

JOINT ORGANISATION EMERGING DIRECTIONS

October 2015



CENTRAL NSW
COUNCILS



Centroc's Mission is to be recognised as the lead organisation advocating on agreed regional positions and priorities for Central NSW whilst providing a forum for facilitating regional co-operation and sharing of knowledge, expertise and resources; effectively nurturing sustainable investment and infrastructure development.

www.centroc.com.au

16 October 2015

Reference bw:vp 101516
Enquiries: Ms J Bennett: 0428 690 935

Joint Organisations Emerging Directions
Office of Local Government
Locked Bag 3015
Nowra NSW 2541

To whom it may concern,

Re: Joint Organisations Emerging Direction Paper

Central NSW Councils (Centroc) represents over 243,000 people covering an area of more than 72,500sq kms comprising the Local Government Areas of Bathurst, Blayney, Boorowa, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Mid Western, Oberon, Orange, Parkes, Upper Lachlan, Weddin, Young and Central Tablelands Water. We welcome this opportunity to provide feedback to the Joint Organisations Emerging Direction Paper (the Paper).

Please be aware that individual Councils will be making separate submissions which may vary in part or in whole with the advice following. Individual Councils will have particular circumstances with regard to their *Fit for the Future* Proposals and the advice in this Centroc submission does not supersede that of member Councils. This advice is provided alongside that of Centroc members, reflecting our policy position of no new level of government and ownership by member Councils of any future Joint Organisation of Councils (JOs).

Centroc has welcomed the opportunity to be a Pilot for the mooted JOs. The Board's view remains that a minimally mandated blanket of JOs across NSW, working collaboratively with the State Government and other key stakeholders is a good initiative. We remain resolute in our views that change should be informed by evidence and should have at its heart ownership by Local Government of future JOs.

Through this journey we have learnt much and provide the following advice regarding optimisation of this opportunity for NSW. The advice is informed by member feedback and attendance at the recent workshops on the Paper and on policy in Sydney.

Finally, we welcome the ongoing enthusiasm from the State in this challenging and iterative space.

Emerging directions

This region understands the key question being addressed in the Emerging Directions Paper is: what direction should be provided to legislation and other activities to optimise future JOs?

Given the general consensus around the core functions, the answer is: very little needs to change under the Local Government Act short of:

- setting boundaries;
- mandating membership;
- providing direction on core responsibilities;
- ensuring the legalisation does not inadvertently undermine the core functions; and
- ensuring that any legislation also enables JOs to be able to carry out functions in the region in support of their Councils as their membership sees fit.

The core functions for the future JOs are:

- Intergovernmental collaboration;
- Regional strategic planning and prioritisation; and
- Leadership and advocacy.

Intergovernmental collaboration and regional strategic planning involve multiple stakeholders across jurisdiction. Given only the Local Government Act is being changed, tools, guidance and direction from the State will help effect these core functions. Recognition of the value and role of regional advocacy is worthwhile through the legislation but little else needs to occur.

It would appear that Option 4 is emerging as a likely approach to informing legislation. This region is supportive of this approach on the assumption that it is able to deliver on the principles as outlined in the Paper, most particularly – accountability to member Councils. Ownership by Councils is the only way to ensure that we do not get a fourth tier of government or a variety of other perverse outcomes that risk destroying the potential to replicate the good work undertaken by Regional Organisations of Councils (ROCs) over the past decades and the bright promise shown in the 12 months of Piloting.

A summary of the recommendations to the Emerging Directions Paper follows with more detail in the balance of this submission.

Summary of recommendations to the Emerging Directions Paper.

1. **A risk management and project quality approach** needs to be taken so that perverse outcomes don't occur in legislation, such as the prescriptive governance structures on Page 14 undermining the principles and core functions of flexibility and enabling earlier in the paper. This should include both lessons from the past on County Councils and Independent

Planning and Reporting (IP&R) as well as taking a standard strategic approach of form follows function.

2. Recommendations regarding principles:

Principle	Centroc Response
Not impose significant red tape of cost and ensure benefits outweigh the costs.	Agreed noting, work needs to be undertaken in this area to understand the potential cost/benefit trade off.
Embed collaborative arrangement relationships between Local Government and NSW Government, as well as a wide range of other stakeholders and partners.	Change "embed" to "support" – based on an understanding that no one entity can be responsible for embedment, a third locus of effort is required.
Enable significant projects and initiatives and associated funding and assets to be managed regionally.	Agreed- subject to two points of clarification: <ol style="list-style-type: none"> 1. The assets owned by Councils are retained by Councils where JOs can develop their own assets; and 2. Any enabling of regional funding is not a redistribution of existing funding streams e.g. Roads Maintenance Council Contracts, rather to better position Councils to access particularly Federal funding using a regional gateway.
Serve the best interest of the region while being accountable to member councils.	Change to: Serve the best interests of the region while being owned by and accountable to member Councils.
Offer equality, at least of opportunity, for future JOs.	Add this new dot point to ensure future boundaries, structural arrangements and resourcing assists the potential for all regions to start out on an equal footing.

3. Recommendations regarding Core Functions:

- Clarity of understanding on collaboration** - Activities going forward including the development of legislation need to have an understanding of *collaboration* which is consistent with best practice in this space.
- Regional planning and prioritisation** -Fit for purpose frameworks and tools to enable regional planning and prioritisation need to be developed across NSW.
- Enabling advocacy and leadership** - It is essential for future JOs to be able to act in their members and communities interests. Therefore, legislative reform should ensure that JOs are as immune as possible from Legislative interference.
- The Emerging Direction on Core Function** currently as follows:

Emerging Direction – Core Function

The core functions of: regional strategic planning and priority setting; intergovernmental collaboration; and regional leadership and advocacy are not only consistent with the recommendations of the Independent Local Government Review Panel, but have also been sufficiently tested through the pilot process to possess both appropriate scope and flexibility for the Joint Organisations to partner effectively with the State.}

be amended to:

Emerging Direction – Core Functions

...are consistent with the recommendations of the Independent Local Government Review Panel. The Pilots report good potential for future JOs to add value for their communities through undertaking these functions. Further work needs to be undertaken on sustaining enablement of intergovernmental collaboration particularly on regional planning and prioritisation to ensure a consistency of effort across NSW.

4. Recommendations regarding other services as determined by the region:

Enabling regional procurement and ensuring a fit with other mooted Legislative Reform -

That Legislation for the JOs take into consideration the impacts and enabling needs from other Local Government Act Reform Legislation, for example, the Red Tape Reduction Bill.

5. Recommendations regarding Governance and Resourcing

That the JOs be enabled to constitute themselves under legislation and effort be undertaken in guidance to support a minimum or safety net approach.

Suggestion in the Paper	Recommendation for legislation	Guidance for JOs or “minimum” model approach
One representative from each full member council	Each JO determines its own representation.	<ol style="list-style-type: none"> 1. Have guidelines or a model constitution based on best practice co-designed with Pilots. 2. If there is to be a mandatory representative it must be the Mayor.
DPC regional coordinator is an associate (non-voting)	Each JO determines its own representation.	There needs to be much more clarity around what a “non-voting member” is before we make further comment.
Representative of member councils must be an elected representative	Each JO determines representation.	This be a minimum, default requirement only. If this is not acceptable, the Mayor must be a delegate to the JO where each JO can determine other delegates as it sees fit. (This will not work for all of NSW and should be treated with great caution).
....and chosen by the council based on capability and capacity	Delete	Delete
Appointment to the Joint Organisation Board is 2 years to align with proposed changes to mayoral terms	Each JO determines representation including its tenure.	It should be the Mayor and then the two year term becomes immaterial if the legislation elsewhere is changing.
The Chair of the Joint Organisation Board is to be chosen by the voting members of the Board.	Each JO determines its own voting arrangements.	As a safety net approach or minimum model for those JOs unable to agree on a constitution, this is acceptable.

Suggestion in the Paper	Recommendation for legislation	Guidance for JOs or “minimum” model approach
The Chair should not have a casting vote	Each JO determines its own voting.	A ‘prescriptive’ model constitution for those JOs who can’t agree on one could be a fall-back position.
Appropriate authority for core regional functions should be delegated to the Joint Organisation	Each JO determines its own delegations, if required, at the direction of its members.	There is potential for useful guidance for those JOs contemplating regional activity in the operational area.
A majority vote on a Joint Organisation Board (75%) should be required for a decision to be made, to recognise the importance of regional-scale decision making	Each JO determines its own voting.	Perhaps some commentary around encouraging consensus? A ‘prescriptive’ model constitution for those JOs who can’t agree on one could be a fall-back position. Avoid percentages and go for “majority”.
The Joint Organisation member role should be modelled on the councillor role in the Act but includes a need to act in the best interest of the Joint Organisation and region as a whole	The principle is supported but work will need to be undertaken to ensure that a “catch-all” approach does not deliver unintended consequences. Advice on the role need not be in the Legislation but form part of guidance.	Guidance regarding the role is welcomed.
The role of the Chair should be modelled on the role of the Mayor (less the urgent policy making function), with a requirement to act in the best interests of the region as a whole.	As above	As above
Joint Organisations should be required to develop succinct work plans drawn from existing local and regional plans, in collaboration with the State Government and others and identify Key Performance Indicators (KPIs)	Replace with: Joint Organisations should be transparent and accountable to their members; and Joint organisation priorities and plans should be reviewed annually and give consideration to the wider strategic framework.	Some guidance in this regard would be useful to support those regions starting from scratch.
Joint Organisations should be required to produce succinct Annual Performance Statements to show key stakeholders the extent to which they are achieving	As above	As above

Suggestion in the Paper	Recommendation for legislation	Guidance for JOs or “minimum” model approach
their priorities according to the KPIs identified by the Joint Organisation		
Current minimum requirements in the Local Government Act for financial reporting and accounting for councils apply to Joint Organisations.	As above	As above
Joint Organisation members should receive a Joint Organisation Board sitting fee	Delete	If deletion is not acceptable then allow each JO to set its sitting fees.
Members fund ongoing administration and regional priorities from available sources, most likely largely based on contributions from member councils using a locally negotiated formula	Supported in principle, though there needs to be resourcing recognition of activities that are undertaken on behalf of the State.	There is plenty of scope for ongoing work to be undertaken in this space.
Joint Organisation staff be employed under the Local Government (State) Award	No comment	No comment
Joint Organisations be required to employ an Executive Officer, with the equivalent capabilities and at an equivalent level to a General Manager, senior staff member in a council or a Department of Premier and Cabinet Regional Coordinator.	Amend to: Joint Organisations be required to resource their work plan	

6. Boundaries – These should be sufficient size to enable resourcing and a fit with the size of other JOs. The boundaries for JOs should be determined where possible by Local Government and offer concurrency with other existing boundaries e.g. Planning. Effort on boundary alignment of State services needs to be ongoing.

7. County Councils - This region welcomes and values its existing relationship with its water County Council and seeks that all JOs have the flexibility to include or exclude them as they see fit.

8. JO Formed Entities – This region seeks to have the capacity to have JO formed entities should it see the need to.

Commentary regarding the section titled: Purpose

Councils working with each other have a significant track record in NSW. One way they work together is through their Regional Organisations of Councils or equivalents. While most NSW Councils are in at least one ROC, the opportunity is to give all communities the benefit of regional activity especially when it is part of the enablement of a step change in the State and Local Government.

The Pilots selected have a long standing track record of delivering a value proposition to their Council members. This value proposition includes support services for both the operations of Councils and acting as a voice for the region. Each region selected as a Pilot has traditionally tackled this in very different ways.

In a simplistic view, the current Pilots fall under three different structures. Two are incorporated, one is a section 355 Committee and the other two trade through member Councils in different ways under the Local Government Act provisions on Councils enabling working together. Arguably Hunter Councils has the most complex model reflecting its significant activities.

It should be noted that the JOs in and of themselves will not provide a platform for local Councils and the State to work together. They will build a recognisable 100% coverage of NSW of Local Government working regionally that is tasked with collaboration with the State. This is very important in a step change in State and Local Government relationships. It is not the whole answer though.

There needs to be a third locus of effort to bring State and Local Government together working collaboratively. A change to the Local Government Act will not get the State to Local Government's table, or get Local Government to the State table. Language like "Joint Organisations provide a platform for local Councils and the State to work together at the regional level..." distracts from where the real effort needs to be undertaken.

Community Strategic Plans (CSPs) are an example of where Local/State engagement was not enabled by changes to the Local Government Act.

Commentary regarding the section titled: Principles

The most notable change in the following table of recommendations on the Principles, as outlined in the Paper, is the addition of "ownership" by the Councils. This is included to avoid the pitfalls of the County Council model. It is imperative that the Councils own the JOs because it:

- supports the principles of democracy as the JO becomes an arm of member Councils delivering regional functions;
- ensures there will be no fourth tier of government, only an entity that acts in the interest of Local Government working together in a region;
- minimises the likelihood of rogue activity by the entity as has been the case of some County Councils in the past, which is why that model is in its sunset years; and
- formalises accountability.

Principle	Centroc Response
Have legal status	Agreed.
Be enabled through the Local Government Act and recognised in other relevant legalisation	Agreed.
Not be a fourth tier of government	Agreed
Not impose significant red tape of cost and ensure benefits outweigh the costs	Agreed -noting work needs to be undertaken in this area to understand the potential cost/benefit trade off.
Embed collaborative arrangement relationships between local government and NSW Government, as well as a wide range of other stakeholders and partners	Change “embed” to “support” – based on an understanding that no one entity can be responsible for embedment, a third locus of effort is required.
Protect entitlements for Council staff	The Minister has advised that this has his unconditional support.
Enable significant projects and initiatives and associated funding and assets to be managed regionally	Agreed -subject to two points of clarification: <ol style="list-style-type: none"> 1. The assets owned by Councils are retained by Councils; and 2. Any enabling of regional funding is not a redistribution of existing funding streams e.g. Roads Maintenance Council Contracts (RMCC), rather to better position Councils to access particularly Federal funding using a regional gateway
Ensure good governance	Agreed
Serve the best interest of the region while being accountable to member councils	Change to: Serve the best interests of the region while being owned by and accountable to member Councils.
Offer equality at least of opportunity for future JOs	Add this new dot point to ensure future boundaries, structural arrangements and resourcing assists the potential for all regions to start out on an equal footing.

Feedback regarding the section titled: Core functions

Intergovernmental Collaboration

In the first instance, given it is a core function of the future JOs, their needs to be some clarity around what “collaboration” means. From our perspective it means co-design. It means two parties working from, and preferably on, the conception of an idea. It may not mean co-creation or co-implementation. It needs parties to have a shared understanding of collaboration and be collaboration ready. It needs time, the right people with the right authority in the room and commitment including resourcing. Intergovernmental collaboration in this sense is still in its infancy in our Pilot.

One thing that is becoming increasingly apparent is that while there is great enthusiasm from our State partners, key elements for sustained collaboration are either missing or in infancy. These include a consistent corporate approach, a culture that embraces collaboration, appropriate delegation and resourcing. As we are in a space of innovation this is understandable, but given the Pilots are arguably the most resourced and adept collaborations of Councils at managing the

challenges of *collaboration unready partners* this will have serious impacts going forward unless it is addressed.

At the very least there should be some definitional work done around collaboration and its impacts for mooted Legislation. Given that effective collaboration needs at least two entities in the room, arguably JO Legislation could go the way of IP and R Legislation and be poorly understood or embraced by State agencies as really, they don't know much about it. Therefore all changes to the Legislation need to address this highly likely risk. This suggests a body of work needs to be undertaken on enabling collaboration. This Pilot has raised this issue for some time and it was very pleasing to see this work commencing at the recent workshop in Sydney on 8 October.

Advocacy and Leadership

Each region will tackle advocacy and leadership in its own way. To optimise advocacy and leadership the directions for the Legislation should:

- Maximise self-determination by regions, this means minimising prescription in the legislation; and
- Ensure that governance does not undermine advocacy and leadership. More detail in this regard is provided under the section on Governance.

Regional Planning and Priority Setting

This region has grown in its capacity in regional planning and priority setting over a number of years. Based on this experience and the work being undertaken in the Pilot we provide the following advice.

To optimise regional planning and priority setting, structures need to be put in place that seat both Local and State Government at the same table. JOs can work towards alignment but to ensure it, a framework needs to be put in place to get the requisite stakeholders to the table based on a regional footprint. This is a substantive piece of work. Victoria tackled one way to achieve this and it took them 4 years though the feedback we have is that it was 4 years well spent. Arguably a consistent approach to this across NSW will be more optimal than an adhoc approach.



A framework to deliver regional plans across NSW needs to be developed and resourced.

Looking for sweet spots of activity during the Pilot.

How we traditionally do planning in the regions

Fit for purpose frameworks and tools to enable regional planning and prioritisation need to be developed across NSW.

This also applies to priority setting. Where this region is well into work inside the organisation on priority setting, having a framework set up between the State and the JO that aligns priorities will give this type of work more traction.

Further, to inform planning and priority setting, a deep knowledge of the region needs to be developed. Our region would argue that the most effective way to get this is through operational support. In this region the deep knowledge we have gained from supporting various operational activities has enabled us to:

- Make substantive commentary to various stakeholders regarding the compliance burden for Local Government with solutions for its reduction as our various projects provide this advice.
- Make informed submissions to other agencies for example on Street Lighting pricing.
- Apply for funding particularly around energy management as we have a deep knowledge in this area.
- Inform priority setting in water, road transport and community infrastructure as we have regional networks in place to inform this work.
- Inform regional strategy where in water for example we have regional plans as follows:
 - The Centroc Water Security Study.
 - Centroc Regional Drought Management Plan.
 - Centroc Regional Demand Management Plan.
 - Centroc Regional IWCM Plan.
 - Centroc Regional Strategic Business Plan.
 - Regional Training, Mentoring Workforce and Resource Sharing Plan.
 - Centroc Priority Water Infrastructure Plan.

This type of work also supports members who experience a loss of corporate knowledge through periods of staff turnover.

Through the Pilot JO it is emerging that to effectively do just prioritisation *collaboratively* with the State, both the JO and the State will need both a framework and resources. Based on our experience in the Pilot to date, our region is now undertaking an operational review to provide advice on what the future costs of a JO as it is emerging will be and how it will be resourced. Just the work on keeping currency on prioritisation by only the JO is significant. A collaborative approach, while much better value will require more resourcing including resourcing by the State.

We therefore recommend you change this:

Emerging Direction – Core Function

The core functions of: regional strategic planning and priority setting; intergovernmental collaboration; and regional leadership and advocacy are not only consistent with the recommendations of the Independent Local Government Review Panel, but have also been sufficiently tested through the pilot process to possess both appropriate scope and flexibility for the Joint Organisations to partner effectively with the State.]

to

Emerging Direction – Core Functions

...are consistent with the recommendations of the Independent Local Government Review Panel. The Pilots report good potential for future JOs to add value for their communities through undertaking these functions. Further work needs to be undertaken on sustaining enablement of intergovernmental collaboration particularly on regional planning and prioritisation to ensure a consistency of effort across NSW.

Feedback regarding the section titled: Regionally defined functions.

The region agrees with this commentary and is supportive of the further work being contemplated at the Workshop on 8 October. There are some real challenges around enabling regional activities of greater risk, for example, construction activities such as successfully applying for and administering a Federal grant for refurbishing all the community halls in the region.

Concerns have been expressed around retaining the focus of the JO on its core functions and not being distracted by other activities. It is suggested that while any other activities offer an efficiency of scope for the JO they could be contemplated. Where the non-core effort is of such an ongoing scale then it would logically transition out of the JO. There is plenty of precedence for this type of activity across the State including the Hunter Councils services entity, Netwaste, various Weight of Loads Groups, regional libraries and the like.

If the legislation enabled a broad range of support services, including high risk activities to be undertaken that did not distract from the core functions of the JO; minimising red tape and bureaucracy through their management through one entity controlled by Councils would be favoured.

PART B

Feedback regarding the section titled: Entity and powers

This section begins to diverge substantially from the principles in Part A and in the view of this region, needs a substantial rethink.

Figure 2, a visual descriptor for Option 4 which is emerging as the preferred model illustrates the challenges of coming up with an entity that is:

- owned by Councils;
- enabled under the Local Government Act; and
- not a fourth tier of government.

This region is keen that it be enabled to procure on behalf of all members programming, at times high risk, including facilitating programs of works on assets owned by Councils. As the contract would be with the entity, some risk would be carried by the entity (where risk management and responsibility is diffuse).

It is understood that to date, this ability is to be enabled through the Red Tape Reduction Bill. Unfortunately this has not been able to get through Parliament to date and so we are seeking to ensure that this essential activity is enabled in some way during the reform process. An example of its value follows:

An example:

Centroc, a Section 355 Committee of Forbes Shire Council, applies for grant funding for the region.

Ideally, it develops and signs a contract on behalf of members for an activity like pipe relining where members agree up front for a specific minimum portion of work to be undertaken. This process is supported by sophisticated software that minimises the time required for staff from member Councils to be involved in the procurement process.

All project management including procurement, contract management, invoicing and the scheduling of a program of works to be undertaken across the region is managed by Centroc. As programming, including the delivery of contracted work is scheduled across the region, the costs to Councils are reduced as contractors travel time and establishment of plant and equipment is co-ordinated. Bulk procurement also offers savings to members.

Site specific risk is managed by Councils through a regionally agreed WHS risk induction process.

Councils provide advice that works are completed to their satisfaction and invoicing is managed accordingly.

Costs to Councils, most particularly, for administrative contract management overheads are significantly reduced across the region. Local Government Procurement suggests savings on these overheads are in the order of \$14,000 per Council. This region has not interrogated the exact savings, though just the cash component on advertising can be in the vicinity of \$1000. Multiply this by 16 Councils and for 5 contracts there is a saving of \$80,000.

As a Section 355 Committee of Forbes Shire Council, a disproportionate amount of the WHS risk is borne by just one member. Therefore, instead of Centroc signing contracts for higher risk activities, these are assigned to individual Councils. Multiply this activity by 16 including reports to Councils and costs increase dramatically.

Page 11 should note the disadvantages as well as advantages of the two more likely options, 3 and 4. A few advantages of option 3 mentioned at the Mid Pilot Workshop were:

- JO independence as the entity is not subject to changes to the Local Government Act; and
- Incorporated entities are readily recognised in the national framework including the funding framework.

Pages 11 and 13 speak of “minimum requirements” for governance and administration on a proclaimed entity. Page 14 seems to be outlining a more prescriptive approach. There needs to be clarity here where more detail on page 14 is below and advice is provided on both the prescriptive and “minimum requirements” approach.

While this region has been supportive of option 4 it is predicated on it being enabling. The advice on page 14 is becoming prescriptive. Again we reiterate that the entity as “body corporate” under the Act needs to be owned by and accountable to its members. To affect this it is presumed that some type of proclaimed constitution approach would be required.

PART C

Governance and Accountability

Regarding page 13, what is notable is that the variable approaches to governance being piloted are ALL working. Further, to get engagement for future JOs, self-determination with guidance is more likely to get an enduring outcome than prescription.

Regarding Page 14, it is hoped that these are descriptors for a minimum, safety net approach which would apply where regions are unable to come to agreement as to how governance and accountability should be managed.

Finally, we do not want prescription in either the Legislation or the Regulation – it should remain silent where possible encouraging entities to develop their own fitness for purpose. Guidance is welcome.

Suggestion in the Paper	Commentary including advice on Risk/s	Recommendation for legislation	Guidance for JOs or “minimum” model approach
One representative from each full member council	<ol style="list-style-type: none"> Those existing entities that do not have this structure (many) are at risk of going backwards if this is mandatory. This is not a good fit for those future JOs who want to do operational support. Not stating it should be the Mayor lowers leadership value of the entity though some JOs of the future may not want Mayors. We do. This with the sitting fees component sets up Mayoral election horse trading which puts at risk the purpose of the mooted JO. 	Each JO determines its own representation.	<ol style="list-style-type: none"> Have guidelines or a model constitution based on best practice co-designed with Pilots. If there is to be a mandatory representative it must be the Mayor.
DPC regional coordinator is an associate (non-voting)	<ol style="list-style-type: none"> What if DPC sees no value in this role and so does not participate and therefore over time disengages? 	Each JO determines its own representation.	There needs to be much more clarity around what a “non-voting member” before we make further comment.

Suggestion in the Paper	Commentary including advice on Risk/s	Recommendation for legislation	Guidance for JOs or “minimum” model approach
	<p>2. ‘Non-voting member’ is not well described. What roles and responsibilities would this entail? Will it have an impact on quorum?</p> <p>3. Given the advocacy role of the JO what risks would need to be managed for associate members about a JO that is of a differing opinion to the Government of the day (advocates often are).</p> <p>4. The locus of collaborative effort is not at the JO Table – this is distracting from where the real effort is required.</p>		
Representative of member councils must be an elected representative	<p>Other recommendations in the Paper are in conflict with this e.g. That the term be for the life of a Mayor.</p> <p>This may set up risks around “what gets dropped” as the document goes for internal consistency.</p>	Each JO determines representation.	<p>This be a minimum, default requirement only.</p> <p>If this is not acceptable, the Mayor must be a delegate to the JO where each JO can determine other delegates as it sees fit. (This will not work for all of NSW and should be treated with great caution)</p>
...and chosen by the council based on capability and capacity	<p>This means a Council report at Mayoral election time. Council agendas are written by GMs. It does not add any value and is not a good fit with democratic principles.</p> <p>It is the equivalent of the DPC DG writing a report to Cabinet on whom the best health minister might be.</p>	Delete	Delete
Appointment to the Joint Organisation Board is 2 years to align with proposed changes to mayoral terms	<p>Where this is determined in the legislation there is political risk in the future of an amendment saying something like “to be determined by the Premier”.</p>	Each JO determines representation including its tenure.	<p>It should be the Mayor and then the two year term becomes immaterial if the legislation elsewhere is changing.</p>
The Chair of the Joint Organisation Board is to be chosen by the voting members of the Board.	<p>Where this is determined in the legislation there is political risk in the future of an amendment saying something like “to be determined by the Premier” similar to the RDA Boards.</p>	Each JO determines its own voting arrangements.	<p>As a safety net approach or minimum model for those JOs unable to agree on a constitution, this is acceptable.</p>

Suggestion in the Paper	Commentary including advice on Risk/s	Recommendation for legislation	Guidance for JOs or “minimum” model approach
The Chair should not have a casting vote	<p>Not sure why this is material given there is a 75% prescriptor below?</p> <p>Discussion in this region suggests a consensus model with majority vote as a back-up.</p>	Each JO determines its own voting.	A ‘prescriptive’ model constitution for those JOs who can’t agree on one could be a fall-back position.
Appropriate authority for core regional functions should be delegated to the Joint Organisation	<p>It will be interesting to see what is being contemplated here. Delegated by whom? If the Councils own the entity, surely they delegate as they see fit? What will this look like? How can a Council “delegate” regional priority setting when it is not one of their existing functions?</p> <p>In fact, there could be significant efficiency gains by careful work undertaken around delegations, though this seems to be more material to the operational non-core activities.</p>	Each JO determines its own delegations, if required, at the direction of its members.	There is potential for useful guidance for those JOs contemplating regional activity in the operational area.
A majority vote on a Joint Organisation Board (75%) should be required for a decision to be made, to recognise the importance of regional-scale decision making	<p>With the exception perhaps of Chair-al elections? 75% of what? The proportional representation? This raises the issue of the big regional centre being out voted by surrounding smaller Councils. How does this enable those JOs who have the issue of a large regional centre not sharing the view of surrounding regional Councils?</p>	Each JO determines its own voting.	<p>Perhaps some commentary around encouraging consensus?</p> <p>A ‘prescriptive’ model constitution for those JOs who can’t agree on one could be a fall-back position.</p> <p>Avoid percentages and go for “majority”</p>
The Joint Organisation member role should be modelled on the councillor role in the Act but includes a need to act in the best interest of the Joint Organisation and region as a whole	<p>Perhaps some more thought is required here. Given that a Mayor is elected by his/her community, it should be recognised that the Mayor will have a deep knowledge of his/her community that they bring to the table to inform decisions in the interest of the region.</p> <p>There is a lot of focus on the Councillor role in “running the business of Council,” not sure of the fit with the JO? Councillor role in Community Strategic</p>	The principle is supported but work will need to be undertaken to ensure that a “catch all” approach does not deliver unintended consequences. Advice on the role need not be in the Legislation but form part of guidance.	Guidance regarding the role is welcomed.

Suggestion in the Paper	Commentary including advice on Risk/s	Recommendation for legislation	Guidance for JOs or “minimum” model approach
	<p>Planning? It looks like the wording in the Act would need a solid revise.</p> <p><i>Direct and control the affairs of the council in accordance with the Act</i> – this may have some solid implications for the future JO from a compliance perspective and would need a solid review.</p>		
<p>The role of the Chair should be modelled on the role of the Mayor (less the urgent policy making function), with a requirement to act in the best interests of the region as a whole.</p>	<p>As above.</p>	<p>As above</p>	<p>As above</p>
<p>Joint Organisations should be required to develop succinct work plans drawn from existing local and regional plans, in collaboration with the State Government and others and identify Key Performance Indicators (KPIs)</p>	<p>Why would a State agency be collaborating on a JO work plan? Why specify succinct? Surely a work plan is what it is and does not need any descriptors. For collaboration to occur there needs to be two parties working on a joint piece of work, not one party required to collaborate with another on their work plan. KPIs are always a good idea and form part of any work plan but there is no need to be explicit here. Who would JOs be reporting to? Surely our members and not the State?</p>	<p>Replace with: Joint organisations should be transparent and accountable to their members. Joint organisation priorities and plans should be reviewed annually and give consideration to the wider strategic framework.</p>	<p>Some guidance in this regard would be useful to support those regions that are starting from scratch.</p>
<p>Joint Organisations should be required to produce succinct Annual Performance Statements to show key stakeholders the extent to which they are achieving their priorities according to the KPIs identified by</p>	<p>As above</p>	<p>As above</p>	<p>As above</p>

Suggestion in the Paper	Commentary including advice on Risk/s	Recommendation for legislation	Guidance for JOs or “minimum” model approach
the Joint Organisation			
Current minimum requirements in the Local Government Act for financial reporting and accounting for councils apply to Joint Organisations.	As above	As above	As above
Joint Organisation members should receive a Joint Organisation Board sitting fee	This idea will lead to horse trading at Mayoral elections and undermine any guidance on requisite skills.	Delete	If deletion is not acceptable then allow each JO to set its sitting fees.
Members fund ongoing administration and regional priorities from available sources, most likely largely based on contributions from member councils using a locally negotiated formula	<p>This is where the fit with the operational entity starts to bite. Operational programming can offer up funding streams.</p> <p>Contributions for programming can have multiple sources including Federal funding.</p> <p>Thought also needs to be given on “who benefits” from the activity. For example: Redistribution of RMC contracts may add little benefit to Councils but reduce the compliance burden for Roads and Maritime Services (RMS) - who should pay?</p>	Supported in principle, though there needs to be resourcing recognition of activities that are undertaken on behalf of the State	There is plenty of scope for ongoing work to be undertaken in this space.
Joint Organisation staff be employed under the Local Government (State) Award	It is understood that the Minister is providing unconditional support for this suggestion, so no comment is required.	No comment	No comment
Joint Organisations be required to employ an Executive Officer, with the equivalent capabilities and at an equivalent level to a General Manager, senior staff member in a council or a Department of Premier and Cabinet Regional Coordinator.	<p>Each JO should determine how it resources its programming.</p> <p>Some General Managers in the State are paid more than \$350K. If it has to be linked to something, the DPC co-ordinator is arguably a more equivalent position.</p>	Amend to: Joint Organisations be required to resource their work plan	

PART D

Other Considerations

Boundaries – These should have sufficient size to enable resourcing and a fit with the size of other JOs. The Joint Organisation boundaries should be determined where possible by Local Government and offer concurrency with other existing boundaries e.g. Planning. Effort on boundary alignment of State services needs to be ongoing.

County Councils - This region welcomes and values its existing relationship with its water County Council and seeks that all JOs have the flexibility to include or exclude them as they see fit.

JO Formed Entities – This region seeks to have the capacity to have JO formed entities should it see the need to.

Conclusion

Thank you for the opportunity to provide feedback on the Emerging Directions Paper. We welcome the opportunity for continued engagement.

Please contact Executive Officer Jennifer Bennett on 0428 690 935 if you wish to discuss further.

Yours sincerely,



Cr Bill West
Chair

Central NSW Councils (Centroc)