LATE REPORT - NOMINATION FOR MEMBERSHIP OF A HUNTER JOINT ORGANISATION OF COUNCILS

Report Author Steve Embry, Acting General Manager

File No. / ECM Index Joint Organisation - Office of Local Government

Date of Meeting 28 February 2018

### **SUMMARY OF REPORT**

In 2014 the NSW State Government through the Office of Local Government began a consultation process on the introduction of a new model of regional organisation within the local government sector in our State. This has resulted in provision being made in the Local Government Act 1993 for the establishment of Joint Organisations across NSW

## SUMMARY OF RECOMMENDATION

In accordance with Part 7 of Chapter 12 of the Local Government Act 1993 (Act), the MidCoast (Council) resolves:

- 1. That the council inform the Minister for Local Government (Minister) of the Council's endorsement of the Minister recommending to the Governor the establishment of a Joint Organisation (Joint Organisation) in accordance with this resolution.
- 2. To approve the inclusion of the Council's area in the Joint Organisation's area.
- 3. That the Joint Organisation be established to cover the Council's area and any one or more of the following council areas:
  - a) Cessnock, Dungog, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter
- 4. That, on the expiry of a period of 28 days from the making of this resolution, the General Manager provide the Minister:
  - a) with a copy of this resolution including the date on which Council made this resolution, and
  - b) inform the Minister that this resolution has not been rescinded, for the purpose of the Minister issuing a certificate under section 400P of the Act.

## FINANCIAL/RESOURCE IMPLICATIONS

Nil. There are no membership fees proposed as the Hunter Joint Organisation is to be funded through its commercial operations. There is a separate fee of \$30,000 to access Hunter Councils Regional Environmental Programs.

### LEGAL IMPLICATIONS

Council will become part of the Hunter Joint Organisation should it resolve to join the Joint Organisation.

### **BACKGROUND**

# **REPORT**

In 2014 the NSW State Government through the Office of Local Government began a consultation process on the introduction of a new model of regional organisation within the local government sector in our State.

The decision to undertake this course of action arose out of the local government reform process led by the Independent Review Panel and the Local Government Acts Taskforce and had as its aim the creation of a robust yet flexible legislative framework to capitalise on past achievements in regard to regional cooperation, to resource and enable greater intergovernmental cooperation and to remove barriers to achievement such as inconsistent corporate structures, insufficient resourcing and haphazard membership.

A trial process was undertaken with five regions including the Hunter Region exploring a range of options in regard to structure, focus and resourcing.

As a result of the trial process and a series of consultation exercises with councils across the State a preferred model was developed – and ultimately legislated in November 2017 – to drive the "Joint Organisation of Councils" agenda.

# **The Joint Organisation Model**

As enacted, the Joint Organisations of Councils will be new entities under the Local Government Act comprising member councils in regional NSW. The Joint Organisation will provide a strong voice for the communities they represent and a structured, permanent way for local councils, State agencies and other interested groups to collaborate on agreed strategic initiatives.

This structure and permanence is a radical departure from the previous model of regional cooperation whereby Regional Organisations – where they existed – varied in capacity and corporate status with no set benchmarks for performance and no mandated role for the State Government to help ensure their success.

Under the Joint Organisation model each region will decide its own priorities, its own resourcing and staffing structures.

### Core functions

The principal functions of each Joint Organisation will be:

- Strategic planning and priority setting
- Intergovernmental collaboration
- Shared leadership and advocacy.

One of the first activities for each new Joint Organisation will be to establish a Statement of Regional Priorities. This work will elevate shared priorities in councils' Community Strategic Plans, as well as draw on other regional plans.

The statements will form the basis for discussions with the State Government about key projects and programs in each region and how shared priorities may best be delivered.

# **Optional functions**

Joint Organisations will be able to perform additional optional functions including delivering shared services or overseeing shared arrangements, such as procurement.

Although the focus for the first year will be on the core functions, JOs will have the tools they need to start working on their optional functions from commencement.

# Councils to resolve to become members of a Joint Organisation with the Local Government Act

As a consequence of passage of the Act all eligible councils are required to go through a series of steps prior to the end of February 2018 in regard to the formation of a Joint Organisation.

These steps are:

Plan Identify your council's planning region

Consider the guidance material to be provided by the Office of Local

Government (OLG)

Review existing arrangements for regional collaboration in your area

Consider the Key Design Criteria for JOs

Consider the criteria for seed funding

Consult with councils within your preferred regional grouping to

reach agreement on JO membership

Each JO must have a minimum of 3 member councils

Endorse Once the proposed JO membership is agreed, ensure each member

endorses the proposal by a resolution of council

Nominate Submit your request to establish a JO to OLG by 28 February 2018

# The Hunter Region and the key steps

The Joint Organisation model is in large measure based on the governance and operational model developed by local government in the Hunter Region and all the current members of Hunter Councils Inc (meeting as the Hunter, Joint Organisation of Councils) are situated within – and in fact constitute in its entirety – the Hunter planning region. Hunter Councils is also, by far, the most established and well-resourced regional local government entity in the State and has demonstrated capacity on multiple levels to effectively partner with NSW and Commonwealth Government agencies.

An overview of the Hunter Councils Model is provided as Annexure A. Annexure B provides a summary of the benefits to Council of being a part of the Hunter Councils Joint Organisation. As shown in these documents, the Hunter Councils Joint Organisation is in a strong financial position and as a result has capacity to delivery benefits to Councils which are members of the Joint Organisation. These benefits are wide ranging and include regional advocacy and influence at the State Government level to ensure the region is connected. Additionally it enables the Joint Organisation and Council to benefit from being an active and influential partner in State Government Reforms.

Of all the regions in the State, therefore, ours is the best placed region to fully realise the potential of the model to drive regional outcomes.

# **Funding**

The \$3.3 million seed funding to be provided by the Office of Local Government for Joint Organisation start up processes will be allocated according to the number of Organisations ultimately formed. As it is proposed that the Joint Organisation comprise all the councils within the Hunter planning region it would be a reasonable expectation that the Hunter would receive the maximum funding available to it under the program.

Consultation with the Mayors and General Managers has been constant throughout the trial period of Joint Organisations and the Board of Hunter Councils has effectively operated and role modelled how a Joint Organisation is intended to operate under the legislation. Once formally established under the Local Government Act the Hunter Joint Organisation of Councils will have access to unprecedented resources and a strategic plan facilitated by external consultants which is to be made available to Councils for review in March.

Uniquely in our State, the operation of the Joint Organisation (in its current and future forms) is benefited by funding supplied by the commercial operations of our purposely formed company limited by guarantee, Strategic Services Australia Ltd and its wholly owned legal entity, Hunter Councils Legal Services. This underwriting totals \$500,000 for the current financial year and is derived from income generated from service provision to the public and private sectors. The Joint Organisation also derives rental income from 4 Sandringham Avenue (\$166,908 per annum) enabled by an interest only loan from the company.

Elsewhere in the state substantial funding is sourced from member councils and via other mechanisms such as rebates supplied by procurement aggregator operations such as Local Government Procurement (LGP). In the case of our own procurement aggregator, Regional Procurement, rebates are sent directly to the member councils.

# From service provision to regional advocacy and policy support

The high profile nationally of the Hunter Regional Organisation of Councils was built on the scale of its business services and their success in generating income. While this shared services approach will continue, the focus of the Hunter Councils as a Joint Organisation of Councils is shifting to the enhanced provision of policy and advocacy support and the funding of strategic initiatives. To assist in these roles the Hunter Joint Organisation of Councils will have the capacity to draw from a strategic fund resulting from the sale of a property and business by Strategic Services Australia Ltd. This fund, when the property sale is finalised, will be in excess of \$3 million. Protocols attaching to this funding are to be finalised in the first quarter of this year and will provide a firm foundation for strategic achievement.

## **Council Resolutions**

The council resolutions are a critical input in the process of getting Joint Organisation areas recommended to the Governor by the Minister.

In particular, it is a requirement that the resolutions of all the member councils are worded in a way that will allow for any changes in proposed membership that could potentially occur within 28 days (that is, during the period in which. an individual council has the capacity to rescind a decision to join the Joint Organisation) without compromising the ability of the remaining councils to still form the Joint Organisation.

The net effect of the above is that the resolution passed by each council must list all the potential members of the proposed Joint Organisation even if, at the end of the day, one or more of the listed councils does not ultimately resolve to follow through with membership.

The Office of Local Government has drafted a suggested Joint Organisation Resolution for councils (below).

Once the resolutions have been made by councils the Minister will wait at least 28 days before recommending the Joint Organisation to the Governor.

For the Hunter, the suggested council resolution is as follows:

In accordance with Part 7 of Chapter 12 of the Local Government Act 1993 (Act), the MidCoast (Council) resolves:

- 1. That the council inform the Minister for Local Government (Minister) of the Council's endorsement of the Minister recommending to the Governor the establishment of a Joint Organisation (Joint Organisation) in accordance with this resolution.
- 2. To approve the inclusion of the Council's area in the Joint Organisation's area.
- 3. That the Joint Organisation be established to cover the Council's area and any one or more of the following council areas:
  - a) Cessnock, Dungog, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter
- 4. That, on the expiry of a period of 28 days from the making of this resolution, the General Manager provide the Minister:
  - a) with a copy of this resolution including the date on which Council made this resolution, and
  - b) inform the Minister that this resolution has not been rescinded, for the purpose of the Minister issuing a certificate under section 400P of the Act.

What happens if a current member council of Hunter Councils does not resolve to become a member of the Hunter Joint Organisation of Councils?

Membership of a Joint Organisation is not compulsory, however Councils can only join a Joint Organisation within its State Planning Region which, for MidCoast Council, is the Hunter Planning Region..

In the Hunter, the Joint Organisation function currently resides in an "acting capacity" within Hunter Councils Inc. Hunter Councils Inc is an incorporated association under the NSW Associations Incorporation Act 2009. Hunter Councils Inc was registered in 1990 and was the successor organisation to the grouping of Councils first established by our Region in 1955.

The NSW Office of Fair Trading administers the Associations Incorporation Act and determines the functions and the scale of functions that it considers are appropriate for an association within our State. The Office of Fair Trading considers that an incorporated association structure is appropriate for small, non-commercial community group activities such as sporting groups, arts and crafts groups, musical societies, etc. On that basis the Office has indicated that an incorporated association is an inappropriate vehicle for the activities of Hunter Councils. Because of the passage of the Joint Organisation enabling legislation it will now be possible to accede to the Office of Fair Trading's direction that Hunter Councils Inc to be wound up and for its assets to be transferred to the "like entity" Hunter Joint Organisation of Councils.

Note that the Associations Incorporation Act will not allow the distribution of any surplus assets of Hunter Councils Inc to its member councils.

The decision of a current member of Hunter Councils Inc (meeting as the Hunter Joint Organisation of Councils) will therefore be an effective decision to cease membership of Hunter Councils Inc. It will not, as a matter of necessity, also be a decision to cease membership of our trading entity, Strategic Services Australia Ltd. Whether continued membership of Strategic Services Australia Ltd would be appropriate in such a circumstance is a matter for future determination by its Board and membership.

# RECOMMENDATION

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- 1. That the council inform the Minister for Local Government (Minister) of the Council's endorsement of the Minister recommending to the Governor the establishment of a Joint Organisation (Joint Organisation) in accordance with this resolution.
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# **ANNEXURES**

# A: The Hunter Joint Organisation of Councils

# The Hunter Joint Organisation of Councils

The Hunter Joint Organisation of Councils is an incorporated association (under the name of Hunter Councils Inc). Following recent passage of amendments to the NSW Local Government Act it is intended that Hunter Councils Inc formally transition in 2018 to a Joint Organisation of Councils within the NSW Local

The Hunter Joint Organisation of Councils currently has the following members:

Cessnock City Council, Dungog Shire Council, Lake Macquarie City Council, Maitland City Council, MidCoast Council, Muswellbrook Shire Council, Newcastle City Council, Port Stephens Council, Singleton Council and Upper Hunter Shire Council.

The Board of the Hunter Joint Organisation of Councils comprises the Mayors of each member council. Each council has one vote and there are no alternates. The General Managers / CEOs of each member council attend Board Meetings in an advisory, non-voting capacity

Roles of the Hunter Joint Organisation

• regional strategic planning and priority setting • intergovernmental collaboration • regional leadership and advocacy

The operation of the Joint Organisation is supported by Strategic Services Australia Ltd. Strategic Services Australia Ltd (SSA Ltd) is a company limited by guarantee that is owned by the Councils of the Hunter Region. SSA Ltd also wholly owns a legal services company that trades under the name Local Government

SSA Ltd supports the operation of the Joint Organisation through direct service delivery, grant application services, secretariat services and direct funding (both operational and loan funding). The operating and accountability relationships between the two entities are explored in the diagram below. 2017/2018 funding and asset information is also provided.

#### The Hunter Joint Organisation of Councils

Incorporated association transitioning to a Joint Organisation within the NSW Local Government Act

Board comprises the Mayors of the member (owner) councils

4 Sandringham Avenue, Thornton (valued at \$1.3 million) and funded by interest only loan from SSA Ltd (only to be repaid on sale of building)

- \$500,000 operational subsidy from Strategic Services Australia Ltd
- \$166,908 rental income
   c. \$1,000,000 grant income

### Strategic Directions

The strategic priorities of the Joint Organisation are being developed following workshops in December 2017, February 2018 and one on one interviews with Mayors and General Managers in January 2018.

\$3 million strategic fund to be made available by the company to the Joint Organisation

# Strategic Services Australia Ltd

Company limited by guarantee under Commonwealth Corporations Act

Board comprises the General Managers / CEOs of the owner councils

Bi-monthly "shareholder" meetings to ensure accountability to JO Board

### Assets:

- \$5.5 million cash in deposit (including strategic reserve)
- Wholly owned legal company trading as Local
- Government Legal Substantial non-building assets (vehicle fleet, etc.)

### Income 2017/2018:

\$5,000,000 (excluding grants)

## Accountability to owner councils

Bi-monthly "shareholder" meetings where company(ies) report to the owner councils on performance and related matters

Annual business framework to be developed in the context of the Hunter Joint Organisation of Councils strategic plan

### B: Overview for MidCoast Council

# The Hunter Joint Organisation of Councils

Joints Organisations (JOs) are a key NSW Government commitment to build stronger councils and improve service delivery and infrastructure across communities.

Joint Organisations will formally start operation on 1 July 2018 with their aim being to provide a forum for local councils and State agencies to collaborate, plan, set priorities and deliver important projects in regional NSW.

The principal function of JOs will be strategic planning and priority setting, intergovernmental collaboration and regional leadership and advocacy. Led by a Board comprising all Mayors of a defined region, JOs priorities will include supporting business growth, assisting in the creation of jobs, improving regional transport and providing community infrastructure, services and facilities.

The Joint Organisation model is unashamedly based on the strategic approach developed over many years by local government in the Hunter and sees a separation between the core strategy and intergovernmental relations functions of the Joint Organisation and the provision of services to member councils.

Building on many years of achievement by the Hunter Regional Organisation of Councils and the council owned commercial entity, Strategic Services Australia Ltd, the Hunter JO is uniquely positioned as the only self-funding Joint Organisation in New South Wales. It is also, in terms of assets and income streams, by far the largest regional organisation of councils in Australia.

The Hunter JO is a member of the State Agencies Regional Leadership Executive (RLE). The RLE comprises the directors of all the key State Government Departments and has a vital role to play in supporting State Agencies in terms of strategic planning, program delivery and performance review. The JO is actively involved in key aspects of Metropolitan Planning and will have a lynchpin role in the development of a Hunter City Deal.

The Hunter JO is in the process of developing its strategic planning framework for the coming years with emerging focus areas including the visitor economy and events, development of an evidence base and advocacy program on key transport priorities, funding and improvement of health services, hard infrastructure prioritisation and addressing of the emerging world-wide recycling crisis.

Funded by a \$3 million allocation from profits generated by our commercial business units, the Hunter Joint Organisation is extraordinarily well positioned to generate a new era in local government coordination and achievement.

## Income

The Joint Organisation is funded by rental income on 4 Sandringham Avenue, Thornton (with SSA Ltd and Local Government Legal being the only tenants). SSA Ltd and Local Government Legal also provide \$500,000 in operational subsidy from profits generated by their commercial activities.

New grant income of approximately \$1 million dollars has been accessed for this financial year. In combination with carry over grant income, we have again been able to fund substantial not for profit environmental programs and cultural and business development activities under the banner of the Joint Organisation. The outcomes of these activities — and of SSA Ltd's commercial businesses — are being reported on a bimonthly basis to the Joint Organisation Board.

Environmental Programs under the Joint Organisation banner

In excess of \$22 million in grant funding has been generated by our Environment Division since its creation to address key environmental issues and opportunities identified by our member councils.

Our current key environmental programs include:

- Biodiversity Conservation and Assessment http://www.hccrems.com.au/biodiversity/
- Climate Change Adaptation and Mitigation <a href="http://www.hccrems.com.au/climate/">http://www.hccrems.com.au/climate/</a>
- Environmental Compliance <a href="http://www.hccrems.com.au/compliance/">http://www.hccrems.com.au/compliance/</a>
- Environmental Education <a href="http://www.hccrems.com.au/environmental-education/">http://www.hccrems.com.au/environmental-education/</a>
- Regional Waste Avoidance and Resource Recovery <a href="http://www.hccrems.com.au/waste/">http://www.hccrems.com.au/waste/</a>

## Screen Hunter and the Real Film Festival

## https://www.screenhunter.com.au/

Screen Hunter is the largest film and television office outside metropolitan Sydney and is the first point of connection between filmmakers and the Hunter region. Screen Hunter provides support and advice on all aspects of filming in the Hunter and facilitates the attraction of film and television activities and filming permits across all member councils, Hunter Region National Parks and Wildlife Services, the Worimi Local Aboriginal Land Council and many private and public organisations.

Screen Hunter also develops and runs major activities such as the Real Film Festival as part of its overall drive to generate local employment, skills development and expanded cultural awareness.

## What does it cost to be a member council of the Hunter JO?

There is no cost attached to membership of the Hunter Joint Organisation of Councils. Unlike other JOs and Regional Organisations of Councils in New South Wales there is no annual subsidisation of core activities (in some regions member council contributions for these functions can be in excess of \$1 million).

In the Hunter the core JO roles of strategic planning and priority setting, intergovernmental collaboration and regional leadership and advocacy are in fact subsidised by profits generated by the commercial units of SSA Ltd.

Services provided at no cost to the member councils of the JO include:

- Policy, advocacy and marketing support that will be increased significantly to enable the
  effective implementation of the JO's adopted strategic plan and priorities
- Access at no cost to internal legal advice when the matter relates to JO or "across councils" matters
- Access at no cost to external expert legal advice on key issues identified by the Board
- Annual Conference costs and all meeting costs of both the JO Board, the SSA Ltd Board (of which the Council General Managers are directors) and staff professional groups including the provision of venues, catering and accommodation

- From April 2018 on, all costs associated with biannual meetings of the Board at Parliament House, JO receptions at Parliament House and accommodation
- Consultancy services sourced internally or else from external providers. If part of a Board approved initiative such services are provided at no charge to member councils
- Resourcing, following finalisation of the JO Strategic Plan, from the \$3 million funding pool for Board approved initiatives.

Members of the Joint Organisation are also able to access:

- Subsidised legal advice from our wholly owned legal services provider, Local Government Legal
- Subsidised training from the Local Government Training Institute Australia's largest specialist local government training provider, and
- Procurement services at no cost through Regional Procurement services. Regional
  Procurement meets all expenses associated with tender activities under its management and
  provides user councils with a dividend of 30% of the income it derives from those activities.

### Are there any costs at all?

As noted above, access to the core strategic services of the Joint Organisation are provided at no cost to member councils.

All member councils of the Hunter Joint Organisations are, however, charged a modest annual fee to access our regional environmental programs. For a large council such as MidCoast Council this annual fee is \$30,000.

The five Lower Hunter Councils are also charged a modest annual fee to access our film and television services with the balance of costs being met by the Joint Organisation.

There is no annual fee for access to Screen Hunter's film attraction, industry development, events and approvals services by MidCoast Council.

In addition to the above there is what might be called the "dividend" provided by Regional Procurement. Regional Procurement managed last financial year aggregated procurement activities well in excess of \$100 million and, as noted previously, provided its management services at no cost to councils.

Councils that use Regional Procurement are able to offset a portion of the fees above by accessing the Regional Procurement rebate. For some of our councils the rebate effectively covers all the cost that might have attached to accessing our services.

The total funding provided to MidCoast Council (including MidCoast Water) by Regional Procurement at the beginning of the current financial year was \$26,591.80.

## C: Letter from Office of Local Government Dated 20 December 2017



5 O'Keefe Avenue NOWRA NSW 2541 Locked Bag 3015 NOWRA NSW 2541 Our Reference: Your Reference: Contact: A576353

Chris Presland 02 4428 4100

Mr Glenn Handford General Manager Mid-Coast Council PO Box 450 FORSTER NSW 2428

Email: glenn.handford@midcoast.nsw.gov.au

20 December 2017

#### Dear Mr Handford

Following on from recent correspondence regarding the establishment of a Joint Organisation (JO), I am writing to acknowledge the time and effort that councils and regional organisations of councils have taken over the past month to discuss the opportunities available.

I understand that there have been many conversations and regional meetings between councils and the Office of Local Government (OLG) to discuss the best way forward for councils in your region. This is a critical time when each council must consider the decision to join a JO.

I would like to reiterate that JOs are a key part of the Government's commitment to build stronger councils and improve service delivery and infrastructure across rural and regional NSW. The State Government will work closely with JOs to strengthen communities across the State.

I would like to advise that the *Local Government Amendment (Regional Joint Organisation) Act 2017* commenced on 15 December 2017. To ensure that your council is a part of the JO network, a council resolution is a critical part of the process of getting JO areas recommended to the Governor to enable proclamation.

It is important that these resolutions align for groups of councils that wish to form a JO and that councils provide the Minister for Local Government with a copy of this resolution by **28 February 2018**, a copy of which is again provided for ease of reference. This allows time to undertake the required processes in order to have JOs in operation by July 2018. This includes allocation of seed funding to help establish each JO under the NSW Government's \$3.3 million commitment.

T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209 E olg@olg.nsw.gov.au **W** www.olg.nsw.gov.au **ABN** 44 913 630 046



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Should you have any further enquiries, please contact Chris Presland, Director Reform Implementation or Melissa Gibbs, Director Policy and Sector Development on 02 4428 4100 or <a href="mailto:onestopshop@olg.nsw.gov.au">onestopshop@olg.nsw.gov.au</a>. Once again, I would like to thank you for your time and engagement during this process to date. The NSW Government looks forward to working with your council to find the best solutions for meeting the needs of your council and region into the future.

Yours sincerely

Penny Holloway

Acting Chief Executive
Office of Local Government

D: Office of Local Government Joint Organisations - Frequently Asked Questions

# Joint Organisation Frequently Asked Questions



# Q1: What is a Joint Organisation?

A: A Joint Organisation is a new entity under the Local Government Act comprising member councils in regional NSW to provide a stronger voice for the communities they represent.

Each Joint Organisation will comprise at least three member councils and align with one of the State's strategic growth planning regions. One of the member council's mayors will be elected chairperson and an Executive Officer may be appointed.

# Q2: How will Joint Organisations benefit councils and communities in regional NSW?

A: Joint Organisations will transform the way that the NSW Government and local councils collaborate, plan, set priorities and deliver important projects on a regional scale. These new partnerships will benefit local communities across regional NSW by working across traditional council boundaries.

# Q3: How do we know Joint Organisations will work?

A: The Joint Organisation model has been developed in close consultation with councils and the NSW Government has listened to regional councils to get the model right. This included a pilot program for five groups of councils to test a range of options, which involved the participation of 43 councils and delivered a range of initiatives and projects to those regions.

An independent evaluation of the pilot program found Joint Organisations bring benefits to regional communities in delivering on-the-ground projects and attracting more investment to regional communities.

# Q4: Why should councils choose to form a Joint Organisation?

A: Joint Organisations will provide a forum for councils, agencies and others to come together and focus on their regional priorities – the things that matter for that region. Joint Organisations will help drive the delivery of important regional projects – the infrastructure and services that local communities need and deserve.

Joint Organisations will also provide councils with a more efficient way to deliver shared services for members and the region. Where member councils agree, they can choose to share a common approach to services such as information technology, water management services and community strategic planning. The NSW Government will provide \$3.3 million to support councils to establish Joint Organisations

# Q5: Can councils determine their own regional boundaries?

A: While the choice to join, and composition of a Joint Organisation is voluntary, the NSW Government will only support the creation of Joint Organisations within existing State planning regions and in regional NSW. Councils have told us that effective collaboration will only be realised when State and local government boundaries are aligned.

To aid this process the NSW Government has consulted the sector on boundary criteria which they can take into account when determining the membership of their Joint Organisation.

Joint Organisation boundaries should:

- align with, or 'nest' within one of the State's planning regions
- demonstrate a clear community of interest between member councils and regions
- not adversely impact on other councils or JOs, for example, leaving too few councils to form a JO
- be based around a strong regional centre or centres
- be of an appropriate size to partner with State, Commonwealth and other partners.
- Consistent with previous Government decisions, Joint Organisations will not be considered for metropolitan Sydney and the Central Coast at this time.



# Q6: Are Far West Councils able to form a JO?

A: The Goverment will be writing to Far West councils to advise them of their opportunity to form or join a JO. This will include specific guidance applicable to Far West councils only.

# Q7: What are the next steps for interested councils?

A: Councils are invited to nominate to form a Joint Organisation in their region. Councils are encouraged to open discussions with their neighbours as soon as possible.

The Office of Local Government is available to facilitate these discussions and provide support to councils through the nomination process. Specific requirements to form a Joint Organisation will be provided to councils shortly.

Each Joint Organisation will be created by a proclamation and the NSW Government will then ask the Commonwealth to endorse each Joint Organisation as a non-national system employer to ensure that any staff of a Joint Organisation, with the exception of the Executive Officer, are employed under the State local government award.

# Q8: What support will be provided to councils and Joint Organisations once established?

A: The Office of Local Government will work with Joint Organisations to support their establishment and ensure they have the necessary systems and governance in place for the Joint Organisations to deliver results for regional communities.

The Office of Local Government and the Department of Premier and Cabinet will foster collaboration between Joint Organisations and State agencies to identify and act on opportunities to benefit regional communities.

# Q9: Can councils choose not to participate?

A: Councils can choose not to become a member of a Joint Organisation. The Government strongly encourages all councils in regional NSW to consider the benefits and opportunities offered by Joint Organisations.

Councils that are members of Joint Organisations will be able to take advantage of investment opportunities that are delivered through the Joint Organisation.

# Q10:What funding is available to Joint Organisations?

A: The Government will provide up to \$3.3 million in seed funding to Joint Organisations to support their establishment. The Government will identify opportunities for additional investment through Joint Organisations in regional economies.

Funding for each Joint Organisation will be based on the number of councils that choose to form a Joint Organisations, with maximum funding provided to regions where all councils in a region choose to be members of the new regional body.

All Joint Organisations, whether they were pilot regions or not, will be provided with seed funding.

Further details on funding arrangements will be provided to councils.

# Q11: Will this funding be enough to help councils establish a JO?

A: The NSW Government is providing significant funding and support to help those councils that choose to establish a Joint Organisation. The pilot program demonstrated that groups of councils can achieve substantial benefits for their communities and significant cost savings by working together through a Joint Organisation.

# Q12:How are Joint Organisations different to Regional Organisations of Councils?

A: The Joint Organisation model provides for greater certainty and continuity as well as recognising the unique differences in the many regions of NSW. While some ROCs have been effective, they have varied functions, membership, and governance structures which often makes collaboration more difficult.

# Joint Organisation Resource List



#### Website

www.olg.nsw.gov.au

#### **OLG** key contacts

Chris Presland, Director of Reform Implementation 0413 274 882

Melissa Gibbs, Director Policy and Sector Development 0491 225 904

Office of Local Government, Development Team 02 4428 4100

### Secure Stronger Councils Portal

0400 364 960 | 02 68267801

A secure portal is available for councils to access information and share resources on Joint Organisations. To access the portal go to <a href="https://portal.strongercouncils.nsw.gov.au">https://portal.strongercouncils.nsw.gov.au</a>

You will need to login and register with your council email address.

OLG will use the portal to provide up to date information and share best practice between councils and Joint Organisations during the formation and implementation phase.

## **Department of Premier and Cabinet Regional contacts**

Hunter Aaron Spadaro, Senior Coordination Officer 0418406733 | 02 49212603 Northern NSW (Tamworth) Alison McGaffin, Director, Northern NSW 0477316 189 | 0267602671 Northern NSW (Coffs Harbour) Andrew Hegedus, Director North Coast 0481 919 697 | 02 66598651 Southern NSW (Wollongong) Anthony Body, Director Southern Region 0477 320 822 | 0242536301 Southern NSW (Queanbeyan) Heidi Stratford, Director South East and Tablelands 0427 454 375 | 02 92283296 Western NSW (Dubbo) Ashley Albury, Director, Western NSW

Western NSW (Wagga) Trudi McDonald, Director Riverina Murray 0417947976