



STRATEGIC DIRECTION 10 

IMPLEMENTATION THROUGH EFFECTIVE GOVERNANCE AND PARTNERSHIPS

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City of Sydney

Sydney Town Hall

CITY CONTEXT

The City of Sydney has a special role at the heart of the metropolitan region

Across the Sydney Region there are 43 local councils. In the absence of a single metropolitan wide local government agency it is inevitable that the City of Sydney—which only covers 26.15 square kilometres but is at the heart of the metropolis and was the State's first local authority—plays a ceremonial and leadership role on behalf of local government across Sydney. In this leadership role, it is appropriate that the Lord Mayor and Council engage with the State Government and with other Councils in Sydney and Australia on urban policy matters.

The City of Sydney has core service and regulatory roles, but can be an advocate and a partner in other areas

The City of Sydney's basic powers are defined by the New South Wales *Local Government Act 1993* which outlines the responsibilities of local councils, their regulatory functions, the approvals process, enforcement powers, and the preparation of management plans.

The *City of Sydney Act 1988* sets out the rules for City elections—including the election of a Lord Mayor, particular rules for planning in the City (principally the constitution of the Central Sydney Planning Committee), and special environmental planning powers. The Act also sets the administrative boundaries of the City of Sydney, which were last amended in 2004.

The Central Sydney Planning Committee (CSPC) is the consent authority in relation to major development within the City. 'Major development' includes development worth more than \$50 million, and development which the Planning Minister has requested the committee to deal with.

The CSPC includes the Lord Mayor and two Councillors, and Minister for Planning appointed representatives (which must include a senior executive of the Department of Planning).

While the City of Sydney's core service and regulatory roles are defined principally by legislation, it can and does play a wider role as an advocate, or as a partner in planning, funding and addressing broader issues which impact on the City, and are of particular strategic interest.

The City of Sydney is in a strong financial position with an appreciating asset base

The City's of Sydney's annual income is around \$400 million. Rates contribute 50 per cent of total revenues, almost 75 per cent of this coming from business rates. User charges and fees contribute 16 per cent and building fees 14 per cent of total revenue.

Only a very small proportion of income comes from Australian or State grants. Operating grants total some two per cent, and capital grants total only one per cent of revenues.

At present, the City of Sydney's assets are valued at approximately \$3 billion. They include land, roads, buildings, footpaths, drainage, plant equipment and furniture. The City of Sydney is building up its capital assets and is currently undertaking capital works in excess of \$100 million annually.

The City of Sydney is in a healthy financial position but needs to be vigilant in ensuring a diverse income base, not just based on rates, and containing expenditure in line with revenue growth and future capacity to pay.

The City of Sydney has a leadership role in forums such as the Council of Capital City Lord Mayors and the international c40 Climate Change Leadership Group



- The City of Sydney's core roles and responsibilities**
- Decisions about how the City will grow are made by the City of Sydney's elected Council on behalf of the City's community. The City of Sydney Council includes a directly elected Lord Mayor and nine councillors. The operations of the City of Sydney are managed by eight divisional Directors, through the Chief Executive Officer.
- Current roles and responsibilities of the City of Sydney can be summarised as (*Local Government Act, 1993*):
- **Service functions** such as providing and maintaining community, health and recreation facilities and municipal, transport and housing services;
 - **Regulatory functions** such as approvals, orders and building certificates;
 - **Ancillary functions** such as resumption of land and power of entry and inspection;
 - **Revenue functions** including rates, charges, fees, borrowings and investments;
 - **Administrative functions** such as employment of staff, planning and reporting;
 - **Enforcement functions** for example prosecution of offences, and recovery of rates and charges; and
 - **Other various functions**

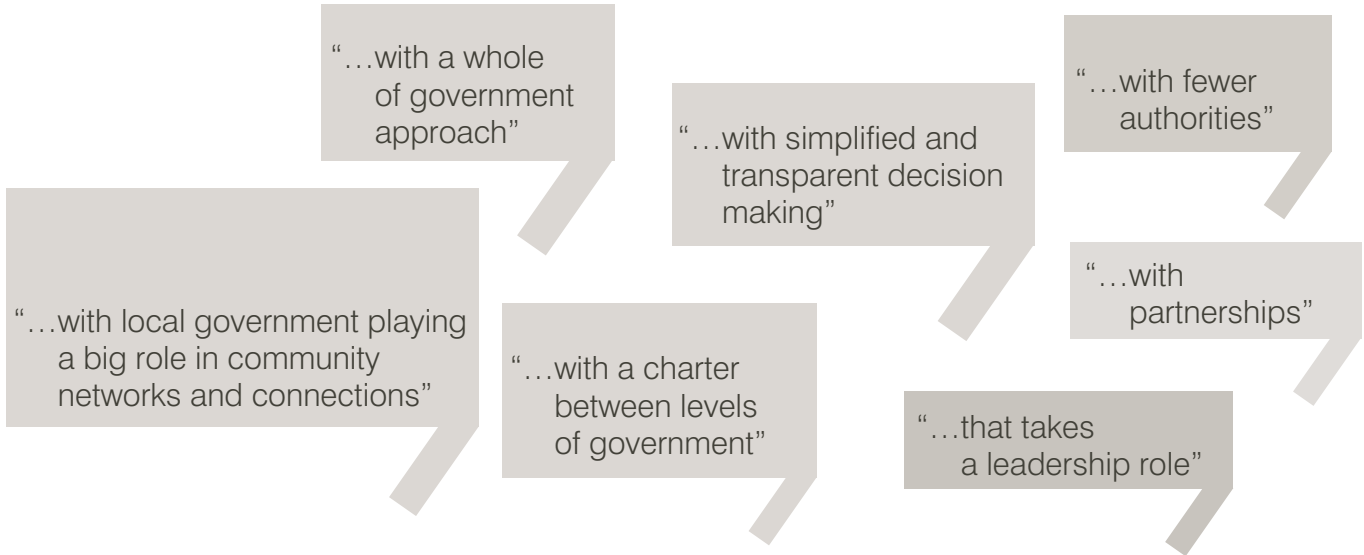


WHAT THE COMMUNITY SAID

The consultation undertaken for Sustainable Sydney 2030 consistently highlighted the community's desire for strong City leadership and new ways of thinking about governance:

People want a city . . .

The Sustainable Sydney Research Survey (2007) found that 87 per cent of Sydneysiders thought the City of Sydney could be a world leader on climate change.



WHY ACTION IS NEEDED

Challenges facing the City:

- 1 Global warming presents an urgent need to replace ageing and unsustainable infrastructure
- 2 Increasing service and infrastructure expectations of Local Government, while effective power and control is eroded
- 3 Tightening access to additional revenue while costs are increasing
- 4 Articulating a strategic agenda for other agencies with responsibilities in the City of Sydney
- 5 Addressing fragmented local governance arrangements for more effective metropolitan planning

1. Global warming presents an urgent need to replace ageing and unsustainable infrastructure.

There is increasing pressure on the City of Sydney to upgrade ageing infrastructure. The challenges presented by global warming also provide an opportunity to ensure that upgrades to essential infrastructure incorporate measures to improve the City's overall environmental performance, and to prepare the City for climate change impacts.

Frasers Broadway site (former CUB) are also with the State Government. There is a lively debate over the merits of the State's planning interventions, and the appropriate boundary between State and Local interests.

As the Australian Government bears down on the States' traditional areas of responsibility, the States have extended their planning reach and financial control over local authorities. This is occurring at the same time as expectations regarding Local Government's role in social planning, affordable housing and economic development are increasing.

2. Increasing service and infrastructure expectations of Local Government, while effective power and control is eroded.

Recent years have seen some shifts in responsibilities between, and expectations of, the levels of government in Australia.

The Australian Government, with its strong and dominant revenue raising powers (principally GST, income and company taxation), has recently been taking a direct interest in policy and service areas which have traditionally been the States' responsibilities such as water policy and hospitals. Furthermore, land owned by the Australian Government is not subject to Local and State planning instruments so activities at airports and defence sites, for example, can have a major impact on local environments and on transport systems without State or local influence.

In NSW the State has legislated to retain land use planning and approval authority for major infrastructure and some larger development projects (over \$50 million), as well as in key 'renewal' areas where State land holdings are significant. These interventions are particularly pronounced in the City where higher value development and significant State holdings exist (for example, the Sydney Harbour Foreshore Authority is responsible for Darling Harbour, the Rocks and Barangaroo, while the Redfern-Waterloo Authority is responsible for key sites in Redfern-Waterloo), and planning controls for the

With new development, local communities are expecting new community and social services. Traditional recurrent funding for community services beyond child care, recreation centres and activity centres has been provided by State governments but is rarely sufficient to meet demand. Councils are under increasing pressure to provide supplementary and enhanced services.

The Australian Government has been retreating from funding the expansion of the social housing stock for over 10 years and in this period housing affordability has reached a crisis point in Australia's major cities. Communities are increasingly looking to Local Government to do 'something'. In reality Local Government's powers in this area are limited but the pressure remains.

Macro-economic, major taxing and monetary policy responsibilities reside at the Australian level while the States have the chief infrastructure investment levers. Nevertheless, Councils are increasingly playing a role in the area of transport planning and economic development, attempting to expand employment and business prospects at the local level with a limited array of tools.

3. Tightening access to additional revenue while costs are increasing.

The State Government continues to maintain a rating cap on Local Government in NSW. This has constrained The City of Sydney's discretion to increase rates autonomously to satisfy needs within their local government area. Councils can apply for a variation in the 'cap' or for a Local Government area-wide separate rate increase for specific items (such as the purchase of land for conservation). This requires councils to mount a well argued case and present it to the Minister for Local Government.

The EP&A Act, Section 94, provides for contributions to be paid by new development for some local infrastructure, including parks, local roads and recreation and community centres. The State Government has changed the Section 94 system which has restricted the items to which Section 94 contributions for infrastructure can be sought.

These constraints on operating and capital revenues come at a time when wage and many other costs are increasing above the CPI rate, particularly in Sydney, and when the asset base of many Councils is deteriorating. The May 2006 report by the Independent Inquiry into the Financial Sustainability of NSW Local Government concluded that across the State the infrastructure backlog was in the \$400 to \$600 million range. The City of Sydney is in a much stronger position than some other councils but still has major asset management obligations, as well as new operating and capital expenditure priorities, that will require a sustainable revenue base.

4. Articulating a strategic agenda for other agencies with responsibilities in the City of Sydney.

The City of Sydney's direct service and infrastructure responsibilities are relatively limited, but it has a legitimate interest in the strategic direction of the City. With key transport and many land use and development powers over key sites outside its control it is necessary for the City of Sydney to enter into a dialogue with other agencies in relation to sustainable development outcomes. In many respects the City of Sydney is well placed to articulate a local strategic agenda which should influence the activities of others, particularly State agencies, with local authority. The City of Sydney can play a partnership and brokering role on matters of local interest and concern on which individual agencies might otherwise not have a strategic view.

5. Addressing fragmented local governance arrangements for more effective metropolitan planning.

There are 43 councils across metropolitan Sydney and this fragmented structure has hampered effective and coordinated metropolitan-wide planning and investment. City structure makes a difference in how cities respond to the challenges they face. Many major cities overseas have regional governance structures or 'city governments' that have control over the entire metropolitan region. These can be either unitary governments (for example, Shanghai, Toronto), where the metropolitan council looks after all local government services, or a two tier structure (as in London) where local services are provided by local councils, but a metropolitan body looks after broader issues.

The Sydney Region's current governance structure is marked by three disadvantages¹ including a lack of City-wide government, centralised urban governance power with the State Government and a fragmented local governance structure. These disadvantages appear to be an increasing barrier to unlocking the Sydney Region's potential and its capacity to compete with global competitors and deliver against national objectives.



City of Sydney counter service



City of Sydney

Community consultation is a hallmark of City of Sydney planning

TOWARDS IMPLEMENTATION THROUGH EFFECTIVE GOVERNANCE AND PARTNERSHIPS

The City of Sydney has demonstrated strength in leadership. It has fostered a healthy relationship with its communities and has adopted an inclusive and participatory policy process. The City of Sydney is also currently in a strong financial position. Action should be taken across core responsibilities to reinforce these strengths.

However, the implementation of Sustainable Sydney 2030 will require new approaches to governance and public management. But it can not lead alone. It will need to initiate, develop and nurture partnerships to increase its capacity to deliver the Vision. To increase the strength and capacity of the City of Sydney to implement Sustainable Sydney 2030, the following objectives have been devised:

10.1	Orient corporate planning and organisational arrangements to deliver Sustainable Sydney 2030 priorities
10.2	Prioritise community involvement, engagement and partnerships with the City of Sydney
10.3	Ensure the long-term financial sustainability of the City of Sydney
10.4	Establish and monitor partnerships for change
10.5	Consider innovative financing and funding approaches
10.6	Review and monitor the development and implementation of Sustainable Sydney 2030
10.7	Participate in broader governance reform processes

WHAT THE CITY OF SYDNEY IS ALREADY DOING

Long-term financial sustainability strategy and model

To further empower the City of Sydney to continue to make informed decisions and plan for the longer term with confidence, will require a long-term financial strategy (LTFS). The LTFS will consider the known and anticipated future financial demands upon the City of Sydney (both operational and capital), alternative funding mechanisms, and appropriate budgetary constraints within a sustainable budget framework.

The long-term financial strategy will be supported by a long-term financial model (LTFM) that forecasts the City of Sydney's expenditure and income out over 10 years (if not yet out to 2030) to identify funding gaps and ensure that sufficient working capital remains available to underpin financial sustainability. The model has the capability to demonstrate the financial implications of a variety of new business proposals, both individually and collectively, and to thereby ensure that strategic decisions are approved with full knowledge of the trade-offs concerned and the implications for the City of Sydney's financial position.

The draft long-term financial model is well advanced. The next steps require input to refine and validate budget projections for the next 10 years (and beyond where appropriate). The model will also factor-in the funding required to renew the City's ageing infrastructure which is currently being identified through a comprehensive asset management review. All new business proposals and initiatives will be considered by Executive (in the first instance) and Council in light of their underlying business cases and their demonstrated long-term financial implications. As endorsed, they will be incorporated within the LTFM to ensure the City of Sydney maintains its commitment to long-term financial sustainability.

Inner City Mayors Forum

The Inner City Mayors Forum was first convened by the Lord Mayor of the City of Sydney in early 2007. The forum includes the Mayors of adjoining Inner Sydney council areas that have shared interests with the City of Sydney. The following councils are included in the forum: City of Sydney, North Sydney, Waverley, Randwick, Ashfield, Botany Bay, Marrickville, Leichhardt, Woollahra, Rockdale and Canada Bay. The current terms of reference for the Forum are focused on discussing and researching issues of mutual interest to Sydney's inner City, developing integrated solutions and proposals for cooperative strategies and advocacy with State and Australian Governments where issues cannot be addressed by Local Government alone on issues affecting Inner Sydney council's and their communities. The initial focus for the Forum has been on integrating cycle strategies across the region.



IMPLEMENTATION THROUGH EFFECTIVE GOVERNANCE AND PARTNERSHIPS



Objectives & Actions

OBJECTIVE 10.1 Align corporate planning and organisational arrangements to deliver Sustainable Sydney 2030 priorities.

CITY NOW

Local Action Plans have established a locality-based planning structure that needs further development.

Sustainable Sydney 2030 proposes that the City geographies broadly identified through the Local Action Plans (of eight 'zones' across the City) be more formally recognised, with an Activity Hub at the heart of each area (and two more to acknowledge future growth).

A significant thrust of current strategic planning is for residential and employment intensification in existing areas, and although most will be in defined renewal areas in the City, there will continue to be some intensification of existing areas as well. Currently, individual State agencies and authorities often plan for infrastructure, property disposal, and development of assets in isolation from the strategic planning and capital works undertaken by the City of Sydney.

Without a more integrated approach it is not surprising that existing residents at times resist new or intensified development. Local communities are concerned that further intensification of the urban area is not accompanied by improvements to amenity and the public domain.

To a significant extent, the Vision's strategic directions imply that a competitive and sustainable future is bound up in the amenity, walkability and quality of the renewal areas, existing Villages and the Activity Hubs which are intended as the service focus for the City's Villages.

Currently there are limited dedicated 'teams' or officers responsible for area-based planning. Outcomes though the City of Sydney's Local Area Plans are already being implemented on a local area by local area basis. This local area planning provides a good basis for coordinated action involving landowners and other levels of government.

Sustainable Sydney 2030 requires that effective place making or place management be instituted

to build the local character and environment, and develop high quality infrastructure and community assets in each part of the City on a dedicated and systematic basis. This will mean a reorientation of the internal structure of the City of Sydney toward place management or place making objectives, implying more effective cross-organisation coordination to deliver outcomes and an effective dialogue with local businesses and communities in each proposed renewal area, Village and 'Activity Hub' location.

Effective place making and place management would also provide a platform for more effective coordination with State agencies. Many actions outlined in Sustainable Sydney 2030 will require involvement from different levels of government. There is a clear need to improve coordination between the City of Sydney and various State authorities such as the Department of Planning, the Redfern-Waterloo Authority, the Sydney Harbour Foreshore Authority, and Sydney Ports. This will reduce overlap, duplications and lack of clarity. A formal relationship through place making aims can be established.

Sustainable Sydney 2030 localities not fully reflected in current organisational arrangements or in relations with State agencies.

The City of Sydney is currently working to the *Corporate Plan 2009-12* based on the *2006-2009 Strategic Plan*. It will be necessary to adjust corporate planning settings to include the Sustainable Sydney 2030 Vision. While this implies some new commitments it should also provide clarity on activities which are of a lower priority or suitable for different timeframes. In addition to corporate planning and ultimately budget priorities being adjusted to reflect Sustainable Sydney 2030 aims, it may also be necessary for organisational adjustments (in addition to those related to 'new' City geographies mentioned above).

City of Sydney organisational structure reflects the priorities of Sustainable Sydney 2030.

The City of Sydney’s organisational structure will include place based planning and place making.

Place based planning and place shaping, involving the coordinated efforts of the City of Sydney with State agencies, landowners and local residential and business communities will become the norm.

Place-based planning will have the advantage of focussing on an area that is large enough to benefit from a strategic overview and improved coordination—but small enough to be acted on. The 10 Activity Hub catchment areas provide the geography for new place based planning and place shaping initiatives. Activity Hub development plans will provide an agenda for the place based work.

The public will see the benefits of new development and this relies on coordination at each stage. Coordinated place shaping will give the local community confidence that:

- there are well defined outcomes for a place that the community has had input into;
- local and State Government are committed to strengthening communities and genuine renewal not simply asset disposal;
- intensification is accompanied by urban design, streetscape or other value adding initiatives;
- there is confidence in State Government policy; and
- there is physical evidence of new assets and implementation of planning aims.

Sustainable Sydney 2030 will be reflected in Council’s Corporate Plan and be a key reference for long-term budget planning. As it is reviewed, updates will also be reflected in revisions to the corporate and medium to long-term budgets.

ACTION 10.1.1 Investigate and establish place making arrangements for delivery of Activity Hubs and renewal areas in accord with the strategic directions of Sustainable Sydney 2030.

Without an appropriate organisational focus it will be difficult to reorient the City of Sydney’s activities to achieve the aims of the development plans for the Activity Hubs, renewal areas and other parts of the City. The City of Sydney could adopt a place shaping model which is outcomes-based, and develop the local areas as intended in Sustainable Sydney 2030.

ACTION 10.1.2 Establish project and location-based partnerships with senior officers from State Government.

While place-based organisational reforms are proposed for the City of Sydney, it will also be necessary to establish project and local place based relationships with other external agencies and to monitor outcomes. Frequently, issues that arise in local areas will require agreement and clearance at a senior level and involve a number of parties. For this purpose it is also proposed to investigate the establishment of a senior officers group including State agencies and the renewal authorities active in the City of Sydney.

This Senior Officers Group would clarify whether any areas may need more formal and resource intensive forms of governance in the longer term. This would occur where there is the potential for better use of existing processes (for example the disposal of government assets; renewal of infrastructure; partnerships with Local Government; and the preparation of strategic and statutory plans) in some areas in the immediate term. This group could also monitor the City of Sydney’s progress in performing against NSW *State Plan* objectives.



Community Focus Group / Workshop

ACTION 10.1.3 Incorporate Sustainable Sydney 2030 principles, objectives and actions in the City of Sydney Corporate Plan and budgets.

The next review of the City of Sydney’s Corporate Plan should include all relevant Sustainable Sydney 2030 objectives and actions. Budget proposals and new programs and policies should be assessed against the 2030 Vision principles.

The focus areas of the Corporate Plan could be aligned against the 10 Strategic Directions in Sustainable Sydney 2030.

Place shaping in the UK

Place Shaping, according to the UK Inquiry into Local Government (March 2007) ‘encapsulates a wider, strategic role for local government rather than one solely focused on service provision, and it more fully recognises that it has a unique responsibility for its local community and its local area.’ A place shaping role would see local

governments ‘responding to local priorities to enhance well-being, strengthening the sense of cohesion within and between their communities, developing the local environment and driving local prosperity’.

Give priority to community involvement, engagement and partnerships with the City of Sydney.

CITY NOW
✕

Strong community involvement based on diverse consultation, engagement and information strategies, with more innovation possible.

The City of Sydney has instituted a robust community consultation program in recent years. Regular local area meetings are conducted to allow residents to air their views on local development and other issues. The Local Action Plans process from 2006 involved significant community consultation. Household surveys have been conducted. With the 2030 Vision new consultation techniques have been established beyond the traditional methods of public forums and surveys.

But further innovations are required. The City's population is somewhat transient, and includes many new arrivals. Younger people are likely to be less exposed to consultation than longer term residents, and where this is the case, community views will tend to support the 'status quo' rather than opportunities for change. It is important to tap the views of a broad cross section of City residents and visitors and workers. Technologies for consultation are changing rapidly and these should be deployed in the service of continually developing community engagement.

CITY IN 2030
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City of Sydney is a leader in practical and innovative strategies for partnering with the community in planning, service delivery and decision making.

The City of Sydney will use new media, its physical assets and established platforms to engage with an increasing number of its residents, visitors and workers.

Human capital (skills) and social capital (bonds and trust) will be recognised as important strategic assets for the City. Flows of information and ideas are recognised as being good for both democracy and productivity growth, and they nurture entrepreneurial and innovative capacity of different sections of the population. The City of Sydney facilitates information and knowledge exchange for the benefit of the City. For example, the ideas of small businesses at the Village level can be utilised in the regeneration of urban spaces and communities provide advice on how to link youth employment and community development initiatives.

The City of Sydney is committed to broadening democracy through Local Action Plans, local economic development and employment initiatives and through its own work and policy practices.



City of Sydney community consultation forum

ACTION
10.2.1 **Maintain and extend current consultation, engagement, education and information procedures.**

Programs of consultation are constantly reviewed, refined and extended to ensure that a cross section of individuals and communities have the opportunity to provide input. The challenge will be to adopt relevant new technologies and media.

One approach would be to use web-based forums and community magazines around particular issues, or address one strategic direction from Sustainable Sydney 2030 at a time.

Ensure the long-term financial sustainability of the City of Sydney

CITY NOW

Strong financial position but increasing costs and constrained new revenue opportunities.

The City of Sydney’s finances are currently in strong shape. The City of Sydney has no outstanding loans and a healthy cash balance, but does have commitments and liabilities to consider.

Community assets are being extended through an extensive capital works program. The City of Sydney currently invests more on assets than the estimated depreciation level, with an anticipated annual capital expenditure of around \$170 million in 2008-09. This has the effect of reducing the potential surplus and diminishing the rolling cash reserve.

Future budget threats come from the longer term imbalance between the growth in rates which are typically capped by the State Government, and the growth in wages which are running above CPI. As asset management and assessment systems become more accurate, they are likely to expose additional liabilities.

The 2030 Vision itself implies a further program of expenditure and possible works, which will need to be prioritised and staged, and alternative revenue sources considered as part of a robust and prudent approach to delivery.

CASE STUDY
Melbourne City Loop Levy on City Centre properties

Construction commenced on the Melbourne Underground Rail Loop in 1971, and was completed with the opening of the final station at Flagstaff in 1985. Before the Loop, around 90 per cent of all rail passengers travelling to the City Centre travelled through Flinders Street Station. This caused serious congestion for both passengers and trains. Today, the Loop provides customers with a choice of five stations around the central business district and avoids operational problems associated with trains having to reverse direction at Flinders Street Station.

The Melbourne Underground Rail Loop Authority (MURLA) was established to construct the City Loop. It was financed by the Victorian State Government, Melbourne City Council and the then Board of Works. The Council and the Board of Works imposed the Melbourne underground rail loop levy on City Centre properties to help part fund the project.

See www.doi.vic.gov.au

CITY IN 2030

World class financial and asset management.

The City of Sydney will have world class systems for tracking and monitoring revenues and expenditure, and for long-term financial planning with different scenarios. The City of Sydney’s financial sustainability will be assured and demonstrable.

An appropriate level of internal cash reserves will be maintained to ensure adequate working capital funds.

All the City of Sydney’s assets will be mapped and itemised with renewed/replacement dates and values logged. Public scrutiny of financial planning and asset management arrangements will be facilitated.

The cash reserves level may vary from year to year, however, the minimum long-term level will be maintained at about \$100 million.

The balance of ‘in-house’ versus ‘out-sourced’ activities will deliver best practice service results while representing ‘value for money’ relative to public sector benchmarks.

Expanded rate revenues for identified strategic priorities for a sustainable financial footing.

The City of Sydney will supplement its traditional property rate base with separate and special rate levies to fund explicitly nominated strategic items and priorities. For example, as a contribution to sustainable infrastructure, or for business improvement and economic development in the Activity Hubs. These separate levies will be justified by identifiable benefits for the affected communities following detailed planning.

ACTION
10.3.1

Upgrade and expand financial planning and asset management capability in line with best practice.

The City of Sydney is already working to expand its financial planning and asset management capability, with a model that allows for a longer term planning horizon, identifies possible peaks and troughs in revenues and expenditures depending on the project mix, and provides for scenario development. Asset management planning is also becoming more sophisticated.

Continual improvements to capability will be necessary. Sustainable Sydney 2030 has identified precinct by precinct expected increases in dwellings and jobs and these could be turned into revenue streams from rates and Section 94 contributions. A range of combinations of projects to support Sustainable Sydney 2030 could be included in modelling, for example, non-City projects (such as public transport) to identify funding gaps or opportunities for negotiation with State or Australian agencies, and the private sector.

ACTION
10.3.2

Extend financial planning horizon to ten years and beyond.

The City of Sydney’s expanded financial modelling and asset management capability enables ten year forward projections. With this, and expanded financial planning capability, it will be possible to prepare longer range investment and infrastructure programs, tied to land use change. As mentioned above, these can also be linked to State agency investment plans. Scenarios to the 2030 Vision horizon can be identified.

The City of Sydney can be exhibiting a forward planning capability well above the norm for Local Government.

ACTION
10.3.3

Investigate special rate levies for environmental and social and economic development priorities.

The City of Sydney will investigate separate or special rate levies for key projects and priorities. This could include levies for:

- sustainability infrastructure, which could be used as seed funding to ‘kick start’ key projects in partnership with the private sector;
- a transport levy, which might apply to the City Centre only, for a transit loop and other support projects (to be passed on to, or in cooperation with, the State Government to part fund construction); and
- local business improvement (levied across the whole City or on a precinct by precinct basis).

Such levies need to be justified on the basis of a clearly argued case regarding costs, a program of expenditure and likely beneficiaries. In some cases (such as local area business levies) significant local consultation would be necessary. Levies would be continued only on the basis of clear performance appraisal.

The scope of Section 94 contributions may be more limited in the future. In this scenario and in

the absence of direct supplementary funding, Local Government may be forced to develop systems of directed levies, consistent with those outlined above, to fund particular works.

ACTION
10.3.4

Review scope of existing City of Sydney operations and ensure they deliver value for money against public sector benchmarks.

The City of Sydney is constantly reviewing its services to deliver the desired community service levels in the most effective and cost efficient manner to ensure sustainability.

With evolving technologies and new business competencies it is important the City of Sydney ensures that its activities and operations are delivered efficiently and offer ‘value for money’. It may be that the balance of activities delivered ‘in-house’ versus those that might be effectively ‘out-sourced’ could shift over time. This action suggests that the City of Sydney be alert to the possibility of changing this ‘balance’ where it can be assured that the quality and responsiveness of services will not be diminished, and where cost savings can be generated.

This will include specific service benchmarking, internal business improvement projects and reviews, and high quality financial management techniques.

ACTION
10.3.5

Establish criteria for better agreements with State Government regarding funding.

Some City of Sydney priorities for the public domain (e.g. electricity infrastructure), cultural development (for example, new cultural assets or events) and City transport (for example, commuter cycling) extend into areas where State agencies generally have financial responsibilities and powers. Criteria and protocols for better managing respective costs and responsibilities could be developed to ensure the City of Sydney is not fully liable for costs which should be borne by the State. Essentially, agreements developed using these criteria offer options for partnership, different financing and staging and an explanation of beneficiaries to make a case for the ‘split’ in financial responsibility between the State agencies and the City of Sydney.

Green Square is a looming example where clarity in funding responsibilities will be important when additional services and infrastructure are identified.

The roll-out of CCTV is another area where State Government and Local Government responsibilities need to be clarified. Currently, the City of Sydney is fully funding what is predominantly a State Government function. A more pronounced example is the City of Sydney’s significant funding to upgrade the State’s Crown Reserves (for example Hyde Park, Prince Alfred Park and Belmore Park).

OBJECTIVE

10.4

Establish and monitor partnerships for change



Redevelopment of Redfern Park

CITY NOW

✕

Limited City of Sydney capacity to deliver major projects of strategic interest.

The City of Sydney is a small but critical participant in many of the development processes in the City. It does not have the legislative capacity, resources and expertise to go it alone in relation to all initiatives. It is generally much more effective to work within networks and to build partnerships with business, government agencies and community stakeholders.

Many worthwhile partnerships with other agencies and stakeholders but a need for a strategic approach.

Building partnerships with other global or globalising cities will also be a priority. This strengthens opportunities for knowledge and cultural exchange, as well as trade and investment.

Sustainable Sydney 2030 provides the strategic framework on which to base the City of Sydney's partnerships and activism.

CITY IN 2030

➔

Expanded role for partnerships involving the City of Sydney in delivering strategic projects.

The City of Sydney will expand the scope of partnerships, both international and local.

The City of Sydney is committed to strengthening partnerships with the State Government in relation to transport planning, community, cultural and economic development. Partnerships with other local authorities, the Australian Government and other capital city councils will be sought where Sustainable Sydney 2030 aims can be advanced.

Building partnerships with other global or globalising cities is also important. This strengthens opportunities for knowledge and cultural exchange, as well as trade and investment.

City governance is no longer a task exclusively confined to the government. Private organisations such as the Sydney Chamber of Commerce and the Committee for Sydney are playing an increasingly important role in coordinating the private sector's engagement with the City. The City of Sydney can play a facilitating role in partnerships to deliver large infrastructure projects, seeking finance and expertise from the private sector.

Importantly, the 2030 Vision provides the strategic framework—the 'architecture'—for the City of Sydney's priorities when it comes to partnership arrangements.

ACTION

10.4.1

Establish agreements between City of Sydney and State Government for delivery against *Metropolitan Strategy, State Plan* and other state policy objectives.

The 2030 Vision has a scope well beyond the City of Sydney's core responsibilities and its implementation will depend on engagement from others, particularly the State Government in relation to transport and urban renewal. The strategic directions of this Vision directly support the State Government's *Metropolitan Strategy* and *State Plan* aims.

The Council will seek to develop agreements, or formal 'Charter' with the State Government to deliver against *Metropolitan Strategy* and *State Plan* aims. It would outline respective roles and responsibilities and where partnerships for action will be pursued.

ACTION

10.4.3

Review organisational capacity to establish and to monitor relationships required to implement Sustainable Sydney 2030.

Sustainable Sydney 2030 implies an expanded role for partnerships undertaken by the City of Sydney. It may not be sufficient to rely on ad hoc arrangements led by program managers or senior officers. As well as generally reviewing organisational capacity for partnerships, the City of Sydney could consider appointing a partnerships manager to establish, nurture, and monitor the high-level relationships required to implement key initiatives of Sustainable Sydney 2030.

ACTION

10.4.4

Assess new partnership opportunities with reference to achieving the Sustainable Sydney 2030 principles and objectives.

Sustainable Sydney 2030 implies a new strategic approach to partnerships. Some of the well meaning relationships from the past may not seem quite so relevant now that Sustainable Sydney 2030 has identified particular strategic priorities. Existing relationships should be reviewed and new ones established by reference to whether they effectively serve principles and objectives of the Vision.

ACTION

10.4.2

Continue work with Council of Capital City Lord Mayors and engage with the Australian Government on investing in capital cities.

The Sustainable Sydney 2030 initiatives to strengthen Sydney's role as a global city, to expand innovation, boost public transport use and reduce greenhouse emissions should all be of compelling interest to the Australian Government.

The City of Sydney will continue to work the other Australian capital cities through the Council of Capital City Lord Mayors on the national policy statements outlined in *Partners for Prosperity*.

The City of Sydney would be a willing partner in dialogue with the Australian Government regarding capital city initiatives, and in particular on ways to implement the priorities of Sustainable Sydney 2030.

ACTION

10.4.5

Continue to engage with other governments, inner Sydney councils and national and global cities.

The City of Sydney is increasing its bilateral and multilateral relationships with other Australian and international institutions. The City of Sydney is active in the CitySwitch Green Office project with Parramatta and North Sydney Councils, the Inner Sydney Mayors Forum and the Council of Capital Cities Lord Mayors. It has had a long history of international 'Sister City' relationships.

2030 Vision provides a strategic agenda for targeted relationships in pursuit of economic and environmental objectives in particular. Sharing knowledge and understanding in relation to common challenges will be both necessary and beneficial in addressing challenges. Elsewhere in Australia, relationships with the Capital City Councils on environmental matters should be strengthened, while economic opportunities could be a focus in expanded relationships with Asian cities.

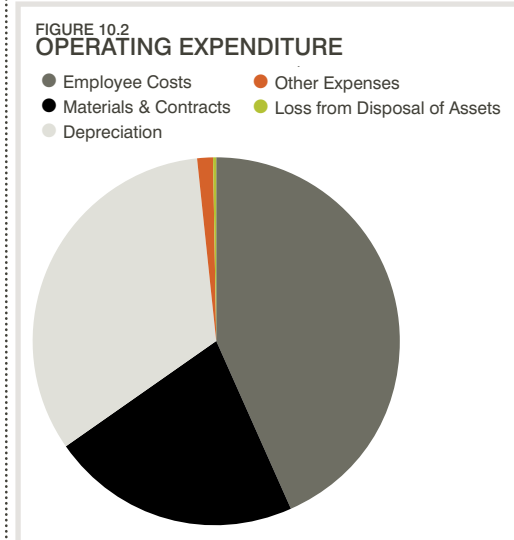
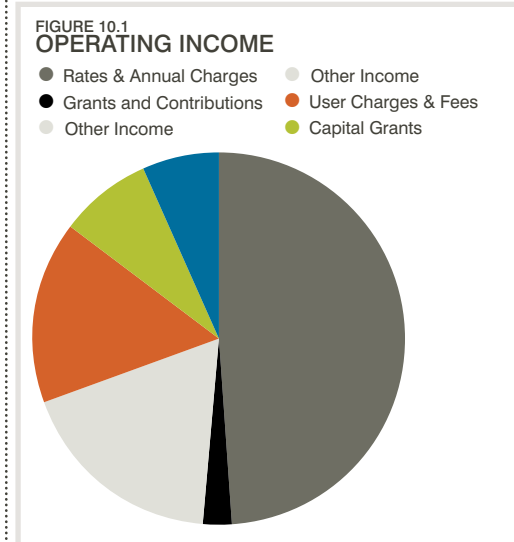
Consider innovative financing and funding approaches

CITY NOW



Reliance on rates and traditional revenue sources.

In 2005-06, the City of Sydney had the following sources of revenues and expenditures (figures in \$ millions):²



The City of Sydney's largest income source is from rates, which contribute 50 per cent of total revenues, almost three quarters of this coming from business rates.

The City of Sydney has a relatively broad income base beyond ratepayer funding, with over 45 per cent of annual income sourced from its investment in commercial properties, financial interest returns, development and building related fees, traffic management activities, and other user charges and fees.

Grants and contributions from other levels of government form a small portion of total revenues. Its operational expenditure budgets are tightly controlled to ensure that funding is directed to achieve the desired strategic outcomes and projects as stated within the annual corporate plan. The annual operations result in a net surplus which is required to fund the City of Sydney's ambitious capital expenditure program and deliver the new and renewed infrastructure assets.

While the City of Sydney does have significant cash reserves at the present time, it is important to recognise that the majority of these reserves are fully committed in the short to medium term to support the City's capital works program, renew its ageing infrastructure and underpin its existing financial liabilities. In addition, the City of Sydney has determined that it can positively contribute to the City by playing a more active role in the areas of transport planning, economic development and environmental leadership. In short, there are significant and ongoing cost pressures competing for limited sources of funding in the City.

CITY IN 2030

Diversified income base

New revenue sources will be secured to fund City changing projects. Possibilities include expanding corporate sponsorship of events and festivals, additional revenues from commercial operations and more effective property portfolio management. The City of Sydney will work with the State Government to establish systems to effectively share up-lift from rezoning decisions to fund major capital projects where City property owners benefit from the capitalised value of the works.

Role as a partner or facilitator in major projects involving public private financing combinations.

The City of Sydney will play a role in facilitating private sector involvement in major projects with innovative financing approaches, where a range of assets are being put to use or where jurisdictional responsibilities are being crossed (for example, renewal areas where multiple agencies have responsible powers). Structuring projects to attract private capital drawn from the national savings (superannuation) pool could be explored.

ACTION 10.5.1

Expand revenues from commercial operations, property portfolio and other income generating assets.

The City of Sydney's non-rate revenue is significant but opportunities to expand it could be investigated, consistent with other objectives.

For example, a program of attracting corporate sponsorship for events, activities and publications could be developed. Members of Council could play a more active role in active sponsorship approaches. The benefits of sponsorship would be effectively communicated to potential partners. This is consistent with a philosophy of more extensive private sector engagement.

The City of Sydney's commercial operations, property portfolio and other income-generating assets should also be reviewed to identify whether associated revenues could be expanded. Of course, the Council may decide to require these assets to generate 'public good' outcomes (with potentially reduced commercial revenues). It is important that any such decisions are made explicitly.

ACTION 10.5.2

Investigate 'capital capture' where rezoning will increase land values and ways to share revenue.

Rezoning decisions of the City of Sydney and the State Government inevitably have the effect of raising land values, as owners anticipate the capitalised value of future investment in major state funded infrastructure (in particular new transport investments) or rent streams. These land value increments can be separated from the capitalised value of infrastructure which is provided to directly serve the property (such as local hydraulic services or community facilities). Where there is such an increment there is a tradition of planning literature (related to 'betterment' created by rezoning), which argues that it could be subject to a levy, with the funds able to service the capital required to pay for the major infrastructure. Canberra has a system of betterment levies on owners of land subject to rezoning.

Significant areas of the City will be rezoned over the course of the next 25 years. It is appropriate that systems of so called 'value or capital capture' be explored to recoup value created by the decision of the community (through the City of Sydney or the State Government) to rezone the land. This action proposes that the City of Sydney investigate mechanisms of value capture. Revenue would fund further infrastructure or desirable services.

The main obligation the City of Sydney or the State Government has in relation to this initiative is to flag that the value or capital capture mechanism will apply early, how it will be calculated, and well before any land is rezoned. This provides the best opportunity for the land purchaser and the owner to establish expectations about the future land value, given early knowledge about the value or capital capture obligation.

ACTION 10.5.3

Review property development levies.

The City of Sydney currently collects Section 94 contributions from new development to pay for a range of infrastructure needs arising from development. It also collects a one per cent levy on development in the City Centre (through Section 61 of the City of Sydney Act). Recent changes to Section 94 contributions have been made by the State Government. It will be timely to review the scope and role of both Section 94 and Section 61 levies. Scope to increase the latter or expand the area to which it applies should be considered in any review as to the sustainability of these funding sources given expenditure obligations.

ACTION 10.5.4

Work with partners to prepare a position paper on new infrastructure financing approaches such as through bonds to finance Sustainable Sydney 2030 projects.

The major projects outlined in Sustainable Sydney 2030 are integrated projects, involving upgrades to public domain and transport, as well as significant new development opportunities. To date in Australia, private financing of public infrastructure and services has been limited to modest and single 'purpose' projects (for example, toll roads, new schools). These have been controversial because people have argued the public good component or outcome has been obscured, or that projects have been packaged with 'monopoly' tendencies to deliver windfall revenues to private companies.

There is scope to raise the sophistication of project packaging for private sector financing. For example, integrated and major projects could be funded using private finance if 'bonds' were issued. It is possible to imagine a 'western corridor' project, involving land or airspace development, undergrounding of the Western Distributor and new public transport initiatives, financed by a bond issue and a guaranteed fixed return. The Australian superannuation pool is now vast and fund managers seeking to spread risk could be attracted to such an option.

This action proposes that the City of Sydney develop firm proposals to take to the State and Australian Governments on new infrastructure financing approaches, including bond issues.

Review and monitor the development and implementation of Sustainable Sydney 2030



City of Sydney services

CITY
NOW

Evolving systems for monitoring policy and service outcomes against objectives and targets.

The City of Sydney already sets targets for policies and programs. But monitoring arrangements are evolving. Sustainable Sydney 2030 establishes explicit targets and there will be an expectation that performance against them is monitored.

CITY IN
2030

New, sophisticated models and technologies for monitoring implementation against targets.

The City of Sydney will be a leader in modelling and techniques to monitor the implementation of Sustainable Sydney 2030, including identifying and quantifying the relative contributions of different levels of government.

Effective monitoring and review of the 2030 Vision needs to be established, including continued opportunities for stakeholder engagement. More generally, the City of Sydney should develop its leadership and representational capabilities, and will require a strong research and monitoring capacity.

Ten targets

TARGET 1

By 2030, the City will reduce greenhouse gas emissions by 50 per cent compared to 1990 levels, and by 70 per cent compared to 1990 levels by 2050.

TARGET 2

By 2030, the City will have the capacity to meet up to 100 per cent of its electricity demand by local electricity generation and 10 per cent of its water supply by local water capture

TARGET 3

By 2030, there will be at least 138,000 dwellings, 48,000 additional dwellings in the City catering for an increased diversity of household types, including a greater share of families.

TARGET 4

By 2030, 7.5 per cent of all City housing will be social housing, and 7.5 per cent will be affordable housing, delivered by not-for-profit or other providers.

TARGET 5

By 2030, the City will contain at least 465,000 jobs including 97,000 additional jobs with an increased share in sectors that reflect the City's specialisations in finance, advanced business services, education, creative industries and tourism.

TARGET 6

By 2030, the use of public transport for travel to work by City Centre workers will increase to 80 per cent and the use of non-private vehicles by City residents for work trips will increase to 80 per cent.

TARGET 7

By 2030, at least 10 per cent of trips made in the City will be by cycling and 50 per cent of trips will be made by walking.

TARGET 8

By 2030, every resident will be within a 10 minute (800m) walk to a main street with fresh food markets, childcare, health services and leisure, social, learning and cultural infrastructure.

TARGET 9

By 2030, every resident in the City of Sydney will be within a three minute walk (250m) of continuous green links that connect to the Harbour Foreshore, Harbour Parklands, Moore and Centennial Parks or Sydney Park.

TARGET 10

By 2030, the level of community cohesion and social capital will have increased as measured by more than 45 per cent of people believing that most people be can be trusted.

ACTION 10.6.1 Prepare a financial plan to implement the 2030 Vision, including possible State and Australian Government funding roles.

The City of Sydney needs to review the program of works and projects implied by Sustainable Sydney 2030 and prepare an accompanying funding and financial plan. This should identify aspects of the program which are likely to be core City of Sydney responsibilities and suited to scheduling as part of normal budget deliberations. Others may be City of Sydney responsibilities, but require supplementary funding which needs to be sourced. Other actions may be nominal State Government responsibilities—for these works the City of Sydney should make suggestions where and how the funding can be secured. The actions under Objective 10.5 provide an indication of approaches. Far reaching projects may be 'packaged' for presentation to the Australian Government.

ACTION 10.6.2 Establish a monitoring and review process for the 2030 Vision, Objectives and Actions.

The City of Sydney needs to make explicit how it intends to monitor and review progress against Sustainable Sydney 2030 objectives and actions. A program should be established which outlines how the City's communities and stakeholders can be involved in both implementation and contributing to reviews, internal reforms, new systems and models of knowledge exchange.

ACTION 10.6.3 Establish models to identify how and where Sustainable Sydney 2030 targets are going to be achieved.

Sustainable Sydney 2030 has established 10 targets.

For each of the 10 targets identified the City of Sydney should establish the current performance or indicator and identify how targets are to be measured, how they are to be realised, and who will make a contribution to achieving them (define the role of the City of Sydney and the role of other agencies). Mapping and visual techniques should be employed and regular reports published to identify successes, issues and barriers to achievement.

ACTION 10.6.4 Adopt new digital and mapping capabilities to assist in monitoring.

Digital and new technologies are revolutionising the way City development can be evaluated. The City of Sydney could combine its existing methodology for surveying business activity in the centre with new visualisation technologies to build a world class digital and e-planning platform. The key is to use these tools to link desired strategic outcomes with planning and development controls and decisions at the site and street level.

ACTION 10.6.5 Review Sustainable Sydney 2030 every five years.

As part of the monitoring and review program the City of Sydney will institute a five yearly comprehensive review of Sustainable Sydney 2030 and progress against its objectives and actions, including stakeholder engagement and publication of achievements and progress against the targets.

ACTION 10.6.6 Align the City of Sydney's Corporate Plan, Financial Plan and Development Plans with the 2030 Vision.

The City of Sydney has already commenced implementation of a number of objectives and actions of the 2030 Vision. This will now be framed as part of the City of Sydney's Corporate Plan.

OBJECTIVE

10.7

Participate in broader governance reform processes



Parliament House



Sydney CBD

CITY NOW



Lack of recent effective coordination between different levels of government.

In recent years there has been an absence of effective ‘big picture’ strategic planning at a national level on issues such as climate change, cities and settlement policy, major transport and ports and labour force skills. In the last five years State Governments have moved to fill the vacuum with metropolitan and some regional strategic planning which basically address the management of housing and employment change. These have provided some direction for Local Government in their planning activities. However, the absence of a national agenda on the major issues has allowed the policy work of State and Local Government to drift.

Forums such as the Council Of Australian Governments (COAG) have tended to have an issue by issue rather than a strategic focus, and adversarial postures have been adopted. There has been a general absence of direction and coordination between the levels of government based on a clear set of aspirations established by the Australian Government.

Since its election in November 2007 the Australian Government has established a major cities unit which suggests there may be a renewed interest in urban policy from the national government, and of enhancing intergovernmental relations to improve service delivery.

National sustainability and economic productivity hampered by recent arrangements.

The emerging evidence base suggests that the recent lack of an effective national urban management and environmental policy agenda may be limiting prospects for an improved economic and productivity outcome. Australia’s cities are critical to the nation’s economic performance. It has been estimated that more efficient cities, with sustainable settlement patterns, reduced greenhouse emissions and productive economic activity clusters, could add up to four per cent to the size of our State economies, with positive implications for State revenues.³

It appears that the major issues in Australia’s cities have become too ‘big’ for State and Local Governments to manage alone. There is a mismatch between the resources available to tackle the issues at Local and State level, and the extent of the responsibilities. There is a need for National policy and financial assistance in relation to new public transport initiatives, redevelopment and renewal in established areas, and energy and water efficiency initiatives.

Current local government arrangements hampering effective strategic planning for Sydney Region.

Except in Brisbane, where the Local Government Area covers a large part of the metropolitan area, the population in the ‘capital city’ area in Australia is only a small share of the metropolitan total. Outside the capital city the structure of local government is typically fragmented with numerous local authorities across each of the metropolitan areas.

	‘Capital City’ population	Metropolitan population	Capital city as %	State population	Metro as % of State
Sydney	164,547	4,284,379	4%	6,817,182	63%
Melbourne	76,678	3,744,373	2%	5,128,310	73%
Brisbane	992,176	1,820,400	55%	4,091,546	44%
Perth	12,549	1,519,510	1%	2,059,045	74%
Adelaide	17,723	1,146,119	2%	1,568,204	73%

Source: Australian Bureau of Statistics *Regional Population Growth Australia 1996 to 2006* (3218.0) Released 24 July 2007

Fragmented Local Government arrangements may be one barrier to more effective strategic planning in Australian cities.

Planning for Inner Sydney has also been disadvantaged because of a lack of certainty and stability surrounding the structure of inner Sydney local government. Over the last century, several inquiries have recommended changes to the structure of inner Sydney local government, the most recent being the Sproats Inquiry in 2001. Since 1948, the boundaries of the City of Sydney have changed six times: in 1949, 1968-69, 1981-82, 1988, May 2003 and February 2004.

Reform of local government to create metropolitan-wide councils has generally been resisted, by political opposition from both above (conservative Upper Houses in State Parliament, concerned about a potential competitor power base in the main city) and from below (neighbouring local councils fighting to maintain their existence). Sydney, in particular, with 43 local authorities has not had comprehensive Local Government reform for many years.

The current boundaries were defined by a Governor’s proclamation in February 2004 which amalgamated the former South Sydney and City of Sydney Councils. As Blakely and Hu note,⁴ the boundaries of the City have been ‘a particular focus of partisan conflict’ at the State Government level.

Three years prior to the amalgamation of Sydney and South Sydney in 2004, the Sproats Inquiry presented its report to the State Government on the structure of local government in the eight Inner Sydney council areas.⁵ Commissioner Professor Kevin Sproats argued that councils are facing a changing role:

‘Councils must look beyond physical and financial capital. Communities are more than good roads and drains, and balanced budgets. Councils must develop structures and policies to build better communities.’⁶

The Sproats Inquiry concluded that councils need to think more strategically to tackle these tasks, and the current structure of local government was not especially conducive to either the new tasks or strategic thinking. However, on the other hand, council boundary changes by themselves—especially if poorly implemented—would not assist greatly.

The message is that without attention to relations between local and other levels of government, or reforms to boundaries or operational relationships, the ability of councils to deliver on strategic priorities—at either a local or state level—will become increasingly difficult. It is in the interests of all levels of government to tackle a reform agenda.



Metropolitan governance reforms enhance integrated planning and investment in the Sydney Region.

The local and metropolitan governance arrangements in Sydney will support integrated planning and infrastructure investment for positive and measurable environmental, economic and social outcomes. Responsibilities for different functions will be appropriately allocated between local, metropolitan and State authorities according to the 'subsidiarity' principle. This concerns the sharing of power, the default position being that decisions should be made at the lowest level in the hierarchy of communities (neighbourhood, local government), unless it can be shown that such decisions will compromise the legitimate interests of higher order communities (metropolitan, regional, state, national).

Strategic outcomes for sustainable urban development agreed between levels of government and incentives provided for achievements.

The City of Sydney will work with both Local and State levels of government to identify key strategic objectives, to which it can agree and work towards. These could relate to aims such as lowering greenhouse emissions, or providing affordable housing or addressing the problems of marginalised communities. Achievement against these aspirations will have a demonstrable economic dividend, so where local government can point to policy directions that lead to achievements consistent with the objectives, they should be financially supported or rewarded.

**ACTION
10.7.1**

Lead public debate on the future of local government in Sydney.

The City of Sydney has been pro-active in advocacy for Local Government's strategic planning role, and has established an Inner Sydney Mayor's Forum to tackle some important cross boundary issues.

This action proposes that the City of Sydney support a greater public debate, including Local Government, State Government, business, academics and specialists and the community on local government reform for better metropolitan governance.

A series of talks could be held, and papers published. Options for reform cross the spectrum from maintaining current arrangements, to providing for improved coordination between existing bodies, to establishing a separate metropolitan authority with planning and infrastructure investment coordination powers, through to Local Government boundary reform which might create 'super' councils or a unitary Greater Sydney Council.

Ultimately the City of Sydney should take a position on which option it favours and work with the State Government and other local authorities to move the agenda forward.



**CASE STUDY
CANADA'S 'NEW DEAL FOR
CITIES AND COMMUNITIES'**

The National Government of Canada established the 'New Deal for Cities and Communities' which provides direct funding for investment in environmentally-sustainable municipal infrastructure to assist communities of all sizes. Petrol taxes are allocated to local authorities to help ensure cleaner air, cleaner water and reduced greenhouse gas emissions.

Eligible project categories include public transit, water and wastewater management, solid waste, community energy systems and, in communities under 500,000, active transportation infrastructure (like bike lanes), local roads, bridges and tunnels that enhance sustainability outcomes. Funding can also be used to help municipalities build the capacity to plan more sustainable communities.

All three levels of government in Canada have participated in developing the province by province agreements, which have helped to build new relationships and transform approaches to working together.

**ACTION
10.7.2**

Work toward a system of Federal Government funding to local Councils for achievement on agreed strategic outcomes.

The City of Sydney could work with the Australian Government on a system of incentive payments for the achievement of agreed strategic outcomes. This is consistent with the Planning Institute of Australia's *Living Communities policy paper*,⁷ and the House of Representatives' *Sustainable Cities*.⁸

A national framework would set the broad objectives for urban management by the States, with the States 'incentivised' by the promise of payments from the Australian Government for achieving objectives. This could have a cascading impact through to Local Government.

In the absence of a national urban sustainability agenda, the City of Sydney can engage more closely with State Government policy priorities by explicitly identifying aspects of State policy (such as the *State Plan* and *Metropolitan Strategy*), which it can assist in delivering or supporting.

A Charter or agreements with the State Government regarding respective responsibilities has been proposed earlier. The City of Sydney and other local councils pursuing this approach could be financially rewarded for meeting commitments.