



7 November 2014

The Hon Paul Toole MP
Minister for Local Government
By email: office@toole.minister.nsw.gov.au

Dear Mr Toole

Re: Local Government Act (Red Tape Reduction) Bill

The Southern Sydney Regional Organisation of Councils (SSROC) is an association of sixteen municipal and city councils. We currently manage over 30 contracts worth over \$100 million annually, at an estimated saving to our member councils in excess of \$20 million. These tremendous savings are achieved within the existing cumbersome and slow local government tendering framework.

The relatively straightforward change proposed in the Local Government Act (Red Tape Reduction) Bill to allow councils to delegate the acceptance of tenders to regional organisations of councils will allow SSROC to build on existing practices to:

- deliver a more streamlined, cost-effective and responsive service to our member councils;
- achieve even greater savings for councils and ultimately their rate-payers;
- reduce complexities and frustration sometimes experienced by suppliers; and
- retain transparency and fairness in the whole process.

SSROC, therefore, offers its full support for the proposed reforms in relation to procurement.

I attach, for your information, a brief overview of SSROC's services.

Yours sincerely



John Faker
Mayor of Burwood
President, Southern Sydney Regional Organisation of Councils

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Southern Sydney Regional Organisation of Councils

ASHFIELD BANKSTOWN BOTANY BAY BURWOOD CANADA BAY CANTERBURY CITY OF SYDNEY HURSTVILLE
KOGARAH LEICHHARDT MARRICKVILLE RANDWICK ROCKDALE SUTHERLAND SHIRE WAVERLEY WOOLLAHRA

FACT SHEET

Southern Sydney Regional Organisation of Councils (SSROC) is an association of 16 Councils formed for mutual benefit through collaboration and cooperation. Collectively, the group extends across an area covering more than 600 square kilometres, with a population of 1.4 million people. Key state and national infrastructure is located within our geographical area, including the City of Sydney, Sydney Airport, Port Botany, the M4 and M5 as well as major health (Prince of Wales hospital) and education centres (University of NSW and UTS). The SSROC region forms a critical part of the economy of the state and the nation.

The strength of SSROC reflects the enthusiasm of its member Councils for working together to achieve common objectives, whilst maintaining the independence of each to address its own local issues. SSROC's successes in delivering real benefits to Councils over more than 25 years. The major benefits that Councils are able to achieve through this collaborative venture include:

SUSTAINABLE PROCUREMENT

And the combined purchasing power of the sixteen Councils enables them to bring real weight to the requirements of state government for sustainable procurement, with assessment criteria that include social, ethical and environmental considerations as well.

PROJECTS

Joint efforts to achieve a particular objective are facilitated by SSROC, and include our major Street-Lighting Improvement Project, which has been extremely influential in improving street lighting throughout Sydney and other parts of NSW, not just within our region. Our representations to regulators have resulted in pricing more than \$20m lower than sought by the utility on two occasions, plus receipt of grant funding to replace underperforming lights on main roads. Total benefits \$45mill.

Financial Savings

Our targeted programs for the procurement of a range of goods and services enable our member Councils to make substantial savings: **approximately \$20.7 million last year in financial savings** with estimated savings in excess of \$105 million over the past 10 years.

SUBMISSIONS

SSROC provides member Councils with a system of very active working groups, focused on functional areas for established for a defined period to address a particular issue. The Groups enable us to formulate regional policy positions on issues as diverse as planning, environment, financial sustainability and community services, in response to state government consultation, under the direction of our Councillors.

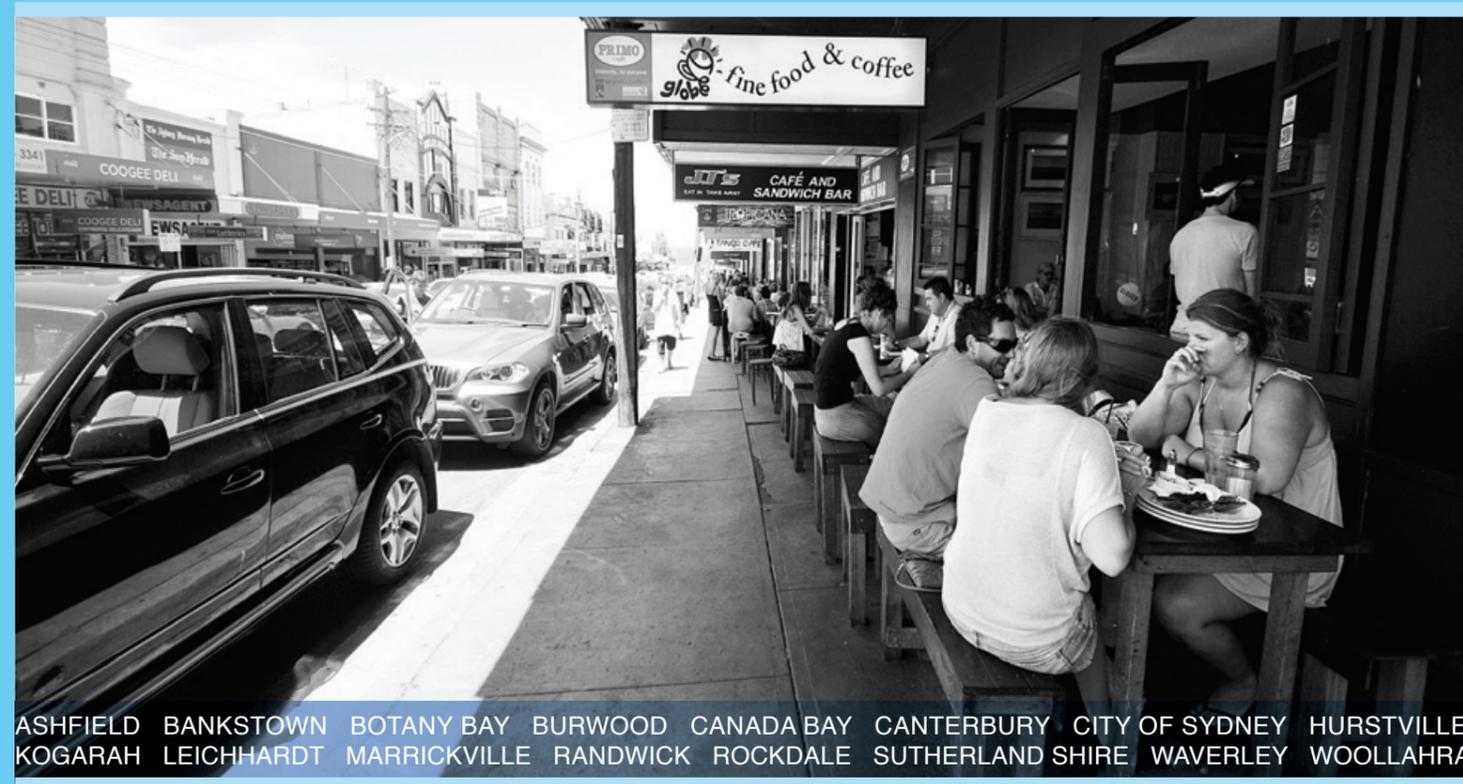
MOVING FORWARD

The successes, and structure, of SSROC can be used as model for moving forward with regional collaboration across NSW, and SSROC would welcome the opportunity to assist in this process.

Councillor Ron Hoenig - President

Southern Sydney Regional Organisation of Councils (SSROC)

Southern Sydney Regional Organisation of Councils



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15 MARCH 2012

Submission to the Minister for Local Government The Hon. Don Page MP

Includes:

- ✓ An Overview of Southern Sydney Regional Organisation of Councils (SSROC)
- ✓ SSROC Achievements
- ✓ Responses to Questions Raised by Minister Page at Combined ROCs Meeting March 5 2012

Southern Sydney Regional Organisation of Councils (SSROC)

HISTORY

On 27 August 1986, Sutherland Council called a meeting to express its concern with regional planning mechanisms being imposed on local government without consultation. Elected representatives from Rockdale, Hurstville, Kogarah, Marrickville, Canterbury and Sutherland Councils attended the meeting.

The six Councils in attendance resolved to form the Southern Sydney Regional Organisation of Councils to represent those at the meeting, as well as Bankstown, Botany and Randwick Councils.

MEMBERSHIP

For over 25 years since 1986, SSROC has continued to respond to the priorities of its members. Its value to them is highlighted by the way its membership has steadily increased, to the current 16 Councils. The region now covers an area with some 1.4 million residents from Bankstown to Randwick and from the City to Sutherland.

Waverley Council joined the organisation in 1987, South Sydney in 1989, and Woollahra in 1992. Bankstown left SSROC in 2002 to join Western Sydney ROC.

In February 2008, four more Councils joined the organisation. These Councils, Ashfield, Canada Bay, Burwood and Leichhardt, were formally endorsed as members.

In November 2008, Bankstown City Council was formally endorsed as a member, bringing the number of member Councils to sixteen.

STRUCTURE

SSROC is an Incorporated Association.

SSROC DELEGATES

The Board of SSROC is made up of two councillors, or Delegates, from each member Council, usually the Mayor and Deputy Mayor. Each year, the Board elects the SSROC Executive, which comprises a President and two Vice Presidents, and the chairs of the two SSROC Committees. The Board meets quarterly and sets and monitors the annual workplan for the organisation.

The current President of SSROC is the Mayor of Botany Bay, Councillor Ron Hoenig. He has filled the position for nineteen (19) years.

SSROC Committees

SSROC has two Committees to oversee its work in key areas. The Committees meet quarterly and are chaired by the Senior and Junior Vice Presidents. The areas of responsibility are:

PROGRAM DELIVERY COMMITTEE

Asset Management; Public Works; Procurement; Waste Management; Infrastructure

CURRENT BUDGET

The Revenue and Expenditure for 2011/12 of SSROC is approximately \$2.5 million.

SUSTAINABILITY PROGRAM

Regional Planning; Environmental Management; Transport Planning and Management; Community Development

SSROC ACHIEVEMENTS

The information in this document highlights some of the more significant activities undertaken by SSROC in recent years.

THE SECRETARIAT

Under the leadership of the General Manager, a small team of staff undertakes the work of SSROC. The Secretariat initiates and chairs Working Groups of council staff based on the needs identified in the SSROC workplan, and also makes use of consultants for specialised work that is outside the expertise of the permanent staff.

WORKING GROUPS

Each year SSROC develops a workplan, which identifies the focus for the coming year. Workgroups of staff from member councils are formed to undertake projects of common concern. Members of workgroups often share professional disciplines, but cross-functional groups are also sometimes important to specific initiatives.

By working together, council staff share knowledge, expertise and the workload.

1. Procurement and shared services programs

1.1 PROCUREMENT

SSROC currently has 22 regional contracts and it is envisaged that this will increase to around 30 over the next 12 months. Current contract **savings are \$20.7 million pa**. Examples of past and current major contracts include:

- ✓ Waste Management (landfill disposal and recycling) contracts
- ✓ Road making
- ✓ Mobile and fixed line telephony to Councils.
- ✓ Electricity for Large Sites.
- ✓ Temporary staff.
- ✓ Library RFID systems.
- ✓ Regional Waste Audits

SSROC employs a Contracts and Procurement Manager to coordinate the procurement function within SSROC and assist Councils and suppliers with contractual issues and working towards developing new contracts, and also provides procurement consultancy services to member Councils.

The key focus of SSROC, and a model for other ROCs, is the ongoing success of procurement projects.

1.2 SHARED SERVICES

Shared services provides substantial opportunities to offset the growing financial pressures facing Councils. Extending beyond procurement, its focus is on a range of functions with the objective of delivering benefits through consolidation and standardisation of processes. To oversight this range of activity a Shared Services Senior Managers Group was established in 2009. Projects commenced include:

- ✓ SSROC employs Senior Internal Audit staff for six (6) member Councils.
- ✓ SSROC employs strategic procurement coordinators for four (4) Councils.
- ✓ A major review of a co-ordinated IT and T strategy.
- ✓ Currently developing regional procurement of Business Continuity infrastructure.
- ✓ Block newspaper advertising.
- ✓ Benchmarking of Corporate Services activities on an ongoing basis.
- ✓ Promoting best practice across Councils.

The approach taken by SSROC was awarded a Management Excellence Award for Management Innovation from the LGMA.

One key factor in the success of SSROC is the contribution made by 14 working groups. In 2011 a review of the operation and structure of all working groups was carried out. Each group has its own terms of reference and works towards improving service delivery within their particular area of specialisation.

1.3 STREET LIGHTING

IMPROVEMENT PROGRAM

SSROC member Council have benefitted significantly as a result of their involvement in the Street Lighting Improvement Program (SLIP) which has played a leading role in the adoption of more energy efficient lighting, greatly reducing repair times, the adoption of a NSW Public Lighting Code (and related regulatory reviews) and in advocating for Councils' position in pricing decisions. The program includes 18 Councils outside SSROC who are Ausgrid customers. While Councils have faced large street lighting price increases in recent years, strong representations to regulators have resulted in pricing decisions that have **been more than \$20 million lower** than sought by the utility in each of the 2003/04 and 2008/10 reviews. As a result of the program's activities this year, the reinstatement of the Energy Savings Fund occurred which will result in \$4.2m of funding to SLIP members for the removal of some of the most poorly performing lights on main roads

2. Environment transport planning and waste program

2.1 SUBMISSIONS

SSROC addresses emerging issues through the development of discussion papers, consultation with appropriate officers and where deadlines permit, with Councillors. Over the years many detailed submissions have been made. Recent examples include:

- ✓ Planning System – the NSW Planning Review, NSW Housing Code, Residential Flat Design Code and the Standard Instrument LEP
- ✓ Strategic Planning – National Urban Policy, Metropolitan Plan
- ✓ Transport Planning – NSW Transport Corporate Plan, Airport/Port Access Plan, Metropolitan Transport Plan, M5 West Widening, and participation in the Local Government Advisory Group for the NSW Long Term Transport Plan
- ✓ Resource Stewardship – Waste Avoidance and Resource Recovery Strategy and Implementation Plan, Sydney's Waste Transfer Stations, Product Stewardship Schemes
- ✓ Environmental Issues – Sydney Airport Environmental Strategy, NSW Sea Level Rise Policy, NSW Biodiversity Strategy and the Threatened Species Act
- ✓ Carbon Emissions Reduction – the National Energy Savings Initiative, Carbon Pollution Reduction Scheme, Prime Minister's Taskforce on Energy Efficiency, National Energy Market reform.

2.2 PROJECTS

Again over the years a huge number of regional projects have been undertaken. Recent examples include:

- ✓ Renewable Energy – a scoping study researched the roles of councils in Australia and internationally in renewable energy, and identified a very wide range of possible interventions. Member Councils then agreed the scale of the intervention by identifying targets for the region and for internal operations. This project continues.
- ✓ Carbon Management Systems – through a tender process a preferred supplier was identified for the provision of on-line carbon accounting and management services, to enable Councils to improve their measurement and management of carbon emissions, and to model the potential impact of proposed projects on emissions and costs.
- ✓ Carbon Management Training – negotiation of a subsidy through the [then] State Training Authority, whereby member Council staff could complete Certificate III or IV in carbon management at a 90% discount.

- ✓ Workshop – Integrating natural resource management into Local Government planning
- ✓ Energy Efficiency Training – funding from the Department of Education and Training for the development of this training targeted at staff with no previous experience in energy efficiency.
- ✓ Energy Cost Control – this project comprised a survey of all member Councils to identify particularly successful projects to reduce energy consumption, which could then be shared between the Councils.
- ✓ Standard Instrument LEP and NSW Housing Code – advocacy on behalf of member Councils for a review of the SI LEP and the House Codes SEPP.
- ✓ Regional Waste Audits – commissioning five regional waste audits, including the delivery of individual Council audits (a prerequisite to qualification for WaSIP payments). Five audits, beginning in 1999, have provided valuable data on the changing profile of southern Sydney's waste, to inform the development of waste education programs and plans for future waste services.
- ✓ Landfill Tender / Alternative Waste Treatment (AWT) Services – currently seeking the procurement of AWT Services, and the addition of an interim landfill service for the period before the AWT service could begin to operate. Is expected to transform the waste treatment processes of participating Councils.
- ✓ Regional Bike Plan – originally developed in 2008, SSROC is working with Councils towards delivery of the network of trails. A Botany Bay Trail Master Plan has since been completed and much of it now in place, and the connecting Oatley to Bay Bike Trail Master Plan was finalised in 2011.
- ✓ Toolkits to assist Councils in environmental activity and assessments including:
 - The SSROC Vehicle Evaluation Toolkit, which includes social and environmental criteria as well as fitness for purpose and financial criteria .
 - "Get it Green" Procurement Policy

2.3 INFRASTRUCTURE PRIORITISATION

A key area identified in the SSROC Strategic Plan is the advocacy role SSROC should play in the development of regional infrastructure. Improving the ageing and inadequate infrastructure within the region is an area in which SSROC's input is vital. A detailed analysis of major potential projects is attached.

For more detailed information visit www.ssroc.nsw.gov.au

Questions raised by Minister Page at combined ROCS meeting March 5 2012

Q1. WHAT SHOULD BE THE ROLE OF ROCS? AND Q2. WHAT SHOULD BE IN LEGISLATION INCLUDING LEVELS OF FLEXIBILITY?

These two questions are addressed together as they are inextricably linked.

The role of ROCS should not be prescribed in detail, but rather any legislative changes should be enabling in nature and allow for flexibility to meet differing requirements of member Councils. The member Councils should determine what the precise role of their ROC should be. Activities, programs and possibly even structure should be determined by member Councils and not prescribed by the State Government.

As the Minister has commented ROCS can highlight many successes in regional collaboration. Often the approach taken to achieve these results has varied from ROC to ROC. This is often a reflection of the role defined by their member Councils and the result of cooperation and common purpose.

But there is a need for ROCS to be clearly identified in the LGA to allow member Councils to formally resolve to be a part of a ROC to pursue activities that members Councils require; and it include the specific authority for Councils to delegate activities to ROCS.

Q3. WHAT ARE APPROPRIATE STRUCTURE AND GOVERNANCE MODELS FOR ROCS?

The success of ROC to date is in a significant way a direct result of their capabilities to provide innovative opportunities and solutions without operating under the “constraints” of governmental regulation. However, it is acknowledged that unincorporated bodies and section 355 committees should not be seen as a way forward.

Clearly the Incorporated Association model also has significant issues as ROC s expand the scope of their activities and it is not a solution under the existing Associations Act.

The existing governance structure of SSROC works well and should be used as a model with the following legislative changes:

- Inclusion of “gateway” provision in the Associations Act which allows the scope for the “carve out” of ROCS to remove restrictions against trading or securing pecuniary gain for its members;
- LGA amendments to allow ROCS to call and award tenders and to apply and receive grants; and
- Removal of limitations to incorporate.

Q4. SHOULD LIMITS TO INCORPORATE BE REMOVED?

Yes, to facilitate ROC member Councils determining what type of activity they wish to be become involved in.

Q5. WHAT SHOULD BE ROC EMPLOYMENT ARRANGEMENTS?

As an incorporated body ROCS can employ staff. The member Councils should determine the basis on which they choose to do that. They should not be a party to the Local Government Award, but can use that as guide to conditions of employment.

Q6. SHOULD MEMBERSHIP OF COUNCILS IN ROCS BE COMPULSORY?

No. The success of ROCS to date is in part due to the voluntary nature of participation. Councils join, and continue to be a part of ROCS due to the benefits they receive.

Q7. IN INTERGOVERNMENTAL AGREEMENTS, WHERE DO ROCS SIT?

As a non-governmental organisation ROCS should not be a party to intergovernmental agreements directly.

Q8. WHAT ARE APPROPRIATE FUNDING ARRANGEMENTS?

Existing arrangements are satisfactory. Councils will fund ROCS if they achieve “value for money”. The more successful ROCS generate their own income and some are moving closer to self-funding. The issues associated with Incorporated Associations and the limits to incorporation need to be overcome.

There is also a need to put in place education programs for ROCS and member Councils to ensure the full range of potential regional collaborative efforts are put in place.

Perhaps incentives to Council/ ROCS to conduct, for example, a full business case for the implementation of back office shared service activities, could be considered.

Other comments

It is important to note that whatever change occurs in relation to ROCS, their success is reliant on two main factors: commitment of their members to regional collaboration and a clear understanding of what that involves; and the ROC needs to be appropriately resourced to meet their members requirements.

The question to address is how are the above two requirements achieved?

Despite SSROC’s successes in assisting Councils in service delivery gains, experience suggests that there are inherent difficulties within local government in implementing significant regional collaborative efforts. Flexibility and innovation in approach are required and any initiatives associated with ROCS needs to promote those two important factors. To that end the current structure and governance models utilised by SSROC, subject to the legislative changes suggested above, is a model that can be applied to all ROCS