

## JOINT ORGANISATIONS BACKGROUND PAPER - FEEDBACK FORM

### Draft Feedback

10 August 2016

Southern Sydney Regional Organisation of Councils

### PURPOSE (Section 2)

#### 1. What benefits can you see from a Regional Strategic Planning Agreement signed jointly by the NSW Government and the Chair of the JO?

A Regional Strategic Planning Agreement could enable more effective collaborative partnerships than are currently typical, as long the agreement provided for stable and equitable roles for the partners to the agreement (see our approach in case study 6, Intergovernmental Collaboration for District Planning, in supporting document). This would need to include:

- the processes for reconciling conflicting intra-regional priorities e.g. where Councils' Community Strategic Plans (CSP) are not aligned, or where they conflict with the priorities of the District Plan (DP);
- limitations on such reconciliation e.g. where the conflict cannot be reconciled, which priority will prevail;
- how to accommodate neighbouring priorities which, while not a priority in CSPs or the DP, are still important to the District e.g. Badgerys Creek airport.

### CORE FUNCTIONS (Section 4)

#### Regional strategic planning and priority setting

#### 2. Do you have any comments on the definition of regional strategic planning and priority setting for JOs?

The definition is very generic. While priorities for the region are a good thing, it is important to be able to deliver in accordance with them, and with a diverse set of stakeholders that will inevitably involve consultation and identification of common interests. So the JO would need also to have a role of oversight and facilitation in relation to implementation and delivery in accordance with the plan and priorities.

Flexibility needs to be maintained as new priorities may emerge during the term of a Regional Strategic Planning Agreement, or priorities may need to change, such as when there are new State or Federal government policy initiatives, particularly in metropolitan areas where there may be more regional priorities than in rural areas. (See also supporting document case study 5, Liveability Benchmarks and Indicators for District Planning.)

#### 3. What guidance and tools will be helpful for JOs when preparing strategic priorities and work plans?

SSROC has been working in this field for 30 years, and very well experienced in finding solutions that are acceptable to multiple stakeholders. The key skills are consultation, collaboration, communication and finding common interests. The power relationships between the stakeholders are critical to their ability and willingness to collaborate. These skills are closely aligned to attitude and culture, rather than with guidance and tools. The participants in the process need flexibility, since so many priorities in SSROC's area are driven by qualitative rather than quantitative considerations.

Guidance on consultation, negotiation, communication would all be useful, but it is the culture and the willingness to engage as equals that is essential. (See our approach in case study 6, Intergovernmental Collaboration for District Planning, in supporting document)

#### Intergovernmental collaboration

#### **4. Do you have any comments on the definition of intergovernmental collaboration?**

One of the more difficult elements of collaboration on policy development, service design and service delivery is the reconciliation of conflicting priorities, particularly where the relative power of each stakeholder is not equal. In central and southern Sydney, for example, infrastructure priorities are dictated by the NSW Government: this permits difficult decisions to be made in the broad interests of the State, overriding local interests. The definition needs to address what constitutes “collaboration” when the stakeholders are not equal.

The definition should also cover participation of relevant independent entities that are not strictly government, but which are critical to the collaborative process e.g. Greater Sydney Commission, Urban Growth NSW.

#### **5. Are there any additional tools which would help support intergovernmental collaboration?**

SSROC has developed a suite of liveability indicators and is currently refining these into measurable indicators that can be mapped to signal the extent to which a particular place is liveable for its residents. SSROC understands that the Greater Sydney Commission is interested in the concept of liveability too. This tool could be very valuable in collaborative decision-making.

In the process of collaborating on the District Plans, SSROC has also drafted a Memorandum of Understanding (MoU), which is intended to be used to set out the stakeholders, relationships, roles and responsibilities, and to be agreed between them. Use of this mechanism at the start of any collaborative process could clearly specify agreed expectations, and form a solid basis for the relationships. It might also help to alleviate the problems noted above where one party is more powerful than another, by clearly signaling at the outset the parameters within which collaboration and negotiation are possible.

(See our approach in case study 6, Intergovernmental Collaboration for District Planning, in supporting document)

### **Leadership and advocacy**

#### **6. Do you have any comments on the definition of leadership and advocacy?**

This definition needs to incorporate or have the ability to recognise diversity: the “voice for the region” will necessarily represent a compromise view, however much it attempts to represent the whole region.

It is also important for advocacy to be supported by a business justification. This need not necessarily be a financial justification, but should always be supported by some form of evidence. For example, the financial justification for active transport can be difficult to assess in a meaningful and robust way, but the social and health benefits are very significant, and imply indirect cost savings. SSROC’s Street Lighting Improvement Program is an excellent example of an effective advocacy program that is supported by a very strong business justification (see case study 4 Street Lighting Improvement Program in our supporting document).

Leadership also incorporates the ability to identify emerging issues not included in the Regional Strategic Planning Agreement and how to deal with those issues. It will be necessary for the JO to be able to acknowledge and reconcile the potentially conflicting advocacy positions of regional priorities and State priorities.

#### **7. Are there any additional tools which would help support leadership and advocacy?**

SSROC promotes an evidence-based strategy to support leadership and advocacy. This would be approached by building up business cases based on both intangible and tangible benefits to assist advocacy and leadership.

SSROC has developed a suite of liveability indicators and is currently refining these into measurable indicators that can be mapped to signal the extent to which a particular place is liveable for its residents. We use the term liveability to encapsulate all the dimensions of a place’s amenity for its residents. The dimensions reflect what liveability means to southern Sydney, such as open space, affordable housing, employment opportunities, educational and health services, and sustainability. In mapping the indicators we are using distance as a proxy for accessibility, giving SSROC and Councils a tool that will help to

provide the evidence for advocacy for the liveability of places, particularly for use in areas of urban intensification. This tool would be useful for any JO. (See also supporting document case study 5, Liveability Benchmarks and Indicators for District Planning.)

It would be helpful for the proposed model to outline what powers a JO has to deliver leadership and advocacy priorities.

## **OPTIONAL FUNCTIONS (Section 5)**

### **Building capacity and supporting councils**

#### **8. Do you have any comments on the definition of capacity building in relation to optional functions?**

SSROC is a small organisation that is very flexible and nimble in its responses to the changing priorities of its member Councils. It is able to deliver effectively largely because it leverages the expertise and talent of Council officers, which Councils are willing to supply because SSROC's priorities reflect their own, and by pooling their resources through the ROC, they can achieve much more than in isolation. Therefore, the last clause of the definition "on behalf of member councils" could be changed to "on behalf of and response to member Councils".

#### **9. What optional functions do you think should be undertaken by JOs?**

The optional functions undertaken by JOs should be those that the member Councils require. JOs should facilitate innovation, and should be strategic in their approach. The majority of the services listed in the table on page 22 are already delivered by SSROC for its member councils. Those that are not (IP&R, asset management and emergency management coordination) could be delivered under existing arrangements if Councils were to decide to do so. SSROC works to find ways to do things better: this can be seen in the way that we have developed and are delivering procurement savings, the take-up of solar power, and our Regional Waste Avoidance and Resource Recovery Strategy.

For example, SSROC manages approximately thirty (30) regional contracts to the value of over \$100 million per annum on behalf of member councils and aims to continuously improve its offer through better value, business alignment and service improvement. Savings have been delivered for member councils across all areas of spend, particularly in the areas of electricity supply and office supplies.

In pursuing best value for money, SSROC ensures that each sourcing project is carried out with due probity and ethical behaviour, consideration and management of risks, open and effective competition, optimising total and whole-of-life costs and meeting all local government legislative and regulatory requirements. Although SSROC has the function of a tendering agent and performs ongoing contract management for regional contracts, the process is currently disjointed with acceptance of tenders being required by each individual participating council.

SSROC is committed in its role to provide shared resourcing in the areas of procurement and internal audit at member councils' request.

(Further information is in our supporting document, case study 7 Procurement, 8 Renewable Energy and 9 Waste Management.)

#### **10. What tools will be helpful to support JOs in building capacity and supporting councils to undertake optional functions?**

SSROC's capacity to function optimally is limited by regulatory restrictions, some of which are necessary controls, and some are of questionable value.

The ability of the JO to accept tenders on behalf of member Councils (subject to their agreement in each case) would enhance the procurement services that SSROC is currently able to offer under existing regulation. Currently SSROC cannot accept a tender on behalf of councils, which creates additional work and extra real costs in some instances. SSROC strongly recommends that this barrier to efficiency be addressed in new legislation, along with further consideration of other commercial flexibility. (See also case study 7 Procurement in our supporting document.)

SSROC has a number of initiatives running as part of our Renewable Energy Master Plan, Our Energy Future (see case study 8 Renewable Energy, in our supporting document). The plan aims to increase the proportion of stationary energy consumed in the area that is derived from renewable sources. A major opportunity exists to install solar PV on large suitable roof-space with low day-time electricity consumption (such as Council Depot) and offset the surplus generation against another site with high day-time electricity consumption (such as an aquatic centre). This would help to achieve the aim of the plan and make a very strong financial case. However, it is not possible under the current regulatory framework. Changing the framework is a long, complex and resource-intensive mission, and Councils would benefit from support in achieving this. Overcoming this barrier to efficiency would have much wider application than just Councils.

SSROC's Governance Officers Group has developed a Good Governance Guide for all member Councils to adopt, which is already supporting councils to build capacity in this very important area. This type of tool, which is largely independent of local conditions, could be developed as a framework or template, which could then be used by a JO to work with its member Councils to develop into something that will work in that particular area, but which covers all the necessary basics. Although the framework is the same for all Councils, it is still important for a local process of review, revision, and adoption to take place in order for stakeholders to commit to the final product rather than having it imposed upon them.

## **A NEW ENTITY (Section 6)**

### **11. How can sub committees and working groups be used to support the JO Board, including in delivering optional functions?**

Sub-committees and working groups could be very effective with appropriately expert and interested membership. For SSROC, the General Managers' working group plays a major role in day-to-day direction of work priorities. Council officers' working groups, focused on particular target areas, are very engaged and excellent source of expertise, that can be leveraged to achieve far greater outcomes that would be possible individually. Sub-committees of SSROC make decisions on issues and policy, which guides which projects and advocacy initiatives are prioritised.

Working groups are sometimes established for a limited time to address a particular issue, which is also useful.

SSROC strongly supports a model that requires the Mayor to be the representative of each member Council on the JO Board, since this would support our Council of Mayors concept, and would constitute a very strong voice for advocacy. However, if this model does not eventuate, then we would urge that a JO should still have a Council of Mayors, which could fulfill this role.

## **GOVERNANCE AND ACCOUNTABILITY (Section 7)**

### **Representation and operation of the Board**

#### **12. Are there any other tools which will help support good governance?**

SSROC's Governance Officers Group has developed a Good Governance Guide for all member Councils to adopt, which is already supporting councils to build capacity in this very important area. This is used by member Councils as a basis for their own local Good Governance Guide, but ensures that localised versions cover all the necessary basics and are consistent in the essentials.

A basic training equivalent to that of a company director/secretary would be useful for JO management, especially if they are setting up commercial operations.

Job descriptions for the executive positions would clarify expectations.

#### **13. How should the governance tools be developed and who should participate in their development?**

The Australian Institute of Company Directors and Australian Institute of Management could participate. For specialist commercial operations an appropriate professional organisation could participate, such as the Australian Institute of Internal Auditors for internal audit services and the Australian Computer Society for ICT services.

## Planning and reporting

### 14. What tools or guidance will be most helpful in supporting JOs to develop strategic priorities and work plans and annual performance reports?

Key performance indicators (KPIs) that are linked directly to regional priorities would be useful, and the JOs should themselves participate in identifying them to ensure relevance, measurability and accountability. KPIs should be kept to a minimum and should be relevant to the priorities of the region.

## RESOURCING (Section 8)

### Financial resourcing

### 15. What tools could support JOs to understand the costs and benefits to support resourcing decisions?

The existing SSROC procedure of presenting a business justification to the General Managers working group works well and could be used by JOs.

The proposed entity model for JOs (Background Paper Figure 4, p24) is potentially under-resourced and unbalanced for a metropolitan JO.

### Staffing

### 16. What are your views on the use of a standard contract for JO Executive Officers?

Contracts need to be flexible enough to recognise particular experience and skills. Otherwise it would depend upon the standard contract.

### 17. Are there any additional or alternate skills which would be desirable for Executive Officers to have?

The list of skills represents a very high expectation for one person to be expected to have. The individual would need to have the ability and manage and leverage the skills, knowledge and experience of other people; both their own officers and those of their member Councils.

The will also need leadership skills and general management skills.

Knowledge of government processes and of the region should be essential, not desirable. The requirement for "project management and procurement, including financial/contract management" is very broad and could be separated into its component parts. Procurement would be essential only for JOs that perform that function, and project management would be essential only for the JOs charged with major project delivery.

## REGIONAL FLEXIBILITY FOR CORPORATIONS & OTHER JO-FORMED ENTITIES (Section 9)

### 18. Do you have any comments on the emerging direction for JO-formed entities shown in Table 2 or issues you would like to raise?

Generally the emerging direction is reasonable.

Depending upon the optional functions that Councils require of their JO, it may be necessary for it to own significant assets. For example, if a JO were to own and operate a waste management facility in an area where there is no commercial operator.

## OTHER CONSIDERATIONS (Section 10)

### Boundaries

### 19. Do you have any comments about the JO boundary criteria?

The criteria are reasonable, and would be relevant to the metropolitan areas as well. Consideration should be given to which JO individual councils would like to belong to.

## Regional service delivery and county councils

### 20. What role should JOs play in regional service delivery?

The role of JOs in regional service delivery should be defined by their member Councils, on the basis of what their community needs and can afford. However, there is a risk of cost-shifting, which would need to be identified and addressed.

### 21. How could the service delivery functions provided by county councils link to the regional strategic planning and priority setting function of JOs?

No comment.

## Regulatory functions under other legislation

### 22. Do you think JOs should be enabled to undertake regulatory functions for member councils?

Yes, where the member Councils consider that this would be a value to them. For example:

- in the operation of a Regional Illegal Dumping Squad, where officers are employed to respond to, investigate, and resolve illegal dumping incidents. This requires the officers to be able to operate over multiple LGAs, since the dumper is likely to have removed material from outside the LGA where it is dumped. Currently, each officer has delegated authority from all the General Managers of the Councils who are members of the initiative.
- In the emergency response to the dumping of asbestos waste, which requires a specialised response that can be shared between multiple councils.
- The operation of the NSW Companion Animals Register, if it continues to be operated by Councils, could be delegated to a regional JO.
- Independent Hearing and Assessment Panels (IHAP) could be operated at a regional level, by people with specialist expertise, to reconcile local developments with regional strategic priorities.

### 23. What legislation will need to be amended to enable this?

No comment.

### 24. Should there be any limits placed on the regulatory functions which JOs can undertake?

The functions enabled should be very narrowly defined and on a case-by-case basis. Only the Council should decide which regulatory functions the JO could be enabled to take on.

### 25. What tools and guidance are needed to support JOs wishing to undertake regulatory functions?

These would have to be as required to enable the JO to undertake the regulatory function in question.

## Liability and oversight

### 26. Do you have any comments on the liability and oversight frameworks proposed for JOs?

The frameworks could become very heavy-handed, and although they are good, the way they are applied would need to be reasonable.

It would be helpful to report only what the JO is required to do, and not a generic template covering all JOs irrespective of their actual functions. The latter approach is unnecessarily onerous, and would have both time and cost implications.

Liability and oversight frameworks should focus on areas of risk, which, in relation to the advocacy function, would be personal/conflict of interest. In relation to the delivery of front-line services risks would be different, and require a different type of oversight.

## OTHER COMMENTS

### 27. Do you have any other comments to make?



Table 2, outlining the “emerging direction”, is misleading in that it implies that existing ROCs and similar organisations do not already have these characteristics. In reality, ROCs like SSROC have been operating effectively for many years (SSROC celebrates its 30<sup>th</sup> year in 2016), and have been capable of fulfilling the roles outlined for a long time.

ROCs function effectively and efficiently because they are what their member Councils need and want them to be. They are lean, responsive and can act quickly and decisively as and when required.

The changes necessary for the JO proposal to work well include a major cultural shift, by the State Government as much as by Local Government. This is a far more fundamental change to attitudes than is represented by the Collaboration Blueprint.

### **Supporting Documentation**

Note: option to upload a document (pdf or word) to support answers to this feedback form (<10Mb).

See attached Comments on the Joint Organisations Background Paper, SSROC, 15 July 2016.



# **Comments on the Joint Organisations Background Paper**

15 July 2016

---

Southern Sydney Regional Organisation of Councils Incorporated  
(SSROC)

ABN 54 485 603 535

## Contents

<b>1 Introduction .....</b>	<b>3</b>
<b>2 Purpose .....</b>	<b>3</b>
<b>3 What We Do .....</b>	<b>4</b>
<b>4 Case Study – Street Lighting Improvement Program .....</b>	<b>7</b>
<b>5 Case Study – Liveability Benchmarks and Indicators for Central and South Sydney Districts.....</b>	<b>8</b>
<b>6 Case Study – Intergovernmental Collaboration for District Planning</b>	<b>9</b>
<b>7 Case Study – Procurement .....</b>	<b>10</b>
<b>8 Case Study – Renewable Energy .....</b>	<b>11</b>
<b>9 Case Study – Waste Management.....</b>	<b>12</b>

## 1 Introduction

The Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association local Councils south of Sydney Harbour, which together cover a population of over 1.6 million, or one third of the population of Sydney.

On 27 August 1986, Sutherland Shire Council called a meeting to express its concern with regional planning mechanisms being imposed on local government without consultation. The membership of SSROC has increased since the original eight members founded the organisation, and today its twelve members are: Inner West, Burwood, City of Botany Bay, City of Canada Bay, City of Canterbury-Bankstown, Georges River, Randwick City, Rockdale City, City of Sydney, Sutherland Shire, Waverley and Woollahra.

SSROC has continued its advocacy in the interests the region, and has also developed strong capabilities in procurement, strategic planning, shared services and program management. The strength of SSROC lies in its flexibility and leanness, which enable it to respond quickly and efficiently to the changing needs and priorities of its member Councils.

## 2 Purpose

This paper supports our responses to the feedback sought to the Background Paper, Joint Organisations, Towards a new model for regional collaboration. The paper is silent on the application of the model to the Sydney metropolitan area: SSROC sees merit in the proposals, and seeks to take this opportunity to promote our approach to regional collaboration by presenting case studies of our current major initiatives, and to highlight the potential that the JO model could bring to improve the effectiveness of the ROC.



### 3 What We Do

The table below replicates Table 1 Key enabling features of JOs in comparison to ROCs (from the Background Paper), and adds the perspective of SSROC. Currently SSROC has many of the features listed, but there are some key areas where the JO proposals would offer significant improvements:

- SSROC’s procurement function is strong and delivers very good value to our member Councils: if SSROC were enabled to accept tenders (when authorised by Councils) on their behalf we could improve that value still further.
- Inter-governmental collaboration requires commitment from each level of government. Currently, the capacity of SSROC to collaborate is limited by the willingness of State Government Agencies to participate. Recent collaboration with the Greater Sydney Commission has been productive and appears promising. Recognition of ROCs by State Government would alleviate this limitation.
- SSROC is keen to establish a Council of Mayors model, supported by a Committee of General Managers. This model could be enabled under the JO model.
- The capacity to establish a discrete commercial function as a JO would enable us to maintain the advocacy position of the Council of Mayors and the non-profit status of SSROC, while enhancing our capacity to deliver procurement and other shared services.

**Table 1 Key enabling features of JOs in comparison to ROCs**

	ROCs	JOs	SSROC
<b>Legal status</b>	<ul style="list-style-type: none"> <li>• Lack legal status and recognition</li> <li>• Legal impediments to working regionally</li> <li>• Variable entity types and operating environments</li> </ul>	<ul style="list-style-type: none"> <li>• Have legal status and strong credibility to partner with State/others</li> <li>• Legislative powers to undertake functions on behalf of member councils regionally, where decided</li> <li>• Consistent body corporate entity and operating environment through <i>Local Government Act 1993</i></li> </ul>	Incorporated Association Undertakes some functions (procurement, advocacy, internal audit and project delivery) on behalf of member councils regionally, where decided. As far as possible abides by the Local Government Act, Regulation and Award.
<b>Functions</b>	<ul style="list-style-type: none"> <li>• Variable, can change over time</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent core functions</li> <li>• Flexible optional functions</li> </ul>	Core functions: advocacy, procurement, shared services, project delivery. Councils opt in or out of all initiatives.



	ROCs	JOs	SSROC
	<ul style="list-style-type: none"> <li>Based on local and regional priorities</li> </ul>	<ul style="list-style-type: none"> <li>Based on shared regional priorities</li> </ul>	All services delivered in response to shared regional priorities.
<b>Inter-governmental collaboration</b>	<ul style="list-style-type: none"> <li>Occurs on an ad hoc basis</li> <li>Varies between regions</li> </ul>	<ul style="list-style-type: none"> <li>Structured and consistent across regions</li> <li>Strong commitment from both local and State Government to collaborate</li> <li>Embedded in legislation</li> </ul>	Structured and effective (e.g. Greater Sydney Commission, officer-level working groups). Scope to improve collaboration.
<b>Boundaries</b>	<ul style="list-style-type: none"> <li>Fluid</li> <li>Based on council interest in membership over time</li> </ul>	<ul style="list-style-type: none"> <li>Defined</li> <li>Align with/nest within State Government strategic planning boundaries</li> </ul>	Stable, but has increased over 30 years. Covers Central (except Strathfield) and South Districts. Includes the former Bankstown LGA (of Central West District).
<b>Membership</b>	<ul style="list-style-type: none"> <li>Councils may opt in and out based on interest and need</li> </ul>	<ul style="list-style-type: none"> <li>All councils are members of one JO for core functions</li> <li>Flexibility for associate membership for important partners and/or to facilitate optional functions that occur across boundaries</li> </ul>	All Councils are full members. Associate membership is permitted. Councils opt in or out of all initiatives. Councils outside of region may participate in initiatives such as joint procurement, beyond boundary constraint if there is a common objective e.g. Street Lighting Improvement Program, Electricity supply contract (see case studies below).
<b>Finance and assets</b>	<ul style="list-style-type: none"> <li>May be unable to tender, employ staff or apply for grants regionally</li> </ul>	<ul style="list-style-type: none"> <li>Enabled to tender, employ staff and apply for grants regionally</li> <li>Enabled to manage income,</li> </ul>	Can tender (but not accept resolution of tender on behalf of Councils – this would be a significant improvement), employ staff and apply for grants.



	ROCs	JOs	SSROC
	<ul style="list-style-type: none"> <li>• May have limits on income, expenditure, staffing and asset ownership</li> </ul>	expenditure, staff and assets, potentially through JO-formed corporations or other entities	Can manage income, expenditure, staff and assets (but forming a corporation for commercial activity would align well with objectives).
<b>Planning, priority setting and reporting</b>	<ul style="list-style-type: none"> <li>• Variable, depending on legal status</li> <li>• May include separate corporate reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Streamlined planning, priority setting and reporting integrated within local government IP&amp;R framework</li> </ul>	Active participants in planning and priority setting for the region in the District Planning processes for Central and South Districts. Report annually to NSW Fair Trading.

## 4 Case Study – Street Lighting Improvement Program

### **Successful Regional Collaboration on Street Lighting**

The SSROC SLI Program has, since 2004, played a leading role in the adoption of more energy efficient street lighting technology, greatly improved service levels, the adoption of a NSW Public Lighting Code and in advocating for councils' position in IPART and AER pricing reviews.



From its origins with SSROC councils, the SLI Program has subsequently grown well beyond the SSROC area into one of the largest such regional initiatives in Australia. Collectively the 28 participating councils (post-amalgamations) in the SLI Program encompass about 95% of the public lighting in Ausgrid's distribution territory and more than 40% of public lighting in NSW. In 2015-16, these councils paid an estimated \$67m for street lighting services and energy.

The SSROC SLI Program is a leading example of inter-governmental collaboration across a wide region on a common issue for all councils. Its successes include a range of cost savings, energy savings, environmental improvements and service-level improvements. Key SLI Program achievements to date are as follows:

- **COUNCIL SAVINGS OF \$60M+ IN REGULATORY REVIEWS**

While Councils have faced large street lighting price increases in recent years, strong joint council representations to regulators has resulted in pricing decisions that have been more than \$20m lower than sought by the utility in each of the 2003/04, 2008/10 and 2014/15 pricing reviews, saving councils collectively more than \$60m over this period.

- **MORE THAN 70,000 ENERGY EFFICIENT LIGHTS DEPLOYED, SAVING OVER \$25M IN NEXT DECADE**

The adoption of 52,000 more energy efficient CFL lighting on residential roads from 2008 is already saving Councils more than \$1.3m/yr compared to the 80W mercury vapour lights they have generally displaced. Similarly, the adoption of 25,000 LEDs from 2013 is already saving Councils more than \$1m/yr. Additional savings have been achieved by securing agreement on the deployment of more energy efficient lighting on main roads.

The agreement between the SSROC SLI Program councils and Ausgrid to deploy LEDs as the default lighting type for all residential roads from September 2013 onwards was the first such agreement of its kind in Australia.

The energy efficient lights already deployed are expected to save councils more than \$25m over the next decade compared to the lighting that has been replaced.

Importantly, savings continue to climb as new LEDs are installed at about 1000 a month even prior to any accelerated replacement programs currently in negotiation.

- **NSW PUBLIC LIGHTING CODE REFORM**

In response to SSROC SLI Program and council representations in 2015/16, the NSW Department of Industry has agreed to reform of the NSW Public Lighting Code. SSROC is participating in this reform as a member of the Public Lighting Forum established by the Department to work jointly with the customer groups and the utilities.

- **TRAFFIC ROUTE LIGHTING SUBSIDY SCHEME REFORM**

In response to SSROC and council representations, NSW Roads & Maritime Services agreed to reform of the Traffic Route Lighting Subsidy Scheme in 2013/14. This reform is delivering an estimated \$7m dollars per year in additional funding for NSW councils.

## 5 Case Study – Liveability Benchmarks and Indicators for Central and South Sydney Districts

SSROC is experienced in strategic advocacy with the State Government and its agencies. Faced with urban intensification and evidence from engagement with councils that identified liveability as a priority, SSROC embarked on developing liveability benchmarks in collaboration with Central and South District councils. The benchmarks were developed to be a strategic advocacy mechanism to influence district planning and urban intensification.

Benchmarks were developed for dimensions of liveability including: district open space and recreation, housing affordability, schools and other educational facilities. Others include local employment and economic development, precinct and environmental sustainability, active transport and healthy environment. The outcome of the study was the *Liveability benchmarks for central and southern Sydney* report, prepared by SGS Economics and Planning in collaboration with councils.

SSROC's advocacy on liveability has been a success. The *Liveability benchmark* report was endorsed by SSROC member councils and was well received by the Department of Planning and Environment (DP&E) and Commissioners of the Greater Sydney Commission (GSC). It is believed to be a resource material for GSC's current work on liveability.

To build on the liveability benchmarks report, SSROC with the support and participation of member councils is now working on Liveability Indicators and Mapping project. The project:

- will determine liveability indicators, measure and map the performance of potential urban renewal and growth areas across central and southern Sydney.
- will keep SSROC ahead with evidence base and options, sharpen SSROC advocacy with GSC and DP&E on liveability and district plan, and
- is well placed to influence Infrastructure Priority List for the Central and South Districts.

SSROC's work on liveability indicators and mapping has many benefits for councils. It will:

- assist in identifying infrastructure gaps within councils and districts and enhance professional applicability of the liveability concept by councils.
- project the SSROC areas' accessibility to key social infrastructure and show differences in liveability across the area.
- enable pressure testing of urban growth scenarios, renewal corridors and precincts and highlight potential liveability performance against benchmarks.

The SSROC's liveability work and advocacy will have a profound impact. For example, liveability's benchmark for affordable rental housing in the new urban renewal precincts is already shaping Central and South Districts' position and advocacy on affordable housing with GSC and DP&E.

## 6 Case Study – Intergovernmental Collaboration for District Planning

SSROC has played key role in getting its member councils to work together to articulate the strategic priorities of the Central and South Districts. The organisation embarked on strategic studies to inform Councils' decisions on infrastructure and place-making priorities for district plans. And SSROC fosters collaborative engagement with the Department of Planning and Environment (DP&E) and the Greater Sydney Commission (GSC).

SSROC worked collaboratively with councils in facilitated workshops and supported the identification of key district planning priorities. SGS Economics and Planning was engaged to deliver a *Regional Strategic Analysis* of major infrastructure projects in Central and South Districts, and to draw out the implications for district planning. SSROC was able to secure the endorsement by the Central and South District Mayors, for the key priorities and advocacy strategies for district planning.

For example, some key strategic priorities included:

- *Liveability*: High quality places with benchmarks for liveability into the future.
- *Collaborative futures for precincts*: Councils to work with state agencies in identifying urban renewal and priority precincts and in shaping their planning and implementation.
- *Employment, transport and services*: Balance employment land with transport and essential infrastructure services, with new jobs in precincts and transport corridors.
- *Environment and open space*: Environmental sustainability focus in all new developments and adequate and inclusive open space and recreational facilities.
- *Housing*: Recognise affordable, adaptable and mixed housing as vital 'social infrastructure' and implement enabling planning frameworks in new precincts.
- *Public transport connectivity*: Cross radial public transport, for example, between Eastern suburbs and Green Square and Hurstville, Strathfield and Sydney Olympic Park.

These priorities are shaping SSROC member councils' approach to better urban futures as urban intensification looks inevitable with proposed urban renewal corridors and developments in priority precincts. The approach includes developing a Memorandum of Understanding (MOU) for district planning and urban intensification and the identification of *Liveability benchmarks for central and southern Sydney*. Another initiative is to engage with DP&E and the GSC and developing key affordable housing mechanisms for District Plan.

For example, the MOU is part of SSROC's advocacy strategy to leverage the robust collaborative relationship between councils and relevant state agencies in district planning and implementation. It was endorsed by SSROC member council Mayors and Delegates in November 2015 and is a vital tool for advocating and engaging with the GSC and DP&E.

The District Planning collaborative engagements by SSROC have been a success. Councils are now in a much better position to work with the GSC in the drafting of District Plans and in articulating issues, challenges and mechanisms for delivering on identified priorities.

## 7 Case Study – Procurement

### **Tender Process for the Supply of Electricity for Large Sites, Small Sites, Street Lighting and Green Power**

In November 2014 SSROC conducted a tender process for the supply of electricity for large sites, small sites, street lighting and Green Power. At the time, the result was considered to be the best rates in all local government NSW. This consolidated effort by SSROC and its partners allows participating councils to build on significant financial savings already gained from a SSROC tender in 2013.

Councils obtained the following benefits from a collaborative procurement approach:

- Reduction in consultancy and technical expert costs
- Very competitive pricing driven by a strategic market approach and large volume requirements due to participating councils' load aggregation
- Section 55 compliance through collaboration with a prescribed organisation
- Ongoing technical support and advice during contract term via SSROC, including our advising consultant Next Energy.

The strategic timing of the approach to market by open tender meant market pricing was low and favourable to meeting requirements cost effectively. Furthermore, eighteen (18) councils participated in the tender, raising the region's profile as a significant customer in the retail electricity market, with 900+ electricity accounts and annual consumption estimated at 95,685 MWh/yr plus 10,000 MWh/yr for small sites.

SSROC engaged Procurement Australia to run the tender on behalf of councils, because it is a prescribed organisation under Section 55 (3) of the NSW Local Government Act 1993 and associated Regulations. Working with Procurement Australia was particularly important for this tender where, due to the nature of the wholesale electricity market, electricity retailers will only hold offers open for 2-5 days. Using Procurement Australia's prescribed status, the contract could be quickly awarded on behalf of councils, much more quickly than under councils' own standard tendering approach. This ensured that the best price was secured for councils.

Notwithstanding the complexity of the wholesale electricity market, this tender produced an excellent result. The awarded contractor, ERM Power Retail Pty Ltd, is estimated as passing on electricity costs at near the cost of power generation: SSROC has locked in the great deal for an amazing three-year term to secure long-term value to all councils.

The tender result, in summary, is that pricing for 2015/16 was lower than councils' 2014/15 electricity costs by up to 9% for large site expenditure. For small sites the tender secured pricing for councils that is a 10-16% reduction compared to the benchmark State Government's 776 contract.

The decision to aggregate councils' purchasing of retail electricity for a fixed volume over a full three year fixed term was based on the assumption that additional savings would be available compared to councils undertaking the exercise individually over a shorter duration. The success of the joint approach has been amply demonstrated by the tender result.

## 8 Case Study – Renewable Energy

### Renewable Energy Master Plan: Our Energy Future

SSROC sought to increase the proportion of stationary energy consumed in the region that is derived from renewable sources. Following a scoping study outlining different examples of local government renewable energy projects around the world, the Institute for Sustainable Futures at UTS was engaged to develop a master plan identifying options for how southern Sydney councils might increase the take-up of renewable energy.



The Renewable Energy Master Plan: Our Energy Future (available: [www.ssroc.nsw.gov.au/publications](http://www.ssroc.nsw.gov.au/publications)) set out a range of actions to achieve the objective. A team of councils officers and a project manager from the SSROC secretariat prioritised the actions and developed an implementation plan. Our community consultation highlighted that a lack of trust of suppliers of and information about solar power was a major barrier to take-up in the area. So the first project undertaken was to develop a website targeted at residents, to enable them to adopt solar power.

[www.oursolarfuture.nsw.gov.au](http://www.oursolarfuture.nsw.gov.au) overcomes the barriers of lack of trust and of reliable independent information by providing clear explanations, and a step-by-step straightforward process for requesting quotes from suppliers for solar PV, solar hot water and for heat pumps. The suppliers listed on the website and the products they offer have been through an open tender selection process including being thoroughly vetted by the independent non-profit Alternative Technology Association, and have Clean Energy Council certification.

The collaborative promotion of the service by eight participating councils, SSROC and the partner suppliers has directly resulted in more than 50 solar PV installations, with a further 300 quotes issued and being considered by residents. Hundreds of quotes have been provided, and many potential customers have used the information on the website to make a decision to purchase from other suppliers.

The website will be enhanced to improve its features, and to include additional services such as battery storage. Since the objective of the project is shared by many other councils, SSROC is investigating expanding the service into other interested council areas.

## 9 Case Study – Waste Management

For much of its 30-year history SSROC has been involved in collaborative council projects relating to different aspects of waste avoidance and resource recovery.

In recent years, eight councils joined together to procure a new service for processing general putrescible waste that would significantly reduce the quantities being landfilled. That collaboration, initiated in 2008, has resulted in a contract with Veolia Environmental Services that will deliver a new transfer station in southern Sydney at Banksmeadow, a new waste processing facility at Tarago in NSW, and will remove the material by train instead of by trucks on the road.

The new processing service will dramatically improve the amount of general putrescible waste that is diverted from landfill, and combined with other existing recycling initiatives, will enable the councils to meet or exceed waste diversion targets. The new service will be gradually introduced during 2016/17, and be fully operational by 1 July 2017.

Most recently, with funding from the NSW EPA, SSROC has been able to work with member councils to develop a Regional Waste Avoidance and Resource Recovery (WARR) Strategy (available: [www.ssroc.nsw.gov.au/publications](http://www.ssroc.nsw.gov.au/publications)). The strategy includes action plans addressing the four key themes for the region: A Health Region, Reducing Waste, Recovering Resources, and Responsible Citizens. We were successful in our application to the EPA for three regional support packages under the Waste Less, Recycle More program. As a result we have been able to employ three regional strategic coordinators for three years (to 30/6/17), charged with delivering the regional WARR strategy.

To date, the program overall has successfully achieved:

- the collaborative effort that has established the Regional Illegal Dumping Squad;
- launching a revised collection and rehoming service for reusable items that would otherwise be waste, with The Bower;
- managing a major kerbside audit program to provide valuable information on the composition of waste collected from bins, for councils' planning but also to inform other initiatives such as the EPA's design for the Container Deposit Scheme;
- participation in the NSW Government Container Deposit Scheme working group;
- engagement of two regional waste educators to deliver education to adult groups across the region in 2016/17;
- the roll-out of The Compost Revolution, an initiative of Randwick, Waverley and Woollahra Councils to encourage backyard composting and worm-farming, to other councils in the region;
- preliminary work investigating energy-from-waste facilities and community attitudes towards them.

Work under this program is continuing, with new initiatives focused on improving recycling practices in multi-unit dwellings and emergency responses to dumped asbestos.

SSROC gratefully acknowledges the funding that has made this program possible, from the EPA, the Better Waste and Recycling Fund, and through grants from the Environmental Trust. The achievements of the program in the region clearly demonstrate how such funding can be leveraged through the ROC to bring substantial benefits to member councils, their residents, and NSW. We hope that the EPA's program will be continued beyond 2016/17.