

Destination 2036 Workshop – Opening address
Minister for Local Government, the Hon Don Page MP
Wednesday 17 August 2011

- I would like to acknowledge that we are here today on the land of the Wiradjuri people – and I acknowledge their elders both past and present.
- I'd like to start by acknowledging and thanking Councillor Keith Rhoades, the President of the Local Government Association, Councillor Ray Donald, the President of the Shires Association, Mr Mark Ferguson, the President of Local Government Managers Australia (NSW Branch), and Melissa Gibbs, Assistant Director of the Australian Centre of Excellence for Local Government for their invaluable contribution in helping us make Destination 2036 happen.
- I'd like to thank my Ministerial colleague Kevin Humphries, local member Troy Grant, and all the Mayors, Councillors and General Managers here today.
- I'd also like to thank the Mayor of Dubbo City Council Cr Allan Smith for his hospitality last night and for having us here in Dubbo.

- I'd also like to sincerely thank all of you for taking time to come along to this event.
- I'm very pleased to see so many people here, representatives from all 152 councils in this State, ready to work constructively to map out the future of local government in NSW.
- I believe this event, and the initiatives that will follow, provide a unique opportunity for us to establish a relationship of mutual trust, focused on strengthening the local government sector.
- From my perspective, nothing is sacred over the next two days, and everything's open for discussion.
- And I trust that you'll all be approaching this workshop from a similar positive perspective.
- Ultimately, the outcomes and plans that emerge at the end of the two days will be yours.
- They will reflect your vision of local government.
- They will reflect your level of commitment to strong and sustainable local government into the longer term.
- I must say, what we are trying to achieve here is not easy, particularly with over 350 people involved.

- But I believe we have planned and structured this event well, and have engaged a professional facilitator in Elton Consulting, to ensure this does not simply end up being a talkfest.
- Can I say to you all, there's just too much pressure for meaningful reform, both from within and from outside the sector, that we frankly can't afford the luxury of a talkfest.

Why is reform essential?

- In the lead-up to today, I've heard varying views about the need for change in local government – from calls for radical change, to suggestions that only minor tinkering is required.
- But I think once you start to pick at the surface, as we will today, it's clear that things are going to change over the next 5 to 10 to 20 years, and some things are going to change dramatically.
- Change, of course, is not new, but the pace of change is certainly accelerating.
- Smart organisations seek to anticipate change and, where possible, influence the direction of change.

- Reform is not new either. Local government has dealt with significant changes over the years.
- As I said, I don't believe we can afford to just have a talkfest.
- Neither can we afford to point fingers or look for someone else to help us out.
- If that's all we did, then some councils would continue to do well, some will do OK, while others will wither and become unsustainable.
- And with an increasing number of unsustainable councils throughout the State, we would inevitably see an ever increasing divide between our communities – the 'haves' and the 'have nots'.
- This is not a scenario I am prepared to oversee. And I'm sure you are not either.
- Instead, I believe we need to be proactive and we need to plan for the future.
- We need to know where we want to be, and we need to know how we are going to get there.
- I know there are some who think it all comes down to financial resources: "If we had sufficient resources,

either through grants from other levels of government or from our own sources, everything would be fine”.

- But we all need to accept that there will never be “sufficient resources”.
- One thing I’m sure we can all agree on, is that our communities have ever-increasing needs, wants and expectations, yet they also have an ever-decreasing willingness or capacity to pay for those needs and wants.
- As a result, all levels of government – federal, state and local – face continuing pressure to achieve more with less.
- At the same time our society, and the issues that all levels of government have to deal with, are becoming more and more complex.

My Expectations of Local Government

- So, as the new Minister, what are my expectations of local government in NSW?
- Firstly, I want to see a strong local government sector - in terms of its financial sustainability, its capacity, and in its decision making role.

- And I want a local government sector that is viewed as a partner with the State Government.
- Already the Government has taken a number of measures to return decision making to the local level. For example:
 - removing Part 3A from the Environmental Planning and Assessment Act;
 - legislating to restore democratically elected councils to Wollongong and Shellharbour; and
 - legislating to allow councils to conduct their own elections if they so choose.
- In fact, this conference, Destination 2036 is another example of our Government's commitment to empower local government and to work in partnership.
- The Government has also started to address the infrastructure funding issues facing councils.
- We have commenced an audit of council infrastructure and we are in the process of establishing the Infrastructure Renewal Fund to help ease the infrastructure backlog in local government.

My Expectations for Destination 2036

- And what are my expectations for Destination 2036?
- For a start, I expect the sector to recognise the need for change and to embrace reform.
- I expect local government to focus its efforts and energy on achieving its own solutions.
- Solutions through co-operation and collaboration.
- Solutions through innovation.
- Solutions through asking the hard questions.
- And solutions through accepting the right answers.
- As I said earlier, from my perspective everything is on the table.
- And I expect the same from local government.
- At the end of the two days I want to see some clear directions for the sector and constructive plans that will move us forward together.
- What I do not want to see is simply a shopping list of things for the State Government to do.
- Rather, an action plan must be a shared responsibility.

- In terms of specifics, we need to look at governance arrangements in the Sydney metropolitan area.
- This is an issue that has been raised often and it's one that we need to discuss rationally.
- We also need to develop new arrangements for the far western region of the State. My colleague, Kevin Humphries, the Minister for Western NSW, will be talking a bit more about that later this morning, but clearly, some things are not working as well as they should be.
- For much of the western part of the State, amalgamation is not the answer.
- Instead, we need to think about entirely new ways of doing things.
- In a broader context, I think we need to look more at resource sharing and collaboration, and we need to ask "Why hasn't the sector embraced large scale collaboration, such as single-point back-office services for all councils?"
- Having said that, I do recognise that many councils are actively involved in resource sharing and collaborative arrangements, and that some Regional Organisations

of Councils and all county councils play an important role in this regard.

- But I think if there are impediments to greater collaboration, particularly structural or legislative impediments, we need to identify and remove them.
- We need to recognise that in most instances a bigger ratepaying base delivers more services. It also means access to certain types of Commonwealth grants not available to smaller councils.
- We also need to consider: “What is local government’s core business?”
- And furthermore: “Should core activities differ between different types of councils?”
- I’m sure most of you would be aware of the current debate in the Sydney press about councils getting involved in things outside of their control, such as foreign affairs matters and so on.
- While I don’t believe the role of councils should simply be confined to the delivery of local services such as roads, garbage, parks and gardens, I do believe this is an issue the sector needs to consider.

- In saying this, I am certainly not suggesting that councils should view themselves as operational and not strategic. Quite the contrary.
- I believe councils should have a strong strategic focus. If I didn't believe this, this event wouldn't be happening.
- I also recognise that the core business of councils has changed over time and it will continue to change and evolve.
- So I think we need to think about how the role of councils may change over time, and how we can ensure some flexibility to accommodate this anticipated change. Do we need different models for different types of councils?
- I am sure you've all read the Discussion Paper that the Division circulated prior to this Conference.
- Now these are just a few of the things that I would like to see addressed, but there are many more issues that need to be discussed.

What about issues that are outside our direct control?

- As I mentioned earlier, I appreciate that issues such as Commonwealth funding and constitutional recognition are important to the sector.

- And I believe you should continue to fight for a fairer share of Commonwealth revenues, and you should continue to seek Federal constitutional recognition.
- The NSW Government recognises local government in our Constitution Act and we support recognition in the Federal Constitution. But I don't want these types of issues to dominate discussions here.

Federal Government push for reform

- However, I think it's important to recognise that the Federal Government is making the right noises:
 - it is supporting constitutional recognition; and
 - it has announced a review of the local government financial assistance grant arrangements.
- But it's clear that these things come with strings attached - the Federal Government also expects local government to reform.
- As the Federal Minister for Regional Australia, Regional Development and Local Government, the Hon Simon Crean, stated at the 2011 General Assembly of Local Government: "...we are serious about driving best practice in local government."

- Infrastructure Australia, in its most recent report to the COAG, went somewhat further.
- It said: "...the large number of councils, their variable capacity to manage local infrastructure networks, and not infrequently, their apparent reluctance to 'see the big picture' and instead focus on local concerns, is a serious constraint on infrastructure planning and provision."

Conclusion

- To conclude, I believe Destination 2036 provides us all with a unique opportunity to think in new ways, to set a clear agenda and to work together to achieve a better future for local government, and for our local communities.
- As Henry Ford said: "...coming together is the beginning. Keeping together is progress. Working together is success."
- This workshop is just the beginning.
- I look forward to keeping together and working together to achieve success.

- I will be here for the two days of the workshop listening intently and I will be available to talk with any of you throughout that time.
- This Destination 2036 workshop is a truly unique opportunity to establish the vision, recognise future challenges, and outline the roadmap to deliver a strong local government sector.
- So it is with a sense of excitement and optimism that I now officially open Destination 2036. Thank you.