

Hunter Joint Organisation

Response to “A New Model for Regional Cooperation”

Proposed Joint Organisation provisions	Hunter Joint Organisation response
<p>Principles</p> <p><i>JOs should:</i></p> <ul style="list-style-type: none"> • <i>have legal status</i> • <i>be enabled through the Local Government Act and recognised in other relevant laws</i> • <i>be owned by, and accountable to, member councils rather than be a 'fourth tier' of government</i> • <i>not impose significant red tape, cost or risks and ensure benefits outweigh costs and risks</i> • <i>embed collaborative relationships between local government and the State Government, as well as a wide range of other stakeholders and partners</i> • <i>have a consistent core model with flexible elements</i> • <i>protect entitlements for council staff through the Local Government (State) Award</i> • <i>enable significant projects and initiatives, and associated funding and assets, to be managed regionally</i> • <i>ensure good governance</i> • <i>serve the best interests of the region and its communities.</i> 	<p>Supported with caveat</p> <p>Supported with the following notations in regard to staffing and transitional arrangements:</p> <ol style="list-style-type: none"> 1. As the Joint Organisation will be an entity within a new Local Government Act, the Hunter Joint Organisation supports staff of Joint Organisations being under the coverage of the Local Government (State) Award 2. Staff within the trading entities owned by the member councils of the Hunter Joint Organisation are currently within the national rather than state industrial system. This occurred at the time of the introduction of the Modern Awards and as a result of decision making by the then NSW State Government. It would be inappropriate if not impossible for the State to legislate to overturn that situation 3. It would be useful to articulate transitional arrangements for any entities held by existing regional organisations that are to be transferred to a Joint Organisation. These arrangements could seek to minimise the transaction cost and effort required to transfer resources to the new corporation, and deal with the distribution of entities where the new JOs may not have the same council membership as the current owner.
<p>Core functions</p> <ul style="list-style-type: none"> • <i>JO core functions will be embedded in legislation and include strategic planning and priority setting, intergovernmental collaboration, and regional leadership and advocacy</i> • <i>All JOs will perform these core functions</i> 	<p>Supported</p>

<p>Optional functions</p> <ul style="list-style-type: none"> • <i>JO optional functions—such as service delivery and capacity building—will be enabled but not prescribed by legislation</i> • <i>JOs can select which of these functions, if any, they will carry out</i> 	<p>Supported with caveat</p> <p>Hunter Councils supports non-prescription of optional functions, but does not support JOs undertaking service delivery or community engagement functions, which are more effectively delivered by separate member-owned business entities and individual councils, respectively.</p>
<p>Representation</p> <ul style="list-style-type: none"> • <i>the Mayor will be the legislated member council representative on the JO</i> • <i>the Deputy Mayor, or another councillor where there is no Deputy Mayor, will be the alternative representative at a Board meeting in certain instances, such as illness or leave</i> 	<p>Supported with caveat</p> <p>Hunter Councils notes that Administrators will be in place in merged councils and supports them representing their Councils on the JO until a Mayor is elected.</p> <p>Not supported</p> <p>It has long been the practice in the Boards of Hunter Councils that no alternates are allowed under any circumstances barring there being no substantive appointment in place for either the Mayor (in case of the Joint Organisation) or a member council General Manager in the case of the trading entity or legal company. While this may seem harsh it imposes a degree of discipline and an encouragement of attendance. Very strong guidelines need to be in place If alternates are to be allowed so that the imperative to attend meetings is not to be watered down. Phraseology such as “in certain instances” and “such as illness or leave” needs to be strengthened / made more prescriptive in the final legislation.</p>

- *additional elected representatives may be appointed to the Board, so long as representation remains equal amongst member councils and supports effective decision making*

- *General Managers will participate in JO meetings in an advisory capacity and may form a General Managers Advisory Committees to the Board*

Not supported

The Background Paper proposes the following in regard to the Mayor as council representative on the Joint Organisation:

the Mayor be the legislated member council representative on the JO. This recognises the authority of the Mayor to lead and make decisions that reflect the council's policies

The Hunter considers, notwithstanding the individual character and worth of a non-mayoral councillor representative on the board of a Joint Organisation, that extending representation beyond the Mayor has the potential to undermine the authority noted above and to confuse the messaging of the member councils because of potentially conflicting views on matters under consideration.

Supported

The Hunter Joint Organisation notes the important advisory role its General Managers Advisory Board performs in supporting the Board of Hunter Councils.

The Hunter Joint Organisation is, however, strongly opposed to any proposal that would see General Managers having Board voting rights given that General Managers do not carry with them the authority of the elected councillors or the capacity to speak for communities in terms of advocacy or regional empowerment. Such leadership is appropriately a councillor and not a staff member role.

The Hunter Joint Organisation also does not accept that General Managers need to be given a vote to add a weight of numbers in the case of small Joint Organisations or because Mayors would be unable to deal with operational matters. If the former is the case the viability of the Joint Organisation in terms of capacity and scope should come into question. The second point – if true – strengthens the argument for focusing the Joint Organisation solely on its core, non business role.

It is also worth pointing out the obvious, and that is that it would be inappropriate for a General Manager to vote against the wishes of his / her Mayor. If such a situation would not be allowed or would never arise then a General Manager vote would have no meaning. It is therefore unnecessary.

<ul style="list-style-type: none"> • <i>the State Government will be represented on each JO Board as an associate (non-voting) member</i> • <i>other associate, non-voting members may be represented on the JO to recognise cross border and other important relationships.</i> 	<p>Supported with the suggestion that the State representative be deemed an ex officio member without voting rights</p> <p>Not supported</p> <p>The Hunter Joint Organisation currently does not have, and in the past has in general not supported, the notion of associate members.</p> <p>While accepting that there are many intersecting relationships both operationally and geographically in regard to a Joint Organisation’s activities it is important that the Joint Organisation be able to establish a coherent and consistent voice able to be adopted and serviced by its member councils. Multiple memberships will be difficult to resource.</p>
<p>Board Term</p> <ul style="list-style-type: none"> • <i>JO Board members will be appointed for a two year term which aligns with the proposed Mayoral term. Popularly elected Mayors will sit on JO Boards for the term of their office.</i> 	<p>Supported</p>
<p>Chair and voting</p> <ul style="list-style-type: none"> • <i>the Chair of the JO will be a Mayor chosen by the Board for a period of two years. It is not proposed that there be a limit on the number of consecutive terms a Chair can hold</i> • <i>JOs will be enabled, but not required, to have an independent, non-voting Chair who is the Mayor of one of the member councils. The relevant council would then appoint an additional voting representative to make decisions on behalf of that member council.</i> 	<p>Supported</p> <p>Not supported</p> <p>The Hunter sees no value in an independent non-voting Chair particularly when, if the option is take up, it would remove the capacity of the Mayor involved – as the voice of council – to vote on the proceedings of the Joint Organisation.</p> <p>Appointing an alternative, de facto Mayor is not seen as a viable or even proper alternative.</p>

<p>Role</p> <ul style="list-style-type: none"> the role of voting Board members and the Chair will be generally modelled on the respective roles of a councillor (in their capacity as a member of the governing body, not in their elected capacity) and the Mayor in the Local Government the role will additionally require representatives to act in the interests of the region as a whole. While concerns about potential conflict between a councillor's local and regional roles are recognised, this is not new for councillors balancing their governing and elected role. 	<p><i>Supported</i></p> <p><i>Supported</i></p>
<p>Voting and decision making</p> <ul style="list-style-type: none"> there will be equal voting rights for all full member councils within a JO on legislated core functions. As the legislated representative to the JO, the Mayor will be authorised to vote on behalf of the council a simple majority at which a quorum is present at a meeting will be needed for a decision to be made. This aligns with council voting requirements. where the JO deems it appropriate, a matter may be referred to member councils for consideration. For instance, it would most likely be appropriate to put decisions relating to funding commitments back to member councils the quorum for councils will partially apply to JOs. That is, a quorum applies where the majority of the councillors who hold office for the time being are present at the meeting. However, where a representative to the JO is suspended or the position is otherwise vacant, an alternative representative to the JO must be appointed by the member council proxy and remote voting should be enabled for JOs to counteract the impact of travel to attend meetings in regional areas voting structures for optional functions, such as shared service delivery, should be determined by the JO recognising that different resourcing, governance arrangements and membership arrangements may apply. 	<p><i>Supported except for the provisions for proxy voting and alternative representation</i></p> <p>Hunter Councils does not support either a JO member giving their vote to another JO member or allowing alternate members from a council. Travel constraints can be dealt with by allowing remote attendance and voting. In the event that a Mayor is suspended or otherwise vacates the Mayoral position, the relevant council would elect another Mayor who would perform the role of JO member.</p>

Sitting fees

- *JO Board members will not be paid sitting fees. Instead, to recognise the important role of Mayors on JO Boards, it is proposed that a one-off increase to the Mayoral fee be considered as part of the councillor remuneration review. This also enables Deputy Mayors attending on behalf of a Mayor unable to attend to potentially be paid a portion of the Mayoral fee.*

Partially supported

Sitting fees have never applied to the meetings of the Hunter Councils Board and, as the Joint Organisation will not in any substantial way increase the workload of our Mayors, the Hunter sees no need to alter an arrangement that has not generated any issues in the past.

The Hunter does support, however, a broader review of Mayoral and Councillor remuneration.

This section of the paper is mute on any remuneration impact on councillor representatives of Joint Organisation Boards (which the Hunter does not, in any event, support). It would hardly be appropriate to effectively pay a Mayor to attend Joint Organisation meetings and not a councillor. However, removing the provision for additional representation beyond Mayors would address this inconsistency.

How will shared services be delivered?

- *It is proposed that, optional functions, including shared service delivery, may occur through a JO, a member council, a JO-formed entity or in other ways*
- *Where shared services are provided directly by a JO, it is expected that this be done in a limited way so that delivery of core strategic functions is not adversely affected and so that there is adequate separation of strategic and operational functions. This applies particularly to commercial services*
- *As shared service delivery catchments do not necessarily align with JO boundaries, associate membership will allow flexibility for councils within and outside the JO to opt in and out of shared services on a negotiated basis*
- *It is proposed that the Local Government (State) Award would apply. Beyond this, governance and resourcing for shared services should be negotiated. Arrangements should be subject to monitoring and review, as determined by the JO and participating members, to ensure value for money.*

Partially supported

Hunter Councils does not support the delivery of shared services through a JO or JO-formed entities, but does support their delivery through member owned entities or in other ways.

Not supported

The Hunter strongly supports a model in which service delivery is structurally separate from the core Joint Organisation role, through separate member - owned entities. The advantages of this separation are significant and include:

- Avoidance of a loss of focus on the core activities of the Joint Organisation
- Enhanced capacity to adopt a corporate structure including Board structure appropriate to a business / commercial focus
- Enhanced capacity to deal with the very significant issues that will inevitably arise in regard to contestability, pricing, governance and conflict of interest. These issue cannot comfortably be dealt with in an environment not focused on corporation's law / business accountability and company director obligations

A company structure facilitates effective business operation and is not hindered by the concept of Joint Organisation boundaries or, arguably, political process.

Not supported – as previously noted – in regard to established commercial entities. Concern needs also to be expressed in regard to the complexities involved in mandating this for entities established under Commonwealth legislation

The concept of “value for money” is relatively easily managed in an open commercial environment with full contestability. Compulsory use of shared services will, even with the best will in the world, work against perceived and actual price competitiveness

<p>Funding</p> <ul style="list-style-type: none"> Based on the principle that JOs are owned by the voting member councils and support a core leadership and advocacy function, it is proposed that member councils fund the ongoing core functions of the JO with contributions based on a formula negotiated by each JO JOs must also have a range of other funding options available, including the ability to apply for grants and generate income 	<p><i>Supported – especially noting that it is the Hunter’s position that our trading entities, rather than our member councils directly – will fund the operation of the Joint Organisation</i></p>
<ul style="list-style-type: none"> The OLG is looking to amend s.377 to allow councils to delegate to the JO the acceptance of tenders 	<p>More information required</p> <p>Councils have long sought prescribed status for their regional organisations and would, consistent with our established position on the separation of services from core functions, strongly advocate for access to prescribed status for new entities able to satisfy the Office of Local Government’s very rigorous requirements for access to prescribed status. In other words prescribed status should be a possibility for any Joint Organisation owned corporation – but not a given</p>
<p>Staffing</p> <ul style="list-style-type: none"> JOs will employ staff exclusively under the Local Government (State) Award as will any JO-formed corporations or other entity established by a JO. This will protect entitlements for staff and facilitate staff transfers between member councils and the JO It is proposed that JOs be required to appoint an Executive Officer with appropriate skills and capabilities to undertake this crucial role based on a standard contract. This will ensure consistency and certainty for the JO Board and the Executive Officer, as well as transparency and accountability. It will also allow flexibility around duration of appointment, structure and level of the remuneration package and performance-based requirements While experience from the pilot process suggests that the Executive Officer role will need to be full time - and this is strongly preferred to support the JO to effectively carry out core functions - JOs will be able to determine and set resourcing requirements beyond this core standard. 	<p><i>Supported in regard to the Joint Organisation itself. Not supported – as previously noted – in regard to established corporations</i></p> <p>Partially supported</p> <p>While Hunter Councils supports full-time Executive Officers for larger regions, it may not be appropriate for smaller regions and should be a matter for each JO region to determine.</p>

<p>JO should</p> <ul style="list-style-type: none"> • be enabled to undertake optional functions directly, through member councils and through corporations and other entities • have appropriate controls, including possibly a financial cap, on undertaking optional functions directly • choose the most appropriate vehicle to deliver optional functions • be enabled to undertake optional functions directly, through member councils and through corporations and other entities • have appropriate controls, including possibly a financial cap, on undertaking optional functions directly • choose the most appropriate vehicle to deliver optional functions • delegate the operation of optional functions to the Executive Officer or General Managers • not own significant assets • be subject to the same regulatory controls as councils and relevant partners, where applicable, for delivering commercial activities. 	<p>Partially supported</p> <p>Hunter Councils supports Joint Organisations focused on core functions, with other functions, including shared services and asset ownership, delivered via a separate, member-owned, appropriately constructed, managed and governed corporate entity.</p> <p>Hunter Councils does not support a financial cap on optional functions, regardless of whether they are delivered by a JO or a separate member-owned entity.</p>
<p>Corporations and other entities formed by JOs should</p> <ul style="list-style-type: none"> • only be approved based on clear oversight and criteria, as for corporations and other entities set up by councils • be at least 50% owned by councils, allowing sufficient control and flexibility for partnership with the private sector and others • not be subject to competitive tendering to deliver projects for the JO to and on behalf of member councils • be able to establish membership, resourcing and governance based on need and appropriate core regulatory standards • be able to own assets 	<p>Partially supported</p> <p>Hunter Councils supports structural separation between JOs and member-owned corporations designed to deliver optional functions.</p>

The process to set up corporations and other entities should

- be developed in tandem with a review of the process for councils to form corporations and other entities under the Local Government Act
- vary for the type of entity being formed in terms of requirements or allowable functions
- be based on clear criteria to be developed, potentially including that the entity:
 1. *employs staff under the Local Government (State) Award*
 2. *demonstrates member interest and public interest tests*
 3. *limits activities to not-for-profit or require profits to be spent on public services*
 4. *demonstrates a sound business case and financial viability*
 5. *provides legal, financial and governance separation to address liability risk and manage stakeholder expectations*
 6. *undertakes community consultation in certain circumstances, if appropriate.*

Supported with the exception of 1 and 6

Supported with the exception of points 1 and 6

Point 1:

Hunter Councils supports the application of the State Award to the JO, but does not support its application to separate member-owned entities.

Point 6:

It is vital that the relationship between councils and their communities not be in any way undermined or sidelined by the operation of Joint Organisations. To that end if community consultation on a regional issue is required in the Hunter it will be managed by member councils by the established processes of those councils.

Direct Joint Organisation communication with community stakeholders could very easily be seen as being a thin edge of the wedge in creating another level of government.

It would be even more improper for a separate corporate entity / corporation to be conducting community consultation directly. .

Options to control JO formed entities may include

- requiring approval to change the activities of the JO-formed entity
- suspending JO-formed entity activities, board members and/or to wind up JO-formed entities in certain circumstances, such as maladministration, corruption or inappropriate activity.

Significantly more information is required in regard to these provisions.

The intent is appreciated however there are existing mechanisms in the correct jurisdiction to manage these matters. Much more information is needed in order to assess the potential implications of this section.

Agreements between the JO and the JO-formed entity and participating councils may include:

- annual agreement with the JO governing body to ensure activities and priorities align and monitor performance
- commitment from councils to participate for a period of time, to ensure stability.

Partially supported

Hunter Councils supports development of an annual plan for the JO, informed by the activities of member councils and any member-owned entities.

However, it is not necessary for a formal agreement or commitment from councils to participate in the activities of the JO. The legislation will stipulate the core functions that JOs must perform. Hunter Councils recommends that optional functions be undertaken by separate member-owned corporate entities. These separate entities allow The practical reality of the situation is that full contestability / open competition is the most appropriate mechanism to ensure relevance, value for money and customer empowerment. Full contestability / open competition is a difficult operating environment for a council owned shared service provider. Council customers will soon tire of mandated use of a provider's services

JO Boundaries should:

- align with/nest within strategic growth planning boundaries
- demonstrate a clear community of interest between member councils
- not adversely impact on other councils or JOs
- be based around a strong regional centre, where possible
- be of appropriate scale and capacity to partner with the State and Commonwealth Government and other investment partners.

Supported

Hunter Councils supports inclusion of the newly formed Central Coast Council and Mid Coast Council in the Hunter JO, along with Upper Hunter, Muswellbrook, Singleton, Cessnock, Maitland, Dungog, Port Stephens, Newcastle and Lake Macquarie councils, or their successors.

This would require a change consequent upon the inclusion of the area formerly managed by Greater Taree Council within our region

Regional Service Delivery and County Councils

- The NSW Government plans to review the current regional service delivery models, including the relationship of JOs to county councils. This will help to determine the most appropriate means to undertake regional service delivery in the future

Meanwhile, the current proposal is that existing county councils be associate (non-voting) members of JO Board/s relevant to their catchments, which may nest within a JO or cross JO boundaries. This recognises the valuable contribution county councils make to strategic discussions relevant to their scope of operation

Review supported

Current proposal not supported.

Associate membership is not supported in regard to the operation of Joint Organisations. This does not preclude strategic alliances and effective communication. It is simply a product of the view that the strategic focus of the Joint Organisation is too important to dilute.

Liability and oversight

- It is proposed that appropriate protections from liability are provided for JOs, members and individuals acting for JOs
- Duties of individual Board members and officers that could expose them to liability risk will also be limited, and separately governed JO-formed entities may quarantine members from the potential additional liabilities and risks of optional functions.
- JOs as public local government bodies should meet the standards of conduct and good governance expected of councils and councillors to protect the public interest
- It is proposed that independent oversight be provided for JOs, drawing on oversight mechanisms in place for councils under the Local Government Act and other laws. This would apply to JO representatives and staff as individuals acting on behalf of JOs. These may include a Ministerial power to issue directions and take other actions through inquiries, investigations, performance improvement orders and suspensions.

Supported

Key Questions

This is the first time that a consistent, formal process for integrating regional strategic planning across levels of government has been proposed.

What benefits can you see from a Regional Strategic Planning Agreement signed jointly by the NSW Government and the Chair of the JO?

There is no doubt that a consistent and formalised process for integrating regional planning across levels of government would be a significant step forward strategically, politically and operationally.

At the moment, however, while a process is outlined diagrammatically, there is little clarity about the mechanics of the governance arrangements, the integration of various elements of the planning framework and evidence to suggest that the practical issues of timing, interface and authority have been addressed.

Issues include the absence of a mechanism to guarantee equitable input into the identification of priorities and the resourcing of strategic responses to them. The model, for instance, lacks clarity about the interaction of the proposed regional leadership group and regional strategic table, whether either of these groups are different to the coordination committees proposed in the Department of Planning and Environment's Regional Plans, and if so how these groups will interact. There is also a lack of clarity about the membership of the proposed regional groups (that are not a Joint Organisation). Membership should be clearly articulated, and should, where significant Commonwealth assets and interests exist, include representation from the Australian Government.

In the Hunter, the CEO and the Chair of the General Managers Advisory Committee are members of the Regional Leadership Group. Such representation works well and is strongly supported.

Any Regional Strategic Planning Agreement should clearly articulate how it contributes to the delivery of key national, NSW and regional priorities, and the resources the three tiers of government will contribute to its delivery implies a similar level of autonomy at a regional state agency level to the level of autonomy applying to local government. In the absence of that autonomy at a state agency level the regional is bound to address centrally determined priorities and budgetary allocations no matter their relevance to the region, to local communities and their councils.

Do you have any comments on the definition of regional strategic planning and priority setting for JOs?

The definition is broad enough to encompass activities that may be conceived under the proposed shared regional governance and planning framework. It will be relatively straightforward for Joint Organisations to embrace the notion of a shared approach to strategic planning and – in global terms – to priority setting as it applies to the Joint Organisation. Such activities will, however, require resourcing, an awareness of what is both achievable and appropriate and a clear and consistent articulation of NSW regional priorities.

What guidance and tools will be helpful for JOs when preparing strategic priorities and work plans?

Joint Organisations will require a clear, consistent and long term approach to these processes and process requirements. The Office of Local Government and the Departments of Premier and Cabinet and Planning and Environment will clearly have to take leadership in this regard at a system level.

Do you have any comments on the definition of intergovernmental collaboration?

The definition is broad enough to encompass collaborative activities that may be undertaken; however, it may be useful to insert 'relevant' before policy development.

Are there any additional tools which would help support intergovernmental collaboration?

Establishment of clear targets, accountabilities and performance indicators would enable evaluation of the effectiveness of intergovernmental collaboration.

Do you have any comments on the definition of leadership and advocacy?

The definition of leadership and advocacy implies that the JO will develop the vision for the region described in the definition of regional strategic planning and priority setting.

Is that the case? What commitment will other government actors in the region have to that vision? As discussed in response to the question on regional planning and priority setting, it is preferable for relevant state and national agencies to participate in the development and delivery of any regional vision.

Are there any additional tools which would help support regional leadership and advocacy?

Leadership and advocacy are not new concepts in local government. The concept of "regional" leadership should also not be foreign with long experience in the Hunter suggesting that Mayors – as the voice of their council – move easily into this role with appropriate structures, support and expectation. Appropriate training including governance training and director awareness programs would obviously be of assistance.

Do you have any comments on the definition of capacity building in relation to optional functions?

The benefits to be derived from the strategic capacity generated by regional cooperation, regional advocacy and true intergovernmental cooperation cannot be underestimated. It is not clear, given the feedback on the Emerging Directions Paper that strategic capacity should be a core function of Joint Organisations, why strategic capacity has been identified as an optional function in the Background Paper. The building of regional voice, cooperation and advocacy strength is clearly at the conceptual heart of the Joint Organisation and is all about capacity.

Including strategic capacity as a core function of JOs would facilitate engagement with the NSW Government at a regional level.

The current definition seeks to mix strategic capacity with a range of other optional functions. A more succinct definition might be:

“Capacity building and supporting councils means JOs working collaboratively with the NSW Government and member councils to deliver improvements in local governance..”

What optional functions do you think should be undertaken by JOs?

This is not a matter that should be prescribed as each region has different issues and opportunities.

All Joint Organisations currently in this space will be happy to share their experiences of what works and does not work.

The JO model should not prevent regional functions being undertaken by member-owned entities.

What tools will be helpful to support JOs in building capacity and supporting councils to undertake optional functions?

As discussed above in relation to strategic planning, JOs will require a clear, consistent and long-term approach to these processes and process requirements.

The Integrated Planning and Reporting (IP&R) framework is a key tool to support councils to understand the aspirations of their communities, plan service delivery and report on the effectiveness of the implementation of those plans.

See note above in regard to advisory services that are available.

How can sub committees and working groups be used to support the JO Board, including in delivering optional functions?

Hunter Councils is firmly of the view that service activities – especially shared services – need to be operated on a fully business like, competitive and commercially focused way by separate member-owned entities. Such activities do not lend themselves to committee structures.

Sub committees and working groups are, however, invaluable tools in the working through of feasibility studies and have a clear place in the core functions of a Joint Organisation where council and stakeholder engagement is vital.

Are there any other tools which will help support good governance?

As the Joint Organisation itself will operate within the Local Government Act and established probity structures it is more than arguable that current tools and support should be fit for purpose.

The Hunter Joint Organisation does not support the Joint Organisation itself – as opposed to an owned entity – delivering services to councils. If a Joint Organisation is intent on direct service delivery its Board will need significant training and support to balance issues of conflict of interest and financial risk generated in a commercial environment in which the service provider is also the service purchaser.

How should the governance tools be developed and who should participate in their development?

The development of any new tools to support local governance should be developed through a collaborative process with the local government sector.

What tools or guidance will be most helpful in supporting JOs to develop strategic priorities and work plans and annual performance reports?

The most critical resource will be clear expectations of documentation and process via the legislation and any support material / model frameworks developed by the Office of Local Government.

In addition, the IP&R documents of each council and particularly their community plans will be a valuable starting point for member councils in contributing to the identification of regional local government priorities.

The IP&R annual reporting process provides a model for regional performance reporting, and its application to regional reporting would minimise the administrative burden for collation of individual councils' contributions to delivering a JO's regional priorities.

What tools could support JOs to understand the costs and benefits to support resourcing decisions?

Joint Organisations need to have a clear understanding as to their goals and how to resource them. It would be sensible, in that context, to seek the support of established organisations most especially shared service providers in raising awareness of opportunities and risks.

Hunter Councils supports a model of financial independence whereby Joint Organisations are funded by their member councils and are able to seek grants and generate income.

However, there should also be a commitment of resources from NSW Government agencies to deliver elements of any regional plan that are within their sphere of responsibility.

What are your views on the use of a standard contract for JO Executive Officers?

The contract conditions of Executive Officers need to be fit for purpose and recognise, especially in the instance of shared services, the additional responsibilities and requirements of the role beyond a local government context.

Are there any additional or alternate skills or capabilities which would be desirable for Executive Officers to have?

The Executive Officer is not a council General Manager or a councillor. The Executive Officer needs to take a regional perspective at all times, and assist the Board and General Managers Advisory Committee to take a regional view in their Joint Organisation capacity.

Do you have any comments on the emerging direction for JO-formed entities shown in Table 2 or issues you would like to raise?

As discussed previously, Hunter Councils supports structural separation between a JO, delivering core regional functions, and member-owned entities delivering optional functions. Specific responses to the emerging directions described in Table 2 are provided in the table at the beginning of this submission.

Do you have any comments about the JO boundary criteria?

Joint Organisation boundaries must align with local government boundaries and NSW Government planning boundaries. The model should allow for planning boundaries to nest within JO boundaries, as well as for JO boundaries to nest within planning boundaries.

Draft Regional Plan boundaries will require realignment to address merged council boundaries, such as incorporating the former Greater Taree LGA in the Hunter Regional Plan now that it is part of Mid Coast Council, and the other two parts of this council (the former Gloucester and Great Lakes councils) are part of the Hunter Regional Plan.

What role should JOs play in regional service delivery?

As discussed previously, Hunter Councils supports delivery of services via structurally separate member-owned entities. The development of service delivery by these entities needs to be carefully negotiated. There is clearly some potential for these entities to service the needs of NSW Government agencies as well as local government.

How could the service delivery functions provided by county councils link to the regional strategic planning and priority setting function of JOs?

County Councils are a form of shared service delivery with clear relevance to local communities and their councils. Reciprocal consultation between County Councils and Joint Organisations would as a consequence be of great benefit in the identification of issues and opportunities and in direction setting.

The Hunter Councils does not, however, hold the view that County Councils should be members or associate members of the Joint Organisation.

The Hunter Joint Organisation is aware that, in the past issues, have been identified in regard to the strategic capacity, resourcing and viability of some County Councils within the State. The Hunter Joint Organisation would therefore welcome, given the strategic importance of the functions of County Councils, the opportunity to participate in a review of County Council structures, support and review mechanisms so that their positive contribution to community capacity and resourcing is maximised.

Do you think JOs should be enabled to undertake regulatory functions on behalf of member councils?

As a general principle, Hunter Councils does not support the delegation of regulatory functions to a Joint Organisation but does see a role for member-owned entities in this space, for example through entities such as Screen Hunter.

What legislation will need to be amended to enable this?

As discussed above, Hunter Councils does not support delegation of regulatory functions to a Joint Organisation, but does support certain functions being delegated to member-owned entities (particularly where there are shared service benefits). It is not clear to Hunter Councils how the Local Government (Governance and Planning) Bill, as currently drafted, provides for delegation of regulatory functions to a Joint Organisation.

Should there be any limits placed on the regulatory functions which JOs can undertake?

See note above.

What tools and guidance are needed to support JOs wishing to undertake regulatory functions?

See note above.

Do you have any comments on the liability and oversight frameworks proposed for JOs?

The core functions of Joint Organisations can, in liability and oversight terms, be managed within the current governance and accountability frameworks of local government. Optional activities – particularly those being delivered by separate entities such as corporations – involve very different requirements and involve agencies such as ASIC. It will be important not to duplicate governance mechanisms or add unnecessary red tape to environments which are already heavily regulated.

Final Comment:

The Hunter Joint Organisation of Councils strongly supports the following summary statement prepared by one of its member councils, Maitland City Council, in regard to the new model for regional cooperation:

Council is fully committed to the formation of JOs, but believes that for effective collaboration between state and local government, there needs to be a strong and consistent focus on the core functions proposed. This will be more successfully achieved and supported by relative consistency in the structure and governance provisions of the JO's across the state. The flexibility afforded in relation to representation and governance aspects of the JO in the

discussion paper, whilst negating a "one size fits all" solution and accommodating many of the suggestions coming forward from the pilot process, may prove counter-productive in relation to the quality and effectiveness of the collaboration needed both between member councils, and between the State and the JO's, and so warrant consideration in this context.

Council has and will continue to advocate that optional regional functions be pursued and delivered through entities other than the JO directly, and again, to mitigate against these optional functions becoming the primary focus of the JO at the expense of the core functions. It is this council's experience that the tangible and more immediate nature of shared services and service delivery generally, is often more conducive to a sense of contribution and ownership for elected representatives on regional bodies, than the more challenging area of longer term and less tangible agreed regional strategies and priorities.