



The Committee for
Sydney



A NEW ERA FOR LOCAL GOVERNMENT

JULY 2018

INTRODUCTION



In recent years there have been significant reforms to the way Sydney governs itself, including at a local level. The introduction of the Greater Sydney Commission, the Western Sydney City Deal and a program of council amalgamations across NSW, with a particular focus on Greater Sydney, has changed the dynamic of governance across the city. Having undergone major reforms, local government should now be in a position to consolidate and focus on the task of supporting their local communities with services, advocating for their region, and building a better city.

While a period of consolidation is welcome, this is not the end of reform nor is it the end of change. Local government performs a central role in managing and making Sydney. As the tier of government closest to local communities, it does not merely deliver services – it shapes neighbourhoods and places. If Sydney is to manage the growth pressures it is experiencing, if we are going to keep our city accessible, liveable and loveable, if we are going to ensure all our citizens have a reasonable quality of life, then we need a strong, professional and well-resourced local government.

More importantly we need to afford our local tier of government with more respect for the role it plays in making our city. We need to treat local government as equal partners with the other tiers of government. Great cities don't happen by chance. They happen when all tiers of government work in partnership with each other and our citizens towards a common goal. They happen when the engine of government and community fires on all pistons.

However, the Committee for Sydney believes that the next series of local government reforms should be more cultural than structural. They should be less about others 'doing things' to local government, like forced amalgamations or regulation of revenues, and more about elevating and empowering local government.

The Committee champions a greater role for local government because cities need strong and vocal advocates at a local level. Mayors, councillors and their staff can develop and articulate a vision for city-shaping that goes beyond their boundaries. Local service delivery is important and valued, but the role of local government is much more than that. Elected politicians and officials are uniquely placed to understand the spatial, governance and geographical challenges facing our city – so a louder voice in a time of momentous change in our city is both needed and welcome. This paper proposes several recommendations to rebalance the ledger between local government and other players in Sydney.



Art & About 2011 Sydney CBD. Image: City of Sydney

This paper begins from a position that further formal structural reform of local government in Sydney is unlikely in the short to medium term. There are unlikely to be any council amalgamations for many years. This should usher in a period of stability in which local councils can renew their role in driving innovation and contestability in public policy and provide constructive advocacy for their local region. This paper seeks to provide some commentary on how best to capitalise on this new stability in local government and to examine what other amendments and support could be afforded the third tier of government so it can play its part in managing and supporting Greater Sydney. More importantly, it seeks to ensure that local government can secure a respected and equal seat at the table when it comes making Sydney an even better place.

STRONGER COUNCILS REFORMS AND ESTABLISHMENT OF THE GREATER SYDNEY COMMISSION

Before we proceed to looking at what next for local government it is worth outlining recent reforms to governance in Sydney. Following a three-year review of local government, the NSW State Government released *Fit for the Future* in May 2016. This review argued for the benefits of having fewer and better resourced local governments. It argued that, as it was currently configured, councils in NSW were:

- too small to adequately service their local communities,
- mostly operating from an unviable financial base, and,
- no longer able to carry out their core business requirements.

In short, the review argued that there were a range of factors which contributed to many Councils being 'unfit' for the future.

Based on this review, the NSW State Government set about a root and branch reform of the sector. Councils were encouraged to amalgamate with their neighbours with the incentive of financial support. While amalgamation was opposed by many councils, some opted to take the incentive and pursued voluntary amalgamations with their neighbours. Other resisted and became subject to compulsory amalgamations.

Some councils challenged the government in the courts, seeking to prevent any amalgamations or their councillors being dismissed. As a result, the government amended its approach. Those councils that had already been amalgamated would remain so, those still fighting in the courts would be left as they were. The reforms also considered other changes to how local government was organised and governed. Mayoral terms were extended to two years to provide for more consistent leadership, although a mandatory introduction of directly elected mayors was not adopted.

While the reform process was state-wide, it had a particular impact on urban areas. In Greater Sydney the number of councils was reduced from over forty to just thirty-three. These new councils ranged in size from Hunters Hill, with just 14,000 people, to Councils like Blacktown and Canterbury – Bankstown with over 300,000 people. While the stated aim of the reforms was primarily to make local government more financially viable and capable of delivering more services, the NSW Government declined to lift the cap on rates or to transfer more power and responsibility to local councils.

GREATER SYDNEY COMMISSION

At the same time as the local government reforms, the NSW Government introduced a new metropolitan-wide form of governance with the establishment of the Greater Sydney Commission. This new body was an attempt to provide a single voice for metropolitan Sydney and to support the development of a metropolitan framework for strategic land use planning. It was tasked with developing a new metropolitan land use plan and to coordinate with other agencies and local governments on its implementation. It sought to provide a means for local government to play a greater role in planning the city's future.

Greater Sydney was divided into six (later reduced to five) districts, with local government asked to select a district commissioner to represent their views and to develop district plans. While councils within a district could recommend a candidate, the final decision was in the hands of the NSW Minister of Planning, and mayors and staff of councils were prohibited from applying. Consideration was given to allowing local residents a direct say in electing the District Commissioners, but this step was not supported by Parliament.

After several years of reform, local government is now able to settle down and get on with the enormous task of city building and place making. However, many of the stated original objectives of the reforms remain unfulfilled. Some councils are still struggling with an inadequate and often shrinking revenue base. Councils are in many cases still too small to provide a region wide view or to advocate with a single voice for their districts. Many councils still feel constrained by state government agencies when it comes to planning for services and development in their areas.

Local government still doesn't have as big a voice in many big decisions affecting the city and their local areas. They still don't have a secure or growing revenue base to support their work nor the financial autonomy needed to be accountable to their citizens. Most importantly, they still don't receive the respect or the responsibilities the Committee believes will deliver a better city for residents. For these reasons we advocate for further reform to how our city is governed.





A MENU FOR REFORM

The Committee has long advocated for a greater role for local government in shaping Greater Sydney. We do this because cities with well-resourced and strong local governments are better run, more resilient and dynamic. They manage their local spaces and places better. Those places and spaces which make a good city, great. We know that if Sydney is to manage the challenges of growth and change we need all spheres of government to work together. We can't do this with an under resourced and undervalued local government. We can't do it without firing on all pistons.

We also wish to see local government as playing a much greater role in developing urban policy. The Committee champions ideas which we see as progressing the cause of Sydney, but we also know we are not the only source of ideas and nor is anyone else. We support a contest of ideas; that public policy needs to be formulated by many voices and with different viewpoints and experiences. Local government has something to say, they have ideas about how to make the place run better, ideas about how we can improve our city. They should be heard.

Finally, we support an enhanced role for local government as one means of promoting greater democratic engagement in Sydney. Governance of the city is fractured between a plethora of state and commonwealth departments as well as dozens of local councils – not one of which is tasked for the city. The Greater Sydney Commission is the first concrete step in bridging this democratic deficit, but much more needs to be done. Local government has a crucial role to play in giving voice to our local communities on the policies and decisions that affect them. The menu of reforms we propose in this paper should help them do this.



STRENGTHENING LOCAL GOVERNMENT

1. Vertical Integration: The Architecture of Collaboration

Much of the next stage of reforms are as much cultural and attitudinal as structural. This is more than a plea for state or federal governments to play nice. There is a need to change views about the role and potential of local government. Increasingly, local government is taking a leadership role not just in shaping local areas, but in shaping the broader Sydney region. Far from being a challenge to state government's power, local government has responded positively to the NSW Government's desire for them to take on a more strategic role.

This is an opportunity for better collaboration between governments that share an understanding of the macro impact of changes at the local level. It does, however, require reflection on whether local government's powers and revenue are commensurate with these expanded possibilities. While each sphere of government has different obligations, responsibilities and views, in many cases these coincide with the views and obligations of other tiers of government. We should remember that we are trying to support and service the same people. A collaborative approach is essential. The Committee supports greater collaboration between each sphere of government.

A Distant Mirror: The First 'City Deal'

In 1944, as the dark clouds of war slowly receded beyond the horizon, a group of Sydney mayors met to discuss how local government could help in the post-war reconstruction of Sydney. They were concerned that there would not be enough housing for the returning soldiers, that there would need to be places set aside for new industries to provide them with jobs and ensure full employment. They were particularly concerned that the city was growing in an unsustainable and unplanned way. They were joined in their deliberations by the MLA for Redfern who had also just been elected Premier of NSW, Bill McKell, as well as the President of Abercrombie Shire, who had just been elected Federal Treasurer, Ben Chifley. Meeting in secret, they hatched a plan to combine the efforts of each sphere of government towards the goal of remaking civil society – to build a greater, more inclusive and economically successful Sydney.



Using a relatively underused power in the Local Government Act (the Counties provisions) the mayors agreed to share and coordinate their land-use and planning powers to create Sydney's first metropolitan strategy; the County of Cumberland Plan. This plan sought to ensure there was enough housing to meet the needs of a growing population and returning soldiers, that appropriate land was set aside for new manufacturing and industrial jobs, and that the ad hoc development of the city would be shaped and contained by a new 'green belt' to provide open space for recreation and respite. Understanding that the way Sydney's councils were structured would not suffice for this task, they supported voluntarily amalgamating the 96 council's into just 50. Importantly, this process would be led and delivered by local government.

Supporting these reforms, the state government undertook to develop and fund an infrastructure plan to provide the enabling kit to support the land-use plan: funding for new roads, rail and trams, as well as providing sewerage and electricity to every house and business. They would increase funding for a revamped Housing Commission and establish a new Land Commission (Landcom) They also agreed to improve the status of local government by making voting in council elections compulsory, giving mayors a meaningful mandate as well as agreeing to a stipend to remunerate mayors for their work.

For their part the Commonwealth agreed to establish a Sydney Development Fund to finance the purchase of the 'green belt' as well as other regional open space and to restore the foreshores of Sydney Harbour. They also agreed to fund a proper airport for Sydney and modernise the ports.

The County of Cumberland Scheme represents the first 'City Deal' for Sydney. It was a long term and well-resourced collaboration of each tier of government to address the pressing needs of Sydney. Much of what we value about Sydney today is due to the efforts of those mayors working with the state and Commonwealth governments towards a common plan. Many of the issues they faced then, Sydney faces again. We have a growing population which is increasingly suffering housing stress. We need to recalibrate our economy to ensure a more equitable distribution of jobs as well as supporting growth. We need better protection for our green spaces. We did it then, why can't we do it again?

Collaboration is easy to say, but harder to do. Better and more meaningful collaboration requires a new level of respect from all players, but it can also be helped by some minor structural and administrative changes. The state government realised decades ago that in a complex metropolis like Sydney it was impossible to deliver most services on a city-wide basis. Starting in the 1980s state health and education departments were broken into Local Area Health Services or Education Districts. This was soon followed by other state services like Police (Area Commands) Planning, Family and Community Services among others. Even the Greater Sydney Commission breaks the city into five regional districts. Only Sydney Water has a metropolitan wide remit (though even here services are often broken into catchments). Perhaps the State should consider realigning the boundaries of its own agencies to reflect both regional and Council boundaries as well as other state agencies. This was tried before in the 1990s, when a Royal Commission exposed that gaps in administrative boundaries was contributing to child abuse and neglect. Health and FACS agreed to align their boundaries both with each other and local councils.

The Committee believes other agencies should be encouraged to do the same, especially where we now have some larger, regionally based councils. By aligning the state and local government administrative boundaries, collaboration between the tiers of government would be easier and more meaningful. Having a regional mayor sit on an Area Health Board would help both institutions. Having a school district director or police area commander being responsible for same community as a council offers many opportunities for collaboration and the sharing of resources and information.

The Committee is not asking for a radical realignment of government agencies. But we note that health, education, police and other services regularly realign their respective administrative boundaries. A simple policy to try and align these boundaries with new regional councils (or clusters of smaller councils) or at least with the GSC Districts where practical, would be an effective way to supporting greater collaboration. It might even help government agencies collaborate with each other, delivering truly 'joined up' government.

In areas of overlapping responsibility, it's in everyone's interest that state and local government work well together and share knowledge. Much like the effective model of departmental liaison officers in NSW Ministerial offices, there is a role for local government staff to be seconded into state government departments. A structured program of knowledge sharing, delivered through secondments of local government staff into departments delivering work in the local area, will benefit all – state government will build a stronger understanding of local needs, while local governments will benefit from having staff learn from the specialised staff within departments.

Similarly, state government staff sitting within local government can bring the skills and knowledge gained through working on large scale projects and across NSW into local government – and build a better understanding of how working with local government can deliver better benefits for local communities in their portfolio.

Recommendations:

- Where practical state government departmental and administrative boundaries should conform to local government boundaries.
- Town Centre Deals: a smaller version of the City Deal recently announced in Western Sydney, which would act as a partnership between state government, the Greater Sydney Commission, local governments and major private sector stakeholders in individual town centres.
- Knowledge sharing: a secondment program for local government staff to spend time in state government departments to understand departmental.
- Knowledge sharing: a secondment program for state government staff into local government authorities.

2. Horizontal Integration: Regional Partnerships

One of the benefits of having fewer councils in Sydney is that intra-council collaboration and sharing can deliver benefits to a greater number of Sydney's residents. While councils have organised themselves into regional organisations (ROCS) for many years, there is now scope for more meaningful, metropolitan wide collaboration. The Committee has long championed a Council of Metropolitan Mayors as one means of supporting information sharing and collaboration. Councils in Sydney have demonstrated a great capacity for innovation and policy development. Addressing the pressing needs of their local communities is driving experimentation and adaptation, delivering innovative solutions to difficult urban problems. A forum of council leaders could provide a means to exchange ideas and collaborate on common problems. The Council could support more regular collaboration on a district level providing more meaningful input into the activities of the GSC.

The Council of Mayors would also provide a much-needed voice for civic government in Sydney. Committee members surveyed tell us that there is little scope for making the voices of councils heard in government offices. Whereas once the Department of Local Government provided this, funding cuts and its relocation to the south coast means it has little capacity to support the needs of our urban councils or to represent their interests within government. Moreover, the department has now been restructured to the Office of Local Government (OLG)

Securing the Best Deal for Sydney

The Western Sydney City Deal, which brings together eight councils in partnership with federal and state governments, represents a new form of collaboration between different tiers of government. The Committee would like to see the partnership build upon the success of the Deal's final announcement in early 2018, to not only deliver on the commitments made in the Deal, but to develop additional cross-boundary strategies and projects involving some or all of the eight councils.

The model of voluntary partnerships between different councils should also be explored in other areas of Greater Sydney, where councils share geographical or economic boundaries. A direction of travel might be for councils in all three cities across Greater Sydney to negotiate a Deal with State and Federal Government.

There is also a question to be resolved around the long-term governance structure of City Deals. Experience from the UK demonstrates that City Deals have developed in stages, but with a strong emphasis on devolving power to a local level. This has led to a new governance framework overseeing the councils involved in the Deal. For example, the Manchester City Deal has been a process lasting over almost a decade, where power has been decentralised in exchange for structural reform, including the introduction of a directly-elected Mayor of Greater Manchester. The 'metro-mayor' model is examined in greater detail below.

From little things, big things grow. From Midlands to mainstream

In grappling with the challenge of managing population and economic growth, Sydney is not alone. Across the world, governments are experimenting with reforms to better align their governance arrangements with the needs of their cities and regions.

In the UK, successive governments have recognised the need for better resourced and stronger regional and local government. While some cities and regions had powerful advocates on national affairs and for regional needs (places like London, Scotland and Wales) much of the UK was voiceless with only small councils administering on a sub-regional or local level.

To correct this imbalance, the central government embarked on a series of reforms. With the lure of more financial resources and power, local councils were offered the opportunity to restructure themselves along regional boundaries. There was no compulsion and no forced amalgamations, only recognition that joining together could deliver greater and better outcomes.

While not every region opted to take up the opportunity, many did. Cities like Birmingham and Coventry joined with five neighbouring municipalities to establish the West Midlands Combined Authority. While maintaining their local autonomy and service provisions, the seven councils recognised they needed to collaborate with each other on the pressing issues of economic development, regional and sub-regional transport. More importantly, they recognised they needed a stronger voice in advocating for their region and ensuring the needs of their cities and towns were heard on the national stage.

They agreed that for this voice to be credible and authoritative. It needed a mandate, so they established a directly elected mayor to speak for the region. Recognising they needed to support and drive economic growth they worked with local businesses and industry to develop an economic plan for the region – a plan to grow and attract new jobs for their cities and towns, and a plan to ensure they capitalise on the next Commonwealth Games which they will host.

In response, the central government provided extra resources and conferred new power to the region including more control over land use planning as well as regional transport. It's still early days but the region can already point to significant successes. The central government is now considering transferring extra powers and more money to the council with police and emergency services to soon be administered locally.

Such a model could easily be implemented in Sydney, either as regional bodies such as the 'three cities', or for the whole metropolis. In many respects this is the logical next step in the evolution of the City Deals process, which needs an ongoing governance structure for implementation. Remember, this is not council amalgamations by stealth. All the existing functions and responsibilities councils have now will remain. However, more responsibilities and powers could be afforded to the regional or metropolitan council.

Could the Council of Sydney Mayors be the first step to combining both horizontal and vertical integration for a new governance of Sydney? Could a future 'City Deal' support the establishment of a Mayor for Greater Sydney? The Committee thinks so.

Recommendation:

- Create a Council of Sydney Mayors and general managers that meets every 6 months, brought together by the GSC for a discussion on a major strategic issue facing Sydney. They should have the power to make binding decisions on councils.

3. Truly Fit For the Future: Financing the Third Tier

Sydneysiders pay the lowest council rates in Australia. While rates vary from council to council, compared to any other city, what the average home owner or business pays for council services is dwarfed by what our compatriots elsewhere pay. This is not something to be proud of. Cities rely on local services to thrive. We need more and better parks, decent footpaths and cycleways, cleaner streets with better amenities. We need town centres which are more than just places to shop or find employment, but are places to meet, socialise and play. This takes resources. Our parsimony in paying for local services is starting to deliver a false economy. Nearly half a century of capping council rates is undermining the liveability of our city. It has seriously undermined the capacity of local councils to deliver the city shaping services we want or the place making our neighbourhoods need. The principle aim of the recent round of local government reform was to ensure all councils have the scale and resources to meet their existing and future community needs. Yet after several years of expensive disruption, councils are still not in control of their own financial future.

The Committee has long opposed rate capping. It is a blunt instrument, with little economic rationale behind it, and is hindering to the local institutions on which much of our civic life depends. Worse, as Sydney's population grows, rate capping is starting to create some very perverse outcomes. Because rates are capped at the dollar value, a council experiencing strong population growth is unable to raise enough money to meet the community's needs. In short, councils are being penalised by supporting growth while those communities most resistant to taking their fair share are being rewarded.



Barangaroo. Image: Lend Lease.

Nowhere is this more pronounced than in the new, high density community of Green Square. As Green Square has been transformed from an industrial area (which paid rates but required little in council services) to Australia's highest density suburb, the rate base available to Council has barely moved. Green Square will soon have a population of over 70,000 people, yet councils rate base will increase by just \$5 million dollars. That's not much money to service the needs of such a large and complex community. Moreover, while developers contributed to providing new local infrastructure, this is a one-off contribution. The recurrent costs of maintaining and replacing this infrastructure over time is the sole responsibility of the City of Sydney. No wonder communities are resisting new residential developments across Sydney. New residents create greater demand on local services but restrict the capacity of councils to provide them. Rate capping should go.

If rate capping is not to be removed then consideration should at least be given to varying the 'cap' to better reflect the respective growth of a different councils. A region which is growing at 2-3% per annum needs more resources than a region which is not growing at all.

Recommendation:

- The State Government should either remove or amend the current cap on rate increases to ensure local government has the financial base to be truly 'fit for the future'.

Capital Funding: A Metropolitan Development Levy

If an across the board rates uncapping is seen as too politically controversial, there are more targeted options. A mechanism to support investment in civic infrastructure would be the creation of a metropolitan development fund for Sydney. This could be funded through a slight increase in metropolitan rates (already the lowest in the nation) or through an expansion of the land tax base. The monies raised could generate a pool of funds local councils could use to expand and improve our cities' open space, giving renewed impetus to the 'Green Grid' being championed by the GSC. It could help maintain our civic infrastructure, like roads and libraries or support much needed town centre renewal. Councils could bid for money to fund special projects or to support growing communities. They could bring matching funds like developer levees and S94, to ensure civic infrastructure is provided when the community needs it, and not in some distant future. It could be used to fund cross-council infrastructure needs like community transport, bike paths or regional open space. As the recent city deal showed, nothing drives collaboration faster than a pot of money.

Alternatively, we can use the Growth Infrastructure Compacts being championed by the GSC to support increases in local levies to support town centre renewal or catalytic infrastructure projects. Town centres across North America and Europe are now being renewed and revitalised using the Business Improvement District (BID) model where residents vote to support small tax increases, hypothecated to implement local infrastructure improvements.

New or higher taxes always makes governments nervous and the Committee knows some might see this as too politically painful. However, we also believe there is a strong appetite among our citizens to support investment in their local communities. Sydneysiders have always been supportive of new taxes if they know they are going to a worthy or needy cause. They've consistently supported special rate increases and local levies whenever they've been asked. They showed this during the last drought with a substantial levy on every household to build a desalination plant. The Committee believes they would do so again for a much smaller levy to improve our green spaces, our neighbourhoods and towns. We should ask them.

Recommendation:

- Established a metropolitan infrastructure fund through a levy on local rates or land to support local councils.
- Where a Growth Infrastructure Compact is developed, it should have the capacity to tie infrastructure and growth to a funding mechanism. This mechanism should include value capture as well as rate increases.

4. Funding Leadership: Creating a Level Playing Field

Recent changes to local government have resulted in a significant increase in the workload of our civic leaders. They often have more constituents spread across a larger area. They have in many cases more responsibilities and greater scrutiny and they are obliged to commit for longer terms in office. Yet this greater commitment and workload has not been matched by a commensurate increase in remuneration. Taking on the task of being a mayor should not rely on just a sense of civic duty. It's an important and often difficult job and it should be remunerated as such. More importantly it's an increasingly full-time job. City of Sydney council is a case in point. Having a full-time and properly remunerated Lord Mayor has been an invaluable asset to our city. We have a person to represent our city internationally as well as to help oversee the critical place making our CBD and surrounding suburbs need. We need more of such assets. Mayors should be paid, especially in the larger regional councils.

It is an anomaly that whilst other elected politicians, such as State Members, receive a salary, elected representatives in local government receive an allowance instead. One direct result of this is that serving councillors do not receive a superannuation contribution, as their remuneration is regarded as a stipend rather than a salary. Such restrictions act as a barrier to encouraging talented people from all parts of the community to stand and serve as local representatives. The Committee believes that paying councillors a salary, including a superannuation payment, is a necessary step in recognising the importance of their role and encouraging a greater diversity of people to stand for elected office.

The greater role the Committee is championing for local government needs also to be supported with more qualified and trained civic leaders. Cities and suburbs are complex places, managing and supporting them requires skills as well as experience. More effort and resources should be put into training and upskilling our civic leaders. West Australia and Victoria have specific collaboration agreements between state and local governments which support training and sharing of resources with local government. We should do the same in NSW. Providing civic leaders with the necessary skills and training, as well as a living wage, is long overdue.

Recommendation:

- Fund full-time mayors for councils over 100,000 people.
- Greater resources need to be applied to support training and skills development of civic leaders.
- Pay councillors a salary rather than allowance, including a superannuation contribution.





CASE STUDIES OF LOCAL GOVERNMENT INNOVATION AND EFFECTIVENESS



Parramatta Square under construction. Image: City of Parramatta

PARRAMATTA SQUARE: INNOVATIVE CITY VISION AND PROPERTY DEVELOPMENT THE CITY OF PARRAMATTA

Parramatta Square is a 4-hectare strategic landholding acquired by the City of Parramatta two decades ago with the intent of creating a new centrepiece for the Parramatta CBD. This was in line with council's determination at the time (as it is now) for Parramatta to become Global Sydney's Central City.

Now under construction, Parramatta Square is set to deliver 230,000sqm of world-class civic, commercial and educational space, and an iconic 20,000sqm public square. It has a combined value of \$2.5 billion and will accommodate 23,000 new knowledge workers and 35,000-50,000 daily visitors when complete.

The project is the result of a bold plan coupled with a commercially astute approach to property development that departs from traditional council asset management approaches. Adopting a higher-than-usual risk profile reflected the need to match the project to the needs and timeframes of private investors and tenants.

Careful staff recruitment, governance and risk management over a long period of time has ensured that the project has benefitted from private sector expertise from inside and outside council.

Process

The original concept was founded on council's historical ownership of building assets in the CBD which included important civic spaces and a central library. Additional funding came from the sale of a small number of assets deemed surplus to need. This, together with modest borrowings (circa \$50m) provided the cash flow to acquire lands necessary to owning the whole Parramatta Square precinct.

Council's master plan and staging programme were refined over the years to sharpen the vision and generate market interest. This succeeded in bringing Western Sydney University in as a partner to construct a 14,000sqm vertical campus in 2016, a facility now catering for 10,000 students over the academic year.

Council then partnered with Charter Hall and Walker Corporation on the first 3 stages of the project, which leveraged external expertise in tenant attraction and construction. NAB, Price Waterhouse Coopers and a range of NSW government agencies were secured as committed tenants.

Parramatta Square was delivered to market in 8 stages. Successful stage bidders accepted responsibility for the full development process, including funding so ratepayer funds and business-as-usual services were protected from exposure to the property market.

The project is managed by council's specialised Property Development Group. Governance and oversight is provided by a group of independent property experts supplying review and sign off, and reporting direct to council on all major transactions.

Council's regulatory functions are conducted at arm's length, ensuring that community expectations of probity and independence are maintained.

Outcomes

Parramatta Square will deliver a substantial increase in job numbers in line with state government targets with new workers to be housed in 4 commercial towers fronting substantial new public domain.

The project has generated strong momentum in the broader Parramatta market, resulting in new office towers moving into construction in other parts of the city.

The state government has committed to building a radial transport network centred on the interchange at Parramatta Square. It will be anchored by the new high-speed West Metro connecting Parramatta to the Sydney CBD and the Parramatta Light Rail connecting to Carlingford and Sydney Olympic Park.

Council's Parramatta Square delivers on long-held local aspirations, but it also substantially advances the state government's vision for Global Sydney as a three city metropolis.



The centrepiece of Sydney's "central city": Artist's impression of the new Parramatta Square towers intersecting with the public domain. Image: City of Parramatta

COLLABORATION ON STREET LIGHTING

30 NSW COUNCILS

After years of unsuccessful individual effort to improve the street lighting regime in Sydney, councils are now making significant progress working collaboratively.

Issues like obsolete technology and poor service levels together with rising electricity costs (growing at two to three times CPI levels over the past decade) had long plagued councils, particularly as street lighting typically represents 2% of outgoings.

Unilateral attempts to engage the large utility Ausgrid proved ineffectual so the eleven member councils of the Southern Sydney Regional Organisation of Councils (SSROC) decided to form a more significant representation and present as a group.

SSROC executives led the initiative and recruited a specialist team of advisors to supply technical support to councils and avoid them having to develop the expertise one by one.

The initiative soon grew and today it covers 23 metro Sydney councils and 7 from the Central Coast and Hunter. These councils collectively encompass over 95% of Ausgrid's street lights (more than 240,000 street lights) and are spending more than \$67 million per year in services and energy.

The group has four clear objectives for 2017-18:

1. Code Compliance and Improved Governance

Having lobbied the NSW Government to establish, and now review the Public Lighting Code, councils are now seeking full compliance from Ausgrid, together with a governance regime to ensure appropriate levels of service.

2. Pricing and Pricing Oversight

Councils are seeking through the current Australian Energy Regulator's (AER) pricing review action on over-valued legacy lighting assets, pricing in line with efficient cost recovery, signals for new technology and greater transparency.

3. Improved Technology

Councils want modern lighting that is robust, energy efficient and based on the latest technology. Agreements already secured include LED lighting becoming the default for residential and intermediate roads and trials on main roads of LEDs and smart controls.

4. Progress Grant & Other Funding Sources

Councils are pursuing financial support from state government programs to accelerate the deployment of more efficient lighting,

Success Measures

- While councils have had electricity price increases in recent years, strong representations to regulators has resulted in pricing decisions that have been more than \$20 million lower than sought by the utility in three separate pricing reviews.
- The 52,000 more energy efficient CFL lights used on residential roads from 2008 are saving councils more than \$1.3m/yr and the 32,000 LEDs used from 2013 is saving them more than \$1.5m/yr. The savings are recurrent and continue to climb as LEDs are installed at 1000/month.
- If fully deployed, technology changes agreed with Ausgrid will reduce energy consumption and greenhouse emissions by more than 50% compared to the LED transition point in 2013. If an accelerated program involving up to 102,000 street lights and trials of main road LEDs and smart controls prove successful, these savings will be even greater.
- NSW Roads & Maritime Services reformed the Traffic Route Lighting Subsidy Scheme in 2013/14 and delivered several million dollars per year in additional funding to councils.
- Average repair times have fallen significantly since 2004 and regular reporting has improved. Ausgrid is also dramatically improving the information it supplies to councils.

Benefits of Collaboration

1. Combining to overcome technical and financial barriers

SSROC not only supplies technical support, it also helps councils obtain the complex accreditation needed for funding under the NSW Energy Savings Scheme and is facilitating councils wanting to combine funding needs to meet the Clean Energy Finance Corporation's \$10 million threshold.

2. Combining to address policy gaps

Lobbying for policy change is beyond the resources of individual councils but working collectively has secured reform via Ausgrid, Government and the AER with resulting service-level improvements.

3. Combining to alleviate Ausgrid's challenge of juggling individual requests

Utilities can't offer councils a differentiated street lighting service as they have limited lighting, bracket and column choices and a largely identical service level across the network. Collective negotiation has meant Ausgrid no longer has to respond to as many individual council requests.



Replacing outdated technology with new efficient LEDs. Image: Ausgrid

GREEN SQUARE: INNOVATIVE PLANNING AND FINANCING MODEL

THE CITY OF SYDNEY

Green Square is the first new town centre built in the inner city of Sydney for more than 100 years. By 2030, 278 hectares of formerly industrial land between the Sydney CBD and the airport will be transformed into homes and a community of approximately 61,000 residents. When finished, Green Square will be Australia's densest precinct at an average of 22,000 people per km².

The challenge for the City of Sydney in managing intensification of this scale is to provide the public infrastructure – roads, utilities, drainage, parks, playgrounds, swimming pool, library, cultural and community facilities, schools and public transport – *before the community arrives*.

The City's Role as Coordinator, Place Planner and Negotiator

Initially announced by the NSW Government in 1994, Green Square's early development stalled due to complex ownership, land contamination, unresolved flooding issues and lack of infrastructure.

In 2006 the City of Sydney took the lead on an integrated approach that encompassed land uses, urban design, traffic and transport, streets and open spaces, stormwater, social infrastructure and community facilities. Importantly, a financial framework was also established to deliver infrastructure and assets essential to supporting private development in the area.

The City achieved a breakthrough in 2011 with the signing of the first voluntary agreement. This was followed by a staging plan in 2012 and critical land sales. The City determined at the same time to forward fund infrastructure for the town centre.

A second major barrier was removed in 2014 when the City and Sydney Water agreed to co-fund a \$100 million 2.4 kilometre trunk stormwater drain from Zetland to the Alexandria Canal to address flooding and allow private development to proceed. This helped unlock \$13 billion worth of total construction for the area.

The City's Role as a Deliverer of Major Works

The City has committed almost \$540 million to Green Square for facilities and infrastructure with the balance of \$1.36 billion negotiated through developer works-in-kind under Voluntary Planning Agreements (VPAs). Major acquisitions and key projects being delivered by the City include:

- Land for a future corridor connecting Green Square to Central Station (as yet unfunded at State level).
- Green Square library and public plaza (complete in 2018).
- Community and cultural facilities on the former South Sydney Hospital site.
- A new aquatic centre and Gunyama Park.
- Land for roads, footpaths and 40 small parks and playgrounds.

Innovative Funding at Local Level

Infrastructure, land and assets valued at \$1.3 billion will ultimately be owned and managed by the City of Sydney. They will have been delivered through a variety of innovative funding mechanisms including acquisition and construction by the City as well as dedications of land and works-in-kind by developers. The key instruments used to negotiate these assets at the local level include:

- The City's Section 94 Contribution plan that offers a bonus for design excellence.
- The Green Square Community Infrastructure Floorspace scheme (in place since the late 1990s) that grants floorspace to a specified maximum where community infrastructure is provided.
- The Green Square Town Centre Development Rights scheme (in place since 2006) that establishes contributions for each site in the town centre and operates under an innovative rezoning model that produces infrastructure funds and reduces unproductive land speculation.
- An affordable housing levy aimed at delivering up to 330 affordable rental housing units.

Infrastructure Required at State Level

Higher level infrastructure is also needed to meet the needs of Green Square's growing population, above that able to be supplied at a local level. Proposals advanced by the City are currently awaiting commitment at state level and these include:

- A model for a new school integrated with community facilities on the former hospital site (this is proposed as a collaboration between the City and the NSW Government).
- Suggestions for a future public transport strategy to meet the needs of the whole Green Square population above and beyond the relatively small number serviced by the existing station.

Effect of rate capping

The increase in Green Square rates permissible under the current rate cap is estimated at \$5 million per year. This is substantially below the operational costs of providing services to 61,000 new residents and 21,000 new workers and maintaining \$1.3 billion worth of new assets.

“The challenge for Council in managing intensification of this scale is to provide the public infrastructure – roads, utilities, drainage, parks, playgrounds, swimming pool, library, cultural and community facilities, schools and public transport – before the community arrives.”



A section of the new Green Square Town Centre. Image: Paul Patterson, City of Sydney

CHILDREN'S PARLIAMENT: INNOVATIVE COMMUNITY ENGAGEMENT LIVERPOOL CITY COUNCIL

Liverpool City Council held a Children's Parliament this year to give voice to kids from low socio-economic backgrounds. The process engaged over 1200 children from some of Sydney's most disadvantaged suburbs; Ashcroft, Busby, Heckenberg, Cartwright, Hinchinbrook, Green Valley, Miller and Sadleir.

Asked "what matters" the children said homelessness, poverty, bullying, domestic violence, gender equity and food prices. Asked "what's positive about living in Australia" they said beautiful buildings, peace, scenery, family and friends, good food and the ability to live a good life.

Forty children represented their peers in a "Parliament" attended by the Mayor, Federal MP, Children's Commissioner and representatives from the Department of Education and the Office of the Advocate for Children and Young People. It was covered by SBS News and local newspapers.

Their feedback on the process included comments like:

"I have started to care about what is going on around the world and it has helped me believe in myself more".

"It has let me have a say which is a big opportunity for me to change my community".

"I thought only some people got rights, now I know every child is entitled to their rights".

This engagement innovation was conceived by Liverpool City Council in partnership with Mission Australia and Western Sydney University. It aligns with the Melbourne Declaration on Educational Goals for Young People (2008).



One of forty elected representatives to address the Children's Parliament this year in Liverpool.
Image: Liverpool City Council

PENRITH CBD: COMMUNITY-LED STRATEGY

PENRITH CITY COUNCIL

Penrith Council is looking to transform the Penrith City Centre and has taken an innovative approach to future thinking, partnering, creating market opportunities and using its own assets to drive investment into the CBD.

It has done so recognising that reliance on government grants and assistance would be a passive stance holding Penrith back from being able to shape its own future and achieve the city's goals.

Local artists, architects and community members worked together to create a vision for the city centre – The Future of Penrith, Penrith of the Future. It responded to the need to attract and accommodate 55,000 new knowledge professionals by 2031, as well as community desires for increased walkability, vibrancy and connection to the river.

Council then leveraged its 30% ownership of CBD land to trigger renewal on three sites (with a pipeline of other projects now being readied) and is partnering with tier one developers to bring forward strategically valuable developments.

Smart growth is the outcome sought from development. This has allowed vertical format seniors' living to be brought into the CBD (as opposed to being pushed to the fringe where access to services is an issue), a new office tower to be advanced, and over 1,000 additional parking spaces in a bold mixed use development to be delivered at no cost to the community. The latter project will turn a \$35m expense to the public into a \$750m investment in the city centre.



Hundreds of community and business leaders shaped the "Penrith of the Future" strategy.
Image: Penrith City Council

INNOVATIVE ENGAGEMENT AND BEHAVIOURAL CHANGE METHODS CITY OF CANTERBURY BANKSTOWN

The City of Canterbury Bankstown, facing public amenity issues such as littering and incorrect recycling practices by residents, and recognising the standard local government brochures, stickers and posters were failing to cut through, embarked upon an innovative social research and behaviour change program. This has had marked success and won a swag of awards.

The approach involves:

- Spending time listening and observing community behaviour in situ in order to understand motivations, rather than jumping to business-as-usual solutions.
- Using observational research, face-to-face interviews and behavioural psychology techniques to get to the heart of key issues.
- Applying a rigorous scientific approach including use of baseline data, control sites and pilots.
- Being prepared to experiment with persuasion techniques:
 - clearly defining “the norm”.
 - providing personal feedback to show people where they stand relative to others.
 - asking for a commitment to alternate behaviour (taking a pledge).
 - providing clear rationale via “because” statements.
 - using easily-recognised smiley and frown symbols to give feedback and reinforce norms.

Recycling Success

To incentivise better recycling council places feedback postcards in letterboxes. They display a positive “Well done! ☺” message or an improvement “Oh No! ☹” message. Staff visit residents and ask them to pledge to improve recycling. The program has operated for 6 years and reduced contamination to below 10%.

De-Littering Success

Council’s foreshore parks had at one stage three times the litter of similar parks in other LGAs, so council staff from across the organisation started working Sundays, prompting park users to use rubbish bins and handing out bags. Over 4 years council has been able to reduce litter by over 90% in these parks.

The techniques developed by the City of Canterbury-Bankstown deliver directly on NSW Government sustainability objectives and have been replicated many times by councils across Australia.



Getting up close and personal is the key to behaviour change.
Image: City of Canterbury-Bankstown

ROTTERDAM-THE HAGUE: A MERGER OF TWO CITIES

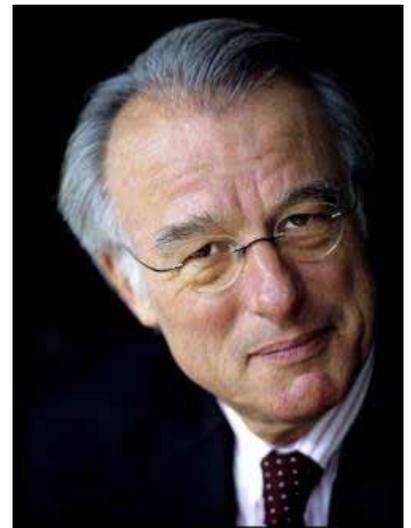
The mayors of two of The Netherlands largest cities – Rotterdam and The Hague – are driving an innovative experiment in metropolitan governance that has seen their cities, along with 21 smaller surrounding municipalities, voluntarily merge into a single metropolitan-scale institution now known as the Rotterdam The Hague Metropolitan Region (MRDH).

This entity came into effect in January 2015. Its two priorities are public transport provision (on behalf of the central government) and economic development (on behalf of the 23 member municipalities). It is staffed by a bureaucracy of approximately 100 people.

The experiment commenced after an OECD report suggested Dutch cities were underperforming in the area of economic agglomeration and the national government moved to abolish city-regions on the back of the findings. In response, the leaders of the two cities embarked on an innovative power-sharing arrangement aimed at achieving the scale most conducive to attracting industry and helping firms cluster.

Local authorities are working in unison via internal working groups, committee structures and a knowledge exchange platform that promotes sharing and coordination between the parties.

The cities, physically 30km apart and connected via a dense transport network, are attempting to drive functional integration within the new geography. This includes the building up of a contiguous urban area and promotion of city-to-city commuting and economic interaction between firms. Cultural, work and trade patterns, however, which are still largely regionalised, are proving hard to shift.



The Mayors of Rotterdam (above) and The Hague (below) responsible for the merger.

Local authorities are working in unison via internal working groups, committee structures and a knowledge exchange platform that promotes sharing and coordination between the parties.

DENVER: THE ROLE OF THE MAYOR

In 2004 the Mayor of Denver John Hickenlooper fronted a public campaign asking the community to vote in favour of a sales tax increase to fund a new regional rail system. This was part of an unprecedented public-private partnership that combined private funding, local tax dollars and federal grants. John Hickenlooper was able to convince 34 smaller councils to support the scheme and against all odds, the public voted in favour of the increase.

Some commentators have put Denver's success down to a spirit of regional collaboration: "the buy-in of businesspeople, elected officials, civil servants and environmentalists across the region... and their ability to work collectively"¹.

Others single out John Hickenlooper and his unique ability to convince people to set aside rivalries and in his words, "make some important collective investments in themselves".

Politico noted in 2014 he was almost always referred to as the "man in the middle", a leader known for his "let's-work-this-out, let's-split-the-difference, let's-find-consensus" management style.

He is credited with building strong relationships with neighbouring areas, "constantly speaking at suburban get-togethers, relentlessly pushing the message that Denver's fate is inextricably linked to places like Aurora, Lakewood, and Englewood" and entering into co-planning and co-funding arrangements with them. This has been attributed to him being "a businessman, not a politician who thinks about boundaries"².

He also had the respect of the State Governor for Colorado, a Republican who opposed the proposal to increase taxes but, it was said, refrained from aggressively crusading against it, partly because of his affection for Hickenlooper and partly because substantial elements of the business community had been convinced of the merits of mass transit and had made significant donations towards it.

The project itself suffered a number of setbacks including the impact of the Global Financial Crisis in 2008 which blew costs out by almost \$2 billion, however, over \$7.6 billion has been found to date to push on with construction. The lion's share of the network is now in place.

Denver rail is widely seen as a "public transit miracle"³. It has de-congested highways, reduced air pollution and driven mass land use change around stations. Run down areas have been revitalised and new transit-orientated communities have evolved along corridors.

These factors helped kickstart the economy turning Denver today into a go-to destination for millennials and tech firms and allowing it to compete with older coastal cities on the world stage.

On the back of his achievements as Mayor of Denver, John Hickenlooper, a member of the Democratic Party, successfully ran for Governor of Colorado in 2011. He continues to hold that position today.



John Hickenlooper

1 Woodard C, 2016. "The train that saved Denver". Politico, 16 May. Available at <<https://www.politico.com/magazine/story/2016/05/what-works-denver-rail-system-growth-21390>>

2 Politico, 2014. "The Politico 50". Available at <<https://www.politico.com/magazine/politico50/2014/john-hickenlooper-43.html#.WinXIVWWaM8>>

3 Johnson F, 2014. "How Denver leaders pulled off a public transit miracle. The Atlantic. Available at <<https://www.theatlantic.com/business/archive/2014/10/how-denver-leaders-pulled-off-a-public-transit-miracle/425583/>>



JOINT ADVOCACY SOUTH-EAST QLD MAYORS – “COUNCIL OF MAYORS (SEQ)”

The Council of Mayors (SEQ) was established in September 2005 as an independent political advocacy organisation representing the interests of South East Queensland.

The group consists of 11 Mayors representing the Councils of Brisbane, Gold Coast, Ipswich, Lockyer Valley, Logan, Moreton Bay, Redland, Scenic Rim, Somerset, Sunshine Coast and Toowoomba. Five of these councils are in the top ten largest Councils in Australia and the group collectively represents 71% of the QLD population.

The SEQ region functions from an advocacy point of view as a single metropolitan area rather than a series of disparate geographic areas. Its mission is to deliver better regional funding, policy and collaborative outcomes.

It does so by:

- Advocating for a better resourced region with world standard infrastructure to support economic development.
- Influencing other levels of government to ensure policy and legislative positions support regional growth.
- Collaborating in effective and innovative cooperative programs across the region.

The group released their list of State Election Advocacy Priorities in November in the lead up to the QLD election. Seven of the ten infrastructure priorities received commitments from at least one of the major parties contesting the election (though funding gaps are unresolved).

JOINT ADVOCACY: THE NATIONAL GROWTH AREAS ALLIANCE PENRITH CITY COUNCIL

Penrith City Council, like its outer Western Sydney neighbours, is interested in engaging at the federal level in order to inform infrastructure prioritisation and has therefore taken an active role on the executive of the National Growth Areas Alliance (NGAA). This organisation represents 20 councils around Australia, including 5 others from Sydney – Blacktown, Liverpool, Campbelltown, Camden and Wollondilly – that are located in fast-growing outer metropolitan areas on the outskirts of capital cities.

The 20 councils share a community of interest being concerned with addressing inequity and under-attainment due to lack of access in outer areas and harnessing growth to improve planning and infrastructure outcomes. The 6 from Sydney share the additional characteristic of being part of the same economic catchment.

NGAA is a credible voice in Canberra, member of the Cities Reference Panel and regularly sought out for policy input relevant to growth areas, making it an appropriate “peak” for research and advocacy expressing Western Sydney concerns in a bi-partisan fashion.

It was instrumental in conceiving and lobbying for the introduction of the City Deal in Australia and is the driving force behind the Fund Our Future and National Nightmare Commute Day campaigns. Involvement by the six Western Sydney councils helped pave the way for successful multi-party talks between councils on the Western Sydney City Deal.

Involvement in NGAA has highlighted for Penrith the need for strong local government-facing institutions and for collaboration between councils to overcome the barriers of fragmented governance for Australian cities.



FUND OUR FUTURE

5 million
Australians in fast-growing outer suburbs

3 priorities
Roads, public transport and health

1 solution
A dedicated national infrastructure fund

www.fundourfuture.info

Fund Our Future is an initiative of the National Growth Areas Alliance



Resilient Sydney

A strategy for city resilience 2018

COLLABORATION: SYDNEY COUNCILS DELIVER THE RESILIENT SYDNEY STRATEGY RESILIENT SYDNEY AND 100 RESILIENT CITIES

The Sydney Resilience Strategy, developed in collaboration with 100 Resilient Cities will aid the city in strengthening its ability to survive, adapt and thrive in the face of increasing global uncertainty and local shocks and stresses. It was developed by councils across Greater Sydney in consultation with over 1,000 residents; 100 businesses, including the Committee for Sydney and many of its members; government organisations. It marks a new spirit of collaboration and connection in the city and is the result of two years of effort across Sydney. Resilient Sydney lays out a set of tangible actions the city can take to build resilience and strengthen the city's ability to survive and thrive through major shocks and chronic stresses.

Some of the actions detailed in the Resilient Sydney Strategy are already being implemented. The Australian Red Cross and Insurance Australia Group have teamed up in support of the 'Get Prepared' flagship action to develop the Get Prepared app. The app will enable users to develop a personalised emergency plan in minutes to help residents better understand what to do in the event of an acute shock such as an extreme heat wave, power outage or water shortage.

One city

One of the flagship actions in the Resilient Sydney Strategy is One City - a recognition that we must work together as a city, regardless of council boundaries or silos. Partnering with the Committee for Sydney and the Sydney Business Chamber, One City will aim to engage 100 organisations in the Sydney Resilience Commitment, which will examine how a lack of understanding of Sydney's metropolitan scale risks, and interdependencies exacerbates, the city's shocks and stresses. This action calls for 100 of Sydney's vital organisations to make a commitment to make adaptive, integrated planning and action central to their governance in order to manage disruptions.

DIRECTION 5

One city

We are one city.

- Collective leadership
- Collaboration
- Sharing knowledge

Challenge

Disjointed governance

Outcomes

Key governing organisations across Sydney pledge to build their capacity and cooperate to understand and manage shock and stresses for everyone in a resilient metropolitan Sydney.





The Committee for
Sydney

“I commend the
Committee on the
role they are playing
in intellectual thought
leadership for Sydney.”

THE HON. GLADYS BEREJIKLIAN MP
PREMIER OF NSW

The Committee for Sydney

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