

PLANNING IN THE CITY OF SYDNEY

PROCEEDINGS OF A ONE-DAY CONFERENCE

see p 87 et seq

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Federal Grants Commission, and proportional shares of the New South Wales Premier's Loan and Debt Retirement Funds. Revenue from the latter two sources is used to defray specific development costs and is relatively automatic. However, in the case of Australian Government's Area Improvement Program grants, the Council was denied funds in 1975 on the basis that the City of Sydney cannot satisfactorily prove a 'revenue and expenditure disability'.

Council is further frustrated in its revenue-raising endeavours by virtue of the large number of non-rateable properties within the central-City area. Notwithstanding some ex gratia payments, these properties inflict a considerable burden upon Council facilities without a commensurate contribution to the revenue base. However, even if rates were paid on these exempt properties, this would provide only short-term relief to Council. Since the current rating equation is not based on a user-benefit tax formula, it would not alleviate the problem of appropriating the externality costs where they correctly belong. Other efforts have been made to improve Council's cash flow by affecting certain internal efficiencies, such as the astute management by Treasury of previously idle assets in the money market. This yielded some \$900,000 interest in 1975; and advantage is also to be taken of a previously unutilized bank overdraft to provide additional capital for works programs, and to offset the general deficit situation expected under declining rate assessments in 1976.

Council has intimated (in the 1974 Review of the Strategic Plan and accompanying Report No. 3) that it is streamlining its forward planning of the budget, setting up development accounts and special purpose resource accounts. The former of these is to receive three-yearly estimates of expenditure on capital works in order to co-ordinate the forward planning and manpower programming of such works by Council staff and contractors. Current experience is that the implementation aspect of the projects is frustrated by contractual and 'statutory concurrence' procedures (such as the Local Government Appeals Tribunal Hearings), so that there is little monitoring control being exercised in practice. Furthermore, the cost-accounting procedures employed by the Planning Department reflect a partial approach to budget estimation, since alternative Action Plan investments are not evaluated using the time value of money (for example, the internal rate of return or marginal efficiency of capital). The relative 'resource-effectiveness' of Action Plans could be assessed through discounted cash flow analysis¹ allowing for income returns, so providing a performance measure for checking the budget estimates. Treasury recognises the need for such assessment techniques, and also for the introduction of P.P.B. systems to evaluate the efficiency of Council's internal resource (manpower and equipment) deployment in achieving its Strategic Plan objectives. The Town Clerk's department also concurs,

1 See references in Burke and Smyth, 1966.

though less enthusiastically, to the principle of using accounting and evaluating devices to measure the broader system-wide impacts of policy.

Turning to the problem of co-ordination of Council's activities and planning programs with responsible State authorities, a prescription for continued deliberation and liaison has been foreshadowed in the Strategic Plan, 1974 Review.¹ Particular emphasis is laid in that review upon the fact that Council has no legislative authority to instigate such liaison, or be responsible for the delivery in part of any of the services that fall within the jurisdiction of the separate State authorities. These authorities are charged under the State Constitution and their enabling Acts to deliver their respective services; and irrespective of its role and size, the Council of the City of Sydney is only regarded as a Local Government authority without power in terms of devolution of authority or funds, to conduct any of the major urban service requirements. In these terms, the Council becomes a lobbyist, along with other factions, in an endeavour to argue the case for their priority of investment of State Department funds into the central City area. Inter-Departmental Co-ordination (I.D.C.) committees have been established and do actually function, with claims that they have been an effective instrument in the implementation of certain works programs. However, there is no formal machinery to ensure that these committees are continually 'productive'; rather, they rely on goodwill, the initiative of Council's officers (who are the major recipients of the benefits of such integrated programs) and upon an awareness by the various State Departments of the need to redefine their roles as servicing agents in the public domain. In many cases, these agencies, by virtue of their metropolitan and, at times, State-wide domains of responsibility, see the central City area and its needs as secondary in their hierarchy of priorities for action. This being the case, their motivation to be involved in inter-corporate planning and investment within the central City area can be regarded, at best, as minimal.³

Council should persist with the I.D.C. modus operandi for its physical planning objectives, but must recognize that those administrative type action priorities associated with the Management and Accessibility objectives² can only really be achieved through persistent and opportunistic liaison and negotiation at the Ministerial level, to influence the drafting of appropriate Bills or amendment of constricting legislation. The positions of Town Clerk and Deputy Town Clerk, as innovators and reticulists, are Council's best planning channels through which to achieve these objectives. They have the authority, centrality, job specification,

- 1 In particular, see Policy 1: Administration, Policy 3: Law, and Policy 4: Finance, under the Council's 'Management Objective'.
- 2 City of Sydney Strategic Plan, Statement of Objectives, Policies and Action Priorities, 1974 - 1977, p.7-38, and 39-74, respectively.
- 3 Some attempts at reform have been made, for in 1975 the Lewis Government set up a Machinery of Government Unit to examine changes in the N.S.W. Government procedures. It was from this Unit's recommendations that the instruction to prepare corporate plans for State Government departments recently emerged.