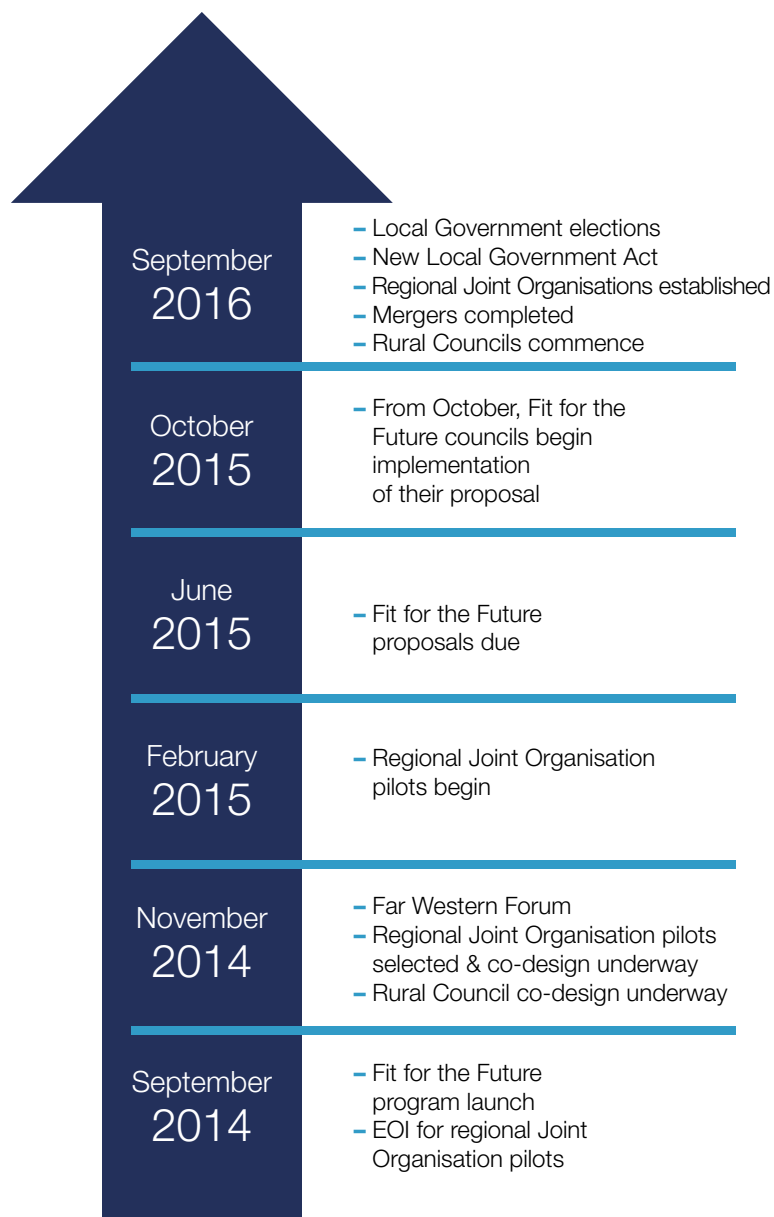
Simplified reporting requirements, with further flexibility for councils who become Fit for the Future.

### Rating review

An independent review of the rating system, in line with the Independent Panel's recommendation.

# How can I get involved?

## Fit for the Future key milestones



## Find out more about Fit for the Future at:

[www.fitforthefuture.nsw.gov.au](http://www.fitforthefuture.nsw.gov.au)

- Read the Government response to the Independent Panel and Local Government Acts Taskforce final recommendations.
- Find out more about the plans for Regional Joint Organisations.
- Read the guidelines for preparing a Fit for the Future proposal for your council and more...

**Fit for the Future**

