Preamble: The Challenge ahead

This report, together with previous consultation papers, sets out the challenges of governing in the Far West of NSW and offers recommendations to improve governance. Achieving necessary change will require a significant paradigm shift in the way governments, their agencies and communities, think and operate.

Over the last 50 years NSW has changed profoundly. With 7.2 million people in 2011, NSW is the most populous state in Australia and is largely urbanised. Around 85% of the State’s population lives in Sydney and adjoining metropolitan areas, or along the coast. Our system of democracy and economy has progressively evolved to accommodate and serve this distribution of population.

Far West NSW, as defined in this report, has 40% of the NSW land mass and is distant from the key centres of economic and political decision-making. It comprises the local government areas of Balranald, Bourke, Brewarrina, Broken Hill, Central Darling, Cobar, Walgett, Wentworth and the NSW Unincorporated area.

In various ways, this urbanising of the population and associated political structures has been at the expense of communities that make up Far West NSW. These communities are confronted by many common issues and complex local challenges. They all face rapid social and economic change. This has created a crisis of governance in Far West NSW, necessitating an urgent need for systematic and sustainable change.

The Panel’s consultations with Far West communities have revealed a deep sense of disconnect and discontent. There is a lack of trust and an absence of meaningful collaboration between community groups, including tensions within and between Aboriginal and non-Aboriginal communities. There is also a lack of effective leadership at all levels of government. This is symptomatic of communities under stress and a fragmented governance system that is failing to understand the issues, help people work together, make bold decisions and get on with the job of doing what is really necessary.

The governance of Far West NSW should not be cast as an Aboriginal issue - it is about inadequate government arrangements and capability. Communities need more effective government. Centralised bureaucracies and standardised ‘one-size-fits-all’ policy frameworks and service delivery systems are not up to the challenges facing remote western communities in the 21st century. The people who work in government are not the problem; the structures and systems in which they work need to be updated and strengthened.

These structural deficits result in poorly integrated and inefficient systems of service delivery, often including a failure to identify and meet the needs of the most vulnerable. There has been a poor return on public investments, including the continued funding of organisations that are simply failing to provide good quality, efficient services.

New governance and service delivery models will be required to promote economic development and social cohesion. The relationships between marginalisation, health, crime, education and employment are complex and interrelated. We need to stop thinking about individual services, individual agencies, levels of government and about who provides what. We need to start thinking about cross-service strategies, built from the bottom up on the basis of a candid assessment of the real problems.

A positive vision

The Panel’s vision is for a re-invigorated whole-of-government response which can inspire innovative approaches to strategic development and service delivery in the Far West. Fresh strategies need to be integrated and responsive to the distinctive needs of different communities. With such an approach governments can make the most of existing opportunities to advance the Far West, and help generate new initiatives that capitalise on the region’s resources. A change in approach is needed from one based increasingly on external funding...
support, to one that reflects a much more positive view of future prospects.

The necessary reforms will need strong political leadership at all levels and an acknowledgement that increased capacity is essential to enable:

- A shared vision that establishes a new sense of purpose and direction
- Agreement on the respective mandates and roles and responsibilities of each level of government and community groups, including Aboriginal people
- Flexibility to adjust mandates and settle disagreements as circumstances change and evolve
- Collaboration across all three levels of government and the community to steer mandates for change.

To achieve this, the Panel believes a regional governance authority for the Far West is required – one which can endure over time and beyond political cycles. This will require a new legislative base and a specific constitution to engender:

- Coordinated multi-sector responses to economic and social change
- Social and economic benefits for the people of Far West NSW in balance with both national and wider state interests
- Social inclusion and equity where Aboriginal people are seen as integral to governance and progress
- Mechanisms to ensure transparency and accountability in planning and service delivery both ‘upwards’ and ‘downwards’
- Environmentally and socially sustainable strategies
- Practice subsidiarity to the maximum level possible so as to advance public policies developed and sought by local government and local communities.

This new approach will require all stakeholders to accept shared responsibility and work together. Simply restructuring local government will not be enough. A fresh start in regional governance is essential to make a real difference. Everyone will need to do better – the three levels of government, non-government agencies and communities themselves – in order to build more effective, durable relationships and genuinely share responsibilities, resources, authority and accountability.
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1. Introduction

The Independent Local Government Review Panel was established in May 2012 as part of the Destination 2036 initiative to improve local government and strengthen local communities through partnerships. In addition, the Panel was tasked to consider possible future arrangements for local governance and service delivery by all three spheres of government in far western NSW, including the NSW Unincorporated Area and in particular Aboriginal communities. The Panel has been asked to consider options within a 25 year horizon.

In April 2013 the Panel released for further consultation Strengthening NSW Remote Communities: The Options. This paper was informed by consultation with far western Councils, State agencies, Aboriginal people and organisations, business leaders, community representatives and a wide range of published information and research.

The Options Paper identified the following key challenges facing communities in far western NSW.

Challenges facing communities in Far West NSW

- Declining local populations
- Weakening local economies
- Continuing high levels of social disadvantage and failing social capital
- Concern that the existing service delivery system lacks local input, ignores localised priorities, is poorly designed, and not focussed on achieving meaningful and visible local outcomes
- A fragile natural environment subject to climatic extremes which impacts on the biomass and liveability of local communities
- A lack of trust and collaboration characterised by:
  - Unhealthy community competition for resources and services
  - Tensions within and between Aboriginal and non-Aboriginal communities
  - Perceptions that “they don’t really care” due to the absence of a visible presence of NSW and Australian government agencies
  - Lack of effective leadership at all levels of government.
- A local government system that will not be sustainable, as currently structured and resourced
- Absence of a unified system of governance - with government agencies and councils currently operating in silos with minimal levels of collaboration, collective action or strategic focus
- A system of Aboriginal governance and service delivery that is not effectively integrated with the system of local, State and Commonwealth government.

Within this context the Options Paper proposed a new ‘Built for Purpose’ governance model based on a set of criteria for effective governance with 3 options for structural change:

- Incremental change
- County council/s
- A regional authority

The views of local government and local communities were subsequently sought through a further round of community hearings, council workshops and consultation meetings with key government and non-government stakeholders. Participants were invited to make formal submissions on the issues raised.

This Paper puts forward the Panel’s recommended option for a transition to a new governance arrangement for communities in far western NSW and should be considered in conjunction with the Panel’s Revitalising Local Government – Final Report - as a number of the recommendations overlap.
2. Responses to Strengthening NSW Remote Communities – The Options

Responses to the Options Paper indicated agreement with the Panel’s assessment of the economic, social and environmental challenges facing communities in far western NSW.

While there is consensus about these challenges, how these challenges can be addressed is much more complex.

Key themes and the views of councils and stakeholders are now outlined.

a. Local Government Structures and Governance

Local government submissions outline a need to retain their local identity and autonomy - with the ability to be in control of their own decision making. Most councils in far western NSW agree there is no community of interest between communities in remote NSW as proposed in the Options Paper. The exception to this is Broken Hill City Council which sees a responsibility to accept a stronger leadership role for the region.

"Above all Local Government needs to retain the ability to service local communities. In an era where particularly State and Federal agencies are shrinking from the regions to larger communities it is critical for the health and sustainability of a community that a local voice and a local service provider is available." (Bourke Shire Council submission)

Within this context:

- The Pastoralists’ Association of West Darling advise that its members see no benefit in being in a local government authority and wish to remain in an unincorporated area which could include White Cliffs and Wilcannia
- Bourke, Brewarrina and Walgett Councils see potential for increased resource sharing but reject the need for a binding governance structure such as the proposed ‘new look’ county council model. Councils argue for an end to cost shifting. They see an opportunity to strengthen local service delivery by taking on additional NSW and Australian Government services delivery under delegation. These councils subsequently advised their intent to establish a Barwon Darling Coordination Group.
- Central Darling Shire Council proposes a variation of the Panel’s option for a Regional Authority but has focussed only on the Central Darling Local Government Area and the Unincorporated Area
- Balranald Shire Council opposes structural change arguing that the removal of rate pegging is the only option that will improve its revenue base
- Cobar Shire Council believes that “it is appropriate for it to retain its entity as a council
in the existing format and explore further collaboration and resource sharing opportunities with OROC and its neighbouring Councils ... Extra funding, reduction in cost shifting, removal of rate pegging, will be more beneficial to the existing Councils.”

- Broken Hill City Council supports the option for a Regional Authority subject to the Authority being fully resourced by the NSW Government. Council proposes that boundaries of other services, such as health, education and police, be reviewed and aligned with that of the proposed Regional Authority. Council is willing to contribute to and lead change in the region.

- Wentworth Shire Council’s position is that it’s “existing size, strength and natural synergies with Mildura necessitates the recognition of the Sunraysia Region and that this region should be the basis of any grouping of Councils along the Murray.” Council proposes that the township of Euston, through to Lake Benanee could be included in the Wentworth Shire. Council identifies a range of issues that impact on its growth potential including:
  - Distance from key NSW Government decision makers
  - Removal of the impediments to development caused by Crown Land classifications, western land tenures and outstanding Native Title claims.

- The two submissions from the Western Division of Councils argue that a lack of funding is the major problem facing local government in the region, particularly considering some Western Division Councils now provide health services, childcare services and act as agencies for a number of government departments - including Roads and Maritime Services, Medicare and Centrelink - all with less funding. The latest submission proposes the existing councils remain autonomous and rejects the option of a Regional Authority. It proposes:
  - The formation of three or four groups of councils to hold further discussion regarding strategic resource sharing
  - Opportunities for Federal and State funding bodies to partner with these groups be further investigated

The Panel’s Response

The Panel notes that far western councils generally agree with the analysis of challenges facing remote NSW. However, council submissions have not put forward sufficiently robust and sustainable proposals to address these serious issues. They have either sought more funding, committed to sub-regional groups and talks, or proposed acquisition of new areas. The proposals that have been put forward do not contain any detailed analysis, or identification of other options, and it is questionable whether councils have the resources required to do this. The region needs an independent analysis of the financial implications of the proposed structural change options. It is questionable whether sufficient goodwill exists between councils, Aboriginal groups and other levels of government to progress the proposals put forward by Bourke, Brewarrina, Walgett and Central Darling Councils under the current structural arrangements in the region. Additional skills and independent facilitation will be required to implement change.

The local government response generally fails to conceptualise the issues and the opportunities change could provide to deal with significant deficiencies in the planning and delivery of all government services. Current governance arrangements are clearly not working and are the main cause of public policy and service delivery failure. With some exceptions, councils have fallen back on blaming other spheres of government, arguments about cost shifting, the need for additional grants and the abolition of rate pegging. Abolition of rate pegging will not increase revenue streams to the point of making a substantive difference for far western councils. The Panel accepts councils often feel obliged to provide a range of services that in other parts of NSW would be provided by other spheres of government. However, when councils decide to fill these gaps they need to accept responsibility for ensuring the services provided are viable and sustainable. This dilemma highlights the need for better engagement of Federal, State and local government to develop a strategic partnership approach which identifies, responds and appropriately funds service gaps.

The Panel’s recommendations relating to the streamlining of rate pegging and the redistribution of Financial Assistance Grants, if adopted by the Government, will not substantially assist remote
NSW councils with projected populations of less than 5,000 people. These councils will become increasingly non-sustainable if they remain in their current structure. There is an argument that can be made for them to be governed in a similar way to the NSW Unincorporated Area.

This is not the Panel’s position. This paper supports the retention of councils and the need to ensure local identity and autonomy, but operating within a strengthened system of governance. Policy and programs for far western NSW need to be ‘fit for purpose’. For this to be effective, councils and other spheres of government will need to substantially change the way they think, govern and deliver services. Councils will also need to change the way they relate to each other and the way they are structured. Whilst this is seen as a substantive challenge, the Panel has confidence that the system of local government - with access to capacity building programs and in partnership with State Government and communities - can provide the necessary collective leadership and commitment.

b. Future Governance of the NSW Unincorporated Area

The Commissioner for Western Lands currently has responsibility for governance functions within the NSW Unincorporated Area - which includes support for the Silverton and Tibooburra Village Committees and administrative responsibilities for certain aspects of NSW legislation - including the Swimming Pools and Companion Animals Acts. The Commissioner has questioned the appropriateness of his agency continuing with these responsibilities and requested that the Panel consider alternate arrangements.

The Panel’s Response

The Panel’s view is that the communities which comprise the NSW Unincorporated Area should be considered as part of a broader system of government for far western NSW. The Panel notes the communities wish to remain unincorporated, primarily to avoid the possibility of paying more rates and to avoid any increased regulation.

c. Local, State and Federal Government Relationships

Councils made submissions about systematic failure by other tiers of government to address the fundamental problems facing communities and have identified possibilities for strengthened government relationships that will better support far western communities.

“The effective delivery of services within each of the towns is a continued area of frustration and one that sees a systemic failure of the other tiers of Government to adequately address the problems. Issues of unemployment, school attendance rates, child neglect, vandalism, petty crime and health issues related to diet, alcohol and drugs continue to be an ongoing problem despite the millions of dollars injected each year.” (Bourke, Brewarrina, Walgett Shire Councils’ submission)

The Panel has had discussions with NSW Government representatives, in particular the Department of Premier and Cabinet, the Office of Aboriginal Affairs and the Commissioner for Western Lands. Preliminary discussions have also taken place with representatives of the Commonwealth Department of Regional Australia, Local Government, Arts and Sport.

All recognise and accept that radical change is required in the governance and service delivery structures for far western NSW. The options and recommendations contained in this report have been informed by these discussions.

The Panel’s Response

A key element of any future success will be the quality of the relationship between all levels of government and communities. Each has a vital role to play in strengthening community resilience and increasing community wellbeing. State and local governments in particular must work more strategically and effectively together.

Federal and State governments must partner with local government to develop proactive and solution-driven local community strategic plans. Federal and State government policy direction will need to reflect a whole of government approach at the local
level - to use public resources more effectively and genuinely support the outcomes of local Community Strategic Plans.

There is little doubt, that if the community strategic planning process is to work effectively for western communities, Federal and State governments have a responsibility to become actively involved by providing leadership and relevant resources to councils and communities. This includes: information such as place-specific strategic goals and directions; current or planned work programs directed at improving community outcomes; information to contribute to effective decision making; and information to help track progress towards agreed community outcomes.

The existing Department of Premier and Cabinet regional coordination program attempts to achieve some of these goals. However, evidence from discussions and consultation indicates current resources are not adequate.

d. The Response of Aboriginal Communities

Representatives of the Panel have met with the Murdi Paaki Regional Assembly on a number of occasions, and with a number of Aboriginal leaders and local Community Working Parties.

It is clear that Aboriginal communities have strong leadership with a vision for the future. This is not just a vision for Aboriginal people - it is a vision for strong united communities. Aboriginal leaders recognise that change must occur within their communities and that they must take increasing responsibility for their own futures and the future of the communities they are part of. Aboriginal leaders recognise this will require significant skills development and more effective participation in the governance system that operates in NSW.

“Obviously greater participation by Aboriginal people is desirable given the demographics of the region. They need to take up the Councillor role when the opportunity arises, they need to become the new business people and new Local Government skilled staff.” (Murdi Paaki Regional Assembly submission)

Aboriginal leaders are of the view that local government does not currently engage significantly with Aboriginal communities.

“Planning processes in Local Government do not currently adequately address the needs of Aboriginal people. There are few linkages between the planning processes – individual Community Working Party Plans identify social issues that impact negatively on Aboriginal people but they are rarely reflected in Local Government Community Strategic Plans. Advocacy of issues is done separately, in isolation of each other. Joint advocacy of issues regionally and locally validates that action is required but local government rarely participates.” (Murdi Paaki Regional Assembly submission)

Council submissions were largely silent on these issues. Councils acknowledged the need to increase Aboriginal representation in government but did not articulate how they should play a role in achieving this and showed little interest in making this a priority.

“Representation on Council is determined by the democratic process as set out in the relevant legislation and the level of representation will fluctuate with the number and quality of candidates contesting the election... With increased education and political awareness the representation by the Aboriginal community could be readily increased.” (Brewarrina Shire Council submission)

The Panel’s Response

The trend is clear that Aboriginal people are, or will increasingly be, the majority population group in most far western communities. The future of far western NSW is without doubt intertwined with the future of Aboriginal communities.

The Panel was impressed with the constructive responses of Aboriginal people, in particular the response and suggestions made by the Murdi Paaki Regional Assembly. The Panel believes specific strategies need to be developed to encourage Aboriginal participation in local governance and broader community leadership.
Building a Future for Far West NSW Communities
3. Facing the Challenges

The Options Paper identified a range of issues that need to be addressed for NSW western communities to become sustainable. This section addresses concerns raised by local government and communities about those issues and outlines the factors that must be confronted for communities to become sustainable.

a. Declining Populations in Far West NSW Communities

Concern has been expressed about the accuracy of the population projections for remote communities. These have been updated using the recently released *NSW in the future: Preliminary 2013 population projections*, Department of Planning & Infrastructure (See table 1).

These projections confirm that if corrective action is not taken the degree of population decline will have serious and long term impacts on the future of communities. Over the next 20 plus years it is projected that the population of:

- Balranald Shire will decline by a quarter, seriously questioning the viability of a stand-alone council;
- Bourke Shire will reduce by 785 people and the viability of the council as a standalone entity will be marginal;
- Brewarrina and Central Darling Councils will experience minor decline. In both Shires Aboriginal populations will further increase as a proportion of total population. The populations of both Shires will be increasingly welfare dependent unless substantial new opportunities for employment and social infrastructure are developed. It is questionable whether it is in the best interests of both communities for the Councils to continue as stand-alone entities;
- Broken Hill will lose over 4,000 people. While Council will remain viable, it will need to strategically strengthen its position to capitalise on opportunities for development to reverse or restrict this trend;
- Cobar will remain stable with a small decline;
- Walgett Shire will lose nearly 1,000 people and like Broken Hill will need to strategically strengthen its position to capitalise on opportunities for economic growth to reverse or restrict this trend;
- Wentworth is the only Shire with a projected small growth. This can be increased through a removal of blockages to economic development and the establishment of formal cross-border partnerships with Mildura.

### Table 1: Population Trends

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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balranald</td>
<td>6.7%</td>
<td>2,361</td>
<td>2,100</td>
<td>1,700</td>
<td>-661</td>
<td>-1.8</td>
</tr>
<tr>
<td>Bourke</td>
<td>30.2%</td>
<td>3,085</td>
<td>2,900</td>
<td>2,300</td>
<td>-785</td>
<td>-1.4</td>
</tr>
<tr>
<td>Brewarrina</td>
<td>59.0%</td>
<td>1,895</td>
<td>1,800</td>
<td>1,700</td>
<td>-195</td>
<td>-0.6</td>
</tr>
<tr>
<td>Broken Hill</td>
<td>7.5%</td>
<td>19,125</td>
<td>17,700</td>
<td>15,100</td>
<td>-4,025</td>
<td>-1.2</td>
</tr>
<tr>
<td>Central Darling</td>
<td>38.3%</td>
<td>2,108</td>
<td>2,000</td>
<td>1,800</td>
<td>-308</td>
<td>-0.8</td>
</tr>
<tr>
<td>Cobar</td>
<td>12.8%</td>
<td>4,931</td>
<td>5,000</td>
<td>4,800</td>
<td>-131</td>
<td>-0.2</td>
</tr>
<tr>
<td>Walgett</td>
<td>28.1%</td>
<td>6,860</td>
<td>6,700</td>
<td>5,900</td>
<td>-960</td>
<td>-0.8</td>
</tr>
<tr>
<td>Wentworth</td>
<td>10.3%</td>
<td>6,787</td>
<td>7,000</td>
<td>7,000</td>
<td>213</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Note: The percentage of Aboriginal people as proportion of total population is based on 2009 research. More recent projections are not available.
b. Long-term Financial Sustainability of Local Government

Some councils expressed reservations about the accuracy of the data underpinning TCorp’s financial assessment of councils. Subsequent to the release of the Panel’s report in April, the Division of Local Government has released the Local Government Infrastructure Audit Report. All councils have been assessed as having weak, and in the case of Cobar very weak, capacity to meet their infrastructure obligations (See Table 2).

The data is clear that some councils in far western NSW are at serious risk of financial collapse within the next 5-10 years. Nothing has been put to the Panel that suggests the evident trends are substantially inaccurate. To the contrary anecdotal information suggests the seriousness of the trends may be under-estimated for some.

Most at risk is Central Darling Shire Council followed by Balranald, Brewarrina and Bourke Councils. As currently structured with very low rate bases and high dependence on grants these councils are unlikely to be financially sustainable in the short to medium term. They all have TCorp Financial Sustainability Rating (FSR) assessments of weak or very weak with negative outlooks.

These councils have proposed an abolition of rate pegging, an end to cost shifting and increased grants as the solution. The current grants system already highly subsidises these councils. An end to rate pegging, as desirable as it may be, would make little difference to the respective revenue pools as local communities have very limited capacity to pay more. Most councils already suffer from high levels of unpaid rates. The Panel’s view is that councils must accept financial responsibility for their decisions to provide health and childcare services and to act as agencies for governments and only provide services if they can be funded on a full commercial cost-recovery basis.

The Panel recognises that communities value their councils. However, communities need to accept that having a local council comes at a significant fixed cost which has to be met before consideration is given to service delivery and infrastructure considerations. The question becomes - is it reasonable to expect the broader NSW community to further subsidise these councils? The Panel’s view is that while subsidies are justified, these councils require substantial realignment to support their revenue base and build more efficient service delivery systems. Money needs to go into service delivery, not on a fragmented and inefficient governance system.

Broken Hill, Cobar, Walgett and Wentworth Councils are more sustainable. These areas have stronger economies generally based around mining and agriculture. They have more substantial populations which are better able to absorb the impact of population decline. However, these councils also have TCorp Financial Sustainability Ratings of weak or very weak with negative outlooks, except for Broken Hill which has a neutral outlook. The Panel’s view is that the financial sustainability of all these councils would be strengthened through a stronger system of collaborative governance and whole of government service delivery for far western NSW.

Table 2: Sustainability of Far West NSW Local Councils

<table>
<thead>
<tr>
<th>LGA</th>
<th>TCorp FSR</th>
<th>TCorp Outlook</th>
<th>2011/12 Revenue from Rates</th>
<th>2011/12 Revenue from Grants</th>
<th>DLG Infrastructure Management Assessment</th>
<th>DLG Reported BTS assets $(000)</th>
<th>DLG BTS/Capita $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balranald</td>
<td>Weak</td>
<td>Negative</td>
<td>11.8%</td>
<td>65.5%</td>
<td>Weak</td>
<td>Not reported</td>
<td>Not reported</td>
</tr>
<tr>
<td>Bourke</td>
<td>Weak</td>
<td>Negative</td>
<td>6.9%</td>
<td>47.0%</td>
<td>Weak</td>
<td>50,300</td>
<td>1,630.70</td>
</tr>
<tr>
<td>Brewarrina</td>
<td>Weak</td>
<td>Negative</td>
<td>12.7%</td>
<td>54.7%</td>
<td>Weak</td>
<td>18,236</td>
<td>9,623.22</td>
</tr>
<tr>
<td>Broken Hill</td>
<td>Very Weak</td>
<td>Neutral</td>
<td>38.6%</td>
<td>43.3%</td>
<td>Weak</td>
<td>85,040</td>
<td>4,446.54</td>
</tr>
<tr>
<td>Central Darling</td>
<td>Very Weak</td>
<td>Negative</td>
<td>4.7%</td>
<td>72.7%</td>
<td>Weak</td>
<td>14,835</td>
<td>7,037.48</td>
</tr>
<tr>
<td>Cobar</td>
<td>Weak</td>
<td>Negative</td>
<td>16.5%</td>
<td>44.8%</td>
<td>Very Weak</td>
<td>74,580</td>
<td>15,124.72</td>
</tr>
<tr>
<td>Walgett</td>
<td>Moderate</td>
<td>Negative</td>
<td>19.2%</td>
<td>49.3%</td>
<td>Moderate</td>
<td>41,865</td>
<td>6,102.77</td>
</tr>
<tr>
<td>Wentworth</td>
<td>Weak</td>
<td>Negative</td>
<td>22.3%</td>
<td>42.7%</td>
<td>Weak</td>
<td>35,859</td>
<td>5,283.48</td>
</tr>
<tr>
<td>NSW Average</td>
<td></td>
<td></td>
<td>32.2%</td>
<td>33.9%</td>
<td></td>
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</tr>
</tbody>
</table>
c. Economic Development

Local government responses focused on the role of councils as an employer and therefore a key sustaining element of local economies. The Panel agrees that a key ingredient for the economic future of communities will be the retention of a government employment base. But this should not be used as an excuse to avoid making council management and administrative structures more effective and efficient.

The Panel’s view is that the development of a positive and sustainable economic future for remote communities is of absolute prime importance. Without an economic future - and the jobs this brings, communities will continue to struggle and will continually be forced to manage increasing social disadvantage issues.

In particular the Panel noted:

- Concerns raised by councils about the inability of Regional Development Australia initiatives to address remote economic development;
- The concerns of Wentworth Shire Council about Western Lands Leases, unresolved Aboriginal Land Claims, competition with Mildura and related cross border issues, and the challenge associated with resolving issues with NSW Government agencies - with inconsistent boundaries and decision makers being distant from Wentworth;
- A submission made by a resident outlining the major obstacles faced in establishing a small business in small western communities like Wilcannia;
- The absence of any long-term strategies for developing community skills and building economic prosperity and employment opportunities.

I came to Wilcannia to fill a private sector job- one of the few in a town dominated by social service agencies (health, employment, government – Federal and State), and local Indigenous organisations. There is no private rental market in Wilcannia... Unless councils unlock local land and encourage private sector housing it is impossible to initiate economic change... Economic development needs private enterprise. A further disincentive to starting a small business in Wilcannia is the poor and limited telecommunications in the town. Mobile phone coverage is intermittent and mostly unworkable in buildings and homes. Internet connections are unreliable... In a global economy both mobile coverage and internet are essential tools of access and engagement ... The challenge is to identify and engage with realistic options for a future. This will involve thinking outside old paradigms, especially in relation to social issues. It may also need collaboration between local, State and Federal governments to address key barriers to economic development posed by infrastructure deficits. Equally it will involve ways to support development of private sector businesses. (Submission No 1303: Dr J Finlayson)

Local government cannot address these issues on its own. This can only be addressed in an effective manner by all tiers of government working collectively in real partnership with the community, the non-government and private sectors.

d. Duplication and Inefficiencies with the Service Delivery System

During the community consultation meetings and council workshops, there was consensus that duplication and inefficiencies with the service delivery system needed to be urgently addressed. Other than a proposal for local councils to take on some of these functions under delegation, this issue was not addressed substantially in the submissions received from local government.

The Panel remains of the view that this is an area where substantial reform is required. Significant resources have been committed to the region by all spheres of government which need to be better utilised to achieve sustainable outcomes. However, the lack of systematic and transparent data collection and performance monitoring makes it very difficult to determine whether councils and government agencies are delivering services to meet community needs in a cost-effective way. An improved means of assessing service quality and efficiency needs to be incorporated into the future design of services for communities in far western NSW.
The NSW Ombudsman Report ‘Responding to Child Sexual Assault in Aboriginal Communities’ released in December 2012, examined the implementation of the Interagency Plan to Tackle Child Sexual Assault in Aboriginal Communities. The report highlights many of the common issues and problems identified by the Panel, including poorly integrated government service delivery systems, weak accountability mechanisms, and multiple and competing programs - often with overlapping objectives and target client groups.

We believe a centralised approach at the local level to decision making about the planning, funding and delivery of services is essential to address continuing disadvantage in Aboriginal communities. In order for this to be achieved, decision making processes for planning and funding, and the related governance arrangements, need to be jointly driven by Federal, State and local government agencies working in partnership with key non-government and community representatives in building an effective place-based service system. Key issues around the leadership (and associated authority) that is required to break down siloed decision making, and to drive integrated planning and service delivery in local communities, must be addressed before such a system can be built (p 10 - NSW Ombudsman Report dated December 2012 ‘Responding to Child Sexual Assault in Aboriginal Communities’).

e. The Complexity of the Land Management System in Far West NSW

Far western communities coexist within a complex and fragile landscape which is subject to extreme climatic events. This land is the foundation of Aboriginal culture and governance systems. All remote communities depend on the land and the preservation of its biomass for their economic and social futures.

The Panel’s view is that existing land management arrangements are excessively complex with responsibilities duplicated across a range of government agencies and councils. This complexity is a key blockage to the development of far western NSW, in particular:

- The existing system of Western Land Leases is complex and restricts economic development;
- There is duplication and overlap of the responsibilities of the Commissioner for Western Lands and the new Local Land Services
- Unresolved Aboriginal Land Claims are an impediment to Aboriginal communities and business seizing economic opportunities
- Decisions made regarding the development of the mining industry do not sufficiently take into account the impact on local communities and the responsibility of the mining industry to contribute to the development of local communities and infrastructure
- The existing Local Environment Plan requirements do not provide sufficient flexibility for small communities and a region with extremely low population density.

The Panel is of the view that the NSW Government should move towards one integrated land use planning and management framework for far western NSW which aligns with one strategic plan for the region.
4. Critical Elements of a New Governance Model in Far Western NSW

The challenges facing many far western communities are such that they risk total economic failure and severe social disadvantage unless new ways are found to build community capacity and create economic and employment opportunities. The consequences of this are serious and will create significant public policy issues for government and an increasing financial burden on the NSW economy.

In this context the Panel’s vision is for a system of collaborative community governance that meets the following pre-requisites:

- **Capacity Building** - ensuring that capacity building focuses on the development of human and social resources and increased connectedness
- **A Linked Approach** – ensuring coordination across government portfolios, formal partnerships between the three levels of government, and between government, business and key community stakeholders
- **Local Democracy** – ensure local communities’ identity, leadership, knowledge and management capability is recognised as critical success factors
- **Local Capacities** – working in partnership with local communities to capitalise on existing and potential capacities
- **Flexible Approaches** – ensuring due regard is always given to the multifaceted and complex nature of problems facing communities
- **Sustainable Strategies** – ensuring an emphasis on sustainable solutions and implementing actions that recognise the ongoing interdependency of social, economic, and environmental connectedness
- **Enhanced Recognition of Indigenous Capacity** – Aboriginal culture and traditional custodianship of the land must be respected and encouraged to enable increased inclusion in decision making processes.

*It is unrealistic to expect local government, as currently structured and resourced, to lead this change.* Federal and State governments have a significant leadership and support role to play in building sustainable communities.

The Panel’s *Strengthening NSW Remote Communities: The Options* paper released in April 2013 made it clear that a ‘one size fits all’ system of governance does not work well in far western NSW and current arrangements have resulted in policy and service delivery failure. Further consultation, submission analysis and research completed by the Panel, has not changed this view. The region needs a governance structure that can deliver a focused approach to decision-making, planning, funding and delivery of services. To achieve this, the region needs a sustainable institution that has the mandate, capacity and commitment to tackle under-development in the region, and generate a momentum for change, regional coordination and community-centred service delivery - tailored to the specific characteristics and needs of far western NSW. New governance arrangements should aim to meet the following criteria and be required to undertake the following activities.

**Box 1: Criteria for a new Far West Governance Model**

<table>
<thead>
<tr>
<th>A new governance model for Far West NSW will need to meet the following criteria:</th>
<th>And undertake the following activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide a governance and service delivery structure that is capable, credible and trusted; adaptable to change; and sustainable in the longer term</td>
<td>• Strong inclusive local civic leadership</td>
</tr>
<tr>
<td>• Preserve local democracy and the individuality of local communities</td>
<td>• Strong local and regional advocacy</td>
</tr>
<tr>
<td></td>
<td>• Maintaining and promoting new far western NSW narratives</td>
</tr>
<tr>
<td></td>
<td>• Clarifying the mandates of all levels of government and communities</td>
</tr>
<tr>
<td></td>
<td>• Strong community based social structures that strengthen community resilience and cohesion in a fragile environment</td>
</tr>
</tbody>
</table>
4. Critical Elements of a New Governance Model

- Strengthen Aboriginal participation and leadership in governance by understanding the unique complexities and dynamics of Aboriginal representation, decision making and leadership
- Work for and in partnership with all communities, recognising the value of sense of place and purpose, and capitalising on community capacities
- Give communities the best possible access to the services they need
- Formalise partnerships between spheres of government to create a ‘whole of government’ regional vision, with integrated funding and service delivery models focussed on localised priorities
- Sustain local economies and build employment opportunities
- Continue to preserve a fragile environment
- Build social capital through community participation and trusting social relationships
- Engender a strong belief that ultimately communities themselves must be substantially responsible for their own destinies
- Demonstrate integrity and application of best practice principles in the overall community interest.

- Formal agreements between Aboriginal communities and governments that:
  - Recognises Aboriginal traditional land custodianship, culture and local protocols
  - Strengthens Aboriginal governance capacity and leadership
  - Encourages Aboriginal participation in local government
  - Enables Aboriginal communities to contribute to the development of socially and economically sustainable communities
  - Enables the development of strategies to resolve long term issues of Aboriginal social disadvantage
  - Aligns with OCHRE and the NSW Aboriginal Affairs Plan

- Place-based strategic planning that drives the development of a far western NSW Whole of Government Strategic Plan aimed at addressing the following areas:
  - Strengthened liveability of local communities
  - Strengthened local governance capacity
  - Cross government service delivery plans that remove duplication and build local community capacity through partnerships
  - Removing the blockages to economic development, identifying additional avenues for business opportunities and job creation
  - Managing and preserving a fragile environment, including building community resilience and effective responses to extreme climatic events

- Strengthening the infrastructure that supports and links remote communities; including transport linkages and access to the best available communications technology

- A far western NSW resourcing strategy that helps government agencies, councils and non-government bodies develop long term financial, workforce and asset management plans. This to include the development of options to:
  - Reduce governance, administrative and procurement costs with savings to be reinvested in service delivery, including the provision of essential infrastructure
  - The development of a platform through which government agencies can access locally employed people with high quality strategic, professional and technical skills

- A monitoring, reporting and accountability mechanism for local communities - supporting community engagement and participation in decision making
Joint action by all Governments

Achieving this new governance model will require the three spheres of Government to:

a. **Build a Far West NSW Regional Strategic Alignment**

A new strategic alignment must be established based on the issues requiring solutions. Solutions must capitalise on the uniqueness and complexities of each community, and strengthen local capacity.

This approach will require a significant paradigm shift in the way all levels of government, their agencies and key stakeholder groups think and operate. While councils in far western NSW are part of existing networks, such as Regional Organisation of Councils and Regional Development Australia Committees, these networks have not produced meaningful outcomes in the areas of social and economic policy.

This proposed new strategic alignment has the potential to develop a platform that supports:

- The development of specific whole-of-government policy directions and common strategies to sustain and build constituent communities, including the maintenance of existing populations and encouraging people to move to far western communities
- The development of NSW Aboriginal leaders and their communities
- A strong positive far western NSW identity as the basis for new economic and social initiatives including building a culture that generates a real momentum for positive and progressive change
- Effective unified government strategic planning focussed on far western issues
- The development of a skills and expertise base able to be shared by the far western region
- The development of a policy, research and knowledge base focussed on far western NSW and able to be shared by the region
- The development of government and community capacities to support place-based whole of government service delivery and problem solving.

b. **Provide New Leadership**

Far west communities need leaders that are able to develop innovative and creative responses to the unique challenges they face.

Mayors and councillors will need to be better able to:

- Proactively engage with all constituencies, particularly Aboriginal communities
- Develop and promote councils as a valuable partner for Federal and State Governments
- Face up to the realities that change is needed at both the local and regional levels
- Articulate a vision for the future, with local and regional solutions.

Council staff will need to be better able to:

- Provide Councils with detailed, accurate and meaningful data and information to inform decision making
- Develop detailed strategic, evidence-based realistic options for councils to consider
- Develop options for working across councils and with other sectors that build capacity and efficiency.

Federal and State Governments will need to be better able to:

- Strategically engage with communities and their political and community leaders
- Move outside existing agency silos, developing tailored solutions through partnerships and collective action
- Recognise that a ‘place management’ approach is necessary rather than existing ‘program-focussed’ service delivery management models
- Develop client focussed, simplified and cost effective approaches to grants programs that recognise councils and other community based organisations receive funding from multiple sources
- Identify and support long term economic development opportunities
- Communicate with local government and communities to enable more preventative and early intervention approaches to community problem solving.
4. Critical Elements of a New Governance Model

c. Build Collaborative Governance

The Westminster system of government is traditionally adversarial with opposing parties arguing the best way forward with the majority view winning. This system has not worked well for far western NSW, which is characterised by fragmented decision-making resulting in:

- Significant parts of remote communities being denied a voice in decision making, in particular Aboriginal people, women and young people
- Centralised bureaucracies leading to key decisions being made in Sydney and Canberra without sufficient local input
- Non-recognition of local perspectives and aspirations
- Turfism - councils, government bodies and community agencies staking out territories that they “own” and don’t want to give up
- Reluctance to embrace shared services initiatives
- Failure to achieve consensus on issues and actions

“The Panel’s view is far west communities will only ever become sustainable when communities, governments, the private sector and the not-for-profit sector collaborate and create true partnerships and harness the respective talents and resources within each organisation. There must be a firm commitment to work together. This means finding new ways to build trust and mutual respect and to focus on the common good.”

Dr Julie Finlayson submission

d. An Agreed Approach to Developing Prosperity

Strengthened collaborative partnerships between communities, spheres of government, the non-government sector and private enterprise will facilitate the development of a shared strategy aimed at:

- Strengthening the place of far west NSW as a contributor to the economic, social, and environmental strength of NSW
- Strengthening the social fabric of remote townships
- Building the capacity of Aboriginal communities, and their leaders, to drive the future of far western NSW
- Building an economic future for far western communities based on employment and business opportunity. This includes removing the blockages to private investment, particularly in land use planning arrangements and current land tenure systems
- Development of an affordable infrastructure strategy that ensures the building blocks are in place to support social and economic development
- Building cost effective multi sector responses to existing social challenges with savings reinvested in the development of cohesive productive communities.

e. Listen to Local Voices

During the Panel’s extensive consultations in far western NSW, Council and community representatives made it clear they want to preserve their local identity and have input - and where appropriate, be in control of their own decisions. The Panel supports this desire given the remoteness of many of these communities, the fragile nature of the environment with which they coexist and the need for resident Aboriginal communities to preserve their relationship with country.
For this reason the Panel supports the retention of a system of local government - subject to a significant change in the way councils operate. These changes include:

- Ensuring that council strategic planning actively addresses the principle social and economic challenges facing communities, individually and as part of a broader far western NSW community of interest
- Engagement in the development of formal agreements with Aboriginal communities. This includes the recognition of local Aboriginal culture and the development of strategies that strengthen Aboriginal participation in local government
- Facing the financial reality of limited income and high grant dependence and planning services effectively to reflect best value principles
- The development of innovative cost-effective business models to build administrative capacities - to support best practice corporate governance and service delivery
- The development of partnerships with other spheres of government and the private sector to build the sustainability of the region.

This will also require Federal and State Governments to:

- Engage in a unified approach to regional strategic planning in far western NSW
- Realign agency boundaries and organisational arrangements
- Work with councils to develop local community governance capacity
- Support councils in developing formal agreements with Aboriginal communities
- Develop improved information networks that provide specific place-based information, including consolidated funding information into a “MyCommunity” website - to inform planning, resource management and better decision making
- Work with councils to develop an agreed method of assessing service quality and efficiency that supports the future design of services for far western communities
- Recognise the resource and financial impacts imposed on local government through the provision of critical services normally provided by Federal and State agencies
- Build local government capacity to enable councils to provide services on behalf of other spheres of government at full cost recovery.

Some boundary realignments have already commenced. In the Far West of NSW the Local Health District (FWLHD) and Family and Community Services (FACS) have aligned their district boundaries and:

- Will, in partnership with Broken Hill City Council, the Commonwealth and community, develop a common strategic approach to identify and respond to service needs in the region
- Will co-locate their leadership/management teams
- Are discussing with Education and Police how the broader service system could/should work in the far west of NSW
- Will support, in partnership with Commonwealth, State and Local Government agencies and the community, joint placed based service delivery options for the remote communities including Silverton, Tibooburra, Menindee, Wilcannia and White Cliffs
- Are working with Broken Hill City Council to identify opportunity and build capacity to develop the city as the service hub for the region
- Will support the creation of additional human services employment opportunities in the region as a result of the strengthening of the non-government sector to deliver planned reforms e.g. NDIS, Out of Home Care reforms etc.
- Will work with the secondary and tertiary education sector to identify and pro-actively respond to the emerging employment opportunities.

(Advice to Panel from NSW Department of Family & Community Services)
The NSW Government has recently released its plan for Aboriginal Affairs, *OCHRE* which stands for opportunity, choice, healing, responsibility, and empowerment and is symbolic of Aboriginal communities’ deep connection with Country. *OCHRE* reflects the strong desire of Aboriginal communities for change and the need for government to build a genuine and sustainable partnership with Aboriginal communities and organisations. It also responds to the strong demand for effective coordination to prevent the duplication of government and non-government services, and for a strengthened focus on education and employment, as keys to overcoming Aboriginal disadvantage. *OCHRE* initiatives have special relevance for far western NSW and need to be factored into any enhanced governance and service delivery model.

A key component of *OCHRE* is the importance of local decision making and the recognition that Aboriginal communities are best placed to understand local needs and that service delivery can be compromised if distinct local conditions are ignored in favour of a ‘one size fits all’ approach. There are a number of essential elements to support effective local decision making models:

- Building capacity within communities to work in partnership with government
- Building capacity within government to work in partnership with communities
- Enabling communities to define the issues and priorities which drive negotiated local responses
- Integrating and coordinating service delivery across levels of government
- Building strong partnerships between government and non-government sectors to deliver effective localised responses
- Localising accountability, reflection and review.

### f. Build Local Community Capacity

Current government and non-government organisation structural arrangements in far western NSW restrict the ability to establish place-based capacity building programs. No one organisation on its own has the resources and flexibility to do this. By working together new ways can be developed. The opportunities are endless with good leadership. The following are some of the options recommended by the Panel:

- **Community Champions**: recognised government and industry leaders, *Champions* partner with remote communities to facilitate the resolution of disagreements and to harness combined agency resources to deliver targeted and integrated services. A similar model operates in Queensland.

- **Aboriginal Employment Strategies**: the range of employment options in local government is extensive. As a place-based employer, local government has the ability to provide the employment benchmark for Aboriginal communities. A whole-of-government approach to service delivery will further provide opportunities for purpose built economic participation strategies, including housing construction and infrastructure maintenance programs. Employment of Aboriginal people will ensure local government can respond appropriately to local needs and aspirations - whilst providing economic stimulus to the local population. Aboriginal employment will create a multiplier effect, with the potential to actively promote community cohesion and stability and improve the lives of whole families and communities.

- **Strategic Land Investment Compacts**: there are a wide range of opportunities to strengthen economic independence in far western communities. This untapped wealth resides in unrealised opportunities emanating from a wide range of sources, including: land granted under the NSW Aboriginal Land Rights Act 1983, unused Crown lands and local government land stocks. Land rights have both a cultural and economic impact. Negotiated compacts between key stakeholder groups can be established where the general public interest and the particular parochial interests are all reflected in a common vision and set of goals. The scope of negotiated compacts required for far western NSW will need to extend beyond the typical reach of whole-of-government approaches and strategic interventions and give increased focus on economic outcomes. Achieving more inclusive economic outcomes
will require Federal and State government commitment to new capital investments, social enterprises and industry policy - at an unprecedented scale and duration.

- **Tertiary Education Collaboration Compacts:**
  This builds on an initiative currently underway and sponsored by the Broken Hill University, Department of Rural Health and the University of Sydney. The aim is to link local communities more effectively with the resources and expertise of tertiary and higher education institutions. Anticipated impacts from such collaborations include the following:

  - Far western communities having ready and timely access to relevant knowledge and expertise to enable better local decision-making;
  - Western communities and tertiary institutions developing more effective and sustainable working relationships;
  - Western communities and tertiary institutions effectively sharing knowledge and integrating real time community experiences into learning;
  - Tertiary staff and students provided with opportunities to acquire experience in far western community environments;
  - Development of a strong research base to underpin effective public policy developments;
  - Development of effective training and education programs targeted at whole-of-government and integrated service delivery models;
  - Promotion of a culture of collaboration that creates supportive environments and removes institutional barriers - by engaging the leaders and by identifying and sharing promising practices in collaboration.

- **New Effective and Efficient Business Models:**
  This includes, common business systems, *sharing* of staff and equipment and shared administrations. The aim is to reduce corporate and administrative costs, with savings reinvested to improve services to communities.
The New System of Local Governance for Far West NSW
5. A Far West NSW Strategic Alignment that Supports Collective Actions

As set out in previous sections there are significant and critical unresolved public policy issues for far western NSW that are best addressed through a far western NSW governance realignment. Critically this aims to improve the quality of life for far western communities and create economic opportunities - by removing obstacles to economic development and identifying new opportunities for growth and prosperity.

There is a critical need to strengthen Aboriginal governance capacity so that Aboriginal organisations, including Land Councils, are better resourced and that Aboriginal people are encouraged to actively participate in government decision making processes.

This new strategic alignment will bring together councils and other government agencies with responsibility for the NSW Unincorporated Area and the local government areas of Balranald, Bourke, Brewarrina, Broken Hill, Central Darling, Cobar, Walgett and Wentworth as shown in Map 1.

The Panel notes some councils have indicated a preference to be linked in with networks to the east. However the Panel’s view is that a strategic realignment within the far west will give these councils the stronger profile they need, and access to increased opportunities to develop their potential. They would become councils with a superior profile and a presence, rather than medium and small councils among a group of many. This would not exclude councils from any beneficial existing networks.

This stronger strategic alignment does not reduce the responsibilities of councils for local leadership, local democracy and local decision making. To the contrary, it provides councils with an increased opportunity to formally and directly engage with other spheres of government and to influence policy decisions and service delivery options for their areas. Local autonomy remains with councils and their constituent communities.

In this context the Panel puts forward the following options for consideration. Some options require detailed investigation and development of business cases before a final decision is made.

Map 1: Far West NSW
a. Establish a Far West Regional Authority

The Panel’s recommendation is for the NSW Government to establish a Far West Regional Authority as a regional backbone organisation - with the principle aim of building a collaborative whole-of-government system of governance in far western NSW.

The ultimate challenge for the Regional Authority will be to transform what is currently an inefficient and fragmented service delivery system, into a system that effectively organises and focuses the resources and capacities of: Federal, State and local governments; cross-sector government agencies; non-government organisations and community groups, to greatly improve the quality of life for far western communities.

The Regional Authority proposed functions are detailed in Box 2.

**Box 2: Proposed Functions of Far West Regional Authority**

1. Guide vision and strategy – ensure that governments, communities and organisations have a common understanding of needs and desired outcomes
2. Plan for the region as a whole – prepare and facilitate implementation of an inter-governmental Regional Strategic Plan, incorporating regional elements of the plans of councils, Aboriginal communities, and government and non-government agencies
3. Promote aligned activities – ensure governments, communities and organisations share information and coordinate their activities towards common goals
4. Foster continuous improvement – ensure that all parties regularly review and refine their programs against common key performance indicators, and promote creative problem solving initiatives
5. Build community motivation and commitment – work with local government and Aboriginal communities to increase understanding of the issues facing the region and each other, and to empower communities to take action
6. Advance public policy – ensure all levels of governments are more aware and supportive of the policy agendas and priorities needed to tailor programs to local needs
7. Mobilise funding and resources – secure public and private funding (including philanthropic) to drive and support local initiatives
8. Administer Western Lands Leases – incorporate the role of the Western Lands Commissioner
9. Incorporate Local Land Services – incorporate the Western Region board of Local Land Services to maximise linkages with related activities
10. Manage other specific projects and programs – assume responsibility for proposed Community Boards (see below), for delivery of selected works and services, especially in Unincorporated Areas, and for region-wide shared services (eg ‘back office’ activities of councils and government agencies)

Effective leadership by the Regional Authority will make or break its success. Characteristics of effective organisational leadership will include the ability to:

- Be visionary – having a very clear vision of where communities need to be and facilitating the capacity within communities to focus on the vision;
- Be results orientated – constantly pushing communities to find solutions to issues and to act;
- Build relationships – working with communities in a collaborative manner;
- Be focused whilst maintaining the capacity to be adaptive – remaining focused on the end goal with a willingness to listen to new ideas;
- Be an influential communicator – being articulate and passionate;
- Be politically savvy – having a big picture perspective, understanding how all the pieces fit together and being sensitive to the dynamics.
The Regional Authority will be responsible for the development and implementation of a strategic plan for far western NSW which seeks alignment of Federal, State and local government planning and service delivery programs. A proposed structure for the Authority is shown in Figure 1.

**Figure 1: Proposed Structure of the Far West Regional Authority**

It is recommended that the Far West Regional Authority:

- Be established under its own NSW legislation;
- Be led by an Executive Chair, appointed by, and directly accountable to, a senior NSW government minister;
- Be governed by a board comprised of mayors, representative of chairs of Community Boards, Aboriginal leaders, representatives of Unincorporated Areas, State and Federal government appointees, and other skills-based members as required;
- Employ its own staff as required, principally for administration, strategic planning and program coordination, but work through existing organisations wherever possible;
- Receive Federal Financial Assistance Grants;
- Otherwise be supported, resourced and funded by the State government, including through the Western Lands Lease arrangements.

Further details on possible governance structures and operational models for the Far West Regional Authority are provided at Appendix 1.

To build on the Panel’s proposals it is proposed that a suitably resourced project team of senior people work with an advisory reference group to develop the governance structure, policy and legislative framework for the Regional Authority, and to lead the preparation of business cases for the recommendations that follow.

### b. Strategic Alignment of Federal and State Government Agencies

Consistent with the aim of building a collaborative system of governance for far western NSW, the Federal and State governments should consider opportunities for substantial strategic and operational realignments including:

- Alignment of strategic planning and service delivery functions;
- Common boundaries, noting that this has commenced with the recent alignment of NSW Health and FACS boundaries;
- Develop a simplified, transparent, client-focussed, and cost-effective approach to administrating grants and contributions – which recognises recipients often receive funding from multiple government sources. This should
include the publication of consolidated place-based funding information to inform local decision making;
• Shared service delivery options to reduce service duplication and eliminate drive-in - drive-out service delivery arrangements;
• Shared service centres and staff;
• Opportunities to reduce corporate and program transactional costs with savings reinvested in the region;
• The development of intergovernmental partnership agreements with local government and Aboriginal communities.

c. Transfer Governance Responsibility for Communities within the NSW Unincorporated Area

Governance responsibility for the NSW Unincorporated Area should be transferred from the Commissioner for Western Lands to the proposed Far West Regional Authority. The advantages of this being:

• Inclusion of the challenges facing the Unincorporated Area in strategic planning for far western NSW, particularly in regard to economic and environmental challenges
• A stronger platform for the regulatory responsibilities which are the responsibility of the Western Lands Commissioner
• Increased support and resourcing for the existing Silverton and Tibooburra Village Committees.

In the longer term further consideration should be given to the transfer of responsibility for the administration of Western Lands Leases and the new Local Land Services (LLS) to the Authority to enable the NSW Government to achieve efficiencies.

d. Options for realigning Local Government

The Panel’s view is that a system of local democracy which supports local decision making is fundamental to the future of communities in far western NSW. However, substantial strategic and operational realignments are required for councils to be able to effectively undertake and fulfil these responsibilities. All far western councils face significant challenges which can only be addressed through partnerships with other spheres of government. As currently structured, many councils face significant skills deficits and smaller councils do not have a sufficient revenue base to meet their obligations.

In this context the following options are available:

i. **Broken Hill City Council**: Broken Hill City Council can be retained as currently constituted and recognised as having a leadership role particularly at the sub-regional level. Whilst Broken Hill is a substantial city and sustainable in its own right, it also faces significant challenges, including a range of strategic issues connected with its remoteness and local economy. The proposed Regional Authority will provide a range of new opportunities for Broken Hill to address these challenges in direct partnership with other spheres of government. Broken Hill Council sees the potential for itself to take a stronger leadership role in far western NSW and has commenced negotiations with other government agencies around strengthened strategic alignments and initiatives.

ii. **Central Darling Shire Council**: All the evidence indicates Central Darling Shire Council has reached the point where without some form of intervention, like significant financial support, it is unsustainable as a standalone local government entity. The available evidence indicates Council’s financial situation has further deteriorated since the completion of the TCorp assessment, with Council now experiencing major financial liquidity issues.

The four principal communities that comprise the Central Darling Shire have no clear community of interest with each other. Each community looks outside the Shire for access to needed services. The communities of White Cliffs, Ivanhoe, Menindee and Sunset Strip have little or nothing to do with the Shire’s administrative centre located in Wilcannia. There is no effective process to prioritise community needs within the Shire and
each community is competing for the limited resources available to Council. This has resulted in poor outcomes for all communities.

Wilcannia has major stresses that are beyond the capacity of Council to deal with, including: long term unresolved social issues, lack of economic, social and other infrastructure to support community and economic development and a majority Aboriginal population with no local government representation.

In this context, options with the potential to support the sustainability and development of each of the Shire’s communities are to merge with surrounding local government areas as follows:

• Alter the boundary of Broken Hill City Council to incorporate the communities of Menindee and Sunset Strip. People in this area fall within Broken Hill’s community of interest. In particular the majority of property owners in Sunset Strip have strong connections with Broken Hill. All communities share a common water supply system. Further consideration could be given to establishing a Community Board to provide the residents of Menindee and Sunset Strip with a democratic voice.

• Merge the community of Ivanhoe into Carrathool Shire Council. People residing in Ivanhoe generally look towards Griffith as their principle regional centre to access tertiary, commercial and community services. Further consideration could be given to establishing a Community Board to provide the residents of Ivanhoe and surrounds with a democratic voice.

• Incorporate the communities of Wilcannia and White Cliffs into the Broken City Council local government area as a non-contiguous entity. This would require the establishment of Community Boards to provide the residents with a democratic voice. If this was to proceed it would require the deletion of section 204(3) of the Local Government Act 1993, which states that a local government area must be a single area of contiguous land.

OR

An alternative is to unincorporate the Central Darling Shire local government area and establish Community Boards in all four principal communities that fall within the jurisdiction of the Far West Regional Authority in a similar way to the current NSW Unincorporated Area.

Each of the above proposed boundary alterations should include surrounding agriculture, residential, business and irrigation Western Land Leases. Such leases generally operate in close proximity to towns and contribute to local economies.

Further detailed consideration is recommended as to whether Western Lands Grazing Lease areas should be unincorporated, extending the existing NSW Unincorporated Area. The case has been put that these landowners operate independently to the township and receive little or no value for the rates they pay as councils are unable to meet the service and infrastructure needs of these landowners.

The Panel has considered Central Darling Shire Council’s submission, which acknowledges a need for change. However, achieving a successful new governance model in far western NSW needs to be led by an entity with substantial capacity and authority within State Government and be able to effectively partner with Federal and local governments.

iii. Cobar Shire Council: Cobar Shire Council can be retained as currently constituted. While Cobar is sustainable in its own right, it needs to strengthen its strategic engagement with other spheres of government and to significantly strengthen its strategic, financial and asset management capability.

Cobar is dependent on the continuation of a strong mining sector. However, this poses complex challenges with high population migration and a large fly-in fly-out workforce. When mining is in decline Cobar struggles. In this context Cobar will benefit from a strategic alignment with far western NSW. This will provide Cobar with access to the skills base that the proposed Regional Authority could provide and increase its ability to influence Federal and State government policy setting in areas that have high impact on the local community.

Cobar has the potential to share regional leadership with Broken Hill.
iv. Bourke, Brewarrina and Walgett Shire Councils / Wentworth and Balranald Shire Councils

These councils could, in the short-medium term, remain as standalone councils - strengthened by a formalised subregional strategic and operational partnership in the North West and South West of far western NSW.

In order to continue as standalone councils, each council will need to:

- Better engage with constituent Aboriginal communities and local community working parties through the development of formal MOUs, or other forms of agreement, to strengthen Aboriginal participation in local governance. This is particularly critical for Bourke and Brewarrina Shire Councils where Aboriginal communities are emerging as the predominant population group.
- In partnership with Federal and State Government agencies, strengthen their strategic planning to better address the impact of population decline and the social, economic and environmental challenges they confront.
- Significantly strengthen their financial, asset and workforce planning capability. This will require councils to be able to better access a high quality skill base.
- Find ways to reduce administrative and corporate administration costs.

As currently structured a number of the smaller councils like Brewarrina and Balranald will be unable to achieve this in isolation. It is recommended that all councils work with the Far West Regional Authority to:

- Identify the blockages to local economic and community development within a western NSW subregional and regional framework;
- Develop collective strategic approaches to the identified challenges;
- Develop formal partnerships around key community deficits that deliver positive outcomes for local communities;
- Develop formal resource sharing agreements which reduce administrative and corporate governance costs and build capacity through shared initiatives.

It is noted that Bourke, Brewarrina and Walgett Shire Councils provided a further submission including a draft agreement advising their intent to jointly establish a Barwon Darling Coordination Group with membership including Aboriginal and State Government representatives.

Responsibilities for the group would include:

- Identify savings, or gaps in, strategic or operational council, government agency, and Non-Government organisation functions;
- Co-ordinate the improvement of cross agency governance and local service delivery;
- Undertake responsibilities delegated to them by other spheres of government;
- Co-ordinate the preparation of a consolidated regional strategic plan;
- Devise key performance indicators.

The Panel sees significant merit in this Coordination Group developing as a subregional component of the proposed Far West Regional Authority. However, concern is held that the councils as they are currently structured, operated and financed, will not be able to fulfil the commitments described within their submitted draft agreement. Further, the agreement contains voluntary membership with active commitment and ongoing participation remaining optional. This lack of structural certainty and predictability is seen as a further concern by the Panel. The Panel congratulates the three councils for starting to think more strategically about their future and particularly in a more integrated and collaborative manner and encourages the councils to progress their work within the broader proposed Far West NSW strategic alignment.

Wentworth and Balranald Shire Councils could also develop a sub-regional approach with Wentworth taking the leadership role.

It is questionable whether these initiatives will generate sufficient savings and increased capacity for Bourke, Brewarrina and Balranald Shire Councils to be sustainable in the medium term (the next 5 – 10 years). With the exception of Wentworth, these councils have declining populations. There is little prospect that these councils will be able to significantly increase rate incomes, with or without the constraints of rate pegging.
They will continue to be highly dependent on grants. The Panel’s proposed redistribution of FAGs, if implemented, may not be sufficient to meet current income shortfalls.

In this context a number of other options are available for consideration:

• **Shared Administrations**

  In this option Bourke/ Brewarrina Councils, and, Wentworth/ Balranald Councils agree to a shared administration.

  Each council would remain responsible for respective elements of the Integrated Planning and Reporting requirements of the Local Government Act. Councils could jointly develop and adopt a common Community Strategic Plan, Delivery Program, Resourcing Strategy, with council specific Operational Plans and Annual Reports. Council service delivery staff would continue to be employed in administrative centres and depots in much the same way as they currently operate.

  Savings would be generated through increased efficiency in the rationalisation of corporate administrative structures and systems, senior management teams and a shared General Manager. This potentially generates significant savings for each council group. These are savings which can be reinvested into existing or new services to the community.

  This option maintains existing local councils as the basis for local democracy and local decision making. To be successful, high levels of trust and collaboration between the councils would be required. Councils will need a shared vision and strategic direction. The principle risk with this option is that if trust significantly breaks down, the shared administration model would quickly unravel.

  Provisions in the Local Government Act, pertaining to the employment of the General Manager and senior staff and IPR requirements, will require amendment.

• **Regional Council Mergers with Community Boards**

  This option is for merged Regional Councils to be complemented by Community Boards, with the responsibility to ensure local communities have structured input to the plans and budgets for their community. The Regional Councils will result from merging local councils and create stronger units with increased strategic capacity. Whilst the current Local Government Act provides for a merger of existing councils, a number of amendments would be required to fully implement this option. For the Far West region the following options are available for consideration:

  - Merge Bourke and Brewarrina Councils into a new Regional Council with Community Boards established to represent the Bourke and Brewarrina communities
  - The Bourke Community Board could include representatives of the town of Bourke and the village of Enngonia. The Brewarrina Community Board to represent the town of Brewarrina and villages of Goodooga and Weilmoringle. The membership of both Boards to be structured to ensure proportional representation of Aboriginal people. Other population centres could have Community Boards where approved by council
  - Merge Balranald and Wentworth Councils into a new Regional Council with Community Boards established to represent the townships of Balranald and Euston. Wentworth, as the predominant centre, would have a significant number of directly elected councillors - hence a Community Board for Wentworth is not warranted. Other population centres could have Community Boards where approved by council.

  These approaches are based on initiatives currently being implemented in the Northern Territory with legislation due to be presented to Parliament by December 2013. There is a need for further research and business modelling including the most appropriate locations for Community Boards. This should be undertaken by the Project Team in consultation with the Reference Group and councils.

• **Council Mergers with Wards**

  This option involves a straight merger of Bourke/Brewarrina Shire Councils and Wentworth/Balranald Shire Councils operating with a ward system as currently provided by the Local Government Act. The mayor would continue to be elected by the councillors.
e. Preferred Future Local Government Arrangements for the Far West region

On the basis of all the available information, and having regard to the importance of maintaining local identity and democracy to the maximum possible extent, the Panel’s preferred approach is set out in Box 3. These proposals assume:

- The establishment of a Regional Authority;
- Redistribution of FAGs and other grants to provide additional financial support;
- Collection of an equivalent of local government rates across all unincorporated areas.

Box 3: Preferred Future Local Government Arrangements for the Far West

- Retain Walgett, Cobar and Broken Hill councils in their current form, but within the framework of the Regional Authority and subject to further review of their prospects for medium-long term sustainability, plus preparation of revised asset and financial plans as required
- Establish full shared administrations for Bourke-Brewarrina and Wentworth-Balranald, but with elected councils, office facilities and operational staff retained in each location
- Continue the development of the Barwon Darling Coordination Group
- Unincorporate Central Darling Shire and establish Community Boards (as proposed in section 12.2 of the Final Report), for Wilcannia, White Cliffs, Menindee, Sunset Strip and Ivanhoe – all under the administration of the Regional Authority
- Replace the Village Committees for Silverton and Tibooburra with Community Boards under the administration of the Regional Authority.

f. A Pathway for Change: Phased Development

Moving government and organisations - from a culture of independent and isolated strategic and operational approaches, to a well designed, mutually respectful and trusting collaboration - requires intensive time commitments and structured organisational change.

A phased pathway to introduce the necessary change management program is proposed. This pathway for change is predicated on the NSW Government providing in principle support and the establishment of a project team and a reference group. The proposed pathway focuses in the first instance on the development of the Regional Authority with corresponding strategic realignment of NSW Government, and potentially Australian Government activities. This needs to be substantially underway prior to the proposed realignment of local government structures. Councils need to see this as a gesture of good faith to indicate a clear intention by the State Government to implement genuine change and increased commitment to do things better. Councils need to see how the Regional Authority and government agency realignment will benefit local communities and integrate with local government functions and community needs.

This approach values and recognises the importance of local government, Federal and State agencies, Aboriginal leaders and other stakeholders to be collectively involved in the design and development of the new governance framework - including structures and processes that support a place-based, outcomes-focused service delivery system. Engagement by many at this level is critical.

This collective knowledge is essential to the preparation of the strategic business case to inform the development of the new governance system. It is only through this collective action in governance design that trust and collective ownership can be built.

Whilst the Panel is totally committed to the proposed new regional governance authority, specific details about its precise role and functioning requires more work than has been possible within the scope of this review. These details will be critical to the effectiveness of the Regional Authority. The final design needs to take into account the views of many stakeholders.
In this context an important consideration will be the role of the Regional Authority in managing funding (or pooled funding) in relation to recurrent service delivery operations. The Panel’s initial view is that operational delivery and funding disputes may well undermine the legitimacy of the Authority to achieve its principal functions. The functions of the Regional Authority should not be in competition with local government and other institutions with specific service delivery requirements.

Through its strategic coordination role, the Far West Regional Authority could have a delegation to shape the nature of the funding recommendations, and the delivery of those services by external agencies, in the best interests of far western NSW councils and communities.

To move down this pathway, it is recommended that a reference group be established to inform the work of the project team. The reference group should be chaired by a senior representative of the Regional Coordination Unit, Department of Premier and Cabinet and be comprised of:

a) Council mayors
b) Chair of the Murdi Paaki Regional Assembly
c) Representatives of Local Aboriginal Land Councils
d) Representatives of the Unincorporated area (Pastoralists’ Association of West Darling);
e) Australian Government representatives
f) Representatives of the Regional Managers Network for Western NSW and any of the following NSW Government Agencies deemed required:

i. Division of Local Government
ii. Office of Aboriginal Affairs
iii. Commissioner for Western Lands
iv. Department of Primary Industries
v. Family and Community services
vi. Roads and Maritime Services
vii. Ministry for Police and Emergency Services
viii. Trade and Investment, Regional Infrastructure and Services
ix. Department of Planning and Infrastructure
x. Health
xi. Education and Communities.

The project team should provide progress reports with recommendations to the NSW Government initially at 6 months and subsequently at 1 year intervals, pursuant to the proposed phased implementation plan in Box 4.
Box 4: Phased Implementation Plan

<table>
<thead>
<tr>
<th>Regional Authority (Project Team)</th>
<th>NSW and Australian Governments</th>
<th>Local Government</th>
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<tbody>
<tr>
<td><strong>Phase 1 – Emergent:</strong> This phase acknowledges the complexity associated with the transition from the traditional ‘silo’ approach of independent and isolated levels of government, local councils, government agencies and community organisations to a collaborative system of place-based governance.</td>
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To be completed within 6 months of the appointment of the Project team.

Project team develops an engagement strategy aimed at:

- Establishing the parameters, ensuring that the NSW Governments objectives are understood – what is negotiable and what is not
- Testing and developing the receptiveness and willingness of senior leaders across individual organisations to establish a system of strategic collaborative governance and service delivery
- Identify areas of interest and priority and capacity
- Analyse the risks and opportunities
- Reach agreement on a shared vision and aims
- Further scope the role and responsibility of the ‘Regional Authority’
- Scope the process of developing a genuine whole-of-government regional strategic plan
- Scope a process to negotiate formal engagement agreements with Aboriginal communities
- Identify options for innovative practice
- Seeks approval to proceed to the next stage.

NSW and Australian Government agencies jointly:

- Map existing service provision networks, including funded programs
- Identify:
  - the strategic issues that they share;
  - strategic gaps
  - opportunities for aligned and integrated activity and boundaries;
  - opportunities for stronger engagement with local government and identify what needs to happen for this to occur
  - workforce requirements.
- Prepare options:
  - relating to the proposed Regional Authority
  - for better engagement with Aboriginal communities including local Community Working Parties
- Participate in the engagement strategy
- Contribute to the work of the project team.

Councils develop ways to jointly:

- Review current IPR processes and plans with a view to identify the:
  - strategic issues that they share and opportunities for sub regional arrangements
  - strategic gaps
  - opportunities for aligned and integrated activity
  - opportunities for stronger engagement with the NSW and Australian Government agencies and identify what needs to happen for this to occur.
- Consider the opportunities provided by the development of the proposed Regional Authority;
- Consider options for better engagement with Aboriginal communities including local Community Working Parties
- Participate in the engagement strategy
- Contribute to the work of the project team.
- The Barwon Darling Co-ordination Group further develop their agreement including integration with the proposed Regional Authority.

**Phase 2 - Developmental:** This phase would build upon Phase 1 with a progression to the preparation of business cases. Successes and barriers are identified and utilised to inform the further development and role of the ‘Regional Authority’.

To be completed within 1 year of approval to proceed to this stage.

Project team leads the

- Development of the model
- Tests roles and functions
- Negotiates final proposal with stakeholders

- Finalise proposals for aligned agency boundaries and structures;

- Reach agreement about the regional (subregional) strategic plan that will be progressed in partnership
<table>
<thead>
<tr>
<th>Regional Authority (Project Team)</th>
<th>NSW and Australian Governments</th>
<th>Local Government</th>
</tr>
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<tbody>
<tr>
<td>• Prepare business case for future development</td>
<td>• Contribute to the development of the Regional Authority model</td>
<td>• Contribute to the development of the Regional Authority model</td>
</tr>
<tr>
<td>• Finalises a framework for the regional strategic plan and sub-regional plans</td>
<td>• In partnership with Councils negotiate formal agreements with Aboriginal communities</td>
<td>• In partnership with other Government agencies negotiate formal agreements with Aboriginal communities</td>
</tr>
<tr>
<td>• Prepares options to strengthen Aboriginal leadership and community capacity</td>
<td>• Endorse final recommendations that will be forwarded to the NSW Government for approval noting:</td>
<td>• Endorse final recommendations that will be forwarded to the NSW Government for approval noting:</td>
</tr>
<tr>
<td>• Prepare legislative options for all proposals</td>
<td>• Issues where consensus has not been reached</td>
<td>• Issues where consensus has not been reached</td>
</tr>
<tr>
<td>• Finalise submissions and proposals for the new local government arrangements in consultation with Councils and the DLG</td>
<td>• Options to resolve these issues.</td>
<td>• Options to resolve these issues.</td>
</tr>
<tr>
<td>• Submits final recommendations for approval by the NSW Government.</td>
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**Phase 3 – Establishment:** This phase would address policy, practice, funding and reporting structures associated with cross-sector collaborations.

- The Regional Authority is established and commences operation;
- Commence the development of a Regional Strategic plan.
- Implementation of agency alignment
- Agencies commit required resources and support to the new Western NSW governance model
- Contribute to the development of a Regional Strategic plan.

**Phase 4 – Consolidation:** This phase consolidates and builds on the previous phases and may result in the development of formalised agreements across sectors, resource sharing and allocation and shared service delivery models.

- Regional Authority in full operation
- Finalise the Regional Strategic plan
- Implementation.
- Implement the Regional Strategic plan with aligned agency activity.
- Implement formal shared services agreements / local government boundary mergers / alterations
- Implement the Regional Strategic plan with aligned Council activity.

Further information, prepared by the Panel to support the implementation of the new arrangements in Far West NSW, is provided in Appendices 3 and 4.
6. Recommendations

<table>
<thead>
<tr>
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<th>Recommendations for the Far West</th>
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<tr>
<td>53</td>
<td>Agree in principle to the establishment of a Far West Regional Authority with the functions proposed in Box 2 and membership as proposed in Figure 1</td>
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<td>54</td>
<td>Adopt the preferred new arrangements for local government set out in Box 3 as a basis for further consultation</td>
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<tr>
<td>55</td>
<td>Establish a project team and reference group of key stakeholders within the DPC Regional Coordination Program to finalise proposals</td>
</tr>
</tbody>
</table>
References

Government Planning

• NSW 2021 - Far West Regional Action Plan, NSW Government, 2012
• NSW 2021 - Orana Regional Action Plan, NSW Government, 2012
• NSW 2021 - Murray-Lower Darling Regional Action Plan
• NSW in the future: Preliminary 2013 population projections, Department of Planning & Infrastructure, August 2013
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• Brewarrina 2022 - Community Strategic Plan for Brewarrina Shire, Delivery Program and Resourcing Strategy, 2012
• Community Strategic Plan for the Bourke Shire 2012-2022, Delivery Program and Resourcing Strategy,
• Central Darling Shire Council Community Strategic Plan, Delivery Program and Resourcing Strategy, 2012
• Walgett Shire Council Community Strategic Plan, Delivery Program and Resourcing Strategy, 2012
• RDA Orana Regional Plan 2012-2020
• RDA Far West Regional Plan 2012 – 2022

Research Papers and Reports

• Community Engagement in Rural-remote and Indigenous Local Government in Australia, ACELG, 2012
• Enhancing Regional Cooperation between Local Councils: A proposed Two-Tier Model for Australian Local Government, Don Ramsland and Brain Dollyer, Journal of Economic and Social Policy, Vol 2 Issue 2 Article 3
• Financial Sustainability of the New South Wales Local Government Sector: Findings, Recommendations and Analysis, TCorp, April 2013
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• Fixing the Hole in Australia’s Heartland: how government needs to work in remote Australia, Desert Knowledge Australia, 2012
• Governance in the Northern Territory- Consultation Paper, Northern Territory Government, Regional Governance Working Group, March 2013
• Governance for Sustainable Development: Strategic Issues and Principles for Indigenous Australian Communities, M Dodson and D E Smith, ANUE Centre for Aboriginal Economic Policy Research
• Local Government Service Delivery to Remote Indigenous Communities, ACELG, 2012
• The Power of Collaborative Solutions: Six Principles and Effective Tools for Building Healthy Communities, Tom Wolff, 2010
• Role and Expectations of Rural-Remote and Indigenous Local Government, ACELG, 2012
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Submissions to the Panel

Submission No. 1071 - Bourke Shire Council
Submission No. 1073 - Brewarrina Shire Council
Submission No. 1078 - Walgett Shire Council
Submission No. 1072 – Joint Submission Bourke, Brewarrina, Walgett Shire Councils
Submission No. 255 - Walgett Gamilaraay Aboriginal Community Working Party
Submission No. 1094 – Wentworth Shire Council
Submission No. 1090 - Balranald Shire Council
Submission No 1303: Dr J Finlayson
Submission No. 1721 - Murdi Paaki Regional Assembly
Submission No 1639- Debra Jones: Director of Primary Health Care, Broken Hill University Department of Rural Health, The University of Sydney
Submission No 1196 – New South Wales Aboriginal Land Council

Note: Further research, evidence, submissions and supporting documentation considered by the Panel to inform this report may be referenced in the Final Report and/or available for review on the Panel’s website.
Appendix 1 - Proposed Structure of the Far West Regional Authority

The aim of this Appendix is to outline a proposed structure for the Regional Authority as a starting point for further development by the proposed project team and working groups in collaboration with the reference group. The proposed Far West Regional Authority aims to bring together local councils and community boards, Local Aboriginal Land Councils, the Murdi Paaki Regional Assembly, the Unincorporated Area, and NSW and Australian Governments. It would be established under new legislation. The principal aim is to build a whole-of-government approach to remote community issues that maximises the value of all government resources committed to the region.

Legislative Framework
Given the cross government responsibilities of the Regional Authority it is proposed that it be established under its own legislation. This legislation would include the option to create Community Boards to reduce governance costs, provide communities with enhanced support and ensure the needs of communities are considered as part of the strategic planning for the region.

Legislative provision will need to be made for the Regional Authority to be considered a “local authority” for the purposes of other legislative requirements, including eligibility for Financial Assistance Grants.

A Regional Board

Executive Chair
It is recommended that the NSW Government appoint an Executive Chair of the Regional Authority, responsible for its governance and operations. The Chair should report directly to a senior NSW Minister to ensure targeted consideration, at the highest level of government, of issues and needs unique to far western NSW. This would be a full time paid position.

The Board
The Board could be comprised as follows:

- Mayors (and perhaps some other councillors) representing the following current local government areas of:
  - Broken Hill / Central Darling
  - The proposed Barwon Darling Coordination Group (the current Bourke, Brewarrina and Walgett local government areas)
  - Wentworth / Balranald
  - Cobar

- Representative of Community Boards
- Representative of Unincorporated Area (Pastoralists’ Association of West Darling)
- Aboriginal representation comprised of:
  - The Chair of the Murdi Paaki Regional Assembly
  - Representatives of Local Aboriginal Lands Councils
  - Representatives of Elders groups

- Senior representatives of NSW and Australian governments with expertise in:
  - Economic development
  - Community and social development
  - Finance and infrastructure

- Consideration could also be given to including people with specialist expertise if that was seen to be necessary or desirable.

Functions
The functions of the Regional Authority could include:

- Preparation and implementation of an Intergovernmental Regional Strategic Plan which aligns with the NSW Government’s State Plan and addresses key whole-of-government priorities and policies including infrastructure, employment and economic development, capacity building, social development, and human services provision

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1 Local Aboriginal Lands Councils and Elders groups have existing subregional structures that could identify these representatives
• Regional strategic land use planning
• Advocacy on behalf of member councils and communities with other spheres of government and adopt a solution broker role to coordinate whole-of-government solutions
• Implementation of components of the Local Government Act IPR provisions on behalf of and in partnership with member councils, including development of asset management, financial and workforce strategies
• Development of outcomes-focused programs and services which reduce duplication and include specific strategies for each local community
• Delivery of selected NSW and Australian government services on behalf of other agencies
• Analysing and reporting on the performance of government programs and services to inform policy development and review
• Developing creative ways of direct engagement with Aboriginal communities
• Strategic procurement and commercial ventures
• Service delivery in the Unincorporated Area
• Business planning and project management for significant infrastructure and services as required including roads, water and sewerage, and economic development initiatives
• Provision of technical assistance and corporate and administration services as required for councils, Community Boards, LALCs and other parties to the Authority
• Management of certain ‘higher order’ services as required by member councils.

Responsibilities and Accountabilities

Councils
Councils would retain their autonomy and continue to be structured and operate as prescribed by the Local Government Act, and would maintain their local workforces. The principal difference is that mayors and other council representatives would sit at the same regional board table with other leading government and community figures with increasing opportunities to contribute to joint planning for a stronger region and in partnership with other levels of government - to secure better outcomes for their local community with a strategic focus on localised priorities.

NSW and Australian Governments
Government appointed board members would be senior executive employees of a State or Federal agency, or independent people with extensive experience and high level expertise.

Specific responsibilities of the Executive Chair and government appointed board members could be to:
• Drive an agenda that reflects a collaborative response from all levels of government
• Negotiate the alignment of the Regional Authority’s and governments’ strategic plans
• Negotiate the most effective way to deliver NSW and Australian government services to communities, in direct partnership with local government and Aboriginal organisations
• Ensure sound planning and funding of services, maximising value and reducing both duplication and service gaps
• Provide the board with the best possible strategic and technical advice.

Aboriginal Communities
Under the regional authority model, Aboriginal communities would be provided with the opportunity to participate fully in its activities. The Authority could in turn provide services to Aboriginal agencies on a cost-recovery basis. This would enable Aboriginal communities to:
• Contribute to regional planning
• Become an equal partner in public policy setting and implementation
• Develop more effective whole-of-community solutions to local issues
• Ensure greater accountability on the part of service delivery agencies around localised priorities
• Access cost-effective corporate and professional services
• Preserve their cultural identities within a whole-of-government service system.

Decision-making
The Board would be required to make decisions which are in the best interests of the region, taking into account the interests of its constituent communities. In this context the Board would be expected to adopt a consensus based approach to decision-making. A Code of Conduct would need to
be negotiated which articulates how consensus can be achieved.

Where consensus cannot be reached, each Board member would have a single vote subject to Federal and State Government, local government and Local Aboriginal Land Council representatives having the right of veto on any decision that impacts on the ability of a council or agency to exercise its obligations under its respective legislation.

In the event of further dispute, the Executive Chair could have the responsibility to determine the best way to resolve the issue.

**Staffing**
In its initial stage it is proposed the Regional Authority be staffed with a full time Executive Chair and such other staff as recommended by the NSW Government.

As the Regional Authority develops its functions and programs there will be opportunities to extend employment opportunities.

**Important Terms and Concepts**
There are a number of important terms and concepts underlying both the approach and implementation of the work of the Far West Regional Authority:

**Shared Responsibility** – governments alone cannot fix and solve all the problems. Both governments and communities have rights and obligations and all must share responsibility.

**Partnership** – shared responsibility requires real partnerships involving government and communities, as well as a wide range of other key stakeholder groups including non-government organisations and the private sector.

**Whole of government** – all Federal, State and local government policies and funds must be co-ordinated and used efficiently and strategically - in cooperation with local communities.

**Regional focus** – service strategies must be shaped by the particular needs of the far western region and local communities, not dictated from above.

**Flexibility** – services and programs must become more flexible, so they can be adapted to local needs.

**Outcomes** – the operation of policies, programs and service delivery organisations will be scrutinised and judged on the results they produce for local communities.
## Appendix 2 - Local Government Review Consultation Summary for Far West NSW

### Stage 1

**Released**

*Strengthening Your Community – Consultation paper*

- Listening Tour Consultations Sessions with councils and community in Broken Hill and Dubbo
- DPC Regional Managers Network meetings - Wagga and Dubbo
- Radio and newspaper interviews
- Council and public submissions

### Stage 2

**Released**

*Better, Stronger Local Government: the Case for Sustainable Change*

Meetings/consultations

- 2 x Walgett Council
- 2 x Bourke Council
- 2 x Brewarrina Council
- Bourke Community Working Party
- Bourke Medicare Local
- Bourke business community
- Walgett Gamilaraay Community Working Party
- Broken Hill Council
- Central Darling Council
- Wilcannia Aboriginal Land Council
- Sunset Strip Community Forum
- Menindee Community Forum
- Silverton Village Committee
- 2 x Murdi Paaki Regional Assembly – Sydney & Cobar
- 2 x Department of Primary Industries
- 2 x NSW Ombudsman Office
- NSW Aboriginal Affairs
- OROC presentation in Dubbo
- Workshop with Mayors/GM’s Bourke, Walgett, Brewarrina Councils in Dubbo
- Western Division Conference - Nyngan
- Cobar Council

### Stage 3

**Released**

*Strengthening NSW Remote Communities: The Options*

Meetings/consultation

- Department of Primary Industry
- DPC Regional Managers Network - Tamworth
- Bourke/Brewarrina/Walgett Councils forum in Brewarrina
- Brewarrina Community Forum
- Cobar Council
- Cobar Community Forum
- Central Darling Council
- Wilcannia Community Forum
- Broken Hill Council
- Broken Hill Community Forum
- Wentworth Council
- Wentworth Community Forum
- NSW Aboriginal Affairs
- Local Government NSW
- Meetings with NSW Government Ministers
- Meetings with NSW Government Agency representatives
- Meetings with Members of Parliament
- Radio and newspaper interviews
- Council and public submissions

### Stage 4

**Meetings/consultation**

- Department of Primary Industries
- Balranald Council
- Wentworth Council
- Cross Border Commissioner
- NSW Aboriginal Affairs
- DLG, LGNSW, LGMA, USU, LGEA
- Meetings with NSW Government Ministers and Members of Parliament
- DLG, LGNSW, LGMA, USU, LGEA
- Meetings with NSW Government Agency representatives
- Parliamentary briefings – Ministers and Members of Parliament
- Other
  - Radio and newspaper interviews
  - Council and public submissions
Appendix 3 - Community Development Guidance

The aim of this Appendix is to detail and describe the importance of government taking a community development approach to build community capacity, build community empowerment and create opportunities for communities to build a better future.

Local government has a legislative responsibility to exercise community leadership. It is critical that local government implement community development processes to underpin and reinforce its decision making and strategic planning responsibilities.

Local government and communities must seek out new ways of working together based around models of community development. The attitudes and the leadership skills of communities will be the determining success factors in creating the capacity and commitment necessary to tackle the legacy of under-development that afflicts far western NSW.

To create success there will need to be creative community leadership which supports active community development. This will require leadership with a mindset of self-help and a commitment to seek out the most enterprising, visionary and talented people in communities. This type of community leadership must be driven by an absolute commitment to the notion that true success must come from within communities.

Community development is a process where the community itself engages in actions that are targeted at improving community resources. It improves the ability of communities to collectively make better decisions about the use of community resources.

Community development is a conceptual approach with the aim of increasing the connectedness, active engagement and partnerships among members of the community and community organisations, in order to enhance the community’s stock of resources. It needs to be a blend of “bottom up” action - that is driven by the community, in partnership with “top down” resourcing, facilitation and coordination - by local government in partnership with the Regional Authority and Federal and State government.

The key elements of community development are expressed to varying degrees in a wide range of definitions as follows:

- Community development is a group of people in a community reaching a decision to initiate a social action process to change their economic, social, cultural and environmental situation;
- Community development will only happen when people in a community believe working together can make a difference and organise themselves to address collectively their shared needs;
- Community development is a process that increases choices. It creates an environment where people can exercise their full potential to lead productive and creative lives;
- Community development is a process where people are united with those of government authorities to improve the economic, social and cultural conditions of communities;
- Community development is the process that captures the combined influence of a community’s commitment, resources and skills that can be deployed to build on community strengths and address community problems and opportunities.

Whilst there is no prescription for a process of community development, there is a set of key principles to provide guidance and direction:

- Start where people start – the existing concerns and situation of people is the starting point of community development;
- Community development is the vehicle for people to act on existing concerns;
- Community passion and enthusiasm drives action.
- Belief, motivation and commitment are the energy source of community development;
- Community ownership – the community makes and implements decisions, and the community’s initiative and leadership is the source of change;
- People build motivation and community capacity through participation and active involvement in decision-making and implementation;
- Inclusiveness – all members of the community should be given an equal opportunity to be
involved. Effort is needed to encourage marginalised sectors of the community;
- Community development activities foster leadership, entrepreneurship and altruism;
- Existing community capacities need to be recognised and acknowledged in addition to creating opportunities for new capacities;
- A holistic approach is necessary to build community economic, social, human and natural resources;
- Reframing – community development enables people to redefine problems and opportunities and discover new options;
- Changed attitudes and networks are as important as material outcomes;
- Diversity of opinion and perspective is good and should be promoted;
- Success no matter how small needs to be recognised and celebrated.

These key principles are based on the simple notion that a community can positively shape its future by sharing responsibility between individuals, organisations, businesses and all levels of government.

The key elements for good practice community development are many, including:

- Strong and widespread participation in community decision-making including minority groups;
- Belief and expectation of self help – a belief in the future of the community and a strong conviction that realising that future depends heavily on the action of the community;
- Willingness to experience and take advantage of opportunities;
- Work hard and stay with the process even when things get difficult;
- The ability of people to determine and act on the positive and negative aspects of community life;
- A co-operative and embracing community spirit;
- Active community pride and passion;
- Strong community values and sense of history;
- Trusting social relationships between people and institutions/organisations;
- A strong presence of traditional institutions that are integral to community life and adaptive to change;
- Local leadership – committed formal and informal leaders that can motivate and support others, nurture “shared leadership”, accept criticism, and act as local champions for community development efforts;
- A strong belief that ultimately the local community must be substantially responsible for its own destiny.

Community development work is not community service work. Community development work is people-focussed, people-centred and people-powered. The development of the community and its people are the beginning, the middle and the end. Developmental processes involve working with people to explore and to find their own solutions. It is important to distinguish the difference. The following table charts these differences:

<table>
<thead>
<tr>
<th>Point of Distinction</th>
<th>Development Work</th>
<th>Service Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship</td>
<td>Mutual</td>
<td>Role Based</td>
</tr>
<tr>
<td>Authority Base</td>
<td>Bottom-up</td>
<td>Top-down</td>
</tr>
<tr>
<td>Democratic Style</td>
<td>Participatory</td>
<td>Representative</td>
</tr>
<tr>
<td>Work</td>
<td>Working With</td>
<td>Working For</td>
</tr>
<tr>
<td>Value Base</td>
<td>Equality Driven</td>
<td>Equity Driven</td>
</tr>
<tr>
<td>Outcomes Focus</td>
<td>Process Goals</td>
<td>Product Goals</td>
</tr>
<tr>
<td>Terms of Engagement</td>
<td>Partisan</td>
<td>Professional</td>
</tr>
<tr>
<td>Calling</td>
<td>Vocation</td>
<td>Career</td>
</tr>
<tr>
<td>Universality</td>
<td>Unique</td>
<td>Replicable</td>
</tr>
</tbody>
</table>
These points of distinction are not mutually exclusive. The important point here is that the aggregate of the differences makes a community development orientation quite distinguishable from a community service one. Community development is a process aimed at improving community prosperity and needs to fit within a strategic leadership framework. This community development framework must align with local governments’ leadership role as the custodian of the community’s well-being.

Local councils need to develop Community Development Plans that feed directly into their Community Strategic Plans including the Regional Plan and NSW State Plan.

The NSW 2021 State Plan focuses its efforts on achievement in five areas:

1. **Rebuild the Economy** – Restore economic growth and establish NSW as the “first place in Australia to do business”;
2. **Return Quality Services** – Provide the best transport, health, education, policing, justice and family services, with a focus on the customer;
3. **Renovate Infrastructure** – Build the infrastructure that makes a difference to both our economy and people’s lives;
4. **Strengthen our Local Environment and Communities** – Improve people’s lives by protecting natural environments and building a strong sense of community; and
5. **Restore Accountability to Government** – Talk honestly with the community. Return planning powers to the community and give people a say on decisions that affect them.

The Regional Plan and the local Community Strategic Plans will need to effectively align in some way with all the focus areas described in NSW 2021. This provides positive and important opportunities to ensure that local government frames its local priorities in such a way as to enable integration with the State Plan.

The State Plan makes provision for the establishment of Regional Action Plans. Local government and their communities, as they establish local priorities through their Community Strategic Plans, will need to work with the Far West Regional Authority and various State agencies, to develop and implement local action plans.
Appendix 4 - Regional and Local Community Strategic Planning Guidance

The aim of this Appendix is to detail the frameworks that need to be considered to ensure effective regional and local community strategic planning.

There are a range of significant challenges confronting communities in far western NSW. There is a need to develop sustainable prosperity, taking into account the projected scenarios for population decline, weakening local economies, loss of critical economic mass, high levels of social disadvantage and failing social capital.

New long term visionary and integrated Community Strategic Plans for preferred futures need to be developed.

These plans need to be long term plans describing a preferred future with policy objectives crafted from a process of genuine community engagement, plans that shape the direction of government policies and service delivery, and plans that enable an assessment of government performance. These plans must shift policy intentions to a longer term focus, with local communities shaping their own aspirations in terms of their culture, their democracy, their social agendas, their economic targets and environmental expectations. These agreed aspirations must be defined and articulated in such a way that they directly affect the budgets and planning of all government agencies.

For these plans to achieve their true purpose, a number of critical success factors can be identified. It requires high level leadership in the form of passionate personal commitments from both the government and communities themselves. It needs a long-term sustainability focus, community ownership, a transparent monitoring of progress, direct links to government budgets and legislative and policy processes.

Councils and communities will need to develop a broader political and community understanding of sustainability issues, to enable progress towards the cultivation of new sustainability governance and policy. The days when balancing competing pressures - seen in terms of wins and losses - are over. Policy going forward must adopt the rationale of integrating social, environmental and economic objectives.

The true power of the Far West NSW Regional Plan integrated with local Community Strategic Plans will be in the fact that it will, for the first time, provide an overarching framework for government partnerships with industry and the community. State and local government budget processes will need to change, with agency and council proposals being assessed against the objectives of the Plan. State agencies, the Regional Authority and councils would report annually on their performance against the benchmarks.

The Plans would need to be institutionalised, integrated, transparent and accountable.

The Community Strategic Plans need to be a social, infrastructure, institutional, cultural, environmental and economic - and their benchmarks set within a broader socio-economic context. These requirements will need to be written into agency and council plans, budgets, agendas, agreements and performance reporting. Actions will need to feature in Federal-State-local partnerships, in terms of being reflected in intergovernmental agreements, including monitoring and reporting procedures.

In terms of deliberative policy-formulation, the Plans will need to exploit multiple pathways meshing a bottom-up community derived plan, with top-down political commitment and authority, to redefine state and local planning as a truly integrated and interactive process. They will also need to be living and breathing Plans, with ongoing engagement featuring in their implementation, including the Regional Authority and local government oversight, website news and feedback, community reference groups, coalitions of interests, and community involvement in their reviews.

The strategic planning framework will be the Integrated Planning and Reporting requirements as described in the Local Government Act 1993.

This integrated framework recognises that communities do not function in isolation – they are part of a larger natural, social, economic and
political environment that influences and, to a large extent, shapes and ultimately determines the futures of communities.

Neither do council plans operate in isolation – land use and infrastructure planning produces social, environmental and economic outcomes, and vice versa – there is a high degree of connectivity.

The Community Strategic Plans pursuant to the requirements of the Local Government Act must reflect the entirety of community priorities and aspirations for the future, not just those public policy and functional service priorities that local government is directly responsible for. It is the responsibility of councils to report to their communities on progress towards achieving the totality of these priorities and desired outcomes - regardless of council's legislative authority and influence over them - for example: crime, education and health indicators.

This custodial role in initiating, developing and monitoring the Community Strategic Plan on behalf of the community is pivotal to put in place the necessary drivers to ensure a continual improvement in people’s quality of life and quality of living standards. This community leadership role will also require the Far West Regional Authority and councils to integrate the activities of Federal and State agencies to align with local community priorities.

The legislation makes it clear that if councils are to achieve long term sustainability, the Community Strategic Plans must pay specific attention to the foundations of sustainability, often referred to as the quadruple bottom line (QBL) considerations: environmental, social, economic and government leadership. The QBL approach also dictates that Community Strategic Plans be balanced and holistic in their outlook and ensure no one particular aspect dominates.

Therefore, in developing their Community Strategic Plans, councils need to adopt a set of high level sustainability principles to provide general guidance and direction in the establishment and prioritisation of community outcomes. Over time these principles will need to form part of council’s operational DNA, by becoming institutionalised and forming part of council’s day-to-day decision making, action planning and management modus operandi.

A suggested set of sustainability principles for far western councils could be:

1. Provide a unique community long-term vision based on sustainability, intergenerational, social and economic equity.
2. Achieve long-term economic and social security.
3. Recognise the value of the natural environment and biodiversity ensuring their protection and restoration.
4. Empower people and foster community engagement.
5. Grow cooperative networks to work towards a common, sustainable future.
6. Promote sustainable production and consumption, through smart use of environmentally sound technologies and practices.
7. Recognise and build on the distinctive characteristics of the community, including its people, places, culture, history and natural systems.
8. Enable continual improvement of government leadership, based on proactive advocacy, transparency, accountability and good governance principles.

It is a further legislative requirement that Community Strategic Plans be based on the social justice principles of equity, access, participation and rights. The Far West Regional Authority and councils need to ensure their strategic planning reflects these four principles. This can be achieved by:

- Ensuring a broad range of community stakeholders have input into developing the plans;
- Ensuring consultation is undertaken with those groups often marginalised and whose voice is not often heard;
- Ensuring the objectives and goals of the plans are tested against the four principles for fairness;
- Ensuring the plans are supported by sound social research and needs analysis;
- Ensuring the plans provides a range of opportunities for the community to become involved in the delivery and assessment of achieving its aims and objectives.