

REGIONAL LIBRARY MODELS

LITERATURE REVIEW

Prepared for State Library of New South Wales

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1 Introduction

1.1 Background and context

Australia's local government systems continue to be subject to a range of inquiries, reviews and reform processes across all state and territory jurisdictions, as well as at the national level. Broadly speaking, these reform processes share the twin aims of increasing the financial sustainability of the sector while concurrently ensuring that the statutory responsibilities of local government are met (see, for example, Gooding 2013; Grant and Dollery 2014).

NSW public libraries have not been immune from these processes of reform. Since the inception of the *Library Act 1939 (NSW)* libraries have occupied an important position in the overall architecture of local government service provision under the governance of the Library Council of NSW. The capacity to enter into joint agreements around service provision was contained in the original act under Sections 12(1) and 12(2).

In 2011 this capacity was augmented when the *Library Amendment Bill 2011* inserted Section 12A into the legislation. Section 12A strongly encourages further collaboration between libraries. Its introduction can be set against a long-term trend of local government increasing its share of the total funding provided for public libraries. Between 1997/98 and 2012/13 the annual State Government funding for public libraries increased from \$16.67M to \$26.5M, while local government funding grew from \$166.27M to \$344.7M¹. To date there has been no take-up of s12A collaborative arrangements for service provision, and indeed organisation more generally.

The situation facing NSW libraries is that faced by local government Australia-wide. On the one hand, state government has enacted enabling legislation for greater autonomy to pursue collaborative arrangements; on the other hand, increased efficiencies are sought – indeed, are expected – in the face of heightened demand for services. It is this situation as defined and represented by the introduction of the *Library Amendment Bill 2011* to which this Report is directed, particularly toward optimal arrangements for reform.

1.2 Objectives of research project

This study examines current arrangements that are in place for regional and cooperative library services between councils across NSW. It examines barriers to, and enablers of, increased cooperation and explores possibilities for future management models.

The aims of the study are:

- > To identify the current types of arrangements across NSW that are in place between councils for regional and cooperative library services;
- > Examine the barriers to and enablers of increased cooperation;
- > To explore possibilities for future management models;
- > To examine the different types of arrangements that are encouraged by sections 12(1), (2), and 12A;
- > To provide a comparative indication of perceived legislative enablers and barriers between sections 12(1) and (2), and section 12A of the *Library Act*;
- > To identify which of clauses 12(1) and (2) have had greater take up, and provide qualitative understanding of reasons for this; and

¹ State Library of NSW (2014) Public Library Statistics 2012/13

- > To reveal the kinds of alternative models which may usefully, and legally, fall under section 12A.

These findings enable us to provide model clauses that accurately encapsulate how alternative models of regional library management are understood by councils, as well as specifying those that are most suitable for implementation under section 12(A).

2 Legislative context

2.1 The Library Act 1939 (NSW)

Libraries have historically comprised a major component of local government infrastructure in NSW. They have traditionally received substantial direct funding from the State government, rather than being regarded as a service for which local governments have sole financial responsibility. For instance, in 1976/77 the state government grant to libraries comprised \$5,950,000, second only to the \$17,600,000 granted to the Department of Public Works (Baines and Miles 1981, p. 285).

With the introduction of the *Library Act 1939 (NSW)*, public libraries achieved a statutory footing, however this was not automatic. It is a voluntary decision of each council whether to adopt the Act or not. If the Act is adopted, and the council opens and operates a library in accordance with the Act, state government subsidies are payable. Section 10 becomes mandatory once the Act has been adopted, a library service provided, and subsidy sought.

Section 10 continues to specify the services to be provided by local libraries. For example, residents and ratepayers are entitled to free membership, access to certain materials on the library premises, loans of certain library material, delivery to sick or disabled members, and basic reference services. All subsidies awarded to the local library must be spent in providing library services. The *Library Act 1939* provides for local libraries to determine the maximum number of items which can be borrowed at one time, as well as establishment of rules in relation to proper library use, including restriction of borrowing rights.

Two other major tasks are stipulated in the *Library Act 1939*:

- > The Library Council of New South Wales was established as is a statutory authority comprised of nine members. Under Section 4, the Library Council is designated three major functions:
 - ‘To promote, provide and maintain services through the State Library and the co-operation with local libraries’;
 - ‘To advise the Minister, local authorities and bodies on matters of policy and administration relating to library services’; and
 - ‘To advise the Minister on the provision of assistance to local libraries’.
- > Under Section 13 of the Act, the State Library is responsible for administering the provision of subsidies from the NSW government to other libraries based on a formula which has changed over time.

Section 22 of the *Local Government Act 1993 (NSW)* lists the *Library Act 1939* and several other state government acts that councils are subject to (for example the *Fire Brigades Act 1989*; *Environmental Planning and Assessment Act 1979* and the *Food Act*). The topic of libraries receives mention in no other sections of the *Local Government Act 1993*.

2.1.1 Arrangements for inter-library cooperation

Section 12 of the *Library Act 1939* specifies arrangements for inter-council cooperation on library services. There are eight essential components:

- > Under Section 12(1a), the Act allows councils to enter into agreements for the provision of services specified under the Act within the area or areas of the agreeing libraries;
- > Under Section 12(1b), the terms and conditions of such agreements have to be specified rather than being *ad hoc* in nature;

- > Under Section 12(1c), the council providing services assumes all responsibilities and powers for that service provision;
- > Under Section 12(2a), two or more councils can provide library services to localities other than their own;
- > Under Section 12(2b), the terms and conditions of such agreements have to be specified rather than being *ad hoc* in nature;
- > Under Section 12(3), any such agreement will be for a specified period;
- > Under Section 12(4), local authorities are provided with the opportunity, at the conclusion of any such agreement, for adjusting their interests with respect to assets; and
- > All agreements entail a dispute resolution process whereby an application is made to the council of the party of the agreement (i.e. a library) and that the dispute must be settled by an arbitrator appointed by the Library Council.

2.1.2 Library Amendment Act 2011 (NSW)

The introduction of the *Library Amendment Act 2011 (NSW)* led to further specification of arrangements for collaboration, namely that two or more councils may enter into agreements to provide services with the approval of the Ministers for Arts and Local Government and that these types of approved agreements ought not limit the operation of Section 12; and that the Minister for Arts will seek the agreement of the Minister for Local Government. In effect, the *Library Amendment Act 2011 (NSW)* enables collaborative agreements between councils for the provision of library services, both across and beyond LGAs. In this sense the amendment thoroughly reflects the broad direction of reforms to local government in NSW generally. It is to a brief consideration of this that we now turn.

2.2 Reform context

NSW local government has been subject to a range of reform processes, set against a general background of enduring problems of economic efficiency and financial sustainability in local government across Australia. Reforms are also juxtaposed against the statutory requirement to provide an increasing range of services to communities (see, for example, Dollery, Wallis and Allan 2006).

2.2.1 Structural reform

Compulsory structural reform – the most salient type of which is ‘council amalgamation’ or ‘municipal consolidation’ – has come under critique as a means by which to address the economic problems of the sector. For example, a ‘Discussion Paper’ produced under the auspices of the Australian Centre for Excellence in Local Government (ACELG 2011) argued that all programs of amalgamation undertaken up until that time had fallen well short of delivering the savings and economic efficiencies projected.

While programs of amalgamation have been undertaken in Queensland, and have been mooted in Victoria, Tasmania and Western Australia, a series of studies have argued that the projected savings of all proposed consolidations are largely illusory (Drew and Dollery 2014; Drew, Kortt and Dollery 2014; Drew, Kortt and Dollery 2013; Drew Kortt and Dollery 2012). A growing body of international evidence has also suggested that the promised savings of amalgamation and consolidation programs have greatly disappointed and have not taken into account the transaction costs of these administrative reforms (Dollery and Grant 2013a; 2013b).

Alongside this weakening in the cogency of arguments in favour of amalgamation, arguments for alternative types of reform, including the ‘place-shaping’ approach developed by the Lyons Inquiry in England (Grant, Dollery and Crase 2009) alongside an emphasis on ‘process change’

as opposed to 'structural change', (Dollery, Crase and O'Keefe 2009) have gained increased authority.

It is one of these alternatives to structural reform, namely shared service arrangements, that holds out the promise of garnering economies of both scope and scale while retaining 'local voice' and 'local choice'. This has been particularly influential in the current Australian local government context.

2.2.2 Shared services as the basis for cooperation

Inquiries into local government conducted at both the state and federal levels between 2000 and 2010 had noted the potential of shared service arrangements for contributing to the increased viability of the local government sector. As noted by Dollery, Grant and Kortt (2012, 50-53), the House of Representatives' Standing Committee on Economics, Finance and Public Administration's 'Hawker Report' (2003) had argued in favour of arrangements other than amalgamation, including regional partnerships and regional cooperation. In addition, the South Australian Financial Sustainability Review Board (FSRB 2005), the NSW Independent Inquiry into the Financial Sustainability of Local Government ('Allan Report' 2006), the Local Government Association of Queensland (LGAQ 2006), the Western Australian Local Government Association's 'Systematic Sustainability Study' (WALGA 2006) and the Local Government Association of Tasmania (LGAT 2007) had come to similar conclusions.

Dollery, Grant and Kortt (2012, p. 54) pointed out that there were 'powerful equity and efficiency arguments for the maintenance of decentralised local government', the former based upon the political right of communities to enjoy some measure of self-government, the latter grounded in the principle of subsidiarity and theories of fiscal federalism that seek to foster competition and collaboration between sub-national government areas. Somerville and Gibbs (2012) have documented an extensive range of shared service arrangements across Australia, which are summarised in Section 2.3.4 of this Report.

2.2.3 The Independent Local Government Review Panel (ILGRP)

The influence of the arguments for shared services can be seen in current processes of reform in NSW, key amongst which was establishment of the Independent Local Government Review Panel (ILGRP) by the (then) Minister for Local Government, Don Page. This was in response to a request from the (then) Local Government Association and the Local Government and Shires Association (LGSA). The three-person panel comprised Adjunct Professor Graham Sansom as Chair; Jude Munro, former CEO of Brisbane City Council; and Greg Inglis, a former local government CEO (ILGRP 2014a).

The Panel's work was embedded in a narrative of economic development, namely 'the broader objectives of the State as outlined in NSW 2021: A Plan to Make NSW Number One (the State Plan)' (ILGRP 2014b). The 'Terms of Reference' (ToRs) directed it to seven 'Key Actions':

1. Develop options and models to enhance collaboration on a regional basis through ROCs [Regional Organisations of Councils];
2. Undertake research into innovation and better practice in Local Government in NSW, Australia and internationally;
3. Examine current local government revenue system to ensure the system is contemporary, including rating provisions and other revenue options;
4. Examine the pros and cons of alternative governance models;
5. Research and develop alternative structural models, identifying their key features and assessing their applicability to NSW;
6. Identify barriers and incentives to encourage the voluntary amalgamation or boundary adjustment of councils; and

7. Identify those functions that are clearly State or Local Government responsibility, those that cannot be readily defined and those that have been legislated/regulated as core functions (ILGRP 2014b).

Gooding (2013, p. 16) highlighted that the ILGRP was also asked to consider local governance and service delivery arrangements for Far West NSW, alongside proposals to regionalise council-owned water utilities in non-metropolitan NSW.

The panel was explicitly directed to not recommend compulsory amalgamations, but rather to thoroughly investigate reforms other than amalgamation. Of the 14 'Areas of Recommendations' a total of four encouraged frameworks and institutions for LGA collaboration (see Appendix A).

2.2.4 Summary

The contemporary reform context has evolved in a direction where collaborative arrangements between LGAs are now far much more observable as an element to the suite of policy reform options in Australian local government. Section 12 provides for collaboration between libraries in this respect, and Section 12A introduced in the *Libraries Amendment Act 2011* aims to explicitly encourage such arrangements and the development of alternative modes of collaboration. The brief analysis provided above suggests that this is the case for two reasons:

- > Sustained empirical evidence has been generated to suggest that caution be applied with regard to forced amalgamations.
- > A weight of evidence supports the establishment of shared service arrangements.

2.3 Local government collaboration and shared services

The following section provides a summary of recent research and debates on collaboration amongst local governments, including shared service arrangements.

2.3.1 Local government collaboration

Collaboration can be defined as 'the linking or sharing of information, resources, activities, and capabilities by organizations to achieve an outcome that could not be achieved by the organisations separately' (Bryson et al, cited in Hilvert and Swindell 2013: 245). Collaboration in the provision of public services may involve two or more levels of government (e.g. state and local), two or more local governments, and/or collaboration between local governments and non-profit or private sector organisations (Benton 2013: 220).

As an alternative to in-house delivery, inter-council collaboration is based on a range of formal and informal agreements and arrangements as the situation demands or allows. Motivations include:

- > To offer the opportunity for bottom-up approaches to dealing with regional issues, rather than adopting a top-down approach;
- > To help local governments cut or share costs while maintaining or even improving the level of service provided;
- > To improve the efficiency of service production and provision, potentially leading to more effective services and desired outcomes; and
- > To promote accountability to the public for both service quality and the prudent use of public funds.

(Benton 2013: 221)

Based on a review of the literature and studies of local government collaborations in the United States of America (USA), Hilvert and Swindell (2013) put forward a conceptual framework that

can be used by decision makers to help guide and inform their deliberations. This framework is summarised in the box below.

Conceptual framework for decision making on collaboration	
Examine the rationale behind collaboration	Recognise that collaborations represent one possible response to a situation that has arisen or to an opportunity that may confront a jurisdiction. Prominent motivations include that it is 'the right thing to do', that it leads to better outcomes, and that it enhances relationship building.
Consider the type of collaboration to pursue	Managers need to be aware of the types of collaborative arrangements that are available to them when faced with the opportunity to change their delivery method. Horizontal arrangements amongst local governments have emerged through 'virtual agencies' that do not truly exist except as a partnership through a web portal or social network platform; through councils coming together to form a physical presence in a new agency to deliver a shared service of interest to the partners; or as non-routine collaborations that emerge on an as-needed basis.
Determine the correct number of partners	While the minimum number required to form a collaboration is two, the upper limit is not fixed. It may not be easy to determine the optimum number of partners in a network. Key considerations in determining the correct number of partners are the type of service being pursued, size of the region, and the number of jurisdictions in proximity to each other.
Determine the value of asset specificity in examining the potential for collaboration	'Asset specificity' is the degree to which the infrastructure or technical expertise required for a service is specific only for that service. The more specific the infrastructure or technical expertise needed, the less likely there will be an abundance of suppliers in the market. Measuring this value for a given service will also assist in providing a more solid empirical foundation for decisions that are subsequently made.
Assess the difficulty involved with contract specification and management	Contract specification and monitoring can be measured in respect of given services. Those with more difficult monitoring requirements, or that are more challenging to specify in contractual language due to the nature of the service, tend to be delivered less frequently through partnership arrangements.
Identify the barriers	Barriers include 'turf wars'; political culture; reaching consensus amongst employees and elected officials; and lack of mutual trust.
Identify the benefits	It is often easier to celebrate benefits than focusing on challenges or failures. Research suggests that the reported benefits of collaboration include economic benefits; better public service; relationship building; more and better ideas; and synergy.

Source: summarised from the text of Hilvert and Swindell (2013: 244-248)

A key insight from this literature is that there is value in approaching any collaborative arrangement in a strategic fashion, including carrying out research well in advance of any agreements being signed.

2.3.2 Conceptual basis of shared services

Oakerson (1999, p. 16) wrote that different components of service production require coordination to varying degrees, and that coordination is costly, mainly in terms of time and effort devoted to transactions. On this basis, the author identified several generic possibilities for linking provision with production, summarised in the box below.

Linking service provision with service production in local government
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Mode	Description
In-house production	A local council arranges its own production and organises its own production units along traditional grounds.
Coordinated production	Councils coordinate production activities. For example, the health inspection departments of two adjoining councils cooperate on activities affecting both jurisdictions.
Joint production	Two adjacent councils organise a single production unit to bring about, for example, joint rates processing.
Intergovernmental contracting	One council contracts services from another council or state or federal government agency.
Private contracting	A private firm undertakes production for a council.
Franchising	A council gives a commercial producer the exclusive right to produce a given service that residents can purchase.
Vouchering	A council sets standards and the desired level of provision, but allows households to select their own producer using a voucher.

Source: Oakerson (1999: 17-18)

The typology allows for the differentiation of shared service arrangements and for-profit activities. This is an important distinction, since in some instances in the local government context privately-owned businesses have been labelled as 'shared services' (see, for example Dollery, Grant and Crase 2009). However, under the definition formulated by Oakerson (1999), such 'vehicles' breach the definition of a shared service, whether or not they are wholly or jointly involved in service provision or service production,

Examples of coordinated production can readily be observed in the *Library Act 1939* Section 12 (1) (2) and (3), where libraries could contractually agree to provide services for other libraries, or where other tiers or levels of government operation could agree to provide a library service on the basis of a contractual arrangement. Intergovernmental contracting is also covered under Section 12 (1) and (2).

2.3.3 Services suitable for shared provision

Aulich, Gibbs, Gooding et al (2011: 8) view shared service provision as an element of local government consolidation, for which the underlying principles should include: the objectives must be clear; one size does not fit all; and form should follow function. The research carried out by these authors suggests that there are several examples, both nationally and internationally, of councils successfully taking advantage of economies of scale through shared service provision. Since the threshold population size for particular services is different, this is a key factor in determining whether shared service arrangements lead to enhancements or deterioration for the citizens involved (Aulich et al 2011: 4).

Drawing on the work of Percy Allan (2006), Dollery, Grant and Kortt (2012: 58-61) identified the types of services that are amenable to shared provision, summarised in Table 1.

TABLE 1: CHARACTERISTICS OF SERVICES SUITABLE FOR SHARED PROVISION

Type of service	Characteristics	Examples
Low core capacity	'Steering not rowing'	Community consultation, policy planning, general governance, service monitoring, regulating private

Type of service	Characteristics	Examples
		activity and funding public purposes
High supplier availability	'Competitiveness of tender'	Non-monopoly provided goods
Low task complexity	Lack of expert knowledge	Back of office functions
Substantial scale economies:	Amenable to mass production	Back office and front office activities
Specialised technology	High capital costs	Information and Communications Technology (ICT)

Source: Dollery, Grant and Kortt (2012, pp. 58-59)

Although a variety of types of service are amenable to shared service provision, the reasons for this amenability are not consistent. For example, while Allan (2006) identified 'low core capacity' tasks such as community consultation and policy planning as amenable to shared service delivery, he also designated ICT functions as capable of being shared. This apparently contradictory stance is qualified by three caveats to the overall account of services that ought to be targeted for sharing, namely:

- > Local circumstances ought to be taken into consideration.
- > Individual councils must not lose sight of performance measurement and the rights of those parties involved.
- > Shared services ought to be governed by a joint structure that represents all parties involved.

(Dollery, Grant and Kortt 2012: 60-61)

Aulich et al (2011) write that change works best after extensive consultations with the local community, and should not be rushed. The costs of change and dislocation need to be factored into the cost-benefit equation for adopting particular options; and good governance is fundamental, including sound management support, providing the necessary specialist expertise, securing staff buy-in and having a realistic timetable (Aulich et al 2011: 9).

2.3.4 Recent shared service experiences

Drawing on Somerville and Gibbs (2012), a synopsis is provided of findings from recent investigations into shared service arrangements in Australia.

NSW DLG Council Survey

The NSW Division of Local Government, Department of Premier and Cabinet (NSW DLG 2011a) surveyed councils in the state to identify the 'range, scope, benefits and challenges of collaborative arrangements between councils' (NSW DLG 2011a). Benefits of collaborative arrangements were found to include increased opportunities for regional and subregional strategic development; increased cost savings and economies of scale; reduced duplication; access to services not otherwise available; improved access to technical expertise and higher quality work; and better environmental outcomes.

The study noted substantial challenges to collaboration, including a variety of transaction costs; the need for strategic leadership and a willing organisational culture; and the requirement for business plans and institutional design to be suitable from the outset. Achieving organisational commitment to sharing services evenly across participating councils was perceived as extremely important. In instances where this had been achieved shared services worked well; where it had not the arrangements caused confusion and resentment and eventually collapsed.

Critical success factors for shared arrangements were reported in the study as including:

- > Clear communication, co-operation, combined purpose, trust, goodwill and a willingness to compromise;
- > Development of a resource sharing culture;
- > Community support;
- > A focus on the greater good and public interest;
- > Strongly committed champions;
- > An equal partnership;
- > The use of project management methodology with reporting and review; and
- > Effective business systems.

Productivity Commission 2012: Performance Benchmarking of Australian Business Regulation

A 2012 Productivity Commission study carried out benchmarking to investigate how approaches to the exercise of regulatory responsibilities by local government affect the costs incurred by business. Key observations from this study were that local government co-ordination and consolidation has the potential to address the burdens faced by business, particularly where there is regulatory duplication or inconsistency across local government areas; and inadequate capacity within local governments to make or administer good quality regulation. At the same time, in the absence of supporting legislative and assistance arrangements, local government incentives to voluntarily co-ordinate to achieve regulatory efficiency are likely to be weak.

Desirable characteristics of regional models

A WA Department of Local Government Discussion Paper (WA DLG 2011: 5) identified several desirable characteristics of regional models:

- > Flexibility – any governance models need to be sufficiently flexible to meet the needs and streamline the operations of member local governments.
- > Different models for differing circumstances – different models may be required to suit the differing circumstances, and more than one model may be needed to accommodate differing purposes with groupings.
- > Accountability – the need for flexibility needs to be balanced by the need for accountability, both to ratepayers and to the state government.
- > Compliance – accountability brings with it issues of compliance, which need not be burdensome, if targeted to specific functions.
- > Governance – purpose, membership, powers and financing arrangements have to be carefully spelt out, and transparent processes need to be put into place for board appointments, and individual accountability needs to be maintained through appropriate mechanisms. Transparency and reporting also needs to be ensured.

(cited in Sommerville and Gibbs 2012: 15)

Preconditions for entering shared services

The New Zealand Association of Local Government Information Management Inc. (ALGIM) conducted research into shared services in that country (Somerville and Gibbs 2012, pp. 15-16). Lessons from those involved in shared services in New Zealand were distilled into three factors, namely structure and governance; shared service design; and a plan for success.

The ALGIM research pointed to the following attributes of structure and governance considered essential to the success of a shared service:

- > Commitments by Chief Executive Officers (CEOs), elected officials and each local authority management team;
- > Passionate advocates within each local authority;
- > Willingness to invest time and energy into building relationships with staff from other local authorities;
- > An own 'culture' for the shared service entity, separate from the individual local authorities;
- > The business structure must enable the shared service to conduct business with external parties from a position of strength;
- > Equal rights in decision-making and influence over the activities of the shared service;
- > Regular meeting of the governance group, with a key focus on monitoring performance, evaluating strategic direction and new opportunities and being proactive in driving the strategic vision and thinking;
- > Use of professional external support in drafting key documents, and third party facilitators when establishing a new shared service structure;
- > Fostering of transparency and trust across the board, including the sharing of goals, activities and performance of the shared service with politicians, management teams and staff; and
- > Matching of great ideas for shared services with a structured project management methodology and resource.

Somerville and Gibbs (2012: 44) note that local government has a long history of shared service-delivery and collaborating on other operational activities, but needs to recognise the restrictions which legislation can place on how councils are able to implement such arrangements. Participating councils need to have a clear understanding of the objectives of entering into shared service arrangements with like-minded councils, and their senior managers need to be skilled in aligning the interests of their council with those of the collective. Councils also need to be aware of the commitments required to gain the best advantage from sharing services and should engineer solutions that are tailored to the specific needs of participating councils.

From the literature surveyed, Somerville and Gibbs (2012: 16-18) put forward the critical dimensions to consider when embarking on shared service arrangements:

- > An organisational culture that values creativity, risk-taking and a high level of trust in senior managers;
- > Leaders who are able to develop and communicate a clear vision, allow others to influence that vision, build up the trust and respect of senior management and elected members, and successfully perform their ambassadorial role;
- > Flexibility with provider and producer roles, recognising that the sole provider/producer role often no longer applies;
- > Appraisal of the scale and level of involvement a council currently enjoys with other councils focusing on the relationships of trust, common interests and an ability to conduct business collaboratively that have already been established; and
- > Effective change management, a factor also highlighted in a study of shared service delivery in local government in the United Kingdom (Deloitte 2009).

2.4 Summary

Shared service delivery as a form of local government collaboration across council boundaries is an established focus for academic research and debate, as well as being an important aspect of policy and reforms in the local government sector. Shared service arrangements have been viewed as a potentially more acceptable alternative to more comprehensive forms of structural reform such as council mergers. The international literature suggests that council collaboration:

- > Offers the opportunity for bottom-up (rather than top-down) approaches to dealing with regional issues;
- > Can help local governments cut or share costs while maintaining or even improving the level of service provided, especially through improving the efficiency of service production and provision; and
- > May promote accountability to the public for both service quality and the prudent use of public funds.

A key insight from this literature is that there is value in approaching any collaborative arrangement in a strategic fashion, including carrying out research well in advance of any agreements being signed. The literature also points to the following as amongst the important factors that lead to the success of shared service arrangements:

- > Achieving organisational commitment to sharing services evenly across participating councils is important. This requires commitment and consistent support from leaders, both elected and appointed, linked to an organisational culture that values creativity, risk-taking and a high level of trust. It also requires putting into place an effective system of change management.
- > Change works best after extensive consultation with the local community, and should not be rushed.
- > There should be equal rights in decision-making and influence over the activities of the shared service from the participating councils; and a willingness to invest time and energy into building relationships with staff from other councils.
- > The costs of change and dislocation need to be factored into the cost-benefit equation for adopting particular options.
- > Good governance is fundamental, including providing the necessary specialist expertise, and having a realistic timetable. The governance group should meet on a regular basis, with a key focus on monitoring performance, evaluating strategic direction and new opportunities, and being proactive in driving the strategic vision and thinking.
- > The business structure should enable the shared service to conduct business with external parties from a position of strength. This includes adopting flexibility with regard to provider and producer roles, and recognising that the sole provider/producer role often no longer applies.
- > There may be value in making use of professional external support in drafting key documents, and utilising third party facilitators when establishing a new shared service structure.

3 Libraries in New South Wales

3.1 Shared service models for libraries in New South Wales

Study of New South Wales library models

A study was carried out on behalf of one of the precursor and since constituent organisations of Public Libraries NSW, namely Public Libraries NSW – Country, in order to identify models of library provision in the state (Liddle 2007)². The research adopted a ‘practical orientation’, with three stages:

- > Statistical analysis based on Public Library Statistics 2002-03 published by the State Library of New South Wales;
- > Visits (including group and individual discussions) to the 18 library services selected by the Steering Committee as regionally and demographically representative of the NSW library network; and
- > Follow-up meetings with six library services selected as case studies, with a focus on ‘why it works’.

(Liddle 2007: 1-2)

The study identified three library models, summarised in Table 2.

TABLE 2: COMPARISON OF LIBRARY MODELS IN NSW (2003)

Model	Features	Strengths identified by respondents	Weaknesses identified by respondents
Standalone libraries	<p>Local governments operate libraries independently.</p> <p>The service is integrated within Council operations and is typically a department within the community services group.</p> <p>Generally benefit from access to in-house Council support, particularly in relation to finance and information technology.</p> <p>Dominant in the greater Sydney metropolitan area.</p>	<p>Better able to respond to and build relationships with library users</p> <p>Autonomous decision-making.</p> <p>Operating within Council was seen to create a better opportunity to position libraries as a core service and gain support for ongoing development.</p> <p>Not supporting additional layers of regional bureaucracy.</p>	<p>Limited access to specialist staff resources and less peer pressure to improve</p> <p>Fewer opportunities to pursue economies of scale</p> <p>Diminished purchasing power</p> <p>Need to adopt a restricted approach to cataloguing</p>
Regional libraries	<p>Member local governments agree to a partnering arrangement, enabled under the <i>Library Act 1939</i>.</p> <p>Dominant in regional and rural areas</p>	<p>More cost effective through economies of scale and lower overheads</p> <p>Greater access to specialist staff and programs</p> <p>Expanded regional collections</p> <p>Regional status perceived</p>	<p>Loss of local identity and autonomy</p> <p>Reliance on, and threat of Executive Council veto or threat of withdrawal</p> <p>Political fragility and need to compromise due to diverse objectives</p>

² The research was carried out by J.L Management Services Pty Ltd.

Model	Features	Strengths identified by respondents	Weaknesses identified by respondents
		<p>to enhance grant applications</p> <p>Enabled provision of mobile library services</p> <p>Provision of better ITC capabilities</p>	<p>Dependence on multiple member councils to maintain buildings and fittings was seen as less efficient than standalone arrangements.</p>
Cooperatives	<p>Two or more services formalise an arrangement to jointly undertake agreed components of library service provision, as enabled by Section 12(2) of the <i>Library Act 1939</i>.</p> <p>Collaboration typically occurs in relation to technical services and library management systems. Library members are able to borrow from and return materials to any branch – this replicates a major benefit of the regional models, while retaining individual identity.</p>	<p>More cost effective through economies of scale in selected areas</p> <p>Creation of professional networks and ability to share expertise</p> <p>Access to an expanded collection</p> <p>Ability to apply for regional grants</p> <p>Facilitates organization of joint training programs</p> <p>Provides a hedge against amalgamation</p>	<p>Concerns expressed were not statistically significant, but included:</p> <ul style="list-style-type: none"> > Selective borrowing practices among members > Increased complexity and cost of courier services > Reduced access to library collections for residents of larger member councils > Increased exposure to loss in the event that cooperative arrangements change. <p>Weaknesses were more likely to be attributable to the nominating services than to the cooperative model.</p>

Source: Liddle (2007: 2-22)

The study suggested that ‘the cooperative model consistently out-performed the other models...[while]...the regional model returned the lowest performance profile, which would seem to reflect its popularity among small LGAs (populations of less than 10,000)’ (Liddle 2007: 5-6). On the basis of the study, the researcher put forward an ‘Ideal Library Model’. Attributes nominated by at least 50% of the respondents were:

- > It should involve some form of cooperative arrangement.
- > It should be flexible and adaptable to change.
- > It should be driven by community demand, service and quality.
- > It should be operated with autonomy and maintain local identity.

(Liddle 2007: 22)

On completion of the study, the researcher suggested:

Whilst the research does not conclude that any model should be favoured over any other, it is hoped that readers will independently conclude that optimal performance is dependent on selecting the model that best fits the needs of specific communities and LGAs. It is further hoped that the research will demonstrate the ability of each model to be customised to meet local requirements and that each library services can and should be seen as unique, regardless of the chosen model.

3.2 Regional and Joint Library Services in New South Wales

3.2.1 Terminology

The legislative context was summarised in Section 2 of this report. Sections 11 and 12 of the *Library Act 1939* provide for the joint provision of library services by two or more local governments under the Executive Council model. Under this model, Regional Libraries require participating Councils to appoint an Executive Council to administer library services on their behalf (Riverina Regional Library 2014). The Executive Council is generally the largest local government in the region.

While this is currently the only model under which a regional library may operate in NSW, the study summarised above (Liddle 2007) provided evidence of cooperative arrangements under which two or more services are able to formalise an arrangement to jointly undertake agreed components of library service provision, as enabled by Section 12(2) of the *Library Act 1939*. The available documents also refer to 'joint library services', which may be a sub-set of regional services, although, as seen in Table 2 below, only refer to one metropolitan arrangement (Ryde-Hunters Hill).

The Australian Library and Information Association refers to 'joint-use libraries', which generally refer to combinations of school and public libraries in rural areas or libraries of institutes of technical and further education and universities (Australian Library and Information Association n.d.). They require the signing of a formal agreement by each of the parties, covering all areas relating to the development; funding and continued maintenance of the library; a Board of Management representative of all parties; and an integrated staffing structure with a single library manager. According to the organisation's website:

Experience in Australia and overseas has shown that joint-use libraries are complex to manage and operate, are particularly demanding of staff, and are vulnerable to operational difficulties or failure.

(Australian Library and Information Association n.d.)

3.2.2 Summary of current Regional and Joint Library Services

As at 2012, there were 17 Regional and Joint Library Services in NSW. These are briefly described in Appendix B, based on statistical information provided by the State Library New South Wales (2013). Table 9 in Appendix B provides information on the local governments that are included in each shared arrangement, the population served and the per capita expenditure. To put the figures into context, for NSW as a whole the population median for a local government area is 56,303 and the median library expenditure per capita is \$49.82 (State Library New South Wales 2013: 55). As can be seen from the summary, by far the majority of these shared service arrangements (16 out of 17) operate as Regional Libraries in non-metropolitan areas of the State.

In the following section, several of these library services are described in greater detail.

3.3 Regional Libraries in NSW

3.3.1 Macquarie Regional Library

The Macquarie Regional Library is based in a part of the Orana region of NSW and encompasses the local government areas of:

- > Dubbo City Council (the Executive Council)
- > Narromine Shire Council
- > Warrumbungle Shire Council

- > Wellington Council.

(Macquarie Regional Library 2013)

Key statistics for the Macquarie Regional Library for 2012/13 are provided in Table 3.

TABLE 3: KEY STATISTICS FOR THE MACQUARIE REGIONAL LIBRARY (2012-13)

Population served	66,314
Area	25,185 square kilometres
Number of staff	31
Number of registered borrowers	40,961
Number of visitations to Branch libraries	274,070
Number of items held	166,643

Source: Macquarie Regional Library (2013: 4)

The Regional Office provides support to all Branches of the Library Service and is located at the Dubbo Branch Library. The Macquarie Regional Library has three operational branches:

- > The **Information Services Branch** supports branches throughout the region to deliver innovative and popular programs, and is engaged in building relevant collections, managing the website and delivering a social media program. It conducts the biennial Macquarie Regional Library Customer Survey, the results of which are used to improve customer services to the regional library users. In the 2012 survey, there were 1,011 completed surveys.
- > The **Technical Services Branch** manages the organisation of library materials and is responsible for all aspects of the library's technical services processes and procedures. This ensures that all items are ordered, catalogued and end processed to comply with recognised standards. Resource Description and Access (RDA) is being introduced in 2013-14 to replace Anglo American Cataloguing Rules (AACR2), and this will impact on the structure of catalogue records and formats and provide a mechanism for additional discovery layering in the catalogue.
- > The **Information Technology Branch** focuses on delivering equitable document availability for all staff and increasing network security and availability. A major project in 2012/13 was the joining of the Macquarie Regional Library branches and service points onto the Macquarie Regional Library domain, including the enabling of *BranchCache*.

(Macquarie Regional Library 2013: 8-10)

The Mobile Library and Information Unit, which has been operating since 1997, is a cooperative service funded by TAFE NSW Western Institute and supported by Macquarie Regional Library. It provides library and information services to rural and isolated areas, with customers including TAFE students, single teacher schools and high schools (Macquarie Regional Library 2013: 7).

3.3.2 Riverina Regional Library

The Riverina Regional Library is one of the largest Regional Library services in NSW, serving the 134,360 citizens of 12 local government areas and spread over an area of 39,270 square kilometres. This comprises around 12.5% of the total area of NSW (Riverina Regional Library 2014). The Riverina Regional Library was established in 1978 and has continued to grow since then through the admission of additional councils, including the admission of four former members of the Upper Murray Regional Library in 2013.

The service consists of 18 stationary library branches and two mobile libraries serving a total of 63 communities in the following local government areas:

- > City of Wagga Wagga (the Executive Council)
- > Coolamon
- > Cootamundra
- > Corowa
- > Greater Hume
- > Gundagai
- > Junee
- > Lockhart
- > Temora
- > Tumbarumba
- > Tumut
- > Urana.

Since it is considered to be ‘a leader amongst regional libraries’, the Riverina Regional Library has participated in a number of state-wide projects (including the development of policy), has been represented on various State Library of NSW committees, and has introduced a range of service and technology innovations (Riverina Regional Library 2013a: 7).

Riverina Regional Library operates on a funding agreement that is part of a broader Deed of Agreement, which is reviewed every five years. The Deed of Agreement makes provision for the establishment of an Advisory Committee to advise the participating Councils on library and information management policies and strategies. Including 27 representatives from member Councils, as well as the executive Director, the Committee on an annual basis provides member Councils with the estimates of expenditure and income for the ensuing year; and submits to the Councils an Annual Report (Riverina Regional Library 2012).

Divisions of the Riverina Regional Library are:

- > **Outreach and Promotions** is responsible for the development and implementation of programs and services to branch libraries. These services include Children’s and Youth Services; the Riverina Regional Library Book Club; and engaging with communities through social networking with Facebook, Pinterest (collects images under certain topics of interest) and Goodreads (site for readers and book recommendations) accounts.
- > **Support and eServices** provides support functions and undertakes the general management and administration of the Riverina Regional Library. These include the Riverina Regional Library Website, eServices (including the South West Zone Digital Library), Collection Services (including purchases and donations), Mobile Library Services serving 60 communities across the region with two ‘branches on wheels’, and IT Support and Services.

(Riverina Regional Library 2013b: 17-25)

The Administration Officer provides secretarial and administrative support to the Executive Director and staff of the region, including some payroll duties, travel and training arrangements and meeting and conference arrangements (Riverina Regional Library 2013b: 17).

Riverina Regional Library has three strategic priorities through which its strategies and outcomes are planned and measured:

TABLE 4: RIVERINA REGIONAL LIBRARY STRATEGY MAP

Strategic Priority	Outcomes
Community Wide Learning	Develop a community learning culture Develop and activate collections to support learning communities Facilitate accessible learning programs
Connected Communities	Client driven collections and programs Transform our libraries Foster informed and connected communities
Sustainable Organisation	Develop efficient and effective processes Strengthen capability of our people Maximize value of emerging technologies

Source: Riverina Regional Library (2013b)

On the basis of this 'Map', the activities, timeframes and performance indicators of the divisions of the service are planned and evaluated. The organisation has adopted an overall strategy, known as 'Collections to Clients', illustrated in the box below.

'Collections to Clients' Strategy

The Strategy redirects the energy of the organisation from the traditional focus on collections towards customer service. The key is to understand client segments and what they want from the libraries.

The Strategy enables the organisational structure and aligns the culture of the organisation, supported by a philosophy of continuous improvement.

The branding, promoting and marketing of the organisation occurs under this Strategy.

During the 2005-2008 period, the strategy led to changes aimed at freeing staff to spend more time with patrons. This included:

- > Outsourcing all collections-based tasks;
- > Optimizing technology capabilities; and
- > Investing in Radio Frequency Identification (RFID) technology.

The Smart Library RFID assists with, for example, the process of stocktaking, by removing the requirement for large amounts of manual labour and not interrupting normal library services (Riverina Regional Library 2009).

Based on a review of this Strategy, the following lessons were learned:

- > There is a difference between providing customer service and being a customer focused organization.
- > There is power in statistics, and extensive quality documentation based on reliable data is critical.
- > There is a need to liaise continuously with suppliers, including working collaboratively on problems.
- > Change needs to be managed carefully, with all staff input and concerns acknowledged, considered and incorporated.

Source: Riverina Regional Library (2013b); Riverina Regional Library (2008)

3.3.3 Richmond-Tweed Regional Library

Starting in 1971, the Richmond-Tweed Regional Library incorporated the following local governments in northern NSW (the Northern Rivers):

- > Lismore City Council (the Executive Council)
- > Ballina Shire Council
- > Byron Shire Council
- > Tweed Shire Council.

The Richmond-Tweed Regional Library provides 11 branch libraries, a mobile library and administrative/genealogy centre, and aims to be 'a significant contributor to community harmony and culture' (Richmond Tweed Regional Library 2014).

Key statistics for the Richmond-Tweed Regional Library are summarised in Table 5.

TABLE 5: KEY STATISTICS FOR THE RICHMOND-TWEED REGIONAL LIBRARY

Estimated Resident Population (2012)	203,565
Projected population increase by 2036	25.93% (the majority to be in Tweed Shire)
Registered borrowers (2013)	130,183, of whom 124,539 are residents, representing 61% of the region's population
Number of items purchased (2012-13)	43,423 – an increasing proportion of resources are used to purchase eResources such as eBooks, eAudio books and downloadable music
Items available for free home loan	Over 400,000

Source: Richmond Tweed Regional Library (2014)

Amongst the services provided by the Regional Library is the 'Storytime and Baby Bounce' service, described next.

Storytime and Baby Bounce (Richmond-Tweed Regional Library)

This free service provides an opportunity for children who are not already attending primary school to listen to stories, sing songs and do craft activities in a group environment (Storytime); and for parents to share singing, rhymes, music and books with their babies birth to two years old (Baby Bounce).

The service is held at different library branches and times around the Northern Rivers region.

The underlying philosophy is that pre-school children's lifelong love of books and the library can be nurtured, and that babies and their parents can be introduced and reintroduced to 'the joy of sharing the rhythm and rhyme of nursery rhymes, finger plays, poems and songs'.

Source: Richmond-Tweed Regional Library (2014)

3.3.4 Central Northern Regional Library Service

The Central Northern Regional Library is the regional library service for the following local governments:

- > Tamworth Regional Council (Executive Council)
- > Narrabri Shire
- > Shire of Liverpool Plains
- > Walcha Council
- > Uralla Shire Council
- > Gwydir Shire (which joined in 2012).

Benefits of the regional model, as identified in the available documents, include the following:

- > The Uralla Shire Council General Manager's Report notes that 'the involvement [of the Shire] in the Central Northern Regional Library is ... providing the Uralla Community with a service with cost savings between 14.5 and 20.0%' (Uralla Shire Council 2013).
- > The regionalisation enables events to be held at branch libraries, including free photography workshops, story times for children aged 3-5 years, author talks, and information nights (Central Northern Regional Libraries 2014).
- > The Regional Resources Team is responsible for the procurement and management of print and electronic resources. Regular weekly exchanges take place, with 31,905 items having been rotated around the region during the 2012/2013 financial year (Uralla Shire Council 2013: 6).
- > Staff development includes 'Regional Training Days' and representation at state conferences (Uralla Shire Council 2013: 8).

The Central Northern Regional Library has developed a social inclusion plan, described in the box below.

Central Northern Regional Library Social Inclusion Plan

The plan was developed so that socially excluded people are identified and provided with equal opportunity to use the services of the Regional Library. Targets groups include children, young people, older people, people with disabilities, Indigenous people and people from a culturally and linguistically diverse background.

Branch actions include building partnerships with key stakeholders and tailored approaches, such as:

- > Providing access to the Tech Savvy Senior program for older citizens; and
- > Enabling disability support groups to use the library for the benefit of citizens with disability.

Source: Uralla Shire Council (2013)

3.3.5 Ryde Hunters Hill Joint Library Service

The Ryde Hunters Hill Joint Library Service is the only regional model in metropolitan Sydney (see Appendix B). Based on the Joint Library Agreement between the City of Ryde and Hunters Hill Council, the primary roles of the Advisory Committee are:

- > To provide advice on areas of common interest, particularly for the Gladesville Library, but also including advice on services such as Local Studies, Home Library Services, the Toy Library and Outreach Services that are available to residents of Hunters Hill and adjoining areas.
- > To promote the Ryde/Hunters Hill Library Service within the participating communities to encourage increased community participation.

(Joint Library Service Advisory Committee 2010)

The Agreement notes that the Advisory Committee 'has an advisory role only and decision making responsibility will rest with the City of Ryde and Hunters Hill Council. Responsibility for the strategic and operational management of the Joint Library Service will reside with the City of Ryde' (Joint Library Service Advisory Committee 2010: 3).

3.4 Cooperative models

3.4.1 Mid-North Coast Co-operative Library Service

The Mid-North Coast Co-operative Library Service has been operating since 1980, when it was established with the support of the State Library of NSW, which was 'at the time encouraging

councils and libraries in general to co-operate more closely than they had been' (Kempsey Shire Council 2008).

The Co-operative is a partnership between Port Macquarie-Hastings Library Service and Kempsey Shire Libraries, enabling members to have access to the resources of the library services of both local governments, and a shared catalogue. There are seven branches offering a range of services and facilities, including inter-library loans, meeting rooms available for public hire at the Port Macquarie Library, and computer access, including wireless internet access at selected branches (Mid-North Coast Co-operative Library Service 2014).

3.4.2 Southern Tablelands Library Cooperative

The Southern Tablelands Library Cooperative is formed by Goulburn Mulwaree, Upper Lachlan Shire and Yass Valley Councils. Features include:

- > As a cooperative arrangement, the library services in each Council are operated independently by each Council (Southern Tablelands Library Co-operative 2014).
- > It acts to co-operatively purchase and process the resourcing of collections, to share collections and a library catalogue, and to offer online services via a shared website (Southern Tablelands Library Co-operative 2014).
- > The strategic direction, overall management and day-to-day operations of each Library Service within the Co-operative are the responsibility of the individual member Councils (Southern Tablelands Library Co-operative 2014).

3.4.3 Eastern Suburbs Library Cooperative

The Eastern Suburbs Library Cooperative includes the libraries of:

- > Botany Bay
- > Waverley
- > Woollahra
- > Randwick.

There is a dearth of publicly available information on this cooperative arrangement. The one available reference describes the arrangement through which the members of the cooperative work together to co-ordinate lectures across the Woollahra, Waverley, Randwick and Botany Library Services:

Each year Woollahra Library participates in Ride the HSC Wave lecture series with the Eastern Suburbs Library Cooperative: Woollahra Library, Waverley Library, Randwick Library and Botany Bay Library.

(Woollahra Council, 2014)

3.4.4 North West Slopes and Plains

There is some confusion as to whether this arrangement is a Regional Library (the Northern Regional Library) or a cooperative, the North West Slopes and Plains Cooperative Library Service, but it incorporates the local government areas of:

- > Moree
- > Brewarrina
- > Lightning Ridge
- > Mungindi
- > Walgett.

It is possible that it has moved from being a Regional Library to a less formal cooperative. When it ceased being a Regional Library, Gwydir Shire joined the Central Northern Regional Library (see above).

TABLE 6: AVAILABLE DATA ON NORTH WEST SLOPES AND PLAINS

Total number of council employee staffed service points	7
Total number of all service points	10
Number of mobile libraries	0
Total number of registered members	4,666
Total stock (lending and non-lending)	55,735
Number attending children's events	1,128

Source: North West Slopes and Plains Cooperative Library Service (2013)

3.5 Cooperative models not formalised under the *Library Act 1939*

This section briefly considers other cooperative models that are not formalised under the Library Act 1939. These are worthy of consideration to develop a more comprehensive overview of the range of shared arrangements that currently exist in NSW.

3.5.1 Shorelink Library Network

Operating for over three decades, the Shorelink Library Network is made up of five councils located on Sydney's Lower North Shore, namely Lane Cove; Manly; Mosman; North Sydney; and Willoughby (Willoughby City Council 2014). Shorelink is managed by a Joint Committee operating under Section 355 of the *Local Government Act 1993*, and consists of five councillors and five Library Managers from each of the participating councils. The administration of the network's financial and administrative operations is managed by one of the partners, operating as the Agent Council – currently this is North Sydney Council.

Key features of the library network are the following:

- > The network was established when the five participating councils signed a Deed of Agreement in 1983.
- > Shorelink is essentially a computer network that links the libraries of the participating councils. It issues a Shorelink Library Card which entitles members to use the five libraries, the WebOPAC (online public access catalogue) and a range of online databases and eResources.
- > The Agent Council administers the budget with contributions from all participating councils in proportion to library circulation figures.
- > The Agent Council Librarian directs the operations of the Network Office, including staff, in accordance with the policies and decisions of the Shorelink Committee and the Shorelink Library Managers Committee.
- > Individual councils meet their own on-site costs, such as maintenance of personal computers.

(Shorelink Library Network 2013: 4)

In the 2012-2013 financial year, the Shorelink libraries had 161,872 members who borrowed 3,206,419 items; 75% of Inter-Library Loan requests were satisfied within the network; and the daily courier service transported 69,863 items between the libraries (Shorelink Library Network

2013: 5). These data suggest that the network of libraries is not only well patronised, but also that it is of benefit to users in terms of the inter-library opportunities it affords.

3.5.2 Glen Innes Severn Public and TAFE Library

Located in Glen Innes, the library aims to enhance equity of access to information, education and recreation for all members of the community. In addition to being a council-run public library, it specifically caters for technical and further education (TAFE) students by making available TAFE textbooks and videos for students and staff and teacher resources for TAFE staff (Glen Innes Severn Council 2014).

3.6 Changes and challenges for public libraries

According to the *Riverina Regional Library Management Plan 2013-14*, the following have been identified as challenges for public libraries which require ongoing planning and adjustment to changes so as to remain relevant:

- > Declining state funding, with the NSW government providing the lowest per capita funding for libraries of all the states in Australia, leaving local governments to fund the shortfall, which comes to around 93% of total operating costs;
- > Cost shifting, with libraries continuing to provide a much broader range of especially internet based services which are accessed through publicly available internet services at libraries;
- > Increasing demand from communities for facilities, services, programs and collections, and ongoing change in demand and usage patterns;
- > Funding and management issues arising from having to collect the same item in various formats;
- > Changing skill-set requirements for library staff; and
- > Emerging technology, including libraries being leaders in the deployment of new technology, such as RFID (discussed above).

(Riverina Regional Library 2013: 6)

3.7 Summary

The material summarised in this section points to the three library models in NSW that are formalised under the *Library Act 1939*, as amended, as being:

- > Standalone libraries
- > Regional libraries
- > Cooperatives.

There are other models not formalised under the Act, including the long-established Shorelink service in Sydney and the model in Glen Innes, which represents collaboration between the local council and the TAFE (a State educational organisation).

The brief overview of current models in NSW suggests that shared service arrangements are prevalent in regional and rural areas of the State, and that these have enabled public library services to take advantages of the economies of scale and scope afforded by these arrangements. There is evidence that the existence of these regional models has enabled more branches to remain open, with the opportunity for services such as mobile libraries, the organising of library-based events throughout the region, and the consolidation of functions such as outreach and promotions, Information Technology and other technical services, and the delivery of innovative and popular programs.

The currently available information on shared service models – including the study carried out in 2007 (Liddle 2007) – tends to be descriptive rather than analytical, suggesting that there is value in conducting research that would provide a more comprehensive understanding of opportunities and challenges, prior to putting forward options for alternative models for shared provision of library services. In order to provide further insights that may be of benefit for the research, the sections below focus on library models in other Australian and international jurisdictions, as well as on collaboration amongst local governments in respect of services other than library services.

4 Library models in other Australian jurisdictions

Across Australia, a diverse range of models is employed by libraries that operate locally and regionally. Some relatively recent reform processes have been undertaken to address resource challenges; to respond to changes in community expectations; and to embrace opportunities offered by new technologies. The following outlines some examples of regional library models across Australia.

4.1 Western Australia

Public library services in Western Australia are provided through a partnership between the State Government Library Board, which undertakes acquisition and delivery of library stock, and local governments, which fund library buildings, staff and operating costs. This model is designed to facilitate service delivery from 239 public libraries throughout the State and to address the difficulties in servicing a population of 2 million people across 2.5 million square kilometres. This model was formalised in 2004 through a Framework Agreement between the State and local government sector for the 'Provision of Public Library Services in Western Australia' (Western Australia Government 2004: 1).

After more than 50 years of public library service delivery, and amidst a backdrop of considerable technological, social and economic change, nationally and internationally, the *Structural Reform of Public Library Services* study (2007) was undertaken in Western Australia (AEC Group 2007). Key findings from this study include the following:

- > The operating environment for the delivery of public library services in Western Australia had changed considerably since the middle of the 20th century.
- > Western Australia has experienced significant population growth due to the resources boom. Rural and remote libraries continue to experience barriers including geographic isolation, inadequate infrastructure and telecommunications, limited resources and limited operating hours.
- > There are challenges for rural and remote libraries around issues such as the need for ongoing training of staff; cultural barriers and literacy limited to languages other than English; the fly in/out workforce; and seasonal fluctuations in the number of users and ages of users.
- > Metropolitan libraries are also facing unprecedented growth, poor infrastructure and facilities in need of upgrading, inadequate staff and an increase in diversity around high levels of expectation and demand.

(AEC Group 2007)

As a result of consultation with key stakeholders it was evident that a more strategic and outcomes based model of library service delivery was needed. These would focus on:

- > The role of libraries in promoting well-informed, literate and learning communities;
- > Investment in a range of library programs, including for Indigenous people, that contribute to the development of connected and resilient communities;
- > A more collaborative approach to the collection, description, preservation and sharing of Western Australian history and heritage, as well as opportunities for local families, communities and organisations to capture and share stories;
- > More accessible and relevant content;
- > Infrastructure funding and support mechanisms to assist libraries to develop into community hubs;

- > Ongoing focus on ensuring a skilled and innovative workforce;
- > Continuous improvement with regard to issues such as ordering and procurement, new technologies and innovative practices;
- > Strategic partnerships, including the role of the Joint Advisory Committee (JAC), opportunities for shared services such as Library Management Systems and co-operative activity in built infrastructure and programming, and the clustering of communities of interest in metropolitan areas;
- > Good governance, including instituting a two-tiered model of either independent selection of stock or participation in a co-operative for collections exchange; and
- > A focus on promoting the visibility and value of public libraries.

There are examples in Western Australia of broader collaboration, such as the Rockingham Campus Community Library which is a Joint Venture between the City of Rockingham, Challenger Institute of Technology and Murdoch University (AEC Group 2007). Members of these three groups are able to join the library at no cost. Membership entitles all patrons to have access to Challenger, Murdoch and Public Library resources at Rockingham.

4.2 Victoria

Library collaborations

Victorian library services are delivered by a partnership between the State and local governments (Public Libraries Victoria Network 2014). There are several examples of regional libraries in Victoria, operating either as cooperatives or corporations. In the pursuit of greater collaboration, many libraries in Victoria have already introduced electronic tagging of materials (RFID) and instigated Library Management Systems, SWIFT being the most common.

As in Western Australia, there are broader collaborations between libraries, educational institutions and government departments. Examples include:

- > Hume Global Learning Centres are collaborations between Council, schools, TAFEs, universities, neighbourhood houses, libraries, job service agencies, businesses, community groups, government departments to provide state-of-the-art facilities and services (including library services) in multipurpose facilities across the council area.
- > Caroline Springs Library, civic and community centre and sports stadium is located in Melton. The use of facilities is shared between adjoining state schools, local community groups, clubs and the general public.

There are 11 regional library corporations which provide services for a number of councils (e.g. Goulburn Valley Regional Library, Yarra Plenty Regional Library Service, West Gippsland Regional Library Cooperative and Corangamite Regional Library Corporation), and one shared library service (Central Highlands Libraries) operated by the City of Ballarat for itself and six other municipalities.

Central Highlands Libraries

Central Highlands Libraries was formed in 2011 to provide a shared library services model for the region. It consists of 14 static libraries and outreach services. The services cover over 20,000 square kilometres and a population of approximately 182,000. It has branch libraries located in cities and towns that include Ararat, Bacchus Marsh, Ballarat, Daylesford, Sebastopol, Trentham and Wendouree.

Source: Central Highlands Libraries (2014)

The Victorian Library

The Ministerial Advisory Council (MAC) undertook a two stage review of Victorian libraries that included services and funding arrangements (Victorian Government 2013). The first stage started in 2012 and assessed the current use of public libraries in Victoria and their future needs. As a result, the MAC produced a proposed approach for the future of libraries in Victoria – the *Victorian Library* – drawing on emerging trends and potential challenges. The second stage was undertaken in 2013 to assess the *Victorian Library* concept and public library funding. Extensive consultation processes were undertaken during both stages.

One objective of the second stage of the study undertaken by the Victorian Government was to increase collaboration between the State Library and local governments through the introduction of one library card to access any library across Victoria. There was also the objective to introduce a range of measures to improve and integrate different library management systems and shared procurement systems (particularly for Languages Other Than English (LOTE) materials).

The *Victorian Library* is a working title of the concept that ensures the ongoing viability and relevance of public libraries (Victorian Government 2013: 10). The *Victorian Library* consists of a number of state-wide initiatives which are proposed to be implemented collaboratively, delivering efficiencies, consistency and opportunities to all Victorian public libraries. They include:

- > State-wide single library card;
- > State-wide movement of collection and interlibrary loans;
- > State-wide Radio-frequency-identification (RFID) tagging of the collection;
- > State-wide Library Management System (LMS);
- > State-wide platform for digital material; and
- > State-wide LOTE collection.

Three main challenges were identified in the studies that affect the ability of public libraries to continue to meet the needs of their local communities, namely:

- > Inequitable access to educational and recreational information potentially marginalises members of the community.
- > Libraries are struggling to keep pace with users' expectations, threatening their continued presence as a valued public space.
- > Library services have failed to standardise approaches, leading to high levels of duplication efforts and wastage.

(Victorian Government 2013: 8)

4.3 Australian Capital Territory

Libraries ACT operates as part of the ACT Government's Territory and Municipal Services Directorate and delivers public library services to the ACT community (ACT government 2014). Libraries ACT undertakes a broad range of shared services across operational areas, including information technology, communications, human resources, record management. These service arrangements extend to public libraries which cooperate with each other and with educational institutions to offer state-of-the art community facilities open for extended hours across the ACT in key locations (Gungahlin Library is a prime example of a library as a regional hub).

Specific services and resources of Libraries ACT include:

- > Nine library branches;

- > Collections in various formats and languages;
- > eResources;
- > Programs and events;
- > Free wireless and desktop internet access;
- > Book clubs and reading group collections;
- > Home library services; and
- > Mobile library.

4.4 Queensland

Local Governments and Indigenous Community Councils provide free library services throughout Queensland. The Queensland State Library supports public libraries through partnerships with Local Governments. The State Library provides grants funding, support services and collections, access to the Queensland electronic databases and the operation of the Country Lending Service (CLS) Scheme.

In addition, Local Governments that operate independent library services receive cash grants calculated on a weighted per capita formula. These grants are linked to the purchase of library stock (up to 5% being available for the processing of library materials). For Local Government Areas that have population's less than 15,000 people, the State Library provides processed book stock instead of the cash grant.

The State Library provides community language books and adult literacy materials, advisory services, training, distribution state-wide of interlibrary loans and facilitation of library networking and sharing. Indigenous Knowledge Centres located across Queensland also offer free library services through CLS.

The State Library also supports and delivers new projects and services for Queenslanders, which provide direct access to collections and information. These initiatives are either government funded or jointly funded through sponsorship and partnership arrangements.

4.5 Summary

There are a number of different library models operating within states and territories across Australia. There are also a range of differing regional library models operating within each state and territory. This brief review of library models across some of Australian jurisdictions has highlighted the following:

- > Across Australia, library models service diverse population groups across different geographic landscapes. A review of Australian based library models included: partnership services between state and local government; joint ventures between government and education institutions; collaborations and cooperatives; as well as single library authorities. The review illustrated diverse governance structures, operation and management methods, funding arrangements, and service provision.
- > Library models across Australia aim to consider and reflect current and future community characteristics, needs, and aspirations. The needs of communities vary depending on a variety of factors, including but not necessarily limited to: cultural and linguistic diversity; geographic location; infrastructure and access to services; population growth; and metropolitan compared to regional compared to rural.
- > Barriers for consideration within some rural and remote libraries include: the need for ongoing staff training; cultural barriers and literacy limited to languages other than English; the fly in/out workforce; seasonal fluctuations in the number of users; geographic isolation;

inadequate infrastructure and telecommunications; and limited resources and operating hours.

- > Broader collaboration between libraries was noted as increasing across a number of jurisdictions. Some reasons for collaboration included:

- Providing community members with greater access to diverse services;

- Introducing a range of measures to improve and integrate different library management systems and shared procurement systems; and

- Allowing a streamlined approach to the provision of key library services to the community.

- > Key outcomes from recent reviews of library services across Australia have highlighted the consideration of strategic and outcomes based models of service delivery. In Victoria and Western Australia, a number of state-wide initiatives have been considered and implemented to deliver efficiencies, consistency and opportunities to public libraries. Some of these initiatives and considerations include:

- A more collaborative approach to the collection, description, preservation, and sharing of materials and knowledge.

- Infrastructure funding and support mechanisms to assist libraries to develop into community hubs.

- Strategic partnerships, including the role of Joint Advisory Committee (JAC), opportunities for shared services such as Library management Systems, and cooperative activity in built infrastructure and programming.

- Good governance, including instituting a two-tiered model of either independent selection of stock or participation in a cooperative for collections and exchange.

- Increase collaboration between different levels of government, as well as other types of organisations and institutions e.g. universities and TAFEs.

- Ensuring equitable access to libraries and associated services for the whole community.

5 International Library Models

5.1 Yorkshire

SINTO

Yorkshire has one of the older shared library models in the United Kingdom, established through a Foundation Agreement between Sheffield City Council, the University of Sheffield and Sheffield Hallam University in the 1930s. Going under the name of SINTO, it is a partnership of library and information services in the Yorkshire and north Derbyshire counties that has the goal of 'improving services to users through co-operation, training and planning' (SINTO 2012).

Services include:

- > Resource discovery – SINTO helps libraries identify locals for material in the region and assists users to obtain access to that information.
- > Inter library loans and document supply – members who opt into the scheme can request the loan of items of photocopies from other scheme members. It operates under a service level agreement.
- > South Yorkshire Access to Libraries for Learning – this is an agreement between public and academic libraries in South Yorkshire to allow members of the public to use these libraries for reference and study.
- > Information planning – through SINTO, libraries and information services in the region can develop co-ordinated services to meet the information needs of communities. The main forums for this are the Executive Board and the Special Interest Groups, which bring together staff from different libraries with a common interest, such as 'business information' and 'social inclusion'.
- > Information, advice and research – the SINTO office provides information and advice to members of a wide range of professional issues. Research is able to be carried out for members.

(SINTO 2012)

Yorkshire Libraries and Information

Yorkshire Libraries and Information is the regional library system for Yorkshire and Humber, and is a constituted co-operative body to which library authorities in the region subscribe (Local Government Yorkshire and Humber 2011). There are six possible models of shared service delivery, illustrated in the box below.

Models of shared library services in Yorkshire	
Single regional library authority	A single organisation takes over the services and premises of all library services across the region. Local political control is exerted through a shared governance arrangement.
Several sub-regional library authorities	This is the equivalent of the above option, but implemented sub-regionally.
Single library support organisation	A single organization runs most of the library services for the region and employs most of the staff. The organization operates on a contractual basis, out of premises owned and branded by the individual councils. Local political control is established in the contract.
Several sub-regional library	This is the equivalent of the option above, but implemented sub-

support organisations	regionally.
Semi-formal cooperative arrangements	All library authorities remain, but share some areas of service through Service Level Agreement-based arrangements.
Service specific alliances	This is similar to the above, but operated on a more commercial basis. One library authority may offer to run under contract a specific service or activity (e.g. mobile library service or home bound service) for several others at a rate which is cheaper than they could run themselves

Source: Local Government Yorkshire and Humber (2011: 2)

In the guidance provided to councils (Local Government Yorkshire and Humber 2011), areas of operation that are amenable to a shared service approach are listed as follows:

Library services amenable to shared service operations	
Frontline	Back office
Business information service	Business Development Officer
Events, such as book festivals	Commissioning Officer
Home based service	Facilities Management
Library assistants, in particular to provide cover for absence	Human Resources
Library outreach	IT support and maintenance
Mobile Library Service	Library Management System
School Library Service	Marketing Officer
Specialist posts, such as Children's Librarian, Digital Development Officer, Social Inclusion Officer	Procurement, in particular for new technology
Training and workforce development	Surveys, research and consultation
Volunteer recruitment and management	

Source: Local Government Yorkshire and Humber (2011: 3)

The guidance also suggests that a number of operational and political considerations need to be taken into account by those councils wishing to explore shared library service models. These include:

- > Addressing concerns relating to the potential loss of political control upon adoption of any regional or sub-regional library service model;
- > The necessity of closing some existing library serviced points, which may encounter significant resistance from elected members in communities where libraries are currently located;
- > Potential resistance of library staff and users to a loss of branding and local identity; and
- > The process of harmonising staff pay scales, job descriptions and terms and conditions of employment.

Significant up-front investment and a shared political and operational vision are essential in order for a shared model to succeed. Operationalisation of any model also needs to take into account that there may be a reduction in the scale of corporate and management overhead required to support the service (Local Government Yorkshire and Humber 2011: 4).

5.2 Wales

There are several collaborative library schemes in Wales (Inspire Libraries 2014), described in the box below.

Collaborative library schemes in Wales	
Museums, Archives and Libraries Wales	This is a division of the Welsh Government which provides funding for a variety of collaborative schemes as part of the 'Libraries Inspire' strategy for libraries from 2012-2016. Funding was provided for 2014-15 for three regional library partnerships (north Wales, south east Wales and south west and mid Wales). The scheme works on a number of projects including staff development and shared access. The strategy features a collaborative procurement of e-resources, an all-Wales marketing program and a single library portal which provides access to the e-resources, to Ask Cymru ('ask a Welsh librarian'), Cat Cymru (a single all-Wales cross catalogue search facility, 'Find-and-join your local library' initiative, a book review club and library news stories. There is also an e-magazines scheme incorporating all 22 local authorities.
Wales Higher Education Libraries Forum (WHELP)	WHELP is a collaborative group comprising all the higher education libraries in Wales, the National Library of Wales and the Open University. It is chaired by the Chief Executive and Librarian of the National Library of Wales, and its members include Directors of Information Services and Heads of Library Services. It promotes collaboration in library and information services, seeks cost benefits for shared and consortia services, encourages the exchange of ideas, provides a forum for mutual support, and helps to facilitate new initiatives in library, archives and information service provision.
Regional inter-library lending schemes	A feature of the regional schemes in Wales is that they include local authorities as well as colleges, universities and other libraries, such as health libraries. In the South West and Mid-Wales partnership, for example, a 'passport scheme' is in operation which entitles library users to physically visit, join and borrow from other libraries in the region.
Cardiff Libraries in Co-operation	Established in 2004, this initiative involves libraries from all sectors in Cardiff, including higher and further education, public libraries, museums and corporate and media libraries. It provides access to all library services for people living, working and studying in Cardiff and provides joint staff development opportunities.
Bridgend and Vale Libraries in the Community (BAVALINC)	BAVALINC is a partnership of library services that operate within the Vale of Glamorgan and Bridgend County Borough Council areas. Established in February 2003, BAVALLINC currently encompasses 30 individual service points including public, further education, independent college and postgraduate college libraries. BAVALINC aims to foster co-operation between local libraries to improve services to users; provide easily accessible information on the range of services available in libraries; support and promote learning opportunities through libraries; seek opportunities for collaborative collection development and resource sharing; provide opportunities for library users to develop information and research skills; and develop a collaborative approach to staff training and development.

Source: Inspire Libraries (2014)

5.3 Canada

Similar to the situation in Australia, public libraries in Canada's ten provinces and three territories are under the auspices of their respective provincial and territorial governments and

are governed by a Library Act (Wilson 2008). Several of the Library Acts have clauses mandating or approving partnerships with various groups, including Aboriginal (First Nations) people. There are regional library systems comprised of local public libraries within a prescribed area of land and overseen by a head office that coordinates and provides library services. There are also 'joint venture libraries', where two entities in a small community will band together to provide library services, often under the jurisdiction of regional library system. The most common example a joint venture library is a school/public library (Wilson 2008: 3-4).

Two examples are briefly discussed next.

Vancouver Island

The Vancouver Island Regional Library was established in 1936 as the second regional library system in the whole of North America. It brought together five municipalities and 32 rural school districts in British Columbia (Vancouver Island Regional Library 2011). It currently comprises 38 branch libraries, an eLibrary and a 'books by mail' service and serves more than 413,000 people on Vancouver Island. It is governed by the British Columbia *Library Act*. The administrative offices are located in one municipality, namely Nanaimo (Vancouver Island Regional Library 2014).

The Regional Library provides the framework through which members operate and through policies, including a Strategic Plan, the Vancouver Inland Regional Library Board provides the Executive Director with the framework for decision-making, both in terms of the services the library offers the public and in terms of the internal administration of the organisation. The Regional Library issues a quarterly publication. After 75 years of operation, challenges identified include:

- > Balancing the increasing need for its services;
- > Decreased provincial funding; and
- > Equalising access to information and services especially in rural and economically challenged communities.

(Vancouver Island Regional Library 2011)

Ontario

Ontario's public library community includes libraries themselves, their associations, their partner organisations at local, provincial and national levels, and the municipal and provincial governments (Newman 2008: 25). Public libraries fall under the auspices of the Ministry of Culture and the Toronto Public Library is seen as a special entity that provides library resources and services to the entire 'library community' (Wilson 2008).

A major form of library collaboration between 2006 and 2012 was the 'Knowledge Ontario' initiative. Operating on strategic funding from the province, this was 'a platform for innovation as well as an information service' and its partnership arrangement included libraries from the university sector (Newman 2008: 34). Factors seen as essential to the success of consortia include:

- > Jurisdiction-wide scope and benefit;
- > Strong governance structures;
- > Phased-implementation of services; and
- > Solid grassroots support and participation.

(Newman 2008: 34)

The funding for Knowledge Ontario was nevertheless cut, and it ceased operations, effective December 31, 2012 (Knowledge Ontario 2012).

5.4 Miami-Dade Public Library System

The Miami-Dade Public Library system in Florida, United States of America is one of the larger regional models in that country and has been recognised by winning the 2008 National Medal for Museum and Library Services (Miami-Dade Public Library System 2014). Key facts about this system are provided in the table below.

TABLE 7: FACTS ABOUT THE MIAMI-DADE PUBLIC LIBRARY SYSTEM

Key facts and statistics	
Population served	2,496,435
Number of branches	14, plus two 'bookmobiles'
Registered borrowers	1,084,841
Items borrowed	6,718,933 per year
Volumes in collection	3,916,631
Public computers	1,735 and 120 self-checkout machines; there is a Wi-Fi at every location
Databases	150, covering areas such as health, science, travel and careers
Specialist services	Museum Pass, Connections (a library service for the homebound), Talking Books and Braille, Project LEAD (Adult Literacy) and Library for Teens

Source: Miami-Dade Public Library System (2014)

In addition, the Miami-Dade Public Library System's Art Services and Exhibitions Department maintains a permanent collection of over 2,200 works of art. This special collection includes works on paper, photographs, paintings, artists' books, multiples and small sculptures, with a focus on African American, Latino, and Miami artists (Miami-Dade Public Library System 2014).

5.5 Summary

Joint or shared library services that cross local government boundaries have a long history in several international jurisdictions, and valuable lessons can be learned from focusing on the initiatives in countries such as the UK, Canada and the USA. Key insights from this brief exploration of international examples include:

- > There is often a range of models of shared service delivery available in each jurisdiction, including establishment of a single regional library authority or a single library support organisation, or having in place semi-formal cooperative arrangements. These can operate at a regional or sub-regional level.
- > Several frontline services (e.g. events [such as book festivals], a Mobile Library Service and volunteer recruitment and management) and back office functions (e.g. IT support and maintenance, Facilities Management and Commissioning) are amenable to shared service arrangements.
- > Economies of scale and scope have enabled some regional library services to expand their activities into areas such as art collections, the installing of Wi-Fi in branches, and provision of specialised databases and specialised services. There is some evidence of a move towards collaboration with libraries in the education and health sectors, with potentially expansive broadening of the range of items available to members.

- > Challenges that may need to be addressed from the outset include concerns regarding the loss of political control; resistance from elected members in communities where branches may need to be closed; potential resistance of library staff and users to a loss of branding and local identity; and establishing the processes for harmonising staff pay scales, job descriptions and terms and conditions of employment.
- > Challenges that may persist after decades of operation may include balancing the increasing need for library services; decreased state/provincial funding; and equalising access to information and services, especially in rural and economically challenged communities.

6 Examples of other local government shared services

6.1 Water and sewerage utilities in NSW

There are several examples of water and sewerage utilities in NSW which, instead of being determined by local government boundaries, are established as 'county councils' or water corporations that are linked more closely to water catchment areas. They include Rous county council in the Northern Rivers region; North Coast Water (including Coffs Harbour and the Clarence valley); Central Tablelands Water; and MidCoast Water (MidCoast Water 2010). The latter is described in greater detail.

MidCoast Water is a county council which was formed in 1997 as a result of reforms to the State's electricity network. A county council is an established form of inter-council collaboration in NSW that is owned by the community through the constituent councils. Features of this governance arrangement include:

- > County councils are commercially focused and efficient in that they tend to focus on specialized services.
- > All communities have input to management and planning decisions through their elected representatives.
- > All member councils have equal representation.

(MidCoast Water 2010: 15)

MidCoast Water took on responsibility for reticulated water supply and sewerage systems in the Greater Taree and Great Lakes local government areas and, as of 2011, also for water and sewerage services for communities from Gloucester Shire Council. Key facts about this shared service arrangement are provided in the box below.

Governance	The policy process is in the hands of elected representatives, under the guidance of a chairperson. Six councillors sit on the board, two delegates from each of the constituent local governments. The term of office is four years. The management team consists of a General Manager; Executive Manager Corporate Services; and Executive Manager Infrastructure Development.
Number of water customers	38,574 out of a total population of 81,681
Number of sewer customers	34,277 out of a total population of 81,681
Employees	173 full time
Major assets	Two dams; four water treatment plants; 40 reservoirs; 31 water pump stations; 1190 km of water mains; 13 sewerage treatment plants

Source: MidCoast Water (2010: 25)

Advantages in having a regional water utility include:

- > Greater ability to work closely with Catchment Management Authorities, resulting in improved alignment of roles along water catchments;
- > Greater ability to respond professionally to existing and future industry challenges;

- > Financial self-sufficiency;
- > Greater ability to comply with appropriate stringent environmental and public health standards; and
- > Opportunities to implement cost effective service standards.

(MidCoast Water 2010: 8)

6.2 Recycling and Waste Disposal on Sydney's Northern Beaches

The Kimbriki Resource Recovery Centre in northern Sydney services the local councils of Manly, Mosman, Warringah and Pittwater, which together operate as a Regional Organization of Councils, namely SHOROC. Kimbriki was originally established as a landfill in 1974, and was operated as an unincorporated business of SHOROC. In 1989-90, it became a Recycling and Waste Disposal Centre, while in 2009 a new company, Kimbriki Environmental Enterprises Pty Ltd, was created to own and operate the site, with the four councils as shareholders. The business is now directed by an independent non-executive Board of Directors and a management team appointed by SHOROC (Kimbriki 2014).

The key focus of the enterprise is to divert waste from landfill in line with State Government waste targets and SHOROC waste management objectives. It works with its community, shareholders, employees and the industry to provide sustainable regional waste minimisation and management systems in a financially, environmentally and socially responsible manner (Kimbriki 2014). There is a strong focus on building and maintaining community and stakeholder understanding, engagement and participation, and it does so through the adoption of communication and education practices. Its success can be gauged by considering the following statistics:

1990-91	248,500	1,800	234,000
2000-01	235,500	71,500	130,100
2008-09	209,400	156,850	55,550

Source: Kimbriki (2014)

This table clearly shows the growth in resource recovery over the past few decades, and the decrease in the amount of material going to landfill.

The education function of the enterprise has also had an impact on the way each participating council communicates with its residents. For example, Warringah Council informs its community through its website about the 'Regional Waste Solution' adopted by the four councils, with a new waste collection system phased in across the entire region in order to increase recycling and keep costs to ratepayers down. The Kimbriki facility is described as the key means to deal with increased landfill fees; and as a means to allow especially food waste (which makes up almost 40% of garbage) to be recycled. The facility turns food and vegetation waste into compost, which can then be sold (Warringah Council 2014).

6.3 Shared services in Victorian Local Government

A recent report by the Victorian Auditor-General focuses on shared services in the local government sector in that State (Victorian Auditor-General 2014). The report, based on a survey of 58 of Victoria's 79 councils, finds that 'most Victorian councils undertake some form of shared services. Existing initiatives are primarily related to procurement or external services, such as libraries, waste management and aged care' (Victorian Auditor-General 2014: 11). Councils reported that the most common governance structures comprised of a board (35%), lead

council or agency (31%) or a governing committee (17%). The most prevalent management arrangements, alone or in combination, included:

- > A formal joint agreement (45%);
- > Memorandum of Understanding (20%);
- > Private company in which the council concerned and other partners are shareholders (15%);
- > Agreement with the Municipal Association of Victoria (15%); and
- > Incorporated associations (8%).

(Victorian Auditor-General 2014: 19)

Only two per cent of the shared services surveyed were based on informal arrangements. The most significant challenges of establishing and implementing shared services were found to be perceived risks to autonomy and local control; uncertainty about the benefits; the resource commitments required; merging or standardizing different systems and processes; and establishing effective governance. At the same time, success factors in the delivery of initiatives included:

- > Support from the CEO;
- > A shared commitment across all partners;
- > Support from the staff implementing the service;
- > Alignment of decision-making among partners;
- > Support from senior management; and
- > Clarity about expected benefits.

(Victorian Auditor-General 2014: 23)

These data support findings from the literature on shared services that success factors are linked to leadership and commitment at the senior level; passionate advocates within each council; a phased approach to implementation; strong strategic direction supported by a business plan; and effective project management (Victorian Auditor-General (2014: 3).

An example is provided as a case vignette next.

Community Chef Victoria

In 2004, 15 councils investigated the feasibility of constructing and operating a food manufacturing facility for their Meals on Wheels service. Previously, councils had individually contracted the supply of meals through tenders or operated their own kitchen. The production of meals commenced in 2010, involving 21 councils as joint venture partners and shareholders in one or both of two companies. The facility is not yet running at full capacity and has recently expanded its supply of meals to include five hospitals and three aged care facilities.

Source: Victorian Auditor-General (2014: 6)

6.4 Summary

This section has briefly considered shared services at the local government level focusing on services other than libraries. There is evidence that shared service arrangements are common in jurisdictions including NSW and Victoria, and that their success is linked to factors such as leadership and commitment at the senior level; passionate advocates within each council; a phased approach to implementation; strong strategic direction supported by a business plan; and effective project management.

A wide range of governance and management systems for the shared services are evident, but the focus is on formal arrangements, including formal joint agreements and the establishment of specific joint entities. In some cases, as with the Kimbriki facility described above, this is a private company, with the participating councils as shareholders.

Reported benefits include better alignment of the service function to geographic and demographic considerations; efficiencies and economies of scale; and the opportunities they provide for community education and participation. Challenges should also be considered, including perceived risks to autonomy and local control; uncertainty about the benefits; the resource commitments required; merging or standardising different systems and processes; and establishing effective governance.

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Appendix A. Recommendations of the NSW ILGRP

TABLE 8: RECOMMENDATIONS OF THE NSW ILGRP (OCTOBER 2013)

Area of recommendation	Specific recommendation
1. Fiscal Responsibility Recommendations	1. Establish an integrated Fiscal Responsibility Program, coordinated by DLG and also involving TCorp, IPART and LGNSW to address the key findings and recommendations of TCorp's financial sustainability review and DLG's infrastructure audit
	2. As part of the program: <ul style="list-style-type: none"> • Adopt an agreed set of sustainability benchmarks • Introduce more rigorous guidelines for Delivery Programs • Commission TCorp to undertake regular follow-up sustainability assessments • Provide additional training programs for councillors and staff • Require all councils to employ an appropriately qualified Chief Financial Officer
	3. Place local government audits under the aegis of the Auditor General
	4. Ensure that the provisions of the State-Local Government Agreement are used effectively to address cost-shifting
2. Strengthening Revenues Recommendations	5. Require councils to prepare and publish more rigorous Revenue Policies
	6. Commission IPART to undertake a further review of the rating system focused on: <ul style="list-style-type: none"> • Options to reduce or remove excessive exemptions and concessions that are contrary to sound fiscal policy and jeopardise councils' long term sustainability • More equitable rating of apartments and other multi-unit dwellings, including giving councils the option of rating residential properties on Capital Improved Values, with a view to raising additional revenues where affordable
	7. Either replace rate-pegging with a new system of 'rate benchmarking' or streamline current arrangements to remove unwarranted complexity, costs, and constraints to sound financial management
	8. Subject to any legal constraints, seek to redistribute federal Financial Assistance Grants and some State grants in order to channel additional support to councils and communities with the greatest needs
	9. Establish a State- borrowing facility to encourage local government to make increased use of debt where appropriate by: <ul style="list-style-type: none"> • Reducing the level of interest rates paid by councils • Providing low-cost financial and treasury management advisory services
	10. Encourage councils to make increased use of fees and charges and remove restrictions on fees for statutory approvals and inspections, subject to monitoring and benchmarking by IPART

3. Meeting Infrastructure Needs Recommendations	11. Factor the need to address infrastructure backlogs into any future rate-pegging or local government cost index
	12. Maintain the Local Infrastructure Renewal Scheme (LIRS) for at least 5 years, with a focus on councils facing the most severe infrastructure problems
	13. Pool a proportion of funds from the roads component of federal Financial Assistance Grants and, if possible, the Roads to Recovery program in order to establish a Strategic Projects Fund for roads and bridges that would: <ul style="list-style-type: none"> • Provide supplementary support for councils facing severe infrastructure backlogs that cannot reasonably be funded from other available sources • Fund regional projects of particular economic, social or environmental value
	14. Require councils applying for supplementary support from the Strategic Projects Fund to undergo independent assessments of their asset and financial management performance
	15. Carefully examine any changes to development (infrastructure) contributions to ensure there are no unwarranted impacts on council finances and ratepayers
	16. Adopt a similar model to Queensland's Regional Roads and Transport Groups in order to improve strategic network planning and foster ongoing improvement of asset management expertise in councils
	17. Adopt a similar model to Queensland's Regional Roads and Transport Groups in order to improve strategic network planning and foster ongoing improvement of asset management expertise in councils
4. Improvement, Productivity and Accountability Recommendations	18. Adopt a uniform core set of performance indicators for councils, linked to IPR requirements, and ensure ongoing performance monitoring is adequately resourced
	19. Commission IPART to undertake a whole-of-government review of the regulatory, compliance and reporting burden on councils
	20. Establish a new sector-wide program to promote, capture and disseminate innovation and best practice
	21. Amend IPR Guidelines to require councils to incorporate regular service reviews in their Delivery Programs
	22. Strengthen requirements for internal and performance auditing as proposed
	23. Introduce legislative provisions for councils to hold Annual General Meetings
	24. Develop a NSW Government Workforce Strategy
	25. Explore opportunities for the Local Government Award to continue to evolve to address future challenges facing the sector and changing operational needs.

5. Political Leadership and Good Governance Recommendations	26. Amend the Local Government Act to strengthen political leadership: <ul style="list-style-type: none"> • Require councils to undertake regular 'representation reviews' covering matters such as the number of councillors, method of election and use of wards • Before their nomination is accepted, require all potential candidates for election to local government to attend an information session covering the roles and responsibilities of councillors and mayors • Amend the legislated role of councillors and mayors as proposed in Boxes 19 and 21, and introduce mandatory professional development programs • Provide for full-time mayors, and in some cases deputy mayors, in larger councils and major regional centres • Amend the provisions for election of mayors as proposed
	27. Increase remuneration for councillors and mayors who successfully complete recognised professional development programs
	28. Amend the legislated role and standard contract provisions of General Managers as proposed
	29. Amend the provisions for organisation reviews as proposed
	30. Develop a Good Governance Guide as a basis for 'performance improvement orders' and to provide additional guidance on building effective working relationships between the governing body, councillors, mayors and General Managers
6. Structural Reform Recommendations	31. Introduce additional options for local government structures, including regional Joint Organisations, 'Rural Councils' and Community Boards, to facilitate a better response to the needs and circumstances of different regions
	32. Legislate a revised process for considering potential amalgamations and boundary changes through a re-constituted and more independent Boundaries Commission
	33. Encourage voluntary mergers of councils through measures to lower barriers and provide professional and financial support
	34. Provide and promote a range of options to maintain local identity and representation in local government areas with large populations and/or diverse localities
7. Regional Joint Organisations Recommendations	35. Establish new Joint Organisations for each of the regions shown on Maps 2 by means of individual proclamations negotiated under new provisions of the Local Government Act that replace those for County Councils <ul style="list-style-type: none"> • Defer establishment of JOs in the Sydney metropolitan region, except for sub-regional strategic planning, pending further consideration of options for council mergers • Enter into discussions with 2-3 regions to establish 'pilot' JOs • Re-constitute existing County Councils as subsidiaries of new regional Joint Organisations, as indicated • Establish Regional Water Alliances in each JO along the lines proposed in the 2009 Armstrong-Gellatly report • Set the core functions of Joint Organisations by means of Ministerial Guidelines • Seek federal government agreement to make JOs eligible for general-purpose FAGs
	36. Identify one or more regional centres within each Joint Organisation and: <ul style="list-style-type: none"> • Create a network of those centres to drive development across regional NSW • Consider potential mergers of councils to consolidate regional centres, as indicated in Table 6
	37. Develop close working partnerships between Joint Organisations and State agencies for strategic planning, infrastructure development and regional service delivery, and <ul style="list-style-type: none"> • Add representatives of Joint Organisations to State agency Regional Leadership Groups • Give particular attention to cross-border issues and relationships in the operations of Joint Organisations and in future regional strategies

8. 'Rural Councils' and Community Boards Recommendations	38. Establish a working party as part of the Ministerial Advisory Group proposed in section 18 to further develop the concept of 'Rural Councils' for inclusion in the re-written Local Government Act
	39. Include provisions for optional Community Boards in the re-written Act, based on the New Zealand model, but also enabling the setting of a supplementary 'community rate' with the approval of the 'parent' council
9. Metropolitan Sydney Recommendations	40. Strengthen arrangements within State government for coordinated metropolitan planning and governance, and to ensure more effective collaboration with local government
	41. Seek evidence-based responses from metropolitan councils to the Panel's proposals for mergers and major boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group for review, with the possibility of subsequent referrals to the Boundaries Commission
	42. Prioritise assessments of potential changes to the boundaries of the Cities of Sydney and Parramatta, and <ul style="list-style-type: none"> • Retain a separate City of Sydney Act to recognise its Capital City role • Establish State-local City Partnership Committees for Sydney and Parramatta along the lines of Adelaide's Capital City Committee
	43. Pending any future action on mergers, establish Joint organisations of councils for the purposes of strategic sub-regional planning
	44. Maximise utilisation of the available local government revenue base in order to free-up State resources for support to councils in less advantaged areas
	45. Continue to monitor the sustainability and appropriateness in their current form of the Hawkesbury, Blue Mountains and Wollondilly local government areas
	46. Promote the establishment of a Metropolitan Council of Mayors
10. Hunter, Central Coast and Illawarra Recommendations	47. Seek evidence-based responses from Hunter and Central Coast councils to the Panel's proposals for mergers and boundary changes, and refer both the proposals and responses to the proposed Ministerial Advisory Group for review, with the possibility of subsequent referrals to the Boundaries Commission
	48. Defer negotiations for the establishment of a Central Coast Joint Organisation pending investigation of a possible merger of Gosford and Wyong councils
	49. Pursue the establishment of Joint Organisations for the Hunter and Illawarra in accordance with Recommendation 35
11. Non-Metropolitan Regions Recommendations	50. Explore options for non-metropolitan councils in Group A as part of establishing the Western Region Authority proposed
	51. Refer councils in Groups B-F to the Boundaries Commission in accordance with Table 11 and the proposed timeline
	52. Complete updated sustainability assessments and revised long term asset and financial plans for the 38 councils identified in Table 11 by no later than mid-2015

12. Far West Recommendations	53. Agree in principle to the establishment of a Far West Regional Authority with the functions proposed in Box 39 and membership as proposed
	54. Adopt the preferred new arrangements for local government set out in Box 40 as a basis for further consultation
	55. Establish a project team and reference group of key stakeholders within the DPC Regional Coordination Program to finalise proposals
13. State-Local Government Relations Recommendations	56. Use the State-Local Agreement as the basis and framework for a range of actions to build a lasting partnership, and negotiate supplementary agreements as appropriate
	57. Introduce new arrangements for collaborative, whole-of-government strategic planning at a regional level
	58. Amend the State Constitution to strengthen recognition of elected local government
	59. Seek advice from LGNSW on the measures it proposes to take to meet its obligations under the State-Local Agreement
	60. Strengthen the focus of DLG on sector development and seek to reduce its workload in regulation and compliance
14. Driving and monitoring reform recommendations	61. Establish a Ministerial Advisory Group and Project Management Office
	62. Refer outstanding elements of the Destination 2036 Action Plan to the Ministerial Advisory Group
	63. Adopt in principle the proposed priority initial implementation package set out in Box 42, as a basis for discussions with LGNSW under the State-Local Government Agreement
	64. Further develop the proposals for legislative changes detailed in Boxes 43 and 44, and seek to introduce the amendments listed in Box 43 in early 2014
	65. Adopt in principle the proposed implementation timeline

Appendix B. Regional and Joint Library Services in NSW (2012)

TABLE 9: REGIONAL AND JOINT LIBRARY SERVICES IN NSW

Region	Local governments	Population (2011)	Expenditure per capita
Central Murray	Deniliquin Conargo Murray	16,616	\$46.03
Central Northern	Tamworth Gwydir Liverpool Plains Narrabri Uralla Walcha	96,918	\$42.38
Central West	Orange Blayney Cabonne Cowra Forbes	83,588	\$32.36
Clarence	Clarence Valley Bellingen	66,306	\$21.28
Macquarie	Dubbo Narromine Warrumbungle Wellington	67,958	\$43.21
Monaro	Cooma-Monaro Bombala Snowy River	21,391	\$22.43
Newcastle	Newcastle Dungog Gloucester Port Stephens	240,200	\$46.63
North West Slopes and Plains It is unclear from the available information whether this operates as a	Moree Plains Brewarrina Walgett	23,547	\$46.33

Region	Local governments	Population (2011)	Expenditure per capita
Regional Library or as the North West Slopes and Plains Cooperative Library Service			
North Western	Warren Bogan Coonamble Gilgandra	14,810	\$63.88
Queanbeyan-Palerang	Queanbeyan Palering	56,520	\$30.05
Richmond-Tweed	Lismore Ballina Byron Tweed	212,216	\$30.52
Richmond-Upper Clarence	Richmond Valley Kyogle	33,104	\$29.71
Riverina (from July 2013, this included local governments in the previous Upper Murray Region)	Wagga Wagga Coolamon Cootamundra Gundagai Junee Lockhart Temora Tumut Urana Corowa Greater Hume Tumbarumba	107,102 Plus 27,258	\$35.18 \$35.91 for the previous Upper Murray Region)
South West	Young Boorowa Harden	19,296	\$27.23
Upper Hunter Network	Muswellbrook Upper Hunter	31,296	\$38.06
Western Riverina	Griffith Carrathool	47,761	\$47.22

Region	Local governments	Population (2011)	Expenditure per capita
	Hay Jerilderie Murrumbidgee Narrandera		
Ryde-Hunters Hill Joint Library Service This is the only arrangement which is described as a 'Joint Library Service' and is further distinguished by being the only shared arrangement based in metropolitan Sydney	Ryde Hunters Hill	121,970	\$48.72

Source: State Library New South Wales (2013: 52-54)



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