LEGISLATIVE ASSEMBLY

Standing Committee on Public Works

INQUIRY INTO THE JOINT USE AND CO-LOCATION OF PUBLIC BUILDINGS

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Chairman's Foreword

The inquiry into the joint use and co-location of public buildings arose from the Committee's long-standing interest in the procurement and management of building assets in the public sector.

State and local governments provide many public buildings and facilities, including schools, police stations, and hospitals at a state level; and childcare centres, libraries and sporting facilities at a council level. These assets are significant both in economic and social terms. However, their use is often limited to the purpose for which they were developed. There is often a change in the nature and extent of demand for use of these buildings during their life cycle.

This report examines innovative approaches for the maximised use of new and existing public buildings, along with changes in community life cycles. It also examines the development of regulatory arrangements and cooperative management systems across different government agencies to enable joint use and co-location of facilities.

This inquiry comes at a time when significant and long-term planning strategies are being undertaken at local and state government levels. They aim to address the challenges of a rapidly increasing population and its needs for efficient infrastructure and residential dwellings. The Committee recognises the efforts undertaken as part of major planning strategies, including the Metropolitan Strategy for Sydney, the current reforms of the planning process in NSW undertaken by the Department of Infrastructure, Planning and Natural Resources (DIPNR) and other individual projects undertaken by local and state governments.

While acknowledging the efforts of organisations, groups and individuals to deliver their services to the community in a concerted and cost-saving approach, the Committee believes that there are many new opportunities to be explored in the area of joint use and co-sharing of facilities.

This report's recommendations include the implementation of various policy and review strategies to establish government and local frameworks for the initiation and management of joint use partnerships. The Committee reflects the views of many witnesses to the inquiry when it recommends that a better coordination of joint use initiatives is needed at government level.

I believe that the Committee's inquiry and recommendations can assist government departments that own and manage public buildings to ensure their maximised and effective use. I also hope that the Committee's report will inspire communities and individuals to continue to participate in joint use initiatives.

Kevin Greene MP
Chairman

Functions of the Committee

The Standing Committee on Public Works was originally established in New South Wales in 1887. Its operations were suspended in 1930.

It was re-established by Motion of the Legislative Assembly on 25 May 1995 with the following Terms of Reference:

That a Standing Committee on Public Works be appointed to inquire into and report from time to time, with the following Terms of Reference:

> As an ongoing task the Committee is to examine and report on such existing and proposed capital works projects or matters relating to capital works projects in the public sector, including the environmental impact of such works, and whether alternative management practices offer lower incremental costs, as are referred to it by:
>
> - the Minister for Public Works and Services
>
> - any Minister or by resolution of the Legislative Assembly, or
>
> - by motion of the Committee.

The Terms of Reference were renewed on 3 June 1999 by the 52nd Parliament.

The Committee comprises seven members of the Legislative Assembly:

- Mr Kevin Greene MP, Chairman

- Ms Marie Andrews MP, Vice Chairman

- Ms Angela D'Amore MP

- Mr Peter Draper MP

- Mrs Karyn Paluzzano MP

- Mr Steven Pringle MP

- Mr Ian Slack-Smith MP

The Hon Paul Whelan, Minister for Police and Leader of the Government in the Legislative Assembly, expanded on the role envisaged for the Committee by the Parliament in a speech to the House on 25 May 1995:

> The Committee may inquire into the capital works plans of State-owned corporations and joint ventures with the private sector. The Committee will seek to find savings in capital works programs whilst achieving a net reduction in environmental impacts by public sector developers.
>
> The Committee's work is expected to provide incentives to the public sector to produce more robust cost-benefit analyses within the government budgetary process and to give more emphasis to least-cost planning approaches.
>
> The Committee will be sufficiently resourced to enable it to conduct parallel inquiries into specific projects and capital works programs generally.... it will have sufficient resources to inquire into the capital works program of all government agencies whose capital works programs affect the coastal, environmental and transport sectors.

Functions of the Committee

The Standing Committee on Public Works absorbed the functions of the Standing Committee on the Environmental Impact of Capital Works, which had been established by the 50th Parliament.

In the Fifty-First Parliament, the Committee examined health, education, Olympics, waterways and transport infrastructure as well as urban and environmental planning issues. It also investigated the development and approval processes for capital works procurement across the public sector.

In the 52nd Parliament, the Committee tabled eleven reports:

- Report on Capital Works Procurement (Report No 52/1)

- The National Conference of Parliamentary Public Works and Environment Committees 1999, Hobart, Tasmania (Report No. 52/2)

- Inquiry into Infrastructure Delivery and Maintenance: Volume One - Report on Office Accommodation Management (Report No. 52/3)

- The National Conference of Parliamentary Public Works and Environment Committees 2000, Darwin, Northern Territory (Report No. 52/4)

- Follow –Up Inquiry Into the Lake Illawarra Authority Report & NSW School Facilities Report (Report No. 52/5)

- Inquiry into Infrastructure Delivery & Maintenance: Volume Two - Land Fleet Management (Report No. 52/6)

- Inquiry Into Sick Building Syndrome (Report No. 52/7)

- Inquiry into Government Energy Reduction Targets (Report No. 52/8)

- Inquiry into Infrastructure Delivery and Maintenance: Volume Three - Building Maintenance Management (Report No. 52/9)

- The National Conference of Parliamentary Public Works and Environment Committees 2002, Adelaide, South Australia (Report No. 52/10)

- Inquiry into Urban Water Infrastructure (Interim Report No.52/11)

In the 53rd Parliament, the Committee has tabled three reports to date:

- The National Conference of Parliamentary Public Works and Environment Committees 2003, Perth, Western Australia (Report No. 53/01)

- Inquiry into Energy Consumption in Residential Buildings (Report No. 53/02)

- The National Conference of Parliamentary Public Works and Environment Committees 2004, Melbourne, Victoria (Report No. 53/03)

Executive Summary

As the NSW population grows there will be new demands for state and local public buildings. The declining availability of space, particularly in urban areas, and targeted funding for capital works projects requires innovative approaches to planning and development of public infrastructure and services.

Developments of greenfield sites and of new public buildings need to offer features suitable for the flexible and maximised use by a variety of community groups. A new way of thinking is required about the way existing assets are used. Rather than responding to change with new infrastructure only, the potential for retrofitting or adaptive reuse of buildings should be explored as a priority.

Combined facilities may be a viable option to save on construction and operating expenses and to deliver community services in an effective manner. Combined facilities may involve two main approaches - the joint use approach where a single building has multiple uses and the co-location or campus approach where multiple facilities are based at a common location. The Committee looks at these approaches and concludes that both approaches can be successful where there is adequate planning and commitment from stakeholders.

Understanding the needs and functions of each building and how they may intertwine is important. Co-location of buildings often requires larger parcels of land and often takes a long implementation period due to financing and co-ordination of multiple projects.

Where new buildings are required, innovation may allow for a variety of functions or conversion from one function to another over time. This in turn can produce public buildings that are better aligned to the life cycle of the community. For example, as communities age, the demand for facilities will change - from education facilities, to recreation facilities, and then community health/aged care facilities.

A further option is the co-location of public and private buildings. NSW already has many instances of co-location of public/ private buildings, such as new civic complexes. A key issue is balancing public and private spaces for community benefit.

Joint use and co-location of public buildings carries extensive benefits for the stakeholders and the larger community. The economic benefits of joint use include the decreased cost of the building and services provided, as well as the decreased need for new and expensive buildings that may have a limited use.

The social and community benefits are even higher, as communities gain access to good quality facilities and services that may otherwise not have been available, or may have been too expensive to access. The Committee received evidence of how joint projects tend to merge groups and communities together and enhance the delivery of important services such as education and recreation.

The Committee identified a large number of successful projects where stakeholders from various backgrounds have joined their efforts and assets to develop new multi-use facilities or to maximise the use of existing buildings. It was evident that the participating organisations and the community had benefited from the joint partnerships.

Witness evidence suggests that most organisations and groups are extremely resourceful when initiating strategies to develop and manage partnerships, even in situations where they

lack the expertise, funding or support that large government departments or private firms have at their disposal.

The Committee noted that retrofitting and reuse of old or heritage-listed buildings occurs at a substantial level. These projects even seem to be a contemporary trend, as old architectural features are preserved and showcased in the development of modern residential and office space.

The Committee acknowledges the structures that currently exist in NSW to support and promote partnerships between the public and the private sector, particularly those that involve large scale capital investment. The Committee also notes that current regulatory frameworks in NSW do not prevent the creation of joint partnerships as long as they are financially viable.

State asset management guidelines contain requirements of government agencies to identify alternative use possibilities for their surplus assets prior to endorsing their disposal. Government departments responsible for urban planning and re-development engage with local councils and groups in relation to approving joint use and co-location proposals. However, these policies and practices do not proactively encourage joint use, co-location and re-use of buildings to the extent that is needed for a maximised use of public assets.

However, the Committee also heard that many organisations and groups experienced difficulties at various stages of initiating joint use partnerships. The Committee believes that generally, public buildings are still not used to their full potential. Joint partnership initiatives are often hampered by a variety of difficulties that are specific to individual projects, or are more general, related to the regulatory structures guiding state asset management.

Common problems with joint use partnership arise from the lack of strategic and financial support provided by key departments to joint partnership projects. For example, school principals or local council managers could not readily obtain strategic advice and coordination from their respective departments, which resulted in frustrated and protracted efforts to develop and manage the joint partnership.

The Committee believes that current planning and regulatory frameworks in NSW need to be strengthened and enhanced to ensure that partnerships, particularly those between community and public sector agencies, are adequately promoted and assisted. New strategies are also needed to enable the public sector, local councils and community groups to identify opportunities for joint use partnerships and to overcome the cultural, funding and organisational difficulties that they currently experience.

The Committee believes that strategies should be put in place to:

- Create an integrated approach of all levels of government in relation to the planning, procurement, management and disposal of public assets. This approach should be implemented through policies and funding regulations that cut through the current 'silo' funding practices of public agencies;

- Ensure that government policies and regulatory frameworks promote the maximised use of existing buildings. Strategies may include various incentives to encourage reuse and re-development of old buildings, or discourage the development of new buildings when an existing building is available for the same or similar purpose.

- Provide a central, whole-of-government coordination and support to agencies, including local councils, to identify and facilitate opportunities for joint partnerships.

- Enable and support public agencies to engage in joint partnerships. This can be done through improved education and skills of staff, better resources and more integrated funding provided to agencies to create joint use opportunities and mandatory requirements to report on their performance in relation to joint use partnerships.

This report presents the policy and practical issues related to joint use and co-location efforts. Chapter One of the report presents the benefits and difficulties experienced with joint use partnerships. Chapter Two details examples and case studies of joint use and co-location of public buildings, involving schools, childcare centres, libraries, civic and residential areas and health centres. Chapter Three discusses the policy and regulatory frameworks of asset management at state and local government level and their impact on joint use and co-location projects. Chapter Four examines strategies for change to overcome the difficulties with creating and managing joint partnerships.

The Committee makes a number of recommendations that aim to address identified difficulties with the creation and management of joint use and co-location projects.

Findings and Recommendations

FINDING: The Government Asset Management Committee (GAMC) is an important whole-of-government unit that is well placed to assist with the maximised use and management of public assets through joint use, co-location and adaptable re-use initiatives.

FINDING: The Committee believes that GAMC currently does not fulfil its full potential as a central co-ordinating and advisory body to assist and facilitate joint partnerships. Such central focus is still lacking in NSW public asset management.

FINDING: Currently, Department of Infrastructure, Planning and Natural Resources' (DIPNR) brief does not specifically prescribe responsibilities to facilitate joint use and co-location initiatives. The Committee believes that the Department's role should include greater promotion and planning of joint use facilities.

FINDING: The Committee believes that DIPNR should use its expertise and policy direction to ensure that joint use facilities become a key strategy in planning public infrastructure and maximising its use.

FINDING: There is no mandatory requirement of local councils to report on their efforts to create opportunities for joint use of public buildings. There is also a lack of available information regarding the success of local council projects involving joint use and co-location of public buildings.

RECOMMENDATION 1:   That the Department of Local Government should update the guidelines for draft Management Plans to require councils to report on:
- All joint use and co-location initiatives where councils are a partner;

- The performance of joint use partnerships involving council; and
- Councils' performance in relation to identifying opportunities for joint use and co-location initiatives.

FINDING: Currently, the Department of Local Government does not collect or monitor joint use information contained in local council plans. The Department does not have any specific role in co-ordinating the efforts of local councils in relation to joint use partnerships.

FINDING: The recent review of Section 94 developer contributions undertaken by DIPNR did not address how the system could be used for development of joint use facilities.

RECOMMENDATION 2: That DIPNR should report on the implications of the Section 94 developer contributions review on the funding of joint projects.

FINDING: The Committee believes that the new guidelines for local council/private partnerships (resulting from the Daly Inquiry) are appropriate. However policies and principles for state/local council relationships, recognising the mix of two public partners, are also needed. The recommendations in this report serve as policy foundation for these state and local government relationships.

FINDING: No comprehensive lists or registers of joint use partnership projects involving the public sector were available for the Committee to access and evaluate.

RECOMMENDATION 3: That GAMC, in association with the Department of Local Government, establish and maintain a register of all joint partnerships where public agencies, including local councils, are stakeholders.

FINDING: There are no strategies in place at a NSW Government level, or within individual government agencies, to monitor and evaluate the performance of joint use projects. Government agencies are not required to report on the performance of the joint use projects where they are stakeholders.

RECOMMENDATION 4: That NSW Treasury should set reporting requirements for agencies and local councils to monitor and evaluate joint use and co-location initiatives involving public buildings and community assets and to measure their efficiency.

FINDING: The NSW asset management framework recognises the importance of maximising the use of public assets through joint use and alternative re-use initiatives. However, the framework is not proactive in promoting and supporting these initiatives, as there are no systems to:
- Require government agencies to retain their assets and seek alternatives for their re-use possibilities;
- Monitor the creation and performance of joint use and co-location projects, including those of a smaller economic scale.

FINDING: Current NSW Government asset management strategies do not focus on facilitating the creation and management of joint use and co-location initiatives.

RECOMMENDATION 5:   That each NSW Government agency should set out objectives and key performance indicators for joint use of its facilities. Agencies should report on their performance according to these objectives in their annual reports.

RECOMMENDATION 6:   That NSW Government agencies should be required to undertake consideration of joint use and co-location options before seeking funds for new public buildings.

FINDING: Current asset management policies, which require regular monitoring and accountability of all spending by government agencies, restrict agencies from allocating finances to multi-agency pools of funds. While restrictions are necessary to ensure that any public funds are appropriately used and are publicly accountable, the Committee believes that strategies should be developed to create opportunities for agencies and councils to pool funds for joint projects.

RECOMMENDATION 7:   That the NSW Government review current mechanisms that may restrict government agencies from entering into pool funding agreements with other government agencies to achieve a joint public building. A joint committee of government agencies, including representatives of local councils, may be formed to undertake this review.

FINDING: Non-aligned regional boundaries of government agencies and local councils may present a significant impediment for some joint partnership projects.

RECOMMENDATION 8:   That the NSW Government should explore the benefits of various government service providers establishing their boundaries along similar regional areas for the purpose of joint use and co-location of facilities and services.

FINDING: Better opportunities for joint use and co-sharing will be achieved through the creation of coordination units within each agency, and at a whole-of-government level, to focus on integration of public assets and efforts to deliver better services. GAMC is well placed to provide overarching joint use policies for NSW and to integrate the agency coordination units. For example, GAMC could focus on identifying joint use and co-sharing opportunities and assist with the co-ordination of efforts across agencies.

RECOMMENDATION 9:   That Government agencies should set up coordination units to assist them with joint use partnerships. The units' functions should include: providing legal and other advice in relation to the partnerships, identifying funding sources and coordinating efforts across organisations to assist with partnerships.

RECOMMENDATION 1O: That GAMC should work in concert with agency coordination units to facilitate greater joint partnerships across NSW.

FINDING: Current planning strategies for major urban consolidation and greenfield development do not actively promote joint use and co-location of public facilities. Strategies

should include planning of smaller joint use projects, such as community centres, libraries, halls etc.

RECOMMENDATION 11: That DIPNR should ensure all planning strategies have a joint use project component. In particular, DIPNR should report on the implications of the Sydney Metropolitan Strategy for joint use, co-location and alternative re-use initiatives.

RECOMMENDATION 12: That DIPNR should consider mandatory requirements that all new development applications for public buildings include reports on whether joint use alternatives have been comprehensively explored and exhausted.

FINDING: NSW government policies, particularly those related to funding and support of social services, do not actively encourage and facilitate joint use and co-location approaches that strengthen communities.

RECOMMENDATION 13: That the NSW Government should consider the provision of incentives to potential partners (both from the local government and private sectors) to initiate and engage in joint partnerships. These may include:

- Provision of interest-free loans to encourage private participants to establish earlier services in shared arrangement;

- Higher flexibility in applying Section 94 resources, including cross-boundaries application of contributions; and

- Providing some tax offsets to developers to reuse and redevelop old buildings and to provide key community services.

FINDING: Advisory and steering committees formed by local councils are highly beneficial for the integration of joint partnership efforts. Councils should be encouraged to use the committees to promote cooperation with local communities and government agencies with the objectives of creating joint partnerships.

RECOMMENDATION 14: That the Department of Local Government more actively support the various advisory and community consultation committees formed by local councils and promote their use in identifying joint partnership opportunities.

FINDING: Involving key stakeholders in the planning, management and continuous evaluation of the project improves inclusiveness and stakeholder commitment. It is important that change management programs for the stakeholders, including all staff, are implemented prior to co-location to encourage sharing between the groups and to overcome work practice roadblocks.

FINDING: A significant success factor in a partnership is a structured and clear agreement on the terms and conditions of the joint partnership. Many community groups, local councils and government agencies may not have the knowledge, skills and resources to develop documentation and agreements to manage joint partnerships.

FINDING: There are no educational and guiding instruments to assist government agencies, local councils and community groups with the creation and management of joint use projects.

RECOMMENDATION 15: That the NSW Government develop a joint project assessment tool kit and best practice education process for key government agencies, local government and the not-for-profit sector. The tool kit may include standard documentation to assist government agencies and local councils with the establishment, managing and termination of joint use partnerships.

RECOMMENDATION 16: There should be a mandatory requirement that all government agencies use this tool kit to assess and report on the feasibility of a joint project when considering the development, construction or redevelopment of a public building.

FINDING: While acknowledging the current planning strategy of the Department of Education and Training, the Committee believes that a service-led rather than a building-led approach to development of schools should be encouraged to ensure the long-term usability of schools by the community.

RECOMMENDATION 17: That the Department of Education and Training should review its current policies and procedures for the joint use of public school facilities with the objective of achieving greater shared use of school facilities. This should be done in consultation with key stakeholders.

FINDING: School principals should be provided with appropriate legal, managerial and financial support and advice to identify opportunities for joint partnerships and to implement them.

RECOMMENDATION 18: That the Department of Education and Training should develop strategies to assist school principals and school management to engage in, and effectively manage, joint use projects involving school facilities.

FINDING: Local councils and schools often create separate or duplicate buildings and facilities, such as sporting facilities, libraries, public halls and community facilities. This duplication means that the facilities are often not used to their maximum capacity.

RECOMMENDATION 19: That the NSW Department of Education and the NSW Department of Local Government should develop cooperative strategies to assist schools and councils to enter into and manage joint partnerships. These strategies may include:

- Developing management plans and communication protocols to identify joint use opportunities on an area basis to prevent the creation of separate or duplicate buildings and facilities. The plans may also identify potential users and funding, maintentance and management opportunities; and

- Developing standard leases that can readily accommodate Department of Education and Training and local government joint use of buildings and facilities, including appropriate insurance and security arrangements.

Chapter One - Introduction

Background

Rationale for the Inquiry and Terms of Reference

1.1   This inquiry is a product of the Committee's role to monitor and examine NSW infrastructure expenditure in NSW and its appropriateness to changing community needs.

1.2   Over the last decade NSW has experienced significant population growth, particularly in urban and coastal areas, that has brought about an increase in the numbers of new apartment buildings, urban consolidation and infill development.

1.3   The residential choices of a growing population, together with changing regional demographics have influenced the way community services are planned and delivered. In metropolitan areas, where space is limited and more costly, the increased population density must be largely serviced by existing public infrastructure. This calls for a new way of thinking about existing assets, particularly with a view to reusing and retrofitting public buildings and facilities.

1.4   Through its long standing experience in monitoring capital works outputs, the Committee is aware of the ongoing expenditure on public buildings such as schools, sporting facilities, health centres and civic precincts.

1.5   While there is an increased demand for community facilities and services, there is also a considerable output on assets that can be used for specific, but limited purposes. Combining facilities may be a viable option to save on construction and operating expenses. Cost savings result because spaces such as conference rooms, lobby areas, restrooms and parking areas can be shared. Economies of scale can pay off - larger facilities often have lower average running costs.

1.6   Where new buildings are required, innovation may allow for a variety of functions or conversion from one function to another over time. This in turn can produce public buildings that are better aligned to the life cycle of the community. For example, as communities age, the demand for facilities will change - from education facilities, to recreation facilities, and then community health/aged care facilities.

1.7   With this inquiry, the Committee is particularly interested in relatively smaller capital projects, such as public libraries or sports centres, which can be used and managed by local communities. These projects are much needed by local communities, as they are often places where groups and individuals gather or learn. However, despite their small scale, these projects are often difficult to initiate and manage by the responsible groups and organisations.

1.8   The Committee agrees that there are both economic and social benefits in promoting and managing joint partnerships that aim to develop public buildings or re-use and retrofit existing buildings in a way that they obtain maximum usage by the public.

Inquiry Terms of Reference

1.9　The NSW Standing Committee on Public Works is to inquire into, consider and report on the design, regulatory arrangements, and cost implications of the joint use and co-location of state and local government public buildings.

1.10　In particular, the Committee will examine:

1.　Options for retrofitting and adaptive reuse of existing state and local government public buildings;

2.　Options for the design and construction of new public buildings with joint uses, having regard to environmental and community life cycle issues;

3.　Issues arising from co-location of state and local government public buildings with private buildings; and

4.　Any other related matter.

Methodology

1.11　The Committee launched the inquiry by a resolution of the Committee on 5 May 2004 and called for submissions from relevant organisations and the public on 15 June 2004. The submission period closed on 16 August 2004 and the Committee received around 50 submissions from organisations and agencies in the government, non-government and private sector, as well as from individuals in the community (Appendix 1 – List of Submissions).

1.12　The Committee conducted two visits of inspection:

- Blaxland High School and Parramatta Civic Place on 21 July 2004, and

- St Mary's Project, Urban development project managed by Lend Lease, on 30 August 2004.

1.13　The Committee held public hearings on 22 September 2004 and 13 October 2004 with selected witnesses to clarify and expand upon particular issues (Appendix 2 – List of Hearings and Witnesses).

NSW Legislative Assembly Standing Committee on Public Works

1.14　The NSW Standing Committee on Public Works consists of seven members of the Legislative Assembly and was established with its current terms of reference in 1995.

1.15　The Committee's primary role is to inquire and report from time to time on

existing and proposed capital works projects, or matters relating to capital works projects, in the public sector, including the environmental impacts of such works, and whether alternative management practices offer lower incremental costs, as are referred to it by the Minister for Commerce, or any Minister, or by the resolution of the Legislative Assembly, or by motion of the committee .[1]

1.16　The NSW Parliament prescribed that the Committee may:

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[1] Hon Paul Whelan, Minister for Police and Leader of the Government in the Legislative Assembly, expanded on the role envisaged for the Committee by the Parliament in a speech to the House on 25 May 1995.

> ...inquire into the capital works plans of State-owned corporations and joint ventures with the private sector. The Committee will seek to find savings in capital works programs whilst achieving a net reduction in environmental impacts by public sector developers.
>
> The Committee's work is expected to provide incentives to the public sector to produce more robust cost-benefit analyses within the government budgetary process and to give more emphasis to least-cost planning approaches.
>
> The Committee will be sufficiently resourced to enable it to conduct parallel inquiries into specific projects and capital works programs generally... it will have sufficient resources to inquire into the capital works program of all government agencies whose capital works programs affect the coastal, environmental and transport sectors.[2]

1.17 The Committee's current functions also include those absorbed from the Standing Committee on the Environmental Impact of Capital Works, which was established in the 50th Parliament (1991-1994).

What are the Issues in this Inquiry?

Historical aspects of joint use

1.18 Economic and social changes over the last four decades have influenced the way our society uses services and facilities. With changing microeconomic policies and changes in the provision of government services, there has been an increased demand for flexible delivery of public services, ranging from education, health and housing to recreation and leisure services.

1.19 Significant demographic changes have occurred over the past few decades. These are a result of an increasingly ageing populations, movement of population from rural and regional areas together with key services and industries, shifts of families with young children to other suburbs, and concentration of singles and families with no children in metropolitan and coastal suburbs.

1.20 These changes have influenced the need for appropriately designed facilities that deliver a variety of services during the community life cycle. The changes may also impose significant challenges to planning of facilities and services, as local taxpayers in suburbs with increasingly ageing population may be more supportive of aged hostels and health facilities than child care and public school facilities.

1.21 Most areas in government have also experienced reforms in their structures and legislative responsibilities that have transformed the way in which public assets are procured, managed and disposed. Enhanced economic efficiency and public management prerogatives within the public sector have brought about the economic independence of sectors and localised community management of assets.

1.22 The philosophy of effective public management has produced two main, and often conflicting, characteristics that affect the way public buildings are used. On one hand, organisations and groups are required to maximise their service output and use of their assets for fear of losing their economic and social viability. On the other hand, relative independence of organisations and government departments means that they tend to work within their own budgets and prescribed service delivery and to be vigilant about the running costs of their assets (the 'silo' mentality).

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[2]Ibid.

1.23 The first perspective generally sees organisations and groups more readily engaging in joint partnerships where they jointly utilise their assets. The second perspective finds them shying away from joint partnerships and working within their own asset portfolios.

1.24 The NSW government is increasingly required to provide effective public infrastructure for a growing population, particularly in urban areas. It has responded with both release of greenfield sites and urban consolidation. However, both strategies can only be effective if they ensure that the use of public assets will be maximised, and it will evolve with changing community life cycles.

Benefits of joint use and co-location

1.25 The Committee accepts that there are significant benefits in achieving more collaborative use of facilities and services than currently exists. These can be summarised as follows:

- Better cost effectiveness of investments

- Improved delivery of services and strengthening community cohesion

- More flexible management of changing demand.

Better cost effectiveness of investments

1.26 Duplication of assets or the limited use of these assets by public agencies are not economically viable options for delivering effective services to the public. Inadequate and inefficient uses of publicly owned assets are a detriment to the community and the agency that owns the assets. Joint use and co-location strategies offer cost-effective forms of using public buildings.

1.27 The increasing value of land and running costs of buildings have forced agencies to think more innovatively about maximising the use of their public buildings. One submission expressed this challenge as follows:

> The two predominant issues of greatest concern to government when managing assets, in particular built assets, are that the general condition of existing assets is deteriorating and the costs associated with maintenance, depreciation and new infrastructure are increasing. Gone are the days when state and local government could afford to provide and manage separate and duplicate assets for different sections of the community. This is particularly evident when council community facilities and state government school facilities are compared.[3]

1.28 Economies of scale pay off, as there are reductions in the costs of developing separate buildings by individual service providers, for example a number of separate schools, sporting halls etc. There are also savings in maintenance costs, insurance and energy savings for each individual stakeholder.

1.29 The Committee heard evidence from Lend Lease, the developer of Golden Grove, a residential precinct in South Australia. As part of the development, there is an educational complex comprising three co-located public and private schools. Lend Lease provided the following description of the project and estimates of cost savings as a result of co-location:

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[3] Submission No. 46, Pittwater Council, p1.

The development of the Golden Grove community in 1984 set out to achieve:

- a choice of education providers;
- sharing and collaboration between education providers; and
- timely delivery of high quality services.

One key element was the provision of three co-located secondary schools at the heart of the new Golden Grove community.

The outcome has been outstanding, attracting international attention (OECD Program on Education Buildings and a FIABCI Award in 1993). Community satisfaction with the complex has been exceptional and, as a result of sharing specialist resources (including teachers), each school has enjoyed access to better services than any one of the schools could possibly have aspired to, and at no greater than normal cost to each school. One key element in the funding profile of the secondary complex was an interest-free loan from the developer.

In the year 2000 it was estimated that as a result of collaboration and the joint development with local government of facilities such as open space, sports hall and performing arts, the project had delivered total expenditure savings of:

- Capital - $40m; and
- Recurrent - $83m (annual recurrent savings of the order of $5m).[4]

Case Study 1:   Cost savings on maintenance through joint use and co-location – Quebec, Canada

Ecole Sacre-Cour is a public school in an urban area in Quebec that is housed in a five-storey building with 5,500 square metres of gross floor space. The school building has one of the highest vacancy rates and requires the most extensive renovation in the short term. It was estimated that to make the building safe (from fire in particular) and fully functional would cost C$2.5 million. Proposed municipal involvement included subsidising the building's renovation, in order to develop space that could be rented out to the community and maintain educational services in suitable premises.

The project involved community and health organisations that need to relocate or expand their premises. It is estimated that the project would save the school C$16,500 per year on building upkeep and maintenance and it will generate an additional C$50 000 in annual income by renting out the renovated premises.

1.30   The Committee heard that joint use and co-location of public buildings is of particular importance to smaller non-government organisations that may experience financial difficulties. The availability of affordable, yet quality accommodation for these organisations is reducing with the increase in property values. Therefore, joint use and co-location is a necessary and viable option for smaller non-government organisations. In addition to sharing the costs of accommodations, non-government organisations can also achieve costs savings in 'back office efficiencies' such as referrals of clients, inventory purchasing from shared pools and even sharing of staff.

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[4] Submission No. 41, Lend Lease, p10.

1.31 One witness has described these benefits as follows:

> **Mr MOORE:** Increasingly, the sort of economic pressures and service viability pressures on organisations require them to be much smarter in their back offices to survive. One of those things is about the more strategic use of assets such as buildings and facilities. Co-locations for not-for-profit human services in public buildings are a minor part of the scene at the moment.[5]

1.32 Despite the significant benefits of co-location, some witnesses have advised the Committee that arbitrary co-locations driven by costs alone may not be suitable, as the stakeholders must have a commitment to working together. The Committee acknowledges the importance for all stakeholders to set out their economic, organisational and quality prerogatives prior to engaging in joint partnerships.

Improved delivery of services and strengthening community cohesion

1.33 Perhaps the most notable contributions of joint use and co-location are that they allow for improvement of services and activities offered to local communities. This in turn creates more vibrant, cohesive and safer communities. Australian research demonstrates that there are direct correlations between the increase in community services and support and the decrease in social disadvantage (such as unemployment and imprisonment).

1.34 One submission highlighted the benefits of joint partnerships to communities as follows:

- Facilitating the development of social networks – public buildings play an important role in supporting the development of socially sustainable communities;

- Developing a sense of place and built identity;

- Encouraging greater service co-ordination; and

- Improving accessibility – services that attract a cross section of the community can be brought together to provide a one-stop shop.[6]

1.35 Public buildings and spaces have an enshrined principle of community cohesion, as they are inclusive of all members of the community and they provide gathering places (a focal point) from people from different backgrounds, interests, ages and cultures.

1.36 Services to the community such as education, health or recreation are most often provided from single purpose, specialised buildings that constrain the nature of the services they can accommodate. When different service providers collaborate across conventional boundaries in the design and operation of shared facilities, they are able to integrate their services and ideas, delivering significant benefits to the local communities. The diversity and quality of facilities is often improved which then results in expansion and improvement of services offered by these facilities.

1.37 As local communities gain access to services provided through joint partnerships, other benefits are also achieved such as better education, recreation and cohesion of local communities.

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[5] Transcript of Evidence, 13 October 2004, p2.
[6] Submission No. 37, Landcom, p4.

> **Case Study 2: Improved education services through joint use and co-location – South Australia**
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> At Golden Grove, a newly developed residential precinct in South Australia, three schools share specialist resources – buildings and staff. As a result of the schools collaborating they have been able to afford outstanding facilities – far better than the schools could possibly aspire to if they were acting alone. There is one physics, one chemistry and one biology specialist on the science staff – a range of outstanding expertise that would be unlikely in schools of comparable size acting independently.
>
> Sharing offers the students from all three schools access to special opportunities in each of the schools – languages, experience in an orchestra, photography, remedial mathematics are just some examples of the opportunities which are only available because of joint action and co-location.[7]

1.38   The Committee also heard that there are particular benefits of joint use or co-location for organisations that offer similar services, such as key community services (education, health, child care, housing etc.) As these services are typically offered by the public sector as well as a large number of non-government organisations, there is a potential for service providers to come together and integrate their services and assets. One witness expressed these opportunities as follows:

> **Mr MOORE:** …the largest charities in our sector are also very large property owners in their own right. It seems to me that, beyond what has perhaps occurred particularly in the hospital arena, and perhaps a little more marginally in education and aged care, there are probably opportunities for joint developments between the public sector and the not-for-profit sector at that end of our sector. I am thinking here about homeless persons services and housing services, and general care and other forms of residential services, where a more strategic approach about mixing and matching public and not-for-profit sector property and joint use of facilities could be undertaken, delivering better and far greater services. It is an area that is not explored very much, but I think it is an area that warrants some attention.[8]

1.39   The Committee believes that it is imperative that state and local government examine collaborative arrangements to improve the use of their own assets and the assets available to large non-government organisations, so that larger community benefits are achieved.

1.40   In many instances, joint use partnerships allow organisations and groups who may not have otherwise had access to large funds and facilities to share in the ownership and management of significant assets. The Committee heard of a number of smaller and under-resourced organisations that offer valuable services and activities for the community who were able to continue with their work because of joint partnerships with other service providers. For example, Tenterfield School of Arts was transformed into a local library, museum and theatre, after resources prevented the local museum from being staffed everyday.[9]

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[7] Submission No. 41, Lend Lease, p5.
[8] Transcript of Evidence, 13 October 2004, p3.
[9] Submission No. 44, Museums and Galleries Foundation of NSW, p2.

Benefits for regional and rural communities

1.41 Joint use and co-location can be particularly important in rural areas, as they are more likely to experience scarcity of facilities and services for use by the public. Changing demographics in rural areas and the economic conditions of small and dispersed populations may result in these communities not being able to afford and maintain a full range of public services and facilities such as schools, libraries, health centres, public houses, sports complexes, banks and shops.

1.42 Joint partnerships are a way of providing a high quality and affordable range of services and facilities to people living in rural communities. The successful provision of services, in turn, strengthens rural communities and ensures their effective participation in the economic and social life of the state.

1.43 Joint partnerships between various government and non-government agencies can ensure better provision of education, employment, housing, entertainment and other services and a better quality of facilities such as schools, libraries and sports centres. Better planning of the use of land and buildings in these areas is of crucial importance not only for rural communities but also for the government departments that seek to deliver better and more affordable services to these communities.

Case Study 3: Creating a community heart – Erina Fair (NSW)

Erina Fair is a major Lend Lease regional shopping center designed to service the NSW central coast. Through joint use and co-location of a range of services, Erina Fair creates social, community, leisure and retail space for residents and visitors of the NSW Central Coast. Erina Fair includes:
- shopping mall;
- lifestyle precincts;
- ice-skating ring and fitness club;
- library, community centre;
- youth recreation centre; and
- medical centre.

Recently the Arts Market began operating quarterly at Erina Fair open space, adjacent to the Hive. A large number of other community programs are also occurring at Erina in collaboration with Gosford City Council.

Case Study 4: Reviving rural communities – Tumbarumba Rural Transactions Centre (NSW)

Like many other rural communities, Tumbarumba had gradually lost banking and other services to larger centres. The Tumbarumba Shire Council commissioned architects to conduct a feasibility study to assess whether the old Tattersall's Hotel (circa 1980s) can be readapted to new use. The feasibility study, which found that re-adaptation was possible, formed part of the Council's successful application for federal government funding.

> The Tumbarumba Rural Transactions Centre now houses a Visitors Information Centre, Tourist Centre, a shop selling local crafts, a small local history museum, a medical practice and offices for visiting State and Federal Government service providers. All share common toilets, tea room and meeting room.[10]

1.44 In recognition of the benefits of joint use and co-location initiatives to regional and rural communities, the Committee invited a submission from the NSW Department of Regional Development. However, the Department declined to provide a submission.

More flexible management of changing demand

1.45 Demographic and economic changes can result in shifts in demand for public space, buildings and facilities. For example, the shift of families with young children from one area to another is likely to cause a reduced use of schools in the old area of residence. Alternative uses of space and buildings through co-location and reuse is an efficient way to address these changing demands.

1.46 The Committee heard that a progressive planning and design of new buildings is an important way of ensuring that they can be reused for other purposes in the future. This requires moving away from traditional, single purpose design to a building design that can be re-adapted for different purposes with minimal changes and at low cost.

1.47 Planning and management of joint partnerships, including leasing and purchasing of existing buildings should also accommodate changing community needs. For example, the Committee heard from one witness that changing sporting requirements of the local community was a significant factor in deciding about the type of facility needed and the terms of its lease:

> **Mr GORDON:** With the indoor sports centre, for example, basketball and netball are popular sports at the present time. Trends change. We have a 20 plus 20 year lease with the Department of Education for that land. At the end of 40 years it will need to be reassessed, whether or not basketball and netball are appropriate for that facility. For that reason we put the money into building the floor. The building itself is really a large industrial building, and so we purchased a cheap building to cover the floor because the floor was what the key issue was. In 40 years time that building would need to be replaced. So we do not necessarily want to have ownership of it. I am going to say it is a temporary facility, because that sport or that sport's usage may well change over time.[11]

> **Case Study 5: Building with view to changing demand – Aberfoyle Park (South Australia)**
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> Thiry per cent of the Aberfoyle Park High School campus is provided in classrooms which are designed and sited so that, if they become surplus to school requirements, they can readily be converted to residential (retirement) units.

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[10] Submission No. 6, Stephenson & Turner, pp1-2.
[11] Transcript of Evidence, 22 September 2004, p15

> The houses meet temporary demand for classrooms and are sold (or leased) as residential building stock as demand for classrooms declines.[12]

Case Study 6:   Rebuilding and reuse for a new demand – The Nirimba Campus, Sydney, (NSW)

The Nirimba Campus is a major partnership between the University of Western Sydney, the Department of Education and Training (Western Sydney Institute TAFE), two private high schools and the local community.[13]

The project was a re-development of an old disused naval base that included an airfield and a number of sporting facilities, such as an Olympic swimming pool. Joint-use agreements were made between all parties for use of some of the core areas.

The campus demonstrates how planning and design are critical to the effectiveness of joint-use arrangements. Even though the campus included private and public institutions of various sizes, the individual identities of the stakeholders have been maintained while shared spaces were still possible.

Difficulties with joint use and co-location

1.48   Despite the obvious benefits of joint use and co-location of facilities, the Committee heard of numerous factors that can discourage organisations and groups from considering joint use options, or impede and frustrate the joint partnership process. The nature of these difficulties and challenges may be cultural, economic, political and legal, and the solutions to these should be equally multifaceted.

1.49   Difficulties with the establishment or management of the joint use arrangements may even stifle the delivery of human services to the community if they are not appropriately addressed. For example, lack of communication between partners, large workload of staff or lack of funding contribution by a key stakeholder in the joint use partnership may result in poor provision of services, duplication of activities and efforts or even a closure of the joint use facility.

1.50   There may be a number of factors that can challenge joint partnerships, including the following:

- **Cultural views and attitudes:** These include a lack of vision by governments and large organisations in the community and private sector in relation to projects that involve unconventional approaches/protocols (the 'silo' mentality). Also, there may be identity, trust and ownership issues that may affect the relationships of stakeholders in a joint venture.

- **Budgetary deficiencies:** Issues relate to changing funding sources, inability of key stakeholders to pool funds, non-alignment of government agencies' boundaries in relation to funding allocations and unwillingness of stakeholders to share recurrent costs.

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[12] Submission No. 41, Lend Lease, pp3-5.
[13] Submission No. 49, Department of Education and Training, p3.

- **Legal and regulatory issues:** Lack of regulatory and legislative frameworks and systems that promote and support joint partnerships, and inadequate incentives to share and co-locate (larger government departments have access to their own funding for own projects). There is also a lack of support and coordination by government agencies, inadequate policies/strategies to promote joint partnerships, and lack of incentives for managers of organisations to participate in joint partnerships.

- **Technical and operational difficulties:** These relate to poor design of public buildings used for joint projects and poor adaptability of public buildings for changed uses. There are also issues arising from arrangements relating to the day-to-day operation of facilities, such as public liability insurance, staffing and workplace management issues.

- **Skills and resources difficulties:** Lack of skills and resources of stakeholders to engage and effectively manage partnerships. Insufficient skills in the public sector to facilitate these projects especially during planning phase and the need for skilled people.

Cultural views and attitudes

1.51   The Committee heard that a major obstacle to the initiation and management of joint partnerships is the 'narrowly focused' culture of government departments that own and operate large public buildings. The success of joint partnerships also depends on the cultural perceptions and attitudes of the stakeholders of these partnerships.

1.52   Historically, government departments were largely responsible for the procurement, management and disposal of their own assets. These responsibilities limit motivation of departments to look beyond their own domain and into the opportunities for sharing assets with other players. One witness explained this 'silo' mentality of government departments as follows:

> **Mr GORDON:**   If I go back to the public works days you are not actually looking at people who are asset managers, you are looking at people who are property managers and they are property managers for a particular narrow purpose, they are not asset managers on behalf of the State and the community, so their culture and their attitudes and where they are coming from are quite different, and the objectives of what they are looking for as outcomes are quite different.[14]

1.53   Strategic planning for an integrated delivery of public services is also hampered in this climate. One submission stated that there are:

> ...limited cultural and managerial mechanisms to ensure interagency cooperation because:
>
> - Each Government agency has to achieve maximum return on their own resources
> - Often a bias to taking on one's own interests
> - The property clearing house of the former DPWS has not delivered its potential
> - Users of public space often want to own the space to the exclusion of others.[15]

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[14] Transcript of Evidence, 22 September 2004, p11.
[15] Submission No. 13, Manly Council, p1.

1.54 Unfortunately, this culture seems to transfer into new planning processes, where new or redeveloped public buildings and areas do not optimise the public access and usability. One witness told the Committee:

> **Mr MOORE:** …In relation to approaches to planning and development, particularly given that at the moment we have so much focus on a new metropolitan strategy for Sydney and regional development initiatives in various parts of rural New South Wales, one of the things that is unfortunately lacking in those approaches is the issue of effective maximisation and value-added public buildings in a sustainable manner for community purposes. We have made that point in the Sydney Futures process, and we will continue to do so as the metropolitan strategy develops.[16]

1.55 It appears that this narrow view of the delivery of social services by government is preconditioned by the way departments are required to manage their assets.

1.56 One witness told the Committee that government guidelines that require departments to consider community purpose use when disposing or transferring their assets are not binding. Most government agencies attempt to achieve market value by selling their assets, rather than considering leasing these at a lower cost for community use.

1.57 The Committee also heard that lack of interest and desire of some stakeholders or community groups to share facilities also appears to be a major impediment to joint use projects. The Committee heard of examples where the development of a council hall for joint purposes was hampered because the stakeholders believed that the pensioner groups and the youth groups in the local area would not want to share the same facilities. Similarly, the Committee received evidence about a number of childcare centres, developed jointly by councils and government agencies, that remained non-operational because the agencies could not agree on maintenance and insurance costs.

1.58 The commitment of stakeholders to a joint partnership and their understanding of the conditions and benefits of the partnership are crucial to the success of joint projects.

1.59 The Committee heard of examples where the joint use and co-location of public buildings, even though viable, were impeded by the lack of interest of different organisations.

1.60 These issues are discussed in the following chapters. This report suggests a number of ways in which cultural and attitudinal challenges can be prevented and resolved. Strategies include changes to government regulatory frameworks, particularly in relation to procurement and management of assets and developing tools that provide managers of partnerships with the skills and resources to deal with these challenges.

Costs and budgetary constraints

1.61 Budgetary constraints and changing funding circumstances can be significant impediments to joint partnerships. Partners usually must have access to capital and recurrent funding at the same time. Delays of funding can jeopardise the partnership during the negotiation stage and the lack of recurrent funding may distort the priorities of different partners and therefore frustrate the management and further development of the joint partnership.

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[16] Transcript of Evidence, 13 October 2004, p2.

1.62 The Committee heard that financial constraints of joint partnerships are usually caused by the following factors:

- Lack of government funding assigned for joint partnership projects;

- Non-flexible public asset management structures that do not allow easy transfer of one agency's under-utilised public assets to another agency;

- Requirements of government agencies to achieve a market value when disposing of their assets, which prevent some local councils and community organisations from purchasing the asset at lower costs;

- Non-alignment of government agencies' boundaries in relation to funding allocations;

- Unwillingness of stakeholders to share recurrent costs; and

- Inability of all stakeholders to pool funding, mainly due to lack of equity or lack of expertise to access funding sources.

1.63 The Committee also heard that smaller, non-government organisations that offer a valuable public service are experiencing these, and other, difficulties to access timely funding. With the exponential increase in property prices, there is a commercial drive to increase the costs of office accommodation used by these agencies. One witness described these difficulties to the Committee as follows:

> **Mr MOORE:** It was probably more in the second half of the 1990s where other facilities that were owned by a State agency or a council had been provided at a peppercorn rental or at some form of reduced market rate that either went to market rate or was removed altogether because it was commercialised—either sold or leased at full market rates to a private for-profit business. That is what encouraged us at that stage to go to government to say, "We think we need a policy because this is what is happening…[17]

Legal and regulatory issues

1.64 A predominant concern of witnesses was the lack of legal and regulatory structures to promote and support joint use partnerships. The Committee was also told that there is a lack of integration between government organisations that would allow the joint use and management of a portion of their assets in joint partnership projects.

1.65 As there is no regulatory requirement for government agencies to report on how they share or maximise the use of their assets, they are less likely to initiate or enter into joint partnership projects. There are also no incentives for organisations and managers to enter into joint partnerships so that the use of their assets is maximised.

1.66 In the absence of government guidelines and support systems for joint partnerships, partners such as schools, local councils and community associations must employ their own managerial resources and instincts to plan and manage the partnerships.

1.67 Without the much-needed regulatory frameworks and legal systems, the other difficulties described above can easily emerge in the joint partnership process and jeopardise its success.

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[17] Transcript of Evidence, 13 October 2004, p5.

Technical and operational difficulties

1.68 Joint partnership projects may experience a number of technical and operational challenges, including:

- Inappropriate or limited design of a building or facility that limits its joint use and operation;

- Workplace management and staffing issues in joint use and co-location facilities; and

- Responsibilities of partners in relation to public liability and insurance.

1.69 The Committee heard that the design and location of buildings are important elements in the opportunities for joint use and co-location of facilities and services. The existence of common features such as toilet facilities, meeting rooms and kitchens may make a building more suitable for alternative or joint use without the need for expensive retrofitting.

1.70 Some public buildings are designed for specific purposes and their features may limit their re-usability. Projects targeted for multiple use and sharing may often demand particular features, fitouts and design that may increase the costs of the project. While it is likely that these costs will deliver better returns for the stakeholders and therefore prove to be cost effective, stakeholders are faced with difficult decisions about how much they can spend.

1.71 Witnesses stressed the importance of focusing on the immediate use and potential future uses of the building/asset when planning and developing it, rather than plainly on the asset itself. For example, planning of playing fields within school grounds so that they can be accessed and used outside of school hours may be an important feature that would enable and promote joint usage of the school by the community.

1.72 The Committee was also told that workplace issues may arise in multi-use or shared facilities, where staff are required to offer integrated services. For example, staff working in shared libraries may be required to provide information and referral services for government departments who share their information and computer networks (employment, housing etc).

Lack of skills and resources to initiate and manage joint partnerships

1.73 Co-location and joint use projects require people with various skills, including change management, legal skills and financial planning skills. The Committee heard that these skills are often lacking in smaller and local community partnerships. Although in some instances partnerships are initiated and succeed in the absence of these skills, insufficient skills of stakeholders present a significant deterrent to joint partnerships.

1.74 For example, preparing of partnership agreements and documentation is a very important factor in ensuring a successful and legally viable joint use partnership. Community groups, school principals and some local councils have told the Committee that these documents are a significant challenge and even an impediment to forming joint partnerships, because of the insufficient skills of stakeholders to prepare them.

1.75   Development of buildings and facilities require significant skills, but the establishment of joint services in those buildings and facilities that would serve the public in a long-term and integrated form can be even more challenging.

1.76   Skills and resources to plan and manage joint partnerships are needed not only in the private sector, but also in the government sector. The Committee received evidence that local councils, schools and most community organisations lack the organisational, management and legal skills to initiate and manage joint partnerships.

Chapter Two - Joint Use and Co-Location Possibilities

What is the potential of Joint Use and Co-Location of public buildings?

2.1 The Committee examined a range of joint use and co-location projects involving different levels of government, community and private organisations in NSW, Australia and around the world.

2.2 The inquiry process revealed remarkable and diverse types of collaborative possibilities. The purpose of this chapter is to provide a snapshot of the types of joint use options to stimulate consideration.

2.3 A full list of all the joint use and co-location projects mentioned in submissions to the inquiry is attached in Appendix Three. Although this list does not represent a comprehensive survey of NSW joint use activity by governments and organisations, it presents examples of the nature of projects undertaken and the possibilities for joint use and co-location that exist in various communities.

2.4 Based on witness evidence and submissions to this inquiry, the Committee is aware of more than 250 joint use projects that are underway or in planning in NSW.

2.5 The Committee found there is a great potential for joint partnerships with schools, government service facilities, libraries, museums and art galleries, child care centres, health facilities and residential and civic precincts.

2.6 This chapter outlines broad areas of joint use and co-location activity and the possible benefits they can generate. Obviously the areas overlap as joint use projects cross between these boundaries, however the four main areas of potential are:

- Schools and education facilities
- Sporting facilities
- Libraries and community services hubs
- Civic centres and residential projects.

2.7 Revitalisation, or adaptive reuse, of existing buildings is another facet for joint use. The Committee heard about many innovations that revitalise and reutilise old stock and heritage buildings, which are noted in this chapter.

Schools and educational facilities

2.8 As large place-based infrastructure, public schools can be of great social, economic and cultural benefit to local communities. Because of their easy-access design and central locations, local communities perceive them as highly suitable sources of usable public facilities. The Committee received many reports and examples of school facilities that are shared with the community through the use of their sports grounds and sporting facilities, assembly halls, libraries and classrooms for after hours use by various community groups.

2.9   Despite the noted lack of regulatory support and resources to local councils and the public sector in relation to joint partnerships, the Committee notes a number of successful partnerships between schools and other public or private agencies. The Committee has collated a large number of examples where schools across NSW co-locate with other educational institutions or community facilities. These include joint education precincts, sporting facilities, child care centres, halls and performance spaces, libraries, health facilities and government community services projects. The Committee notes the following examples of these joint partnerships:

Examples of joint educational precincts in NSW

2.10   In their submission to the Committee's inquiry the Department of Education and Training advises that it encourages the development of joint educational precincts involving schools, TAFEs, universities and other schools. It presented a number of examples of joint educational precincts in NSW, a comprehensive list of which is presented in Appendix 3. Some examples include:

- Coffs Harbour (North Coast Institute, Southern Cross University and Coffs Harbour Senior College)

- Dubbo (Western Institute, Charles Strut University, Dubbo College Senior Campus and ACE) and

- St George (Southern Sydney Institute, Georges River College, Oatley Senior Campus).

2.11   There are significant benefits in developing joint education precincts, not only from a cost-saving perspective, but also from an educational and community perspective. The Committee has heard from witnesses that these joint partnerships allow students to access the educational resources of other schools within the precinct, such as libraries and laboratories, or to participate in subjects not offered by their own school. Similarly, co-location of schools allows different school communities such as parent groups, local businesses and community groups to cooperate on a larger scale than they would have if the schools were located separately.

Schools as community centres

2.12   The Committee notes two strategies that enable schools to engage in joint partnerships with other government departments and community organisations in the provision of important social and community services. These are:

- *Schools as Community Centres* – a NSW government funded interagency program managed by the departments of Community Services, Health, Housing and Education and Training. The Department of Education and Training is the lead agency responsible for the administration of the program. The program establishes drop-in centres for children and families in communities with high disadvantage indicators, to provide support and prevention services.

- *Primary Connect* – a joint initiative between the Cabinet Office, the Premier's Department, the Department of Education and Training, Community Services and Housing and NSW Health. The program targets students and families who are at risk of engaging in criminal activities or are experiencing mental or physical health problems.

Case Study 7: Co-location of schools with community centres – Wyong, NSW

The Wadalba Community School in the Wyong local government area houses a community centre and has playing fields which are jointly used by the school and the community. The facility is used for adult education classes and is actively involved in a range of community activities. This approach allows people to gather, meet and learn and has been highly beneficial for the local community.

Case Study 8: Co-location and community sharing of schools – the US experience

The Committee acknowledges a number of successful overseas projects of joint use and co-location projects involving public schools. The following examples highlight the far-reaching opportunities of schools not only as education institutions, but also as accessible community facilities:

Pleasure Ridge Park High School Nutrition Program, Louisville, Kentucky[18]
The Jefferson County School Board operates a thriving senior centre program at four schools in Louisville, Kentucky. The program is a collaborative effort between the county department of human services, Kentuckiana Regional Planning and Development Agency, Area Agency on Aging, the Kentucky Cabinet for Human Resources and the public schools, one center has been located at the Pleasure Ridge Park High School for more than ten years. The program originally focused on nutrition as the school cafeteria provided meals for seniors. These services continue, but the program has grown into a thriving intergenerational initiative. Twenty-five to thirty seniors actively tutor through the America-Reads challenge. Senior citizens also chaperone all the school dances, judge the homecoming floats, participate in school field trips and audit classes. One married couple celebrated their 50th wedding anniversary at the school with students. The school cafeteria provides meals for seniors daily, and students deliver meals to the homebound elderly every Friday. The center has received Kentucky's senior center of the year award for its intergenerational initiatives.

Gaylord Community School, Gaylord, Michigan[19]
In the early 1990s the school board in Gaylord, Michigan, on two occasions had requested residents to gain support for a new school building. These have not been successful. As a result, the board initiated an extensive outreach to the community, including senior citizens. Senior citizens were especially eager to have a performing arts centre, something the city lacked. The school board adopted the community-school concept and developed a new school proposal that included day care, health care facilities and a 600-seat performing arts centre. The $25 million bond proposal subsequently gained the community's full support.

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[18] Sullivan, K.J. "Catching the Age Wave: Building Schools with Senior Citizens in Mind", **National Clearinghouse for Educational Facilities,** October 2002, p2.
[19] Ibid. p3.

Joint Use Sporting Facilities

2.13   There are many examples in NSW where schools have entered into agreements with local councils and sporting associations to use sporting facilities. The Committee notes some examples where these groups have not only agreed to share existing facilities, but have also engaged in partnerships to build shared facilities.

Blaxland High School sports complex

2.14   Blaxland High School sports complex was developed after a number of years of unsuccessful attempts by the school to redevelop its old gymnasium.   The attempts were fruitless largely due to lack of funding provided to the school for the project.

2.15   At the same time, the local basketball association was looking for a sporting venue, as its members were travelling great distances to play sport. The school principal engaged in discussions with the association and developed plans to work together to construct and share a new sports facility.

2.16   The association received a loan from the Department of Sport and Recreation. Further grants were provided to the project by Blue Mountains City Council and from the Department of Education and Training. The project was completed and opened in September 2003.

2.17   Through this partnership, the school has gained a valuable sporting facility that it could not otherwise afford. In addition, the facility has enhanced the school's reputation as the major sporting school in western Sydney.

2.18   The basketball association's membership increased exponentially from 24 to 57 teams, while the benefits for the local council were that it had been able to provide a sporting facility for its community where none existed.

2.19   The facility is managed by a committee comprising of the school principal, two members of the local community, two teachers and two Springwood Basketball Association representatives.

2.20   The joint-use arrangements are that the school uses the facility during the day, Monday to Friday, and the basketball association uses it every weekday afternoon and on weekends.

2.21   The school and the association share responsibility for the centre's maintenance. Each of them checks the centre carefully before handing over to the other. In this way, any damage can be traced to the offending party, and that party is responsible for the necessary repairs. Similarly, phone and electricity bills are divided up according to use.

Warriewood Sportsground

2.22   Pittwater Council has been successful in arranging the co-use and co-location of school sporting grounds, tennis courts and halls facilities on the basis of compatible usage times. The Council purchased from the Department of Education and Training (DET) a tract of former school land and developed it as a shared use sportsground.

2.23   The land acquisition from the Narrabeen Sports High School provided sports grounds and active open space required by the Warriewood Valley s94 Contributions Plan for

the new urban land release. A licence agreement between the Minister for Education and Pittwater Council, provides for upgraded playing fields and their ongoing maintenance and ensures that the schools can continue to enjoy exclusive use of the new playing fields during school times at no cost to DET.

2.24 Without the arrangement, the school would still be using a poorly maintained, under-utilised oval and the DET would not have received an injection of much needed funding for other school infrastructure.

2.25 The Committee was advised that the development of the sports field is an appropriate land use because the land is low lying and flood prone and the development adds to the existing network of public open space in the locality.

Joint Use Libraries and Community Service Centres

2.26 Civic centres and public libraries are popular organisations, largely due to their versatility and openness to all levels of the community. Given their important educational roles and central locations in the community, libraries are highly suitable for joint use and co-location projects. The Committee has examined a number of examples where libraries are shared with schools, local council facilities and shopping centres.

Minto Library

2.27 Minto library is a joint use facility developed in the early 1980s by the Department of Education and Campbelltown City Council. The library is part of the Sarah Redfern complex which consists of a high school, a primary school and a special education school. The library was developed as a joint partnership to act as both a school library to the three schools and a community library.

2.28 The relationship between the school and the council has functioned successfully since the creation of the partnership. A management committee has delegated responsibility for ensuring that the building is maintained and that both stakeholders in the relationship address issues surrounding it appropriately. Running costs are shared between the department and the council.

2.29 The Committee was advised that the partnership has provided an additional capacity that the council would have been unable to provide on its own. It has also given the Sarah Redfern schools access to a much larger collection of materials than they would normally have.

Eaglevale Civic Centre

2.30 The Eagle Civic Centre combines a library, swimming pool, council information facilities, a crèche, a café and a community hall. The library is connected to the Campbelltown greater library network.

2.31 The facility is particularly important as it enhances youth activities in the area. It is located close to a shopping centre and it has many users.

2.32 The Committee heard that although the library has limited hours of operation, the other facilities within the building are arranged so that access to all places can be

monitored. Therefore, there is efficiency in resources, space, staffing and security in the joint use facility.

Libraries in shopping centres

2.33 A growing number of public libraries are located in shopping centres. Most often, the libraries and the community consider location within a busy shopping centre as very desirable because of a number of advantages:

- The convenience of combining shopping with library visits, with the advantages of the 'one-stop' concept;

- Adequate parking, public transportation and secure access;

- Proximity of facilities such as coffee shops and childcare facilities;

- Opportunity for more extensive and flexible opening hours.

2.34 The specific benefits for libraries that are located in shopping centres are:

- Increased patronage;

- Ability to benefit from centralised services for building maintenance, security, cleaning, promotions etc. with the potential to reduce capital expenditure;

- Options to use centre facilities for toilets, staff meeting rooms and public areas, increasing available floor space in libraries.

Museums and galleries

2.35 The co-location of museums and/or galleries with other facilities can be a sustainable approach to the provision of cultural services, particularly in smaller remote or regional centres. The Committee heard of a number of museums and galleries that have been successfully co-located with other facilities, including libraries, civic centres, council chambers, theatres and tourist centres. These partnerships provide many benefits, such as reduced costs in sharing common facilities (reception, toilets, meeting rooms, halls and equipment) as well as increased patronage as more people are drawn to the variety of services.

2.36 The Committee notes a number of co-location examples of museums and galleries with other facilities. These include the joint partnerships between:

- **Albury Regional Museum and Albury Library**, which share the same building within a precinct that includes a performing arts centre and regional art gallery. The shared facility is currently under development and provides for an exciting sharing of research facilities and study spaces. A collection manager employed by the council works in both the gallery and museum collections.

- **Orange Library, Orange Regional Gallery, council offices and theatre,** which share meeting rooms and some facilities.

- **Parramatta Heritage Centre**, which comprises of a tourist information centre, gallery, museum, archives and local studies library. The tourist information desk acts as a reception area for the museum/gallery and local studies library. Staff share facilities such as research areas, kitchens and meeting rooms.

Child care centres

2.37   Joint use and co-location of child care centres is very important, as it may improve the accessibility, affordability, and quality of child care services for families and children. At the same time, shared arrangements benefit local communities and organisations where the child care centres are based through increased commitment and confidence of residents and workers (particularly those with young children) to the community and the organisation.

2.38   The Committee notes a number of joint partnerships projects that have enabled the establishment of quality child care and pre school services. These are often partnerships between the Department of Education and Training and a range of organisations including local councils, not-for-profit providers, community groups, parent managed services and umbrella organisations such as church groups.

2.39   The Department of Education and Training advised the Committee that it operates 79 preschools across NSW, in addition to many others established by individual schools with commercial operators and local councils. The Department has also engaged in the establishment of Out of School Hour (OOSH) centres on school sites to meet local community requirements. In addition to the benefits to school children and their families, OOSH services are important to schools, as they can assist with the security of school premises after school hours.

Health centres

2.40   The Committee believes that the health system in NSW could particularly benefit from joint use and co-location initiatives that maximise space and resources and at the same time provide a quality and accessible health service.

2.41   The Committee is aware of a number of joint-use initiatives between local area health centres and providers of housing and aged care service facilities that have provided great benefits to local communities, particularly in rural areas.

2.42   One such initiative is the Wilcannia Health Service. The health service was developed under the Commonwealth funded Coordinated Care Trial (CCT) Program, with the aim of integrating its operations into one site, including all health and social service providers in Wilcannia. The project involved refurbishment of existing heritage buildings that were part of the old hospital, and the construction of new residential accommodation and related services. The Far West Ward Aboriginal Health Service was the sponsor and fund holder for the CCT program while the capital redevelopment of the project and the Wilcannia Community Working Party managed a comprehensive community consultation. Local Aboriginal communities have a strong link to the land and a historical connection with the Wilcannia Hospital and the consultation process had been crucial in developing an efficient and widely accepted health facility.

Government access centres

2.43   Office accommodation and government service centres across NSW have a great, and underused potential for joint use and co-sharing. Because of their similar accommodation and security needs and public ownership, these buildings and facilities can be easily used by most public agencies in sharing arrangements. Not

only would such strategies ensure maximum use of public assets, they would also enable easy community access to a range of public services.

2.44   However, the Committee heard that joint use initiatives of office accommodation are difficult to achieve, mainly due to the unwillingness of agencies and staff to participate in such arrangements.

2.45   The Committee has also heard of examples where such initiatives have been highly successful. These include the creation of government access centres in rural areas and the Claymore housing estate:

> **Mr WOODWARD**: The intention of the government access centres was that people who could not gain access to government agencies could go to one-stop shop, particularly for business processing matters. The RTA was the lead agency involved in that, but a number of agencies joined with the RTA at those co-locations—the government access centres—to provide services. For example, people could go to a centre and be given access to housing rental assistance application forms and given help in filling out the forms. The forms would then be faxed or emailed to the relevant Department of Housing office in another town and dealt with without the person having necessarily to go to another place.
>
> The person giving the advice would not be Housing person; it could be an RTA or Fisheries person. A variety of people are multiskilled and are able to give information and to process the application. This is primarily about processing. There was a very good case for co-locating services in one location, and now there are quite a number of centres throughout New South Wales.[20]

Claymore housing estate

2.46   The Claymore project was developed in a western Sydney public housing estate suffering from significant social problems in mid 1990s. The project was conceptualised by different agencies to bring services to Claymore residents, who were physically isolated from Campbelltown because of lack of public transport.

2.47   The Department of Housing had an old building which the local council had been managing as a child care centre but was subsequently closed.

2.48   The building was used for co-location of a number of agencies at three levels of government.

2.49   State agencies pooled funding for a co-ordinator, who was employed by the Campbelltown council to maintain the separation of the day-to-day management of the building at the council level.

2.50   The Committee received evidence that the Department of Housing upgraded the building and set it up for the co-location, while the council was responsible for maintaining it. A number of agencies used the building to provide their services, including: NSW Police, Centrelink, Department of Housing, the council and a range of non-government organisations such as Burnside, and job networks.

2.51   The Committee was advised that the project is an example of a successful partnerships where many challenges were overcome by the stakeholders, such as

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[20] Transcript of Evidence 13 October 2004, p10.

issues relating to the highly disadvantaged community and bringing various service providers with different community perceptions.[21]

2.52   One witness described the benefits of these types of joint use and co-location initiatives as follows:

> **Mr Woodward:** First, there is the overall better use of the building so there are savings to the community in that sense, but it also brings people together. People had to shop around for various services. If they can get them all from one building, there are benefits to the community, and there are also benefits to the agencies themselves by being together because they often find there are other ways of sharing resources once they are coming together. Once you start that process of coming together and sharing resources, it is like a snowball, they start building on themselves. The agencies start to see that.
>
> From the community's perspective, they do not have to shop around. They can come and get their services from their own locality and there is a human face of the bureaucracy in those situations. People can deal directly with people in a less formal atmosphere as well, because where you have co-location you do not always have the same level of bureaucratic barriers, if you like. In the Claymore example, people were often in the same room, just in different parts of the room. People who would have traditionally avoided coming near governments and government departments were calling in for cups of coffee and chats and then getting other information about parenting and schools and a whole variety of things they were taking in from being in the building that they would never have got otherwise, if they had to catch a bus into Campbelltown and shop around at various agencies and being stuck in queues and waiting and so forth. To me that was the real benefit. The community got a lot of information, a lot of access to services that they would not have ordinarily got.[22]

2.53   The Committee also notes recent initiatives in providing key services to small rural communities through Rural Transaction Centres (RTCs). The Committee was advised that the RTCs are resourced through funds from the sale of Telstra and they aim to assist small rural communities to establish centres that are tailored to the community's specific needs. They may include financial services, post, phone, fax, internet, Centrelink office, facilities for visiting professionals and other services offered by different tiers of government.

Residential precincts and civic centres

2.54   The Committee heard of a number of examples where joint use and co-location initiatives have been used in the development of residential precincts and civic centres. These projects have great benefits for local communities, as they foster a vibrant way of life and quality housing and community services.

2.55   As part of this inquiry, the Committee received presentations in relation to a residential precinct development at St. Mary's and the development of a civic place in Parramatta. The Committee members visited both development locations to learn about the experiences of stakeholders in creating and planning the partnerships.

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[21] Transcript of Evidence 13 October 2004, pp19-20.
[22] Transcript of Evidence, 13 October 2004, pp14-15.

The St Mary's Project

2.56   The St. Marys Project is in its pre-development stage. The project will incorporate residential, retail, educational and leisure facilities in Blacktown Local Government area.

2.57   St Marys development will be on 1,545 hectares and will include approximately 5,000 homes contained within three separate and distinct villages, each surrounded by the 900-hectare Regional Park. The park will be owned and managed by the National Parks and Wildlife Service, with almost $7 million in funding from the developers towards its establishment and capital improvements.

2.58   The Committee was advised that the developers are committed to sustainable development practices throughout the planning, design and construction of the project. This includes measures for:

- Encouraging reuse of rainwater and enhancing water quality

- Reducing the need for private cars, by providing schools, community services and jobs on site

- Providing public transport links to the major centres and railway stations, as well as bus-priority routes and a strong network of cycle/walkways

- Recycling as much waste material as possible into road construction.

- Creating a series of wetlands to provide a natural breeding habitat for native birds and to increase biodiversity

- Energy saving homes and appliances

- Tree retention policies

- Onsite recycling of waste materials

2.59   The Committee was also advised that in addition to the Regional Park, the development will include:

- 48 hectares of regional open space and parklands

- learning centres for children and adults

- convenience, retail, dining and

- entertainment precincts

- employment areas to provide jobs

- community and recreation facilities

2.60   The Committee was also advised that an employment development strategy, developed with local councils, the State Government, schools and tertiary institutions is expected to provide more than 5,000 ongoing new jobs. More than 8,000 jobs are also expected to be created during the construction phase.

Civic Place Parramatta

2.61   Civic Place is a centre of community activities and local government in the Parramatta area. It contains the council administration building, chambers, town hall and library buildings.

2.62   Civic Place is a $900 million project scheduled to begin in early 2005 and be completed in 2008. It is a mixed development on a three-hectare site encompassing civic, cultural, retail, entertainment and residential facilities.

2.63   Civic Place is expected to bring 6,000 permanent jobs to the Parramatta CBD, not including the thousands of jobs to be generated during the construction phase.

2.64   At the same time, the rail/bus interchange is undergoing a $100 million redevelopment and will be linked to the redeveloped site.

2.65   The Committee was advised that Sydney Water will be among the new tenants of the development, which will have its headquarters in a purpose-designed building on the site.

2.66   The Committee was advised that Civic Place will comprise:

- 6,000 square metres of public space;

- 65,000 square metres of office space;

- 35,000 square metres of new retail space;

- 600 residential apartments; and

- 2,500 carparking spaces.

2.67   The design principles include:

- Preservation of all significant heritage buildings, vistas and views;

- Spaces and buildings on a human scale;

- Sympathetic buildings heights; and

- Incorporation of environmental sustainability principles.

Reuse of Old Buildings

2.68   The inquiry emphasized the positive effects of partnerships where both new and old buildings were jointly used by the public. However, an important focus for the Committee was exploring the opportunities for obtaining optimum use of old buildings by reusing or retrofitting them.

2.69   One witness told the Committee that reusing old buildings should be imperative for community planners before the development of new buildings:

> In general there needs to be a strong social, environmental and economic justification on a full life cycle basis to warrant a new or upgraded facility. It is often better to have fewer built assets that are fully utilised and able to be maintained to a high standard for the benefit of the broadest range of users. The general community and schools in particular should be the collective winners.[23]

2.70   The Committee strongly supports this view, as it reflects the benefits of cost-effectiveness and maximum use of assets for community services that are central to this inquiry.

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[23] Submission No. 46, Pittwater Council, p3.

Heritage Buildings and Areas

2.71   As the population grows and its needs change, cultural perspectives about what is valuable from a heritage perspective may also alter. While new generations may recognise the historical heritage characteristics of a building or an area, they may view these from a different life-cycle perspective that demands re-use and adaptation for various purposes.

2.72   Heritage listed buildings have an important and acknowledged cultural value in the community. They generally have great design or construction characteristics and can be located centrally within a community.

2.73   The Committee was interested in the opportunities for reuse or retrofitting of heritage buildings. Some witnesses have commented that this can be difficult and expensive because their design needs to be significantly altered in line with current building codes.

2.74   The Committee notes that there are significant benefits in reusing or retrofitting heritage buildings. These include:

- Responsible continued use of natural resources and recycling of existing building materials;

- Energy savings by reusing the embodied energy in the existing asset;

- Possible savings on purchase and maintenance costs, as a heritage building may be in public ownership.

2.75   Therefore, there may be some significant advantages to reusing or retrofitting heritage buildings compared to building new facilities.

2.76   However, according to the submission of the Museums and Galleries Foundation of NSW, there may be a number of disadvantages in re-using heritage buildings. These include:

- There are substantial costs in adapting an existing building for a new purpose and there is a risk of downgrading the building's integrity and heritage in the process;

- Heritage buildings may have a firmly established role in the community and there may be a lack of community support for changing their use or design;

- The structural conditions of the building may limit plans for its re-use in both cost and construction terms, as they may require a great deal of remedial work to install lights, climate control, waterproofing etc.

2.77   The Committee notes a number of examples where heritage buildings have been successfully converted for a new use:

- The Female Orphan School at the University of Western Sydney – the project involved conservation of Australia's oldest three storey building designed by Mrs Macquarie. The building is now upgraded as a focus for the University of Western Sydney and provides a venue for meetings, conferences and exhibitions.

- Conversion of the 1880s heritage-listed former Waterloo Town Hall into South Sydney Council's new Central Library.

2.78   The Committee believes that re-use and retrofitting of heritage buildings should be supported, as they present great opportunities to link public assets of cultural and historical significance with contemporary community needs. Re-development of heritage buildings and areas also opens new opportunities for public access and enjoyment of areas that may have been previously inaccessible due to their expired use.

2.79   An example of this is the re-development of Walsh Bay in 1999, which was one of the largest heritage redevelopment projects in Australia. An area including three wharfs was redeveloped to include a high quality residential and commercial development and public facilities. The redevelopment opened the Walsh Bay area to the public for the first time in a century, while preserving the intrinsic heritage characteristics of the wharfs and the surrounding area.

2.80   The Committee also believes that there needs to be a strong social, environmental and economic justification on a full life cycle basis to warrant a new or upgraded facility. It is often better to have fewer built assets that are fully utilised and able to be maintained to a high standard for the benefit of the broadest range of users.

Chapter Three - Public Buildings and Facilities in New South Wales

3.1   This Chapter summarises how state and local governments manage their public buildings and facilities. Part One is an overview of NSW Government asset management systems, including key agency roles. Part Two looks at local government requirements to manage their assets. Part Three examines NSW structures in relation to public – private partnerships (PPPs), and compares them to some interstate jurisdictions. Part Four discusses the impact of the NSW asset management framework on the creation, management and monitoring of joint use and co-location partnerships.

3.2   In this chapter, the Committee makes recommendations for changes to the whole of government asset management system to enable maximised use of public assets.

Part 1 – State Government Management of Public Buildings and Facilities

3.3   Government agencies are required to keep asset registers, mainly for accounting and budgeting purposes. Although the detail of information recorded in these registers varies between agencies, there are common information requirements for whole of government management that should be included. These are:

- Service delivery functions and operational data;
- Property title information, physical properties and technical data;
- Financial information – valuations, depreciation;
- Maintenance data and capital and minor works history; and
- Heritage significance/environmental characteristics.

The NSW Government framework

3.4   All spheres of government within NSW have extensive asset and infrastructure portfolios that have been gained over many years and generations. As stewards of this large public capital, governments have the responsibility to appropriately manage these assets in ways that are responsive to the needs of a changing community, but are also pro-active in relation to future challenges.

3.5   When developing and managing assets, the government must look at the whole of life aspects associated with the costs of existing and proposed assets as well as what is appropriate, reasonable, affordable and sustainable for the community as a whole. This requires a flexible and proactive approach to accommodate changing population demographics, as well as changing community expectations and increasing environmental concerns.

3.6   Over the years, there have been significant changes in the government approach to managing assets. While historically, the responsibility for procurement, management and disposal of public assets fell within the domain of one agency (the former Department of Public Works), these responsibilities now lie with individual agencies that own and use those assets.

3.7   One witness commented on the changing structure of NSW Government asset management as follows:

> **Mr GORDON:** …if you look back in history, and that is hospitals, schools, police, the whole lot at one stage more or less came under the asset management guidelines of public works. The property services group was set up. It sort of went outside public works and then came back into public works, but it was really looking at the State's asset management. What then happened was that when public works became a commercial entity, if you like, an outer government, outer budget sector organisation, all of a sudden those people became the clients of public works and, as such, the property was handed back to them. When the property was handed back to them you then had a lot of property departments in each one of those, which were simply looking at how they utilised the property within their narrow area, so the Department of Commerce even today is the client rather than the driver of the process. It is important to realise just how important that purchaser/provider model is. In some ways it is a very good model, but in other ways it is extremely damaging and it is extremely damaging if what you are looking at is some type of long-term strategic approach that is overarching.[24]

3.8   This report discusses how these changing structures have influenced the way government agencies approach the challenge of maximising the use of their assets through joint use and co-location initiatives.

Total Asset Management

3.9   Government agencies in NSW are required to procure, manage and dispose of their assets in accordance with the Total Asset Management (TAM) policy. TAM was initially released in 1993 by the Department of Public Works and Services and has been subject to a continuous review and reform.

3.10   TAM forms part of the *NSW Government Procurement Policy Framework*, which guides public agencies in their asset management for service delivery.

3.11   Until June 2003 the Minister for Commerce was responsible for the whole-of-government procurement and asset management policy. Since then, the responsibility has been transferred to NSW Treasury.

3.12   The Government's procurement policy was also reformed to provide a simplified, more predictable and accountable procurement process. The reforms did not fundamentally amend procurement policies, but they simplified them to assist agencies to make appropriate and informed decisions, particularly in major procurements, without diminishing their accountability for outcomes. The reforms apply from 1 July 2004 on a whole-of-government basis to all government departments.

3.13   The Parliamentary Standing Committee on Public Works has examined TAM on a number of occasions, including the Committee's *Inquiry into Government Building Maintenance* in 2002.

3.14   TAM looks at asset management from a whole-of-life and system-wide view and includes principles for the adoption of uniform management practices, standards and forms of accounting.

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[24] Transcript of Evidence, 22 September 2004, p11.

3.15 TAM encompasses the activities necessary for the cost-efficient management of government assets, including:

- Identification of the need for the asset;

- Provision of the asset including its refurbishment;

- Operation of the asset including its maintenance;

- Disposal and the effective removal of the asset from the agency's portfolio.

3.16 In this context, asset requirements are driven by government agencies' business/ service needs and not viewed as a need in themselves. This ensures capital resources are properly allocated and managed to maximise the return on investment.

3.17 There are three strategies that are undertaken by agencies as part of the TAM:

- A **Corporate Plan** – an agency's starting point for identifying community demand and how best to meet it.

- A **Service Strategy** that represents the translation of the community's demands or expectations into service needs and the best strategies to meet them. The Service Strategy must include or have direct relevance to key plans, including the business development plan, finance plan, human resources plan, technical resources plan, etc.

- The **Asset Strategy** provides the framework for managing agencies' asset portfolios. The framework should clearly identify and focus the short and long-term rationale in terms of asset needs.

3.18 The Asset Strategy, requires that agencies prepare a number of plans:

- The Capital Investment Strategic Plan

- The Asset Maintenance Strategic Plan

- The Asset Disposal Strategic Plan

- The Office Accommodation Strategy

3.19 The **Capital Investment Strategic Plan** is applied in relation to investments in new assets or significant improvements or upgrading of existing assets. The Plan involves assessment of all appropriate investment options to meet service delivery needs, including purchase, lease, service contract, private sector involvement and non-asset solutions. According to the TAM Manual 2004, the strategic planning process has the following stages:

- Stage 1: Project Brief – Translates service delivery outcomes into specific and detailed project objectives

- Stage 2: Generate Project Options - Consider all options including non asset solutions

- Stage 3: Short list options – Select options which best satisfy service delivery outcomes and evaluate short listed options

- Stage 4: Compare Options - Compare options and select preferred option

- Stage 5: Prepare plan - Detail all benefits of selected options

3.20 According to the **Asset Maintenance Strategic Plan**, agencies' assets must remain productive at the lowest possible long-term cost. According to the TAM Manual 2004, this Plan involves:

- A detailed functional analysis of maintenance needs that meet the required service delivery outcomes;

- The development of maintenance strategies; and

- The institution of procedures to ensure adequate control of the implementation of the maintenance plan.

3.21 Maintenance planning involves an analysis of maintenance needs against agency service delivery objectives and government priorities. The planning process links service strategies with asset maintenance and has the following seven steps:

1. Define and segment assets to meet service strategy
2. Determine required asset performance
3. Define maintenance resources and overall strategies
4. Assess condition of assets and recommend maintenance
5. Prepare Maintenance Cost Plan
6. Implement Maintenance Cost Plan and programs
7. Monitor and review Maintenance Cost Plan.

3.22 The **Asset Disposal Strategic Plan** allows agencies to dispose of surplus assets that otherwise reduce efficient and effective service delivery. According to the Plan, a surplus asset is identified when it:

- is not required for the delivery of services, either currently, or over the longer planning time frame; or

- becomes uneconomical to maintain and/or operate; or

- is not suitable for service delivery.

3.23 The Plan acknowledges that changes in service delivery methods either due to advances in technology or social expectations can cause assets to become surplus. This can also occur as a result of changing demographic patterns or the economies of scale made possible by new service capacity.

3.24 Once an asset has been identified as **surplus** by the agency, its **disposal** may depend on a number of matters, including an examination of whether there are secondary service obligations associated with the asset, which dictate its retention.

3.25 TAM's disposal plan recognizes that disposal of assets may not be profitable for an agency because of the costs of disposal and low market value of the asset. However, according to TAM, disposal may have other, non-monetary benefits to an agency, such as relieving the agency of responsibility for an asset's supervision, day-to-day management, maintenance, insurance, security and cleaning along with housing or storage throughout the asset's life.

3.26 The policy also recognises that under utilised assets may be of significant value to another agency, and requires that in assessing the benefits of disposal, the advantages from the whole of the government perspective are considered.

3.27   Also, some assets identified as surplus to core service delivery requirements, may need to be retained due to heritage, open space or other social environmental considerations, which agencies may have as secondary service obligations.

NSW Government Asset Management Committee (GAMC)

3.28   GAMC was established in 1998 to bring together NSW Government agencies and asset experts to ensure a "whole of government" approach to asset management and office accommodation planning. GAMC is chaired by the Director-General Premier's Department and the members comprise the CEOs of Treasury, Department of Commerce, Attorney General's Department, Roads and Traffic Authority, Department of Infrastructure, Planning and Natural Resources and Forests NSW.

3.29   NSW Treasury advised the Committee that GAMC assists in the co-ordination of disposal of assets that are no longer needed by government agencies. GAMC has a role to identify alternative use opportunities for some public assets that have been declared as surplus by government agencies, and to assist with allocation of those assets to other public agencies that may require them.

3.30   During this inquiry, the Committee was unable to gain information on how many public assets have been re-distributed to other public agencies through GAMC. The Committee also found that GAMC does not systematically collate data about all joint use, co-location and re-use initiatives of public agencies and the economic performance of these initiatives.

> **FINDING:**   The Government Asset Management Committee (GAMC) is an important whole-of-government unit that is well placed to assist with the maximised use and management of public assets through joint use, co-location and adaptable re-use initiatives.
>
> **FINDING:**   The Committee believes that GAMC currently does not fulfil its full potential as a central co-ordinating and advisory body to assist and facilitate joint partnerships. Such central focus is still lacking in NSW public asset management.

NSW Treasury

3.31   NSW Treasury reviews agency's TAM plans including its Capital Investment Strategic Plan (CISP). NSW Treasury assesses all major new capital projects arising from an agency's CISP irrespective of whether they are funded internally or from the State Budget.

3.32   NSW Treasury also monitors the progress of all major construction projects irrespective of whether they are funded internally or from the State Budget, through routine reports submitted by agencies at key decision points during the procurement cycle. Similar monitoring requirements are being developed for ICT projects.

3.33   NSW Treasury representatives told the Committee that government agencies are largely responsible for managing their property portfolios, including identifying the surplus property assets. Agencies are required to place these assets in the surplus property asset portfolio in Treasury, which administers them in terms of disposal, consolidation and re-use strategies.

3.34   The Committee received evidence from NSW Treasury that its role was to find alternative uses for surplus property and to dispose off them in the market. NSW Treasury representatives described the process as follows:

> **Mr CAMPBELL:** In terms of surplus assets, we have a subcommittee or a working party of Government asset management that is called Property Disposal Assessment Panel, and the purpose of that committee, all agencies have to submit their disposal plans for surplus assets, and part of the process is to identify other uses or other Government needs. So if an agency has surplus property in one location and another agency is looking for something in that location, we can marry those up instead of disposing of the asset and then trying to find one later. That is a proactive approach to look for alternative uses before it is formally declared surplus and disposed of.[25]

3.35   According to this framework, the main responsibility for identifying opportunities for reuse of public buildings does not rest with the agency that owns them, but with NSW Treasury. The possibility for reuse is only explored once an agency has identified that they are surplus to their portfolio and has asked for their disposal.

3.36   NSW Treasury advised the Committee that it has a role in identifying opportunities for joint use and co-location of office accommodation, together with the Department of Commerce:

> **Mr CAMPBELL:** … in terms of co-location we do strategic planning in particular areas, once again part of TAM, and to deliver the accommodation, all agencies submit a plan which we review and if we identify a problem area or a number of agencies looking to achieve certain outcomes in a similar location through the Department of Commerce, which we have an alliance with, they actually go in and do a whole town study, look at all the accommodation options, whether we can get co-location, group service delivery, things like that. We actually work out and try and get the agencies to align their needs, but there is a lot of issues with timing obviously and funding and the opportunities. There is a fair bit of proactive work, but as Danny said, at the end of the day if there are no obvious opportunities, it is the agency's responsibility to manage those assets…[26]

3.37   NSW Treasury approves capital works projects through the implementation of the *New South Wales Government Guidelines for Economic Appraisal*. As the Guidelines apply to all capital works proposals, they are also relevant to proposals for joint partnerships.

3.38   The Committee was interested in how NSW Treasury applies the guidelines to joint use partnerships of a relatively smaller scale (less than $5 million) and it referred to the Blaxland High School Sports Centre Project that it had visited earlier. The Committee learned that Treasury does not undertake comprehensive analysis of smaller projects of the scale described by the Committee, as these are the responsibility of the relevant Department.

> **Mr GRAHAM:** …Where you have got social infrastructure, like schools, hospitals and so forth, where you do not trade them in the market place, you have got to put values on some of the social outcomes, which is a difficult area sometimes in this economic appraisal. You are trying to value improvement in educational reading activities, et cetera. So, for the transaction you are talking about, if the school community did not require a capital grant, then procedurally they probably would not have undertaken an economic appraisal to seek approval, so they were not seeking any capital injection. If they required a capital injection and it was below $5 million, under the previous

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[25] Transcript of Evidence 22 September 2004, p17.
[26] Transcript of Evidence 22 September 2004, p17-18.

guidelines, then they would have internally undertaken an economic appraisal to justify the option they chose and the level of investment and, if required by Treasury, would have submitted a summary. Now, the size of the transaction is basically, if you like, a delegated difference between when Treasury gets involved in looking at a micro analysis of a transaction and where it is over to the agency to make business decisions of their own.[27]

3.39 The Committee was interested in how the ownership of assets in joint partnerships is viewed by NSW Treasury when applying the *Guidelines for Economic Appraisal.* NSW Treasury explained that it examines the cost-benefits of the whole project from the perspective of one partner – the agency that has applied for capital funding:

> **Mr GRAHAM**: The agencies have to justify their component part. We would look at the other costs and liabilities in the relationship to how we were going to enter into a contract with the other parties, to see whether we were actually going to take on contingent liabilities through the contract for ongoing maintenance, ongoing repair, insurance arrangements and so forth. So it is not just saying the capital component. When you get down to jointly working with another party, you are saying what are their rights and obligations under the arrangement, how much money do they have to put in, what does their investment require you to do in the long-term as well. So it is looking at the whole of life aspect and making sure that the agency is not taking on some obligation in three or four years time because the other party is making an investment now. Particularly if you go to buildings and facilities where periodic maintenance is required, repairs are required at certain major points in time. You want to make sure that those types of things are also covered in the analysis so that the agency does not then say in five or six years time, when a major refurbishment is needed, that they need a million dollars and it was not anticipated at the start.[28]

3.40 NSW Treasury explained that it views the proposals for disposal or re-use of an agency's assets from a risk management perspective. An agency is not discouraged from entering agreements to share its assets, as long as the projects are viable in economic and financial terms. NSW Treasury explained their role in assisting other government departments with joint partnerships by using the example of public schools:

> **Mr GRAHAM**: There is no formal policy against joint use from that point of view. Individual proposals are assessed on their merits, and basically what we are trying to look at is the rights and obligations of the Department of Education in these transactions and the other party, the council or a private party or a private group, and to make sure that we are not actually opening up the Department of Education to a degree of risk that they do not currently have. I take your point that some of those risks may be lessened through more vigilant activities over vandalism and so forth.
>
> If you look at priority ranking of school facilities, primary core services as identified by the principals is number one. Secondly, there tends to be community groups that have access to school facilities on an informal or a formal basis and there can be special meeting groups, et cetera, they are number two, and then if there is available time in terms of the schedule that the principal sets for his forward year, there are other times available for other users that may wish to put a proposal to the principal and the DET to look at those uses. So in terms of the facilities themselves, there is no overriding objection to doing that…
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> …Equally, once we open it up to other groups, then we have got public liability insurance and other insurance issues that need to be taken care of…

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[27] Transcript of Evidence, 22 September 2004, p20.
[28] Transcript of Evidence, 22 September 2004, p21.

> …So from Treasury's perspective, we encourage looking at third party revenue sources to create those. We recognise the school facilities are there for the community and a lot of the surrounding community identify with the school as their facility, their asset. So there is a balancing of what you charge and how you administer that, but, I suppose, if we go back to the primary issue of the school, it is to deliver the educational outcomes and that has got to have a priority use over potentially other users.[29]

The Department of Infrastructure, Planning and Natural Resources (DIPNR)

3.41   DIPNR provides advice and support to the Infrastructure and Planning Committee of Cabinet (IPCC). The Committee was established to lead a strategic, integrated approach to land use and infrastructure planning issues in NSW.

3.42   The IPCC has the central role in setting the Government's strategic direction for urban and regional development and associated infrastructure priorities through the NSW Infrastructure Strategy, articulated in the State Infrastructure Strategic Plan (SISP). The IPCC reviews information on infrastructure issues, strategies and major infrastructure proposals from agencies to ensure that these accord with the Government's strategic direction and priorities prior to funding approval being considered.

3.43   For the purposes of DIPNR, major infrastructure proposals include those:

- potentially critical to the strategic direction of the agency;

- with cross-agency, sector or whole-of-Government implications; and

- with a total value of the project in excess of $10 million.

3.44   Agencies are required to consult with DIPNR to ensure appropriate alignment of its Asset Strategy with the SISP, before specific project proposals arising from them are submitted to NSW Treasury for Budget approval consideration.

3.45   The Department of Infrastructure, Planning and Natural Resources (DIPNR) was formed by bringing together a number of different portfolio responsibilities:

- the land use planning and development control functions of the former PlanningNSW;

- the core natural resource management functions of the former DLWC;

- the strategic planning team from the Transport Ministry; and

- the Infrastructure Co-ordination Unit, formerly part of the Premier's Department.

3.46   The Government's priorities for the Department are to:

- form one department making integrated decisions about natural resource management and land use planning. (to bring the social, economic and environmental agendas together to promote sustainability);

- improve service delivery and provide clear, concise and co-ordinated information to customers;

- simplify policy and regulation to resolve confusion and duplication;

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[29] Transcript of Evidence, 22 September 2004, pp18-19.

- reduce costs and redirect savings back to the community;

- link decisions about vital infrastructure with the broader plans for NSW; and

- devolve decision making to the communities that those decisions affect.

3.47 Therefore, the role of the Department is to integrate government planning, infrastructure and development efforts to ensure an efficient use of capital works. This role may include the integration and planning of joint use public buildings.

3.48 However, the Committee learned that the department does not have a detailed role in managing or planning for joint partnerships in relation to public buildings. While it provides guidance to government agencies, including local government, in relation to planning of development, the Department does not have legislated responsibilities for promoting or planning the joint use and co-location of public buildings.

3.49 DIPNR representatives told the Committee that the Department's planning guidelines may encourage the planning of joint use projects, particularly by local councils. However, the Department does not have a major role in promoting or enforcing joint use projects:

> **Mrs SAMIOS:** The only area where we specifically have addressed this issue was that we had issued what is called a 117 direction, which is when a council is making a local plan. We tell them things that they should consider to put into them. One of them was about community uses of school buildings. This became an issue in the late seventies and was reflected later on in the eighties. We encourage councils to ensure that, in their local plans, a school building could be used for a community purpose. Many councils took that up. I cannot tell you how many and I cannot tell you how many did not, but many of them did include it.[30]

3.50 DIPNR's role is largely focused on planning of new residential areas (green fields). The Department advised the Committee that it looks at opportunities for joint use and co-location when developing new residential areas, but it does not plan for retrofitting and re-use of old areas.

> … in some of the work we are now doing on managing Sydney's growth, which are the release areas, we are looking seriously at the co-use of some of the public lands that are to be identified as reserved. We are looking at the types of uses, and whether we can get a private school and a public school together using the same facilities. So a fair bit of on-the-ground work is now occurring, and we are thinking about how we can achieve that because we are actually planning new suburbs. So yes, in general in the past there have been limited guidelines, but where we are doing more detailed work we are trying to address this issue at the grassroots level.

> **CHAIR:** Would that also apply to retrofitting with regard to developed areas and facilities that need to be provided in those areas?…

> **Mrs SAMIOS:** We would not be involved in either of the councils developing their basketball stadiums. However, in terms of the metropolitan strategy work that is now being undertaken, where we are looking at the future growth of Sydney over the next 20 years, a lot of work is being done on developing neighbourhood and district centres, and improving the lifestyle and liveability of those areas if you are going to increase densities.

> One of those issues is the use of the public domain for community buildings—in other words, how they can be best used by the community. So, on the greenfields issue, yes we

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[30] Transcript of Evidence 13 October 2004, p25

are trying to address it, because we are looking at preserving land. In the metropolitan strategy we will be encouraging councils to start looking at how to get the best use out of community facilities.[31]

3.51   DIPNR enforces policies and guidelines in relation to environmental planning and assessment, as well as zoning of land for development, that indirectly impact on the creation of joint use initiatives:

> **Mrs SAMIOS:** …The other guidelines that we have given councils were about the stormwater provisions—about making stormwater drainage coexist as open space or part of an open space system rather than being stormwater drainage. We have had other pieces of legislation or policies that we have enacted: we have had State environmental planning policy [SEPP] No. 8, which allows surplus government buildings to be used for other purposes. In fact, that State policy has been used on a number of occasions when one government agency wanted to use another government agency's building. Rather than seeking a rezoning, we were able to effect that through the State policy.[32]

3.52   The Committee notes that DIPNR is a key agency responsible for the development and implementation of the Sydney Metropolitan Strategy a 30 year plan for urban consolidation and greenfield development in metropolitan areas in, and around Sydney. The Strategy encompasses major infrastructure planning, but it is not specific on the issue of joint use and co-location of public buildings and areas.

FINDING: Currently, Department of Infrastructure, Planning and Natural Resources' (DIPNR) brief does not specifically prescribe responsibilities to facilitate joint use and co-location initiatives. The Committee believes that the Department's role should include greater promotion and planning of joint use facilities.

FINDING: The Committee believes that DIPNR should use its expertise and policy direction to ensure that joint use facilities become a key strategy in planning public infrastructure and maximising its use.

Department of Commerce

3.53   The Department of Commerce was formed in 2003 to integrate a number of government portfolio functions, including government procurement and management of assets, planning and development of infrastructure. The Office of Government Procurement, within the Department, provides specific support to NSW Treasury in implementing the Procurement and Asset Management policy.

3.54   The Office of Government Procurement develops risk management standards, procedures and guidelines for government agencies procuring both construction-related services and goods and services. In general, it monitors probity and value-for-money for construction tenders and provides administration support for the State Contracts Control Board.

3.55   In relation to the planning and implementation of capital investment, the Department of Commerce provides administrative support to agencies conducting Gateway

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[31] Transcript of Evidence 13 October 2004, p29.
[32] Transcript of Evidence 13 October 2004, p25.

Reviews, as well as maintaining the Gateway process, including training, documentation and reviewer panels.

3.56 The NSW Government's Gateway Review Process aims to enhance procurement discipline and to achieve greater alignment between procurement outcomes and service needs. Gateway provides an independent source of advice to agency management to highlight potential issues at an early stage. Gateway uses short, structured reviews to examine projects at key decision points (or gates) in the procurement process. Small teams of experienced procurement practitioners that are not involved in the projects conduct the reviews. The teams assess the progress of projects against seven criteria: service delivery alignment, affordability, sustainability, project governance, risk management, stakeholder management and change management.

3.57 As the Gateway process has been developed for use on complex projects, it is not suitable for use on all procurement projects. The Committee notes that this process does not apply to most joint use projects discussed in this report, as they tend to be of a smaller economic scale.

3.58 However, the Gateway process is very significant for this inquiry, as it may serve as a template for development of strategies for planning and developing joint use projects.

3.59 The Committee notes that neither the Department of Commerce, nor other relevant government agencies, in their submissions to this inquiry, have identified the Gateway Review Process as a significant management and review strategy that may be relevant to joint use and co-location projects.

Department of Local Government

3.60 The Department of Local Government provides legal and corporate support to local councils, but it is removed from the councils' decisions in relation to management of their assets. The Department provides guidelines for local councils in accordance with the *Local Government Act 1993* and other relevant legislation.

3.61 The Committee was advised that the Department of Local Government is not currently involved in any activities in relation to the planning of facilities that are, or could be, jointly used and managed by different agencies or local government.

3.62 The Committee found that the there is considerable scope for the Department of Local Government to provide guidance and assistance to local councils in relation to creating and managing joint use partnerships, including those between local councils and other government agencies.

3.63 There is a need for better integration between local councils, communities and government agencies to explore opportunities for partnerships, to collate and share information about the management of joint partnerships and to evaluate the success of partnerships.

3.64 The Committee believes that the Department of Local Government can provide an integration and advisory role to local councils. In the following section, this report discusses further the relationship between local councils and the Department and makes recommendations to ensure that the Department assist local councils in relation to the creation and management of joint partnerships.

Part 2 – Local Government Management of Public Buildings and Facilities

3.65 Local councils are among the largest contributors of services to the community. Councils provide local libraries, art galleries and many regional museums and they are intrinsically involved in the provision of educational, health and social services by other government departments.

3.66 As democratically elected bodies, local councils operate independently from state and federal government. Local councils' efforts to engage in joint partnerships are therefore not coordinated or supported in a systemic way by any arm of government, including the NSW Department of Local Government.

Planning and management of council functions

3.67 Under the *Local Government Act 1993* local councils have key functions in the delivery of services to local communities, including the development of public buildings and facilities. The same legislation allows councils to make joint arrangements and partnerships with public or private organizations and to create management committees for the purpose of exercising its functions.

3.68 The *Local Government Act 1993* requires councils to prepare management plans which detail how they exercise their functions and manage their budgets. Other legislative instruments also require councils to prepare plans that ensure that councils assess the needs of local communities and environment and aim to assist councils in the management of public facilities and delivery of services. For example, under the *Local Government (General) Amendment (Community and Social Plans) Regulation 1998,* councils are required to develop five year social and community plans that focus on the delivery of services to seven key target groups (children, youth, older people, people with disabilities, women, people from culturally diverse backgrounds and Aboriginal people).

3.69 To develop these plans, councils are required to undertake detailed community consultations and assess community needs. The philosophy of these requirements is to develop strategies for preparing local solutions for local problems. The plans, therefore, present opportunities for councils to explore strategies for joint use and co-location partnerships in the delivery of services to local communities.

3.70 The Committee believes that local council planning and reporting instruments are valuable and appropriate sources of information about local community needs in relation to public services and facilities and about council activities to address these needs. As such, these plans should be developed in a way that ensures local council accountability in respect of their efforts to engage in joint partnerships, as well as to provide an auditing role of the success of those partnerships.

3.71 However, the Committee found that other legislative requirements of councils to plan for sharing of public facilities are not enforced. In its submission to this inquiry, the Department of Infrastructure, Planning and Natural Resources (DIPNR) advised that pursuant to Section 117 of the *Environmental Planning and Assessment Act*, the Minister issued a direction which advised councils to include in their draft local government plans provisions to allow community use of facilities and sites of schools, colleges and other educational institutions. The Committee was told that, as these are not mandatory requirements, it depends on individual councils and personalities

within them, rather than to the whole system of governance, to translate the requirements into actual joint use of public facilities.

FINDING: There is no mandatory requirement of local councils to report on their efforts to create opportunities for joint use of public buildings. There is also a lack of available information regarding the success of local council projects involving joint use and co-location of public buildings.

RECOMMENDATION 1: That the Department of Local Government should update the guidelines for draft Management Plans to require councils to report on:

- All joint use and co-location initiatives where councils are a partner;

- The performance of joint use partnerships involving council; and

- Councils' performance in relation to identifying opportunities for joint use and co-location initiatives.

Integration and coordination of local councils efforts

3.72 Witness evidence has suggested that all major government departments responsible for the management of public assets need to provide support and coordination to their agencies, including local councils, in their efforts to engage in joint partnerships. Some witnesses suggested that an advisory and coordination unit should be created within the Department of Local Government that would provide advice, coordination, and administrative and legal assistance as required by councils.

3.73 The Committee heard that at present, the potential of council plans in relation to joint use partnerships is not sufficiently explored, as there is no systemic collation and integration of the information recorded in the plans:

> **Mr WOODWARD:** The Department of Local Government requires councils to prepare a variety of plans, and they are not always well integrated. For instance, we require councils to prepare a management plan, a social plan, a state-of-the-environment report, but we recognise that the linkage of those requires more work. That brings us back to the point of your question, which is how to move on from being an idea that everyone thinks is good to finding a way to make it happen.[33]

3.74 The Committee received evidence that the Department of Local Government is currently identifying ways to address the lack of integration of information and support given to local councils:

> **Mr WOODWARD:** One of our current work programs is looking at how to integrate the planning process to make it more meaningful and to link the social plan—and the nub of this really is around the social planning and strategic planning at the local level. The council is to take responsibility, and has the responsibility, for assessing community needs.
>
> …We are talking with other State agencies about how councils' plans can be linked into the priorities of the State Government. Some councils are starting to move down that track very successfully; at the social planning level they are sharing information about community needs in the area and linking that back to the Government's objectives to make sure it lines up with State agencies as well so it does not run in parallel but actually

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[33] Transcript of Evidence, 13 October 2004, p14.

lines up. Thus the outcome can be more meaningful on-the-ground examples of some of the activities.[34]

3.75   The Committee also received evidence from the Department of Local Government that what is needed to ensure such support is not legislation, but providing guidelines to councils that would assist them in their short and long-term strategic planning and delivery of services to the public. The Committee was told that a new process, *Promoting Better Practice,* is currently being undertaken within the Department that would assess the experiences of different councils and use that information to assist councils to successfully share resources.

3.76   Better integration of council planning processes, as well as monitoring of their implementation of reporting requirements, is a major key in promoting joint partnerships and assisting with their successful operation. Integration of planning instruments would also ensure that information collated during the community consultation and planning processes is used to inform decision makers at a whole-of-government level and to enable a more streamlined approach to creating joint partnerships.

3.77   The Committee believes that the Department of Local Government is well placed to collate and disseminate information and advice to local councils and to provide policy, legal or corporate advice and any other support to local area managers in relation to joint use and co-location initiatives. In doing so, the Department should integrate all forms of reporting provided by local councils according with legislation and guidelines, including local council plans.

FINDING: Currently, the Department of Local Government does not collect or monitor joint use information contained in local council plans. The Department does not have any specific role in co-ordinating the efforts of local councils in relation to joint use partnerships.

Funding opportunities for joint use facilities in local government

3.78   In addition to the inter-agency support systems to coordinate joint partnership efforts, the Committee also considered funding and asset management policies as significant mechanisms for the creation of opportunities for joint use and co-location projects. Witness evidence identified three key elements affecting the creation and management of joint use partnerships:

- Developer contributions under Section 94 of the *Environment Planning and Assessment Act 1979,*

- Use of state government owned facilities, and

- Availability of pooled funding set aside for joint use partnerships.

Developer contributions

3.79   Section 94 of the *Environment Planning and Assessment Act 1979* (EP&A Act) enables local councils to levy developer contributions, as a condition of development consent, towards the cost of providing local public infrastructure and facilities

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[34] Transcript of Evidence, 13 October 2004, pp14-15.

required as a consequence of development. Local councils are able to levy contributions when the development will, or is likely to, require the provision of, or increase the demand for, public amenities and public services within the area. Contributions can be made either in financial form (as levies) or in dedication of works-in-kind (contribution of space or free access to the development).

3.80   The Committee heard that local councils regularly use Section 94 developer contributions to improve facilities that are jointly used by community groups, or to develop new facilities. One witness, a General Manager of a local council, explained to the Committee how a developer agreement under Section 94 has provided opportunities for development of joint use facilities:

> **Mr GORDON:** …If we take the case of the Narrabeen Sports High School, Warriewood Valley is a land release area. A lot of people do not particularly realise that we actually do have a land release area in Pittwater. There will be about 2,000 dwellings when it is finished. Within that we put together a very detailed section 94 plan. The section 94 plan was very carefully structured. We went to a lot of trouble with the section 94 plan and we have gone to a lot of trouble to make sure that our expenditure is such that at no time do we actually have any net build up of funds in the section 94 plan.
>
> In doing so, one of the things we identified was the fact we needed new sports fields. The interesting thing about the sports fields was that the school had these sports fields which it was using but which were probably excess to its needs. So we approached the school and said to the school, "We would like to purchase these from you using the section 94". Within the section 94 plan we did not identify where we were going to get the sports fields, because that is always a dangerous thing to do, that is how you get held to ransom, but we said we would buy X square metres or X hectares of sports fields to match that number of properties, the number of dwellings that were going in.
>
> We took the opportunity. We approached the Department of Education in regard to the purchase of those on the basis that there would be a joint usage. We were happy to put a joint usage in. In doing so, that allowed us to negotiate a better price because of that joint usage and the fact that we would upgrade it. We built into the section 94 plan the upgrades that would go in. The purchase price, change rooms, canteen, a number of things like that, and parking obviously, were all built into the section 94 plan within the items, within the recreational items, and so we funded it. There were no questions by any of the developers. They were pleased to see that. They were pleased to see that we had that in place at a very early stage of the development.[35]

3.81   Despite these positive examples of use of Section 94 contributions, some witnesses expressed concerns that its application has a limited effect on promoting the joint use or co-location of public buildings, because developer contributions can usually be levied in one council area. Witnesses advised the Committee that if the developer contributions could be shared across a larger area basis, such as a subregion between two councils, they are more likely to contribute to promoting or assisting joint use projects.

3.82   The system of Section 94 contributions and development levies was recently reviewed by a taskforce set up by the Minister for Infrastructure, Planning and Natural Resources, the Hon Craig Knowles MP. The review was instigated as a result of concerns with the Section 94 contributions system expressed by the community, the development industry and local government, regarding the operation of the system.

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[35] Transcript of Evidence, 22 September 2004, p13.

Among other matters, the review examined a number of concerns which are also relevant to this inquiry, including:

- the relationship between and provision of local, regional (including across council boundaries) and State level public facilities required as a result of development; and

- the need for proper investigation of alternative infrastructure provision mechanisms for new release areas, major redevelopment areas or other areas where development patters are unpredictable or sporadic.

3.83 The Committee was interested in the contributions of this inquiry to existing local and state government regulatory systems as they relate to the creation and management of joint partnerships. During the public hearings, the Committee was advised that a significant outcome of the inquiry was an impending legislative change to allow for cross boundary levying, through consistency in the format of contributions plans:

> **Mrs SAMIOS:** What we have found with section 94 was that a council could prepare a section 94 for its area only. Many times it seemed very sensible to be able to provide one for a sort of subregion where the two council areas collide. There are some amendments to the Act that will be going through in the next session [of Parliament], which will allow some of those things. I think [sic] it allows cross-boundary levying and it allows a flat rate levy as well.[36]

3.84 The Committee believes that these are positive changes to the Section 94 developer contribution system, as they provide a more integrated perspective on planning and development that transcends local council boundaries. However, it is unclear whether these measures would sufficiently address the financial needs of councils in relation to creating greater joint use and co-location opportunities.

FINDING: The recent review of Section 94 developer contributions undertaken by DIPNR did not address how the system could be used for development of joint use facilities.

RECOMMENDATION 2: That DIPNR should report on the implications of the Section 94 developer contributions review on the funding of joint projects.

Use of state owned facilities by local councils

3.85 Local councils were the largest and most common shareholders in the joint use and co-location partnerships identified by the Committee during this inquiry. They often used stated-owned land or buildings to enable the development and running of facilities used by the public. These include swimming pools, childcare centres, sporting grounds, libraries, etc.

3.86 The Committee received evidence from local councils and the public that the access and use of state-owned facilities by local councils often present financial and managerial challenges for the councils and partners. These include:

- High costs to purchase the public buildings

- High maintenance costs of state-owned buildings that are leased to councils

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[36] Transcript of Evidence, 13 October 2004, p26.

3.87   Councils are often faced with the challenge of purchasing assets from government agencies at high prices. Witness evidence suggests that current state asset management requirements often have an adverse effect on the ability of local councils to appropriate land and buildings, even if they are for community use.

3.88   According to Treasurer's Directions, which guide the procurement, management and disposal of public assets, government agencies are required to achieve a market value when disposing of their assets. If another government agency needs those assets, they can be transferred to the other agency at market value rate. For example, the Department of Education and Training can sell a school to the Department of Housing by transferring it at a market value. According to TAM principles, the asset remains a state government owned asset regardless of where it is held.

3.89   Local councils, not being government agencies, have a different position when procuring state-owned assets. Councils are often expected to meet the market-selling price for public buildings, similarly to the non-government and private sector. The Committee was told that in some circumstances government agencies would sell a public asset to a council at a lower price than the market rate provided the asset is for community use. However, these efforts are generally not regulated and they are assessed on case-by-case basis.

3.90   The Committee was unable to obtain information on the number and type of buildings and facilities that are sold to councils at a lower than market rate, compared to the number that are sold in the market. However, anecdotal and witness evidence suggests that it is financially more beneficial for public agencies to sell their assets at market values, rather than transfer them to councils at a lower rate or as a long-term lease.

3.91   Therefore, when the use of a public building is decreasing, the public agency, the local council and the local communities are required to negotiate complex financial, organisational and management challenges in order to maintain the asset in the community and to maximise its use.

3.92   The Committee received witness evidence that because of the large purchasing costs, most councils opt to lease buildings or land from government agencies. Some councils have entered into long-term lease agreements with government agencies whereby councils do not pay leasing fees, but are required to maintain and manage the facility. These forms of leasing have created many opportunities for councils and local communities to share use of public buildings.

3.93   However, many councils have expressed their concerns with these arrangements in their submissions to the Committee's inquiry. The concerns include:

- The condition of buildings and facilities on long-term leases are generally poor and present high maintenance costs to councils and local communities, and

- The arrangements are inequitable to councils: government agencies as well as the council use the facilities, but government agencies do not contribute to the maintenance costs. For example, swimming pools have high maintenance costs for local councils, but the Department of Education does not contribute to meeting these costs despite the regular use of the pools by local schools.

3.94 The Committee believes that these concerns can be addressed through better communication between councils, government departments and communities. In the following sections of this report the Committee discusses the importance of co-ordination units within government agencies and at a state level that could assist partners, including councils, with strategic, legal and policy advice in relation to partnerships.

3.95 In this report the Committee also stresses the importance of well-structured partnership and lease agreements, which identify all stakeholder responsibilities and roles, in ensuring successful joint use and co-location initiatives. Many of the councils' concerns can be addressed if these, and similar, strategies discussed in this report are implemented by the responsible agencies.

Pooled funding for joint partnerships

3.96 The pooling of funds for joint projects or negotiated agreements between government agencies, councils and the private sector may enable provision of facilities and services much earlier than engaging in the more formal government funding processes.

3.97 Pooled funding may be particularly useful for smaller capital works projects, such as refurbishment of sporting facilities or halls. Smaller and newly developing communities may especially benefit from pooled funding strategies, as competing priorities for public funding may mean that new public buildings are not built for some time.

3.98 Local councils may play a central part in organising and co-ordinating pooling of funds for joint use projects, as they are often more connected to local communities and their changing needs.

3.99 Pooled funding for joint projects may be of particular benefit to local councils, as they would be able to access readily available funds for maintenance and upgrade joint use facilities and for establishment of more urgent joint use community projects.

3.100 The Committee supports pooled funding as an important strategy in creating opportunities for local joint partnership projects and successfully managing these projects.

3.101 In the following sections of this report, the Committee recommends review of current funding mechanisms to allow agencies and councils to pool funds for joint use projects.

Part 3 – Public-Private Partnerships (PPPs) and other arrangements

3.102 There are a number of regulatory instruments and guiding materials in NSW in relation to partnerships between the public and the private sectors. These are generally aimed to assist partnerships involving larger scale infrastructure and private construction, although, planners of smaller scale partnerships can also use the guidelines.

3.103 These include:

- *Working with Government: Guidelines for Privately Financed Projects*, NSW Treasury, November 2001 and

- *The Capital Project Procurement Manual.*

3.104 ***Working with Government: Guidelines for Privately Financed Projects*** aim to deliver improved services and better value for money, primarily through appropriate risk transfer, encouraging innovation, greater asset utilisation and integrated whole-of-life management.

3.105 The guidelines provide a framework that enables both sectors to work together to improve public service delivery through private sector provision of infrastructure and related non-core services. They describe a competitive and transparent mechanism to pursue opportunities that bring together the ideas, experience and skills of both sectors to develop innovative solutions to meet the community's needs, expectations and aspirations.

3.106 The guidelines are applicable to all NSW Government agencies, including public trading enterprises and state-owned corporations and private sector parties involved in PFPs with the NSW Government. Local councils are encouraged to follow best practice by adopting similar requirements but local government is not bound by these guidelines.

3.107 The Guidelines address:

- The process of PFP development including:
  1. project definition;
  2. expressions of interest and shortlisting;
  3. detailed proposals and assessment;
  4. negotiations and contracts; and
  5. disclosure and implementation;
- Risk identification and management;
- Contractual issues;
- Public sector comparator; and
- Probity and accountability issues.

3.108 ***The Capital Project Procurement Manual*** contains policies and guidelines developed by the Construction Agency Coordination Committee for managing the processes through which NSW Government agencies acquire their buildings and civil infrastructure. The manual applies to all government building, construction, maintenance and material supply contracts, consultant commissions and government projects and sites within the construction industry, including those with private sector funding.

3.109 The Manual is a linked set of guidelines that explain the Government's requirements for setting up and managing the interfaces between clients or their agents and service providers in the various aspects of a government construction project. In most cases, the interfaces are those between the public sector and the private sector.

3.110 State Owned Corporations and local government councils are encouraged to use the manual and its guidelines either directly or as a guide to developing their own specific requirements. The use of the Government's codes and guidelines by local government bodies is reinforced by the Department of Local Government through circulars and

practice notes. The manual is also a key reference for service providers to government and others in the construction industry with an interest in the Government's objectives and processes for construction procurement.

3.111 The Manual provides guidance on creating and maintaining successful relationships between public agencies and private construction contractors, including advice on assisting clients with creating design and other characteristics of the project; ethical and financial issues relating to contracting relationships; planning and developing projects with consideration for community, environmental and social needs etc.

3.112 The Committee notes that there are no similar regulatory instruments to support partnerships between public agencies, including those between local councils and public organisations.

The Daly Inquiry

3.113 The principles of partnerships between local councils and the private sector came under scrutiny as part of the Daly Inquiry.

3.114 In November 2003 the NSW Government commissioned an inquiry following the collapse of the development proposal by the Liverpool City Council and the Macquarie Bank for the Oasis sporting/residential and retail project.

3.115 The inquiry was charged with examining the Liverpool Council's dealings in the Oasis and other development projects.

3.116 The report was completed in three stages. The final report (Volume 3) was released in July 2004. It details particular analysis of the activities of the Council and other participants.

3.117 An interim report (Volume 2) raised some key issues relevant to the Public Works Committee's Inquiry into Joint Use and Co-location of Public Buildings. The report argued that the NSW State Government Guidelines for Private Public Partnerships that Liverpool Council had applied in its dealings were not sufficient and appropriate to assist councils in dealing with the private sector.

> Between 2001 and 2003 each state has drawn up Guidelines for State Agencies wishing to enter into PPP. The Guidelines usually mention their broad value for Local government, but in no state have specific guidelines been drawn for the sector.

> There is no doubt that PPP will increasingly be used by Local government to build infrastructure and deliver service. There cannot however be a direct transfer of the approaches of the State Government to Local Government. The numerous problems that arose with the various Liverpool City Council attempts to develop commercial arrangements with private sector groups suggests that there needs to be a review of the ways in which Local Government can conduct PPP so that outcomes are not predictable and reflective of community needs.[37]

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[37] Emeritus Professor Maurice Daly BA PhD MIMC, Liverpool City Council Inquiry, *Lessons from the Liverpool Council experience: Recommendations for Public Private Partnerships in Local Government, Volume 2,* June 2004, p.9

3.118 The report then recommended that guidelines and templates for public-private partnership (PPP) approaches be developed by State Government for local government.

3.119 Currently, there are no guidelines for joint partnerships of any scale between government agencies and local councils, except for the application of NSW Treasury's *Economic Appraisal Guidelines* to NSW government agencies.

3.120 The Committee may consider that more direct and specific guidelines for local government may be appropriate, rather than a transfer of the state based approaches to local councils.

3.121 The Committee was interested in the impacts of the Daly Inquiry findings and recommendations on the joint partnership process in NSW. As the inquiry focused on public-private partnerships, the Committee was interested in whether any lessons can be learned that may be applied to partnerships between public agencies, particularly between local councils and public agencies.

3.122 The Minister for Local Government has advised the Committee that the majority of the Daly Inquiry's recommendations will be implemented through government legislation. These will include specific guidelines for local government engaging in PPPs (for projects over $30 million) by the end of 2004.[38]

3.123 This intention was confirmed during the Committee's public hearings:

> **Mr WOODWARD:** … In view of the experience of Liverpool council in dealing with the private sector, the Government has accepted the recommendations in Professor Daly's report and is currently setting up a process to help councils make sure that that sort of circumstance does not reoccur. But it will also give the private sector a clearer pathway to know the rules of the game. One of the issues will be how commercial-in-confidence issues will be dealt with. A committee will be set up, as recommended by Professor Daly, chaired by the director-general of local government, with other representatives on it. The intention is to examine the process to make sure councils have gone through the right probity issues and have dealt with a proposal correctly. Part of that will be making sure that the commercial-in-confidence information of any private sector partner is dealt with correctly.

> **Mr STEVEN PRINGLE:** Will there be standard operating procedures and guidelines?

> **Mr WOODWARD:** Guidelines will be prepared. The Minister has decided to introduce, in this session of Parliament, legislation to put in place the recommendations of that report, and following that there will be a series of guidelines on how the mechanics will work. But that will be along the lines of Professor Daly's recommendations. He went into some detail on how they should work. That will give clear guidance to the private sector, and therefore will help with the process, because at the moment, as was discovered in the Liverpool case, it was unclear. Where State agencies are dealing with the private sector, the rules of the game are very clear. So this is about bringing local government in line with what currently exists at the State level.[39]

3.124 The Committee also heard that the new legislation is likely to address the lack of skills and resources available to councils to engage in joint partnership projects. However, it appears that the legislation will not address the partnerships between local councils and other public agencies, such as schools and libraries.

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[38] Submission No. 45, Minister for Local Government, p2.
[39] Transcript of Evidence, 13 October 2004, p17.

Local councils – public or private partner?

3.125 Depending on the circumstances, it appears that the NSW Government may treat local councils as private partners or public partners.

3.126 Some witnesses commented that when entering in partnerships with state government agencies, local government is treated in a similar manner as private partners. This view was supported by the submission of the Minister for Commerce, who commented:

> …when development proposals are being contemplated, Local Councils are, in most instances, considered in the same light as any other private sector proponent. Government treats with [sic] Councils in the same way it does with the private sector, and therefore, is not normally in a position to direct[ly] deal with them.[40]

3.127 The Committee was interested in exploring the position of local government within the legislative and policy network relating to partnerships.

3.128 NSW Treasury explained the position of government agencies in relation to public/private partnerships:

> **Mr GRAHAM:** If you are referencing guidelines for privately financed projects, which are sometimes referred to as private public partnership guidelines, those guidelines are applicable to Government agencies. They relate to transactions that come under the Public Authorities Financial Arrangements Act, the PAFA Act, in regard to what is termed joint financing arrangements and they require the approval of the Treasurer.[41]

3.129 However, NSW Treasury explained that these guidelines are not mandatory on local government and are recommended only as guidance material for local government to follow when engaging in partnerships with the private sector.

> **Mr GRAHAM:** … because the guidelines cover procedural and approval processes for Government departments, such as reporting to the budget committee of Cabinet at certain stages during the procurement process, that clearly does not pertain to local government.
>
> The issues with regard to PPPs and local government have come to the fore in the last months. We are working with the Department of Local Government. They are recommending changes to the department for the Local Government Act and producing regulations to cover the administration of PPPs at local government level. We are going to assist the Department of Local Government in establishing a set of guidelines that will in particular take account of the local government form of administration and governance so that those guidance materials can be used by local government for assessing and evaluating their projects.
>
> At the moment it is difficult to translate directly the governance process in the State Government guidelines to a council, and so what we are trying to do is to match the governance arrangement that is agreed to with the guidance material that should be appropriate for their projects, to put the checks and balances in place to ensure due diligence is undertaken on projects.[42]

3.130 The Committee is satisfied that the Daly Inquiry and impending legislation will address local government and private sector relationship. However, there is still lack of guidance about local government/public sector relationships. The Committee

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[40] Submission No. 16, Minister for Commerce, p1.
[41] Transcript of Evidence, 22 September 2004, p25.
[42] Transcript of Evidence, 22 September 2004, p25.

believes that it is imperative that relevant legislative frameworks are put in place to address this deficiency.

FINDING: The Committee believes that the new guidelines for local council/private partnerships (resulting from the Daly Inquiry) are appropriate. However policies and principles for state/local council relationships, recognising the mix of two public partners, are also needed. The recommendations in this report serve as policy foundation for these state and local government relationships.

Part 4 – Joint use partnerships in NSW

What we have

3.131 Each agency is required to report annually about the status of its assets, including asset acquisition and disposal. In addition, NSW Treasury regularly reports on the acquisition and status of assets by the public sector, while the NSW Audit Office also actively monitors some aspects of asset management of public sector agencies.

3.132 The Committee found that despite the requirements of individual agencies to register their assets, there are no similar requirements to register assets held in joint partnerships between public agencies or between the public and the private sector.

3.133 However, from witness evidence and submissions to this inquiry, the Committee identified over 250 joint use projects that are underway or in planning in NSW.

3.134 While information can be obtained about individual joint partnership projects, particularly those involving large capital investments, there is no systemic collation and analysis of information about joint partnerships of a smaller scale and formed between local councils, government agencies and non-government/private parties.

FINDING: No comprehensive lists or registers of joint use partnership projects involving the public sector were available for the Committee to access and evaluate.

RECOMMENDATION 3: That GAMC, in association with the Department of Local Government, establish and maintain a register of all joint partnerships where public agencies, including local councils, are stakeholders.

How we monitor joint partnership projects

3.135 The Committee received evidence from key government departments that own or manage significant property assets, or are responsible for the planning and development of these assets. These include the Department of Infrastructure, Planning and Natural Resources, the Department of Education and Training, the Department of Commerce and NSW Treasury. Most of these departments provided the Committee with examples of joint use or co-location projects involving the agency.

3.136 However, most agencies were unable to provide the Committee with comprehensive information or data about the performance of their joint partnerships. There were no

clear and established monitoring strategies that systematically examined the performance of partnerships at an interdepartmental or a state government level.

3.137 Most joint partnerships are created, managed and evaluated at a local, grassroots level, often by managers of the particular facilities. Government agencies that own these facilities in most instances are unlikely to have comprehensive information about the performance of those assets, except from occasional briefings about their success or failure.

3.138 For example, representatives of the Department of Education and Training advised the Committee that school principals are responsible for the creation, management and performance monitoring of joint partnerships involving schools. If the principal deems a joint use arrangement of the school to be unsuccessful, the principal has the discretion to dissolve or change the arrangement, often with little or no advice from the Department.

3.139 The Committee believes that there are significant benefits in monitoring and evaluating the performance of assets invested in joint partnerships, not only for the individual partners and government agencies, but also for the state and the community. At an individual partnership level, monitoring mechanisms can enable measuring of performance against the partnership objectives and against pre-established agency or state benchmarks.

3.140 At an agency and state level, monitoring and evaluation systems would contribute an increased knowledge about joint partnership issues and opportunities across the state and a more integrated asset management system. Agencies should have the benefit of educational and assessment guidelines and instruments to assist them in these tasks.

3.141 The Committee believes that a review process similar to the NSW Government's Gateway Review, could be developed to assist agencies and organisations to review the performance of their joint projects.

3.142 NSW Treasury is well placed to assist with the monitoring and evaluation of joint use partnerships. The Committee believes that a review of the joint use and co location initiatives across NSW, conducted by Treasury, would determine the performance, including the strengths and weaknesses of these projects. The results of the review could be used to implement strategies for facilitating partnerships at a whole-of-government level.

FINDING: There are no strategies in place at a NSW Government level, or within individual government agencies, to monitor and evaluate the performance of joint use projects. Government agencies are not required to report on the performance of the joint use projects where they are stakeholders.

RECOMMENDATION 4:   That NSW Treasury should set reporting requirements for agencies and local councils to monitor and evaluate joint use and co-location initiatives involving public buildings and community assets and to measure their efficiency.

The impact of government asset management policies on joint partnerships

3.143 The absence of mandatory reporting requirements that delineate between joint use and single ownership projects means that it is difficult to assess the extent to which agencies invest their assets in joint use and co-location projects. Government departments are primarily responsible for the management of their own assets, as long as they remain financially viable and in line with key government objectives.

3.144 Asset management strategies that apply to government agencies do not actively support the re-usability of assets by the same agency or another agency in the public sector. In fact, the system for single agencies to dispose of their assets in the market is far more streamlined and relatively simpler, than the system of identifying an opportunity for alternative use and establishing a joint use partnership.

3.145 This means that when the use of an asset is decreasing, or when its cost to the agency through maintenance and insurance is increasing to the point that it is not cost-effective, the agency may dispose of the asset. The agency is then able to use the proceeds of the sale for re-investment in another project, or in another locality. For example, if a school is no longer required, the school buildings can be disposed of in the market and the proceeds may be re-invested by the Department in the purchase of another school in another region. While the Department may benefit financially from the disposal of an asset, the local community may loose an important building with significant re-use potential.

3.146 Opportunities for joint use and co-location partnerships arise constantly, with the increase of investment in public assets. These partnerships are mostly developed at grassroots levels, as communities become more involved in the planning and development of their local areas and government agencies realise the benefits of maximising the returns of their building assets through partnerships with local organisations.

3.147 The numerous examples of successful joint partnerships examined during this inquiry indicate to the Committee that many local communities and councils are conscious of the importance of public assets to local communities and are able to negotiate their alternative use with the responsible government agency. However, the Committee believes that more active strategies should be put in place to enable agencies to use their assets in joint partnerships.

3.148 The Committee notes that the roles of government agencies, including GAMC, NSW Treasury, DIPNR, Department of Commerce and the Department of Local Government, in the identification of opportunities for joint use and co-location of public buildings are generally 'reactive', as they come into play once the public assets have stopped to be of use to individual public agencies and have been transferred to the asset disposal portfolio.

3.149 The asset disposal process, as it currently exists, is not conducive to creating joint partnership initiatives in a proactive and efficient manner. In practice, the process of identifying an asset as surplus, requesting its disposal and identifying opportunities for its alternative use by another government agency may be lengthy and potentially costly to the agency and to government as a whole. For example, a considerable period of time may pass from the time a public building, such as a school, proves to be a surplus through its limited use over an extended period of time, to the time it is

identified by its owning agency (Department of Education and Training) as 'surplus', it is transferred to NSW Treasury for disposal, and only then, the options for its alternative use are explored.

FINDING: The NSW asset management framework recognises the importance of maximising the use of public assets through joint use and alternative re-use initiatives. However, the framework **is not proactive** in promoting and supporting these initiatives, as there are no systems to:

- Require government agencies to retain their assets and seek alternatives for their re-use possibilities;

- Monitor the creation and performance of joint use and co-location projects, including those of a smaller economic scale.

Chapter Four - Strategies for Joint Use and Co-Location

4.1   This chapter examines how joint use and co-location initiatives can be promoted and encouraged. Part One discusses a number of strategies to overcome some major, systemic impediments to joint use initiatives. Part Two examines how individual joint partnerships can be better managed. Part Three explores the opportunities for joint use and co-location initiatives by using the example of schools as significant community hubs.

4.2   The Committee makes a number of recommendations to address the concerns it identifies in this chapter.

Part 1 - Encouraging Joint Use and Co-Location Partnerships

4.3   One of the main objectives of the inquiry was to examine the extent to which opportunities for joint use and co-location are realised by government and non-government organisations, and to identify strategies in which these can be expanded in the future.

4.4   The Committee believes that there are many opportunities for joint use of existing public assets, and more effective planning of new assets to enable sharing and co-location. These can be better identified and realised through creating a government and public culture that would encourage innovative approaches to use of assets and service delivery. Particular strategies may include:

- Changes to regulatory frameworks and systems to ensure better asset management;
- Addressing the budgetary and resource difficulties;
- Better planning of asset procurement and management;
- Provision of incentives for creation of joint-use opportunities;
- Strengthening relationships between local government and state government; and
- Focusing on joint projects involving schools as immediate pilot programs with great joint use and co-location potential.

Regulatory and systemic changes to ensure better asset management

4.5   The Committee acknowledges that there is scope within current asset management policies in NSW for identifying alternative use of government assets prior to their disposal. Legislative frameworks for management and disposal of assets, including TAM, have as their objective to view assets from a holistic, whole-of-government perspective.

4.6   However, the Committee has noted that the government frameworks are largely inactive and non-integrated in relation to enforcing joint use practices. They therefore limit, rather than promote, the creation of these initiatives.

Public asset disposal and joint use opportunities

4.7   Witness evidence received by the Committee indicates that public agencies continue to manage and dispose of their assets from a financial benefit perspective, and with a limited consideration of the value of those assets to other agencies or to potential re-use for the community. In effect, agencies and CEOs are likely to find the process of disposing surplus assets much more streamlined and non-complex compared to the process that they would be required to undertake to identify alternative uses for their assets and to engage in joint partnerships to realise that potential.

4.8   The Committee heard in evidence that what the State is lacking is support and co-ordination of smaller-scale planning and maintenance of assets. This was also conveyed in evidence given by a representative of DIPNR during the Committee public hearings:

> **Mr SIMPSON:** DIPNR is focussed on the overall planning of metropolitan or regional areas and those sorts of things. The challenge is the next level down. Once you identify the north-west sector as a growth area, and that it will be coming on line in a certain time frame, it is the next level down of how to procure the facilities, how to potentially package them, how to put them to the market, how do the government agencies come on board, and what are the opportunities for co-location? At the moment, I would not say DIPNR has the skills to go to that next level down. I think that is an area that is something of a void in government, and it relates to who has the control or power at that stage.[43]

4.9   The Committee believes it is necessary for policies, including TAM, to be integrated and expanded to view assets from a joint use perspective and not mainly through a one-agency perspective. Also, the strategic planning for procurement, management and disposal of assets should be viewed from a broader perspective to measure the socio-economic value of joint partnerhsips, rather than the financial benefits of assets per-agency basis. Policies should enable and support agencies with assets and buildings which have become redundant for the use of the agency to transfer these 'surplus' assets to another agency for use, maintenance and management as a first priority, rather than encouraging them to dispose of their assets.

4.10   The Committee also heard that the disposal of surplus assets by individual government departments does not ensure consideration of feasible alternative uses for the facility. One submission to the inquiry proposed that agencies should be required, prior to disposal, to investigate alternative use:

> It is unfortunate that government policy allows individual departments to sell off public land and assets to fund projects within a particular department. This is a very narrow focus, which allows short-term economics to override medium and long-term benefits associated with retaining a facility. There is little consideration given to the social repercussions of the disposal of assets. Government departments remain focussed on budgetary issues within their own department, and spending priorities on a State-wide basis. They do not take a planning perspective, which takes into account local impacts and various social and economic needs within the community.[44]

4.11   It appears that government policies and regulations in relation to asset procurement, management and disposal focus on assessing only agencies' asset performance. Policies do not systematically examine the input of agencies in joint partnerships.

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[43] Transcript of Evidence, 13 October 2004, p48.
[44] Submission No. 43, M/s Ann Sharp, p2.

> **FINDING:**   Current NSW Government asset management strategies do not focus on facilitating the creation and management of joint use and co-location initiatives.
>
> **RECOMMENDATION 5:**   That each NSW Government agency should set out objectives and key performance indicators for joint use of its facilities. Agencies should report on their performance according to these objectives in their annual reports.
>
> **RECOMMENDATION 6:**   That NSW Government agencies should be required to undertake consideration of joint use and co-location options before seeking funds for new public buildings.

Addressing the budgetary and resource difficulties

4.12   The Committee noted earlier that financial constraints of joint partnerships can seriously impede the creation or management of a joint partnership. Financial constraints are usually caused by the following factors:

- Lack of government funding assigned for joint partnership projects;

- 'Streamlined' management of government/public assets that does not allow easy transfer of one agency's under-utilised public assets to another agency;

- Unwillingness of stakeholders to share recurrent costs; and

- Inability of all stakeholders to pool funding, mainly due to lack of equity or lack of expertise to access funding sources.

4.13   One witness told the Committee that both local and state governments can come together to recurrently fund a community project:

> **Mr MOORE:** …The sorts of things we have talked about on the table are to say from a planning sense that State agencies do know forward budget commitments over three or four years by location by and large. If there was a planning way that local government and State government agencies agreed on the priorities—the local government in terms of levying developers either through the existing section 94 or value capture tax, which is being talked about, and the State government agencies in terms of their budget provision for services—and they all work towards the one objective, we could actually have capital side and recurrent side dollars devoted in a much more strategic way location by location…[45]

4.14   Many successful joint partnership projects seem to have overcome these problems with effective planning and management of the partnership starting from its very early stages. The Committee heard how collaborative planning by all stakeholders of the terms, costs and opportunities of the partnership provides confidence in the partnership not only for the stakeholders, but also the potential funding bodies, including government departments. A number of strategies presented by one witness may ensure that difficulties, including budgetary problems with partnerships may be overcome:

- sharing of information to allow early identification of opportunities during the planning stage of projects;

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[45] Transcript of Evidence, 13 October 2004, p4.

- appointing a champion leader with the authority to drive and implement the partnership;
- CEO commitment from each agency; and
- alignment of the various capital and recurrent funding programs.

4.15 In turn, the confidence of government funding bodies and stakeholders to engage in and support joint partnership projects can be strengthened by better planned funding proposals that set out the benefits of the partnership not only for the stakeholders, but also for the community.

4.16 The Committee also heard that a key success factor for partnerships is setting up benchmarks to measure the improvements and benefits of the joint partnership approach. One witness said that this strategy would allow the financial and productivity benefits to be documented so that future business cases and projects would have access to important information and experience:

> **Mr SIMPSON:** The obvious benchmarks are financial, the cost of the facility per square metre. If four groups are going into one building, is the cost of the building and fit out cheaper per square metre? The other ones you would have to measure, does it provide a better outcome for the community? It is one thing putting a whole lot of groups together but those groups are generally there to provide a service to the community. So, it is a matter of identifying whether the local community gets a better outcome, to do with a better service, and you survey that, but you need a benchmark to compare it to. So, there are financial benefits, probably social benefits, community benefits. Are the people who are working there happier in the environment, are they comfortable working with other groups? Does that allow them to communicate better and to work more effectively? So there are those benefits. So, it is about the people at the building, the financial outcomes and the social outcomes. They are the three areas I would be focusing on...[46]

4.17 The Committee believes that difficulties with accessing funding for joint projects, particularly from state and local governments, can be overcome through ensuring better planning of funding in the government sector. It would make sense, for example, to ensure that individual government agencies earmark some funding specifically for new or existing joint partnership projects that aim to address specific community needs.

FINDING: Current asset management policies, which require regular monitoring and accountability of all spending by government agencies, restrict agencies from allocating finances to multi-agency pools of funds. While restrictions are necessary to ensure that any public funds are appropriately used and are publicly accountable, the Committee believes that strategies should be developed to create opportunities for agencies and councils to pool funds for joint projects.

RECOMMENDATION 7: That the NSW Government review current mechanisms that may restrict government agencies from entering into pool funding agreements with other government agencies to achieve a joint public building. A joint committee of government agencies, including representatives of local councils, may be formed to undertake this review.

Allocation of resources according to regional boundaries

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[46] Transcript of Evidence, 13 October 2004, p49.

4.18 The Committee heard that the organisation of government agencies according to different regional boundaries may have an impact on the establishment of joint partnerships for use of local communities.

4.19 For example, government agencies such as the Department of Education and Training, Department of Community Services, NSW Police and NSW Health are segmented in smaller operational units according to regional boundaries that do not correspond to each other or to local council boundaries. As agencies manage their assets according to these boundaries, lack of co-operation may arise between agencies that have facilities based in the same local area, but fall within different regional boundaries.

4.20 The Committee believes that better results could be achieved in relation to joint use and co-sharing of facilities if government agencies align their boundaries.

FINDING: Non-aligned regional boundaries of government agencies and local councils may present a significant impediment for some joint partnership projects.

RECOMMENDATION 8: That the NSW Government should explore the benefits of various government service providers establishing their boundaries along similar regional areas for the purpose of joint use and co-location of facilities and services.

Addressing the skills gap

4.21 The Committee heard that many local councils, schools and community organisations lack the skills and expertise to plan, initiate and manage joint partnership projects.

4.22 Witnesses have commented that despite their involvement in a large number of joint partnership projects, local councils still lack the staffing and training resources to engage in various projects on an equal footing with larger partners, particularly private organisations.

> …It has been our experience that the elected members and management of many Councils are neither trained for nor experienced with complex property transactions involving procurement of public facilities. Often local government does not engage specialist consultants to test the suitability of what the Developer is offering or to assist them with the negotiations until the deal has been done. We believe that successful outcomes result when expertise is brought into such discussions at the very earliest stages and the parameters of the facilities to be procured are defined in considerable detail before an agreement is reached.[47]

4.23 One witness identified the origins of this lack of expertise in the historical role of councils to engage in projects that did not demand complex working partnerships:

> **Mr Gordon:** …Local Government really has tended to work in a world where if it wants to procure a footpath, it puts a tender in the paper and somebody accepts the tender and builds the footpath. That is the sort of level of project management expertise that is often within council. That is being unfair, because some are more sophisticated than that, but that is really where it has come from. What we are talking about here is something that requires a totally different level of sophistication.[48]

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[47] Submission No.6, Stephenson & Turner, p.5
[48] Transcript of Evidence, 22 September 2004, p.15

4.24   This view was also expressed by other witnesses, including representatives of the Property Council of Australia:

> …I agree there is a lack of expertise in councils so it all becomes too hard and those sorts of opportunities are lost because of difficulties and the lack of experience to identify and proceed with a project like that.
>
> The councils you have talked about have struggled, and they are a good example of a waste treatment facility that NROC, or the Northern Regional Organisation of Councils, tried to come together to solve an integrated waste disposal facility at Kimbriki, where you have four councils, and they are struggling with the expertise of how to deal with it—is that really a PPP or is it a BOOT scheme over a 20-year concession period? They are struggling with how to manage a process that bridges four councils, has a 20-year concession period and it is a project approaching $80 million end life.
>
> So, yes, they definitely have a lack of expertise, and there should be a group within the New South Wales Government that focuses on that area and builds up that expertise. You cannot have Education and Corrective [services] in different areas doing individual projects. There needs to be a core of expertise pooled in the Government. That is definitely an improvement. How you solve local government, whether that group could then provide services to local government, that could be a way to bridge that gap.[49]

4.25   One witness commented that the lack of expertise in local councils often means that the briefs for development of public buildings are often not reflective of the type or full extent of services to be delivered by the council or the building:

> **Mr Denton:** …One area that we do find difficulty with is that sometimes the contracts and the agreements that the council departments put forward are written by external groups who really are not sure of the type of services they are requesting. Sometimes we will get a contract that is more applicable to someone building a drainage pipe down at the park. I think it has been an issue that we have been looking at with the Institute of Architects and others to try and get some standardised agreement that all architects and other consultants can work to on local government works. Otherwise the public are not getting their service and we are finding it difficult to give our best efforts as well.[50]

4.26   The witness also expressed another common difficulty experienced by local councils when entering into smaller capital works projects:

> Similarly with briefings, we can get sometimes a project that is tiny. I do not like to name them, but Penrith council put out a brief for a couple of child-care centre refurbishments. One was worth $150,000, and one was worth $200,000. They are jobs an office our size, which is about 30, has difficulty in dealing with and really it is for a smaller office. For that they wanted our insurances and a 50-page document to express interest. If there were some standardised approach to consultants and a standardised agreement, I think that would streamline a lot of the issues. Once you get in the door though, I must say the communication is usually very good and the people we work with are excellent to deal with.[51]

4.27   The Committee believes that difficulties with lack of skills and expertise can be overcome by enabling public sector organisations and community groups to tap into readily available skills and expertise.

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[49] Transcript of Evidence, 13 October 2004, p.36
[50] Transcript of Evidence, 13 October 2004, pp.41-42
[51] Transcript of Evidence, 13 October 2004, p.42

4.28   Establishing a coordinating position within each government department, as well as at whole-of-government level, would ensure that joint partnership stakeholders receive the necessary advice and coordination from an easily accessible unit in the relevant government agency.

Ensuring better co-ordination between agencies

4.29   A number of witnesses have suggested that the complex and difficult nature of joint partnerships could be assisted with coordination from an expert party. Some have suggested the creation of an independent agency, such as a Coordinator-General, to resolve difficulties and enhance partnerships. Others have argued that this coordination can be provided by the relevant government agency.

4.30   One witness expressed the need for independent coordination as follows:

> What is really needed, in my view, is the ability to tap into an independent source of that, and by that I mean what was the Department of Public Works, now the Department of Commerce, to be able to tap into a unit there that could come in and provide that as an expert consulting service, because there is no doubt in my mind that that is a major impediment at a local government level.[52]

4.31   The Committee heard that there is a particular need for coordination of the use of public buildings by government agencies that own and manage considerable assets, such as the Department of Education and Training, NSW Health etc. While strategic planning of new residential areas focuses on the development of facilities for the delivery of key human services provided by these agencies, there are no strategies in place to initiate and co-ordinate the sharing of these facilities by the various agencies.

4.32   The Committee was told that the merging together of relevant government portfolios under the same Ministry is one way of integrating, or co-ordinating efforts of using government assets. Representatives of the NSW Property Council told the Committee that this is possible, but that there are some operational difficulties to be overcome:

> **Mr Simpson:**…I think the current Government has adopted this model with the Department of Infrastructure, Planning and Natural Resources and brought the Minister into discussions about more integrated planning. I think the greater challenge is at the next level down, and that is to do with new land releases and making sure that the residential development is supported by other community facilities, schools, hospitals and such things. I think the challenge, and the failure, is at the next level down—identifying and actually bringing groups together to share facilities. So that the overall master plan of new land releases and all of that is fine, but the challenge then is to get Police or Education and other groups to co-locate or share facilities. I think that is where the model fails—due to issues about funding, which is allocated on an agency basis, with each agency also having different time frames, different commitments and different needs to do with demographics and bringing projects on line. Probably one of the biggest challenges is the next level of detail, and having somebody, whether a co-ordinator general or somebody looking across two or three agencies and having authority to work with the to integrate some of these projects.
>
> There are some obvious examples—Education is one—where co-location, in an operational sense, and the use of assets have some high potential. But there is always the issue about the availability of funding, who pays for ongoing recurrent funding if it is a multi-use facility, and also issues about community groups, insurance issues, liability issues and

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[52] Transcript of Evidence, 22 September 2004, p.15

management issues. There really are not any incentives for some of those agencies to multi-use their facilities, and the host always has to carry a lot of the responsibility, whether that is Education. That is why it is always difficult for that to occur.

I understand the Government has for quite a while had a model of co-ordinator general, but that has been more on major projects. Many years ago Col Gellatly was nominated as the co-ordinator general, but I think that was more to ensure cross-government facilitation of major projects, be they to do with steel mills or whatever. The level we are talking about is much lower than that. We are talking about co-location of offices and schools and various things like that. I think to attack the problem at too high a level will not solve the problem. So I think one of the solutions is to identify some of the real potential for co-location, get some examples up and running and learn from those.[53]

4.33   Some witnesses have argued that the establishment of a specific Coordinator-General position would in effect create further layers of bureaucracy that may not be beneficial to partnerships, particularly when smaller community stakeholders engage in these processes.   These witnesses have suggested that having clear guidelines and policies would instead be more beneficial to the initiation and management of partnerships. Guidelines and policies may have the effect of educating stakeholders about the processes that they need to undertake, as well as empowering them to undertake legal roles and responsibilities.

CHAIR: One of the questions we will ask a couple of groups is in relation to the desirability of having a co-ordinator general to put these things together. You touched on that with regard to co-operation between local government, State government and non-government organisations. Do you see a need for or an advantage in having a co-ordinator general to put it all together or does that just create another level of bureaucracy?

Mr MOORE: I think I would be one of those who would rather suggest that we have different policies, adherence and some physical incentives rather than another level of bureaucracy. I think one of the things that has a lot of value adding potential, which you would probably be aware of, is the Premier's Department regional co-ordinators, regional co-ordination management groups around the State. It seems to me, at least from the Government side of things, one needs to build on that rather than create a new structure.[54]

4.34   A similar view was expressed by the representative of the Department of Local Government:

Mr Woodward: I do not think that would be needed. We already have the mechanisms and machinery to do that. It is a matter of how we tweak those to bring about the desired outcome. For instance, our agency already has a lot of power and authority and policy frameworks to bring some things about. I think this issue is more about opening up existing avenues and building on the successes—moving away from the personality-based success to a system of helping councils that want to enter into partnerships—which most do, because I have not heard anybody say it is a bad idea. Quite often, it is a matter of a council not knowing where to turn. I suspect the answer is more about integration of the planning process, because if it does not happen at the planning phase it is not going to happen. So I think it revolves around helping councils and other public authorities, and the private sector as well, to understand right from the beginning how it works. My view is that we would not need to go to that next step at this stage.[55]

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[53] Transcript of Evidence, 13 October 2004, p.32
[54] Transcript of Evidence, 13 October 2004, p.5
[55] Transcript of Evidence, 13 October 2004, p.11

4.35   While there are different views about how better co-ordination of joint partnerships can be achieved, the Committee believes that more efficient co-ordination of joint partnership efforts by each government department is needed.

4.36   Many witnesses expressed a need for a more pro-active asset management and co-ordination of efforts at inter-departmental level. Some Committee witnesses described this need as follows:

> **Mr Simpson:** I think the Government is trying to improve what it calls its total asset management, which is about planning government's future assets needs and trying to encourage agencies to come up with a five-year plan to do with accommodation, to do with assets, to do with disposals, to do with maintenance, et cetera. That planning framework, which has been around since 1990, is still struggling to be implemented for some of the reasons to which you have alluded. I think integration and overview of some of those plans could assist in identifying opportunities. However, one of the challenges is to have people who can understand and identify opportunities within government. It is not just a matter of people in Treasury looking at those plans, because even though they could recognise the financial opportunities they might not understand the operational opportunities to do with integration. That is why some opportunities on trial projects or whatever could help facilitate that.
>
> Planning is important, but so too is the next layer down and working out how those groups would work together, and whether their capital budgets could be aligned. I understand that on a project as simple as the Long Bay health facility, which has just gone out as a PPP, there was quite a long delay because there was lack of clarity about who would take responsibility for the recurrent costs—Health or the correctional facility. Just with those two government agencies, it took quite a long time for government to resolve the recurrent funding aspects—and that was at a very simple level. Again it comes back to the fact that agencies have been quite comfortable for X number of years in providing and managing their own facilities, but once another department becomes involved they are not set up to manage and work together. It is not an individual's problem; it is more an historical issue.[56]

FINDING: Better opportunities for joint use and co-sharing will be achieved through the creation of coordination units within each agency, and at a whole-of-government level, to focus on integration of public assets and efforts to deliver better services. GAMC is well placed to provide overarching joint use policies for NSW and to integrate the agency coordination units. For example, GAMC could focus on identifying joint use and co-sharing opportunities and assist with the co-ordination of efforts across agencies.

RECOMMENDATION 9:   That Government agencies should set up coordination units to assist them with joint use partnerships. The units' functions should include: providing legal and other advice in relation to the partnerships, identifying funding sources and coordinating efforts across organisations to assist with partnerships.

RECOMMENDATION 10:   That GAMC should work in concert with agency coordination units to facilitate greater joint partnerships across NSW.

Improved development planning

4.37   Responsible and progressive planning of asset development must view the whole-of-life aspects associated with the costs of existing and proposed assets as well as what

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[56] Transcript of Evidence, 13 October 2004, p.32

is appropriate, reasonable, affordable and sustainable for the community as a whole. Major metropolitan and rural planning strategies, such as the Sydney Metropolitan Strategy, must have a flexible and proactive approach to accommodate changing population demographics and population density as well as changing community expectations and increasing environmental concerns.

4.38 Joint use opportunities and re-use of facilities should particularly be a significant feature of greenfield developments. It is important that service providers are invited early in the planning process to participate in identifying opportunities for joint use and sharing.

4.39 One witness told the Committee that efficient planning of greenfield developments could deliver significant financial benefits for stakeholders as they reduce costs of construction and maintenance of the project:

> Planning for public infrastructure associated with urban land releases (ULR) should maximize the co-use and multi-use capabilities of new facilities in order to reduce initial costs (hence reducing developer contributions) and reduce long term maintenance and depreciation costs (i.e. reduce taxpayer and ratepayer funded commitments).[57]

4.40 The Committee also heard that the focus of planners, particularly at a local government level, should be expanded to include a regional perspective that includes a number of local councils. This form of planning would allow for merging of assets, community interests and opportunities.

> **Mr MORRISON:** A larger asset base is going to give you the opportunity to provide efficiencies than lots of small councils with smaller asset bases. Anyone who has crunched numbers on amalgamations, that is one of the major savings, you do not have to have two sets of plans and storage areas, et cetera. You can rationalise that, and that provides you with opportunities.
>
> **CHAIR:** Accepting that as a given, it also provides you with an opportunity to build those larger facilities because your marketplace is bigger and also your asset base is obviously there to support that process. When it comes to co-location and joint usage of facilities, obviously they can be bigger facilities but you need the asset base to drive it in the first place. The other thing I was going to say is there has been a movement in government of late to try you to tie government agency regions along similar boundaries. So, the Department of Education and Training, DOCS, Police have similar regional boundaries. Do you believe this will make those joint usages more easily obtainable?
>
> **Mr SIMPSON:** Potentially. Even within the Department of Education and Training, the alignment of TAFE and education under the one model will provide significant benefits through integration, just within the Department of Education and Training. As long as funding is then allocated potentially on a regional basis and there is an opportunity to share the various agencies—pool their funds or share their capital works programs or planned programs—yes, I agree, but there is also potential, if there was a similarity with councils within those boundaries, to engage those groups. I understand with any new school or any large extensions, Education sits down with the council and talks about shared libraries and shared sporting facilities. It does that now as a matter of course. I agree about aligning them but it is still about aligning the funding programs for even courthouses, police stations and those sorts of things.[58]

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[57] Submission No.46, Pittwater Council, p.3
[58] Transcript of Evidence, 13 October 2004, p.35

4.41   The Committee acknowledges the planning reforms currently undertaken by DIPNR that aim, in part, to simplify and ease the planning process at local government level. The current complex system of policies and plans that need to be prepared by local governments will be reduced and the planning process will become more streamlined. The planning reform process will also produce regional strategies that aim to address the needs of growing population in a number of regional areas in NSW.

FINDING: Current planning strategies for major urban consolidation and greenfield development do not actively promote joint use and co-location of public facilities. Strategies should include planning of smaller joint use projects, such as community centres, libraries, halls etc.

RECOMMENDATION 11: That DIPNR should ensure all planning strategies have a joint use project component. In particular, DIPNR should report on the implications of the Sydney Metropolitan Strategy for joint use, co-location and alternative re-use initiatives.

RECOMMENDATION 12: That DIPNR should consider mandatory requirements that all new development applications for public buildings include reports on whether joint use alternatives have been comprehensively explored and exhausted.

Providing incentives for joint use opportunities

4.42   The Committee believes that providing various incentives to all levels of the public and private sectors would result in a higher number of joint use initiatives.

4.43   While reviewing witness evidence and submissions, the Committee noted that private firms tend to seek out joint use and co-location opportunities in their buildings more actively than public agencies. Co-location of office space, integration of call centres and joint use of administration and information technology services are only some examples of some private sector initiatives to save on operating costs. These approaches make sense from a cost-effectiveness and profitability perspective, which is largely the domain of private firms.

4.44   While the Committee does not advocate the use of profitability practices by public agencies, the public sector should be encouraged to adopt similar cost-efficiency strategies used by the private sector to promote joint partnerships. Managers of government agencies are already required to implement various efficiency standards in the management of their budgets and assets. These include regular reporting on the status of their financial and property assets, requirements to achieve market value upon disposal of agencies' assets, as well as various accountability requirements that apply to senior public sector managers.

4.45   The Committee heard that these asset management strategies should be expanded to create additional roles and responsibilities for managers to report on the ways in which they have maximised the use of their assets in a particular time period. Some witnesses told the Committee that such requirements would create further incentives for public sector managers to measure their performance according to inter-departmental or whole-of-government benchmarks.

4.46   Witness evidence suggested that there is a significant benefit for the effective delivery of services if incentives are provided to non-for-profit organisations to engage in joint

use and co-location. Incentives may include dedicating office accommodation for these organisations at a lower rental cost.

4.47   The Committee notes the example of the Compact Program currently operating in the UK, which focuses on strengthening relationships between the government and community organisations in the delivery of community services. The Committee was advised that as part of this program, agreements are being developed with the community services sector whereby non-government community organisations can have access to public buildings at a lower rental cost than the market price.

4.48   The Committee found that local councils often grant bonus floor space to developers in exchange for community facilities in their development. These incentives should be actively encouraged and strengthened.

FINDING: NSW government policies, particularly those related to funding and support of social services, do not actively encourage and facilitate joint use and co-location approaches that strengthen communities.

RECOMMENDATION 13: That the NSW Government should consider the provision of incentives to potential partners (both from the local government and private sectors) to initiate and engage in joint partnerships. These may include:

- Provision of interest-free loans to encourage private participants to establish earlier services in shared arrangement;

- Higher flexibility in applying Section 94 resources, including cross-boundaries application of contributions; and

- Providing some tax offsets to developers to reuse and redevelop old buildings and to provide key community services.

Part 2 - Managing Joint Partnerships

4.49   The Committee examined witnesses and evidence to identify the major features of successful partnerships. Efficient management of partnership, involving all stakeholders at an equal level, is a key component of successful partnerships.

4.50   In general, all partnerships are likely to experience one or more of the difficulties examined in the beginning of this report. The success of the partnership depends to a large extent on whether the stakeholders are able and willing to prevent potential problems from occurring and to resolve them effectively once they have occurred. Many witnesses stressed the importance of shared goals and commitment of all stakeholders to the success of the partnership.

4.51   The Committee believes that the successful management of joint use partnerships has the following elements:

- Community consultation;

- Preparing effective management agreements;

- Appointing a management unit or CEO;

- Ensuring equality and equity in stakeholder participation;

- Developing appropriate mechanisms for effective management.

Community consultation

4.52   Ensuring community support for the development of a joint use project is highly important for the project's success. Generally, community support for the partnership would provide favourable grounds when local councils, government organisations and other funding bodies consider the joint partnerships proposal. Other challenges that may arise with the planning and management of the partnership (such as commitment of stakeholder to the partnership, availability of recurrent funding etc.) can be better addressed if the partnership has the recognition and support of the local communities.

4.53   Community consultation prior to and during the planning and implementation of the project are therefore crucial for ensuring community support. The process of assessing community needs, and ways to address those, may take many forms, mostly depending on the size of the project and the resources available. However, it is important that the needs of the community are appropriately assessed so that any concerns and misconceptions about the project are resolved early in the process and that there is an overall community acceptance of the ways in which the project will address their needs.

4.54   Community consultation may occur in relation to all, or some aspects of the project, including design, cost, the type of services provided by the facility and aspects of sharing the facility between different users.

4.55   For example, the Committee notes the extensive consultation conducted by the Merrima Design Group with the indigenous communities during the development of the Wilcannia Health Service facility. The communities were consulted in relation to the design and other aspects of the facility, and as a result, the facility design reflects the cultural heritage and spiritual beliefs of the communities.

4.56   Similarly, Willoughby Council conducted an extensive community consultation in relation to the development of its Civic Place. The consultation included: exhibition of the Civic Place Masterplan for public viewing; holding 74 community information sessions, including sessions in a number of community languages, where various aspects of the plan were discussed; and conducting a council poll. The Council has advised that the broad community consultation provided valuable feedback on the design of Civic Place.

Appointing a management committee or CEO

4.57   Developing a committed project team or a CEO with authority to complete the project, while representing all stakeholders, is a crucial aspect of partnership management. This would not only enable coordination of information and advice between the partnership and the funding bodies, but would also present an interface between the joint use facility and the community.

4.58   The Committee believes that many challenges relating to the 'silo' mentality and stakeholder commitment to the partnership would be effectively resolved through a representative committee or leadership established by the partnership in its early stages.

4.59   It is important that the partnership management committee or CEO has clear roles and responsibilities, including the responsibility for management of agreements, resources and funding. The committee's brief should include:

- Provision of guidance during the development of the project and dealing with key issues as they arise;

- Development of all relevant documentation for the project; and

- Provision of regular advice to funding bodies.

4.60   The Committee notes the Northern Beaches Indoor Sports Centre project, a joint partnership between council, a number of schools and community sporting associations, as an example of a project successfully managed by a corporate structure.

Case Study 9:   Northern Beaches Indoor Sports Centre (NBISC)

The partnership aimed to develop a sports center on the Northern Beaches, where there was no accessible, multipurpose, indoor sports centre. There were a large number of regular sporting participants in the area that required the use of indoor all-weather courts. These sports previously had been played in a number of different venues remote from each other and therefore with little ability to hold effective competitions or more elite tournaments.

The sporting organisations had held the vision of a centralised facility for many decades, however, they could not develop them because of financial constraints. The Manly Warringah Basketball Association had attracted some funding from the Department of Sport and Recreation (DSR) but this fell well short of the amount required to realise the vision.

A number of schools in the region also realised there would be significant benefits from such a facility and one thing that some of the local schools could offer was under-utilised land. This provided the initial impetus to look at a joint use and co-location opportunity. Within the grounds of Narrabeen Sports High School there existed a large under-utilised paddock of a suitable area that quickly became the preferred location for a new joint use building. It was centrally located on the peninsula, close to public transport and had a reasonable curtilage to provide carparking, landscaping and to attenuate noise. It was also within a low lying floodplain and as such was an acceptable use of the land.

As it turned out the need to have an elevated floor level to satisfy flood development controls provided the opportunity to incorporate a non-mechanical ventilation system that used the natural convection effect of drawing cool air from under the building through perimeter skirtings and venting warm air out through ridge top vent structures. This in conjunction with translucent roof panels to let in sunlight has greatly reduced energy consumption and has hence lowered operating costs and helped to reduce total greenhouse gas emissions.

In order to progress the project a company called Northern Beaches Indoor Sports Centre (NBISC) was formed initially to undertake negotiations and subsequently to provide an official entity to take out the lease, construct, manage and administer the facility as a not for profit operation.

Initial discussion took place with the DET to seek the use of the preferred site, apportion usage and resolve construction funding issues and the ongoing management and maintenance of the facility. An agreement was reached with DET whereby the schools would have exclusive

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use of the facility during school times and outside of those times the building would be available for the use of sporting organisations and the community.

Funding for the project was provided in grants to all stakeholders, largely from local, stage and federal governments. A low interest loan for the project was also secured from the Department of Sport and Recreation. The Department for Education and Training provided the land at no cost under a long-term lease arrangement.

No one organisation or group had the capacity nor resources to provide this type of facility in their own right, but by coming together and more effectively co-using previously under-utilised valuable land assets, a major regional community facility has been achieved that now attracts many thousands of sporting participants every week. It has proven to be of great benefit to youth and adults in the area with a number of the Manly Warringah basketball teams heading their respective regional and ABL competitions.

4.61   The General Manager of Pittwater Council, Mr Angus Gordon, in a submission to the Committee inquiry, advised that the management of the partnership through the central, corporate body, has ensured its success:

> The Company format has worked well to date. There is a financial discipline in place that ensures the Company meets all operating costs in full, including provisions for depreciation, repayment of loans as well as maintenance and minor improvements.
>
> Once the DSR loan has been repaid the Centre will be on a strong financial footing. In conjunction with the adjoining co-location and joint use of the Warriewood Valley Sports Ground facilities there is a much expanded multi-use of council and DET facilities based upon compatible usage times that suit both school and community users.[59]

Interagency co-ordination committees at local level

Case Study 10: Better cooperation between decision makers and stakeholders – Quebec

In 1995 the Catholic School Board and the City of Quebec pooled their efforts to persuade the provincial Ministry of Education (MEQ) to take part in a programme to renew inner-city neighbourhoods. Their proposal was that MEQ grant school boards additional resources with which to establish an administrative framework better suited to the prevailing urban environment. A Tripartite Committee was set up, which formulated a proposal to encourage community social organisations to relocate and consolidate, using the premises of primary schools that were no longer needed. Initially characterised by innovative forms of consultation inspired by the *des Rosiers Commission* and the *Comite de gestion d'equimpments,* the City of Quebec's partnership with CECQ has unleashed an activism grounded in solidarity and harmonisation.

4.62   The Committee believes that agencies, local councils and communities should also develop strategies to transcend regional and local boundaries to ensure better communication and working relationships.

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[59] Submission No.46, p.5.

4.63   The Committee heard that some local councils regularly engage local schools and communities in the planning processes of new facilities.

4.64   These are positive strategies that should be further supported and entrenched in the working practices of all government departments and local councils. For example, various committees formed by local councils may serve as an integration point between government departments, local councils and the local community to work together in creating opportunities for joint partnerships.

FINDING: Advisory and steering committees formed by local councils are highly beneficial for the integration of joint partnership efforts. Councils should be encouraged to use the committees to promote cooperation with local communities and government agencies with the objectives of creating joint partnerships.

RECOMMENDATION 14:   That the Department of Local Government more actively support the various advisory and community consultation committees formed by local councils and promote their use in identifying joint partnership opportunities.

Ensuring equality and equity in stakeholder participation

4.65   The Committee notes that good management of partnerships should be based on constant evaluation of the achievement of the goals of all partners.

4.66   Partnerships should not hinder the goals, objectives and potential achievements of partners, and partners themselves should not rely on the hard work, commitment and funds of others to carry out the goals of the partnership.

FINDING: Involving key stakeholders in the planning, management and continuous evaluation of the project improves inclusiveness and stakeholder commitment. It is important that change management programs for the stakeholders, including all staff, are implemented prior to co-location to encourage sharing between the groups and to overcome work practice roadblocks.

Developing appropriate mechanisms for effective management

4.67   Effective management of joint projects requires appropriate mechanisms and processes to prevent and/or address various challenges to partnerships that were described at the beginning of this report.

4.68   In order to effectively manage a partnership, the following processes should be established:

- Effective risk management;

- Performance monitoring and data collection;

- Relationship management and dispute resolution.

4.69   Mechanisms for information monitoring and data collection should be established to gather information about the performance of the partnership (trends and analysis of funding, outputs, usability etc). These mechanisms would enable the effective review

of the benefits of the partnership and the ongoing needs of the community in order to continue to provide effective services.

4.70   The Committee notes that the NSW Government has developed a number of regulatory and practice instruments to guide the process of constructing public infrastructure. The *Guidelines for Privately Funded Partnerships* and the *Capital Project Procurement Manual* are some examples of these instruments discussed earlier in this report. These are generally aimed to assist partnerships involving larger scale infrastructure and private construction. While planners of smaller scale partnerships can use the guidelines, they do not have the benefit of similar practice tools to assist them with their joint use initiatives.

4.71   The Committee is strongly of the view that a similar manual or a guiding tool should be developed to assist joint use projects, including those of a smaller scale.

Preparing effective management agreements

4.72   The Committee heard that successful management of a joint partnership largely depends on the efficacy of agreements established between different partners. A number of witnesses stressed the importance of ensuring that agreements encompass details about the conditions of the partnerships and set out responsibilities of all stakeholders. One witness explained this issue as follows:

> One of the key issues with any of this is you have really got to look at a risk management of the situation to start with, and it is absolutely key that one of the early things you do is a risk matrix, having a look at who is taking what responsibilities, who is running which risks, because you can readily find, and particularly with anything that involves the private sector, that if you have not got the risks well defined and who is managing that risk and who is responsible for it, the project can easily come unstuck. That needs to be up front, and it is the same also even working between the councils and the Government departments, because too often somebody says, "Well, I thought you were doing it", "No, I thought you were doing it", "No, I am sorry we don't have the funds for this." You really need to identify who is doing which bit, what the risks are and that the people have the funds and that there is a commitment to the funds at a fairly early stage.[60]

4.73   The Committee received evidence about a number of partnerships that have stalled, dissolved or resulted in lengthy legal disputes because the parameters of the partnership were not set in clear terms.

4.74   A large number of witnesses stressed to the Committee the importance of formulating effective management agreements that set out clear terms and conditions of the partnership. These should include:

- The essential items of the partnerships, including day-to-day running of facilities. Some agreements even include the estimated hours and times when the different stakeholders can use the facilities;

- That agreement should provide for dissolution of the joint-use partnership;

- Agreement that the level of service provided must be equal to or better than that which could be provided in separate facilities;

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[60] Transcript of Evidence, 22 September 2004, p.14.

- The partnership should provide support for staffing, professional development and advice and financial support to all partners;

- A governing board should participate in the establishment of the service to develop ongoing broad policy for its operation and to determine goals and budget priorities;

- Services and planning should be closely tied with effective assessment of existing and future community needs;

- Physical facilities should be appropriate to all clients of the joint facility;

- There should be awareness of the special needs of the profile community;

- Staffing levels should be adequate and the composition of the staff should reflect the requirements of the profile community;

- Staffing should be integrated if possible;

- There should be a management committee or a CEO of the joint partnership who will have the freedom to manage, including having direct control of budget;

- There should be a regular consultation with, and reporting to, all parties concerned; and

- There should be a regular internal and external evaluation of the joint use facility.

4.75   The Committee believes that difficulties in the joint partnership will be overcome if standard agreement documents exist in relation to joint partnerships to accommodate the needs of the partnership, such as insurance and security arrangements. The existence of such documents would also foster partnerships between local councils and government departments. For example, the Department of Education and Training may develop template leases or agreements in relation to establishing and managing partnerships to jointly use school council facilities.

FINDING: A significant success factor in a partnership is a structured and clear agreement on the terms and conditions of the joint partnership. Many community groups, local councils and government agencies may not have the knowledge, skills and resources to develop documentation and agreements to manage joint partnerships.

FINDING: There are no educational and guiding instruments to assist government agencies, local councils and community groups with the creation and management of joint use projects.

RECOMMENDATION 15: That the NSW Government develop a joint project assessment tool kit and best practice education process for key government agencies, local government and the not-for-profit sector. The tool kit may include standard documentation to assist government agencies and local councils with the establishment, managing and termination of joint use partnerships.

RECOMMENDATION 16: There should be a mandatory requirement that all government agencies use this tool kit to assess and report on the feasibility of a joint project when considering the development, construction or redevelopment of a public building.

Part 3 – Joint use partnership projects in the future

NSW Schools as community hubs

4.76   Schools are a highly important community assets because of their large number, central community location and their primary use by schoolchildren over a limited period during working days.

4.77   Witness evidence suggested that there are larger opportunities for better working relationships between communities, councils and schools in terms of sharing school facilities than they are currently explored.

4.78   These opportunities are often difficult to achieve because of systemic and cultural difficulties within government agencies, including the Department of Education and Training.

4.79   One witness described to the Committee the frustration and difficulties experienced by the stakeholders in a joint school-council partnership project.

> It took us three years just to get a lease through for an indoor sports centre. We came so close to giving up because of the frustration for something very simple.[61]

Planning and development of schools

4.80   Given the vast opportunities for multi-use and sharing of schools, the Committee was interested in how better planning and coordination of schools across the state can achieve better results for joint use and co-location initiatives.

4.81   The Committee was particularly interested in the public buildings and facilities owned and used by the Department of Education and Training. According to the 2003 Annual Report of the Department of Education and Training, the Department had the following building stock:

- A total of 17, 144 operating school buildings on 2.455 sites with a total floor space of around 7.12 million square metres.

- There were also 5,287 demountable buildings on school sites, providing a further floor space of around 413,000 square metres.

- A total of 1,820 TAFE buildings at 130 colleges, providing a total floor space of approximately 1.61 million square metres.

4.82   In addition to these assets, the 2004-2005 budget papers foreshadowed an increase in spending of $1.2 billion over four years on the *Schools Improvement* package, which in part, will focus on the construction of new schools and re-development of old schools.

4.83   The Department of Education and Training advised the Committee that the planning of newly developing residential (greenfield) areas is regulated by the following guidelines, which may vary with individual new developments:

- One primary school site per 1500-2000 new homes and one high school site per 4500-6000 new homes;

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[61] Transcript of Evidence, 22 September 2004, p.10

- Consideration must be made with respect to:
  a. possible diversion of some students in new areas to existing schools;
  b. impact of existing or proposed non-government schools;
  c. the type and rate of residential development;
  d. the possible need for additional sites in large developments to cater for temporary enrolment peaks; and
  e. the nature of the population.

4.84 According to one submission received by the Committee, the pattern of development of schools in new urban communities often proceeds in the following sequence:

- The first children in the new community attend nearby schools. Land is reserved for future school buildings;

- The number of children reaches a threshold and a school is provided

- The numbers of children rapidly increase and additional educational facilities are provided, often in 'temporary' accommodation;

- New schools are opened in the area, possibly private schools, and the competition for the public school grows.

- Numbers of school children are dramatically reduced in the first, public school and the school struggles to maintain ageing buildings and grounds.[62]

4.85 The Committee was particularly conscious of examples presented by Lend Lease developments in South Australia, where new schools were designed with the opportunities for co-location and joint use not only for educational, but also for housing and other community purposes.

4.86 Representatives of the Department of Education and Training advised the Committee that planning of schools is driven by the need for school facilities, presented through the growing number of school children in the newly developing area:

> **Mr Cush:** The need for facilities should be driven by service delivery needs rather than a vision for an edifice. Another issue that needs to be clarified is the principle upon which we build our facilities—as alluded to in our submission—is that we build on a core-plus principle. We have demographic information that gives us an indication of the long-term stable enrolment as opposed to the initial peak enrolment period. We build for the long-term stable enrolment and supplement it in the initial peak enrolment period with demountable or relocatable accommodation. The whole premise of that core-plus principle is so that we are not left with surplus accommodation.

> **Mr Peace:** For example, in a large primary school we will build 14 permanent classrooms and the other facilities—the hall, the administration, the library—are built to a capacity of 21 class groups. During the peak enrolment in that developing area we may bring in seven, eight or nine demountable/relocatable classrooms. As the development matures and the school enrolment falls down to a longer-term trend, we withdraw the demountable/relocatable classrooms leaving only permanent accommodation fully utilised; not having permanent accommodation with some speedy utilisation. We are trying to make best use of the permanent facilities for the longer term.[63]

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[62] Submission No.41, Lend Lease, p.43
[63] Transcript of Evidence, 13 October 2004, p.48

4.87   In their submission to the Committee's inquiry, Lend Lease highlighted important principles of planning and developing schools as community buildings:

> Any new community in NSW in the 21st Century needs an education service from the day the first learner arrives or the first enterprise commences. Everyone is a learner and every business must engage in education and training or it will not prosper. This is the outcome that Lend Lease plans to deliver for the community of Rouse Hill.

> It is much less important to have a new school building for the children than it is to have an appropriate education service for the whole community – including the children.

> This shift from building-led provisions to service-led provisions for new communities is very important. It leads to different (and better) outcomes; it requires a different approach to the stakeholders; and it applies just as much – perhaps more – to the renewal of existing communities as it does to new communities.

> Many existing communities express their desire for renewal in terms of the replacement of existing out-dated facilities – a new school, new town library or a new town hall. Expressed in this way, the danger is that replacement buildings will happen on a piecemeal basis with no real improvement in the nature or quality of the service. In a service-led approach, joint use, co-location and collaboration across conventional boundaries are often the result.

> Lend Lease acknowledges the NSW Government has moved to take a broader approach to renewal of existing communities. At St Marys and Rouse Hill, Lend Lease has aligned its approach to that of Government and joint use, co-location, collaboration and sharing will be key strategies.[64]

FINDING: While acknowledging the current planning strategy of the Department of Education and Training, the Committee believes that a service-led rather than a building-led approach to development of schools should be encouraged to ensure the long-term usability of schools by the community.

RECOMMENDATION 17: That the Department of Education and Training should review its current policies and procedures for the joint use of public school facilities with the objective of achieving greater shared use of school facilities. This should be done in consultation with key stakeholders.

Managing schools – opportunities for joint use of school facilities

4.88   The Committee was interested in the role of the Department of Education and Training, as the ultimate owner of school assets, in promoting and managing joint partnerships.

4.89   DET representatives advised the Committee that school facilities are provided mainly for the benefit of students, but that the community can also share existing facilities, or engage in partnerships with the schools to develop new joint use proposals.

4.90   The Department acknowledged that the size of its operations provided the opportunity to engage with various parts of the community to share those facilities and assets. However, the primary responsibility for the Department was to ensure that balance, and particularly the primary purpose of operating schools, was maintained and not put at risk while engaging in sharing arrangements.

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[64] Submission No.41, p.34.

4.91   The Committee heard on a number of occasions that school principals often had a crucial role in the initiation of joint partnerships between schools and other agencies, as well as the management of these projects. This role was prescribed to principles by the *Community Use of School Facilities* policy by the Department of Education and Training.

4.92   The Committee also heard that some principals found themselves in a negotiator and championing role with the Department of Education and Training in relation to establishing the facilities for a partnership.

4.93   The Department advised the Committee that it encouraged and assisted schools in engaging in joint partnerships by providing advice to principals on how to assess proposals, ensure that the partnership benefits the school and the school community and on how to develop a licence or leasing arrangements.

4.94   The principal, through the departmental organisation, initiated the agreements and the asset management directorate provided further advice to assist with those issues. The Committee also heard that principals were key players in identifying opportunities for joint partnerships, and they were often expected (and required) to engage into discussions, planning and drafting of partnership proposals on behalf of the school.

4.95   The Committee has found that these processes can be lengthy, challenging and cumbersome. Principals, who generally come from the teaching profession, may not be trained in management of large scale joint partnerships, and they may not have the legal or other skills required to engage in joint partnerships agreements, secure recurrent funding and ensure the success of the partnership.

4.96   The Department advised the Committee that once the joint-use arrangement is entered into, sometimes with Departmental assistance, it is an issue for the school principal to monitor and manage the situation. The Committee heard of a number of examples where joint partnerships involving schools had been highly successful because principals had efficiently exercised their discretion, including in relation to the terms and conditions of the partnership. The Committee also received evidence that in some cases, this discretion had resulted in changing of the terms and conditions of community use of schools, because of changes in the standard school hours. These changes had limited community use of schools during school days.

4.97   The increased usability of schools as community buildings requires a more proactive approach by the Department of Education and Training in relation to the planning of new schools and the reuse and retrofitting of new schools. More structured support should be provided to schools and school communities to enable them to engage in partnerships that are not only successful at the time of initiation, but are also progressive in the ways they service local communities.

4.98   The Committee is aware of many examples where school principals, as chief managers of school facilities, have successfully entered in joint partnerships with various organisations that have positively contributed to the school and the community. However, the Committee also heard that many schools were reluctant to engage in joint use and co-location partnerships, mainly due to the various difficulties that principals may experience during the process of establishing such a partnerships.

> **FINDING:**   School principals should be provided with appropriate legal, managerial and financial support and advice to identify opportunities for joint partnerships and to implement them.
>
> **RECOMMENDATION 18:** That the Department of Education and Training develop strategies to assist school principals and school management to engage in, and effectively manage, joint use projects involving school facilities.

Duplication of local council and school output

4.99   The Committee believes that schools are the greatest asset with significant opportunities for communities. Two main characteristics of schools make them particularly appropriate for joint use opportunities:

- **Educational component:** This is directly related to education in classrooms and other educational facilities that can be used during daytime by school children and in evenings and weekends for adult education purposes.

- **Community component:** Schools have many other facilities that may be commonly used by all members of the community. These include: libraries, halls, playing fields, gymnasiums etc.

4.100 The Committee heard that when developing new schools or upgrading school facilities, development approvals are obtained from local councils. These should ensure community participation in the development of the school and ultimately a broader use of school buildings:

> A number of our joint-use agreements are initiated through the development application process. We might be having discussions with the local council about, for example, building at an existing school or providing a new school facility in a developing area. In those discussions with the council planning officers we sometimes discuss how some communal facilities we provide, such as a hall in a primary school or a gymnasium in high school, could be used by the community or whether the council would contribute funds to expand those facilities to provide greater community access. We experience that process in the development application phase. Discussions about shared use or joint-funded arrangements are sometimes initiated in that way….
>
> Where we are adding to an existing school or making alterations to those facilities we still go through a development application process with the local council and we would still have those same discussions about opportunities for shared use of the type of facility we are providing. The example I have given is building communal halls in existing primary schools. A lot of our primary schools constructed in the 1960s and 1970s were not provided with a hall because that was not part of the educational facilities at that stage. As part of our process of going back into existing schools and upgrading the facilities we are providing new halls in a number of schools. As part of that process we have looked at how they can be jointly used by local government or other organisations. Providing that all provide opportunities for community groups to make use of the facility after hours, for example under joint-use agreements.[65]

4.101 However, the Committee received evidence that many schools and local councils provide the same facilities, including sporting facilities, halls, libraries, etc. Better

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[65] Transcript of Evidence, 13 October 2004, p.47

planning while engaging schools and local councils can avoid the duplication of expensive community facilities.

FINDING: Local councils and schools often create separate or duplicate buildings and facilities, such as sporting facilities, libraries, public halls and community facilities. This duplication means that the facilities are often not used to their maximum capacity.

RECOMMENDATION 19: That the NSW Department of Education and the NSW Department of Local Government should develop cooperative strategies to assist schools and councils to enter into and manage joint partnerships. These strategies may include:

- Developing management plans and communication protocols to identify joint use opportunities on an area basis to prevent the creation of separate or duplicate buildings and facilities. The plans may also identify potential users and funding, maintentance and management opportunities; and

- Developing standard leases that can readily accommodate Department of Education and Training and local government joint use of buildings and facilities, including appropriate insurance and security arrangements.

Appendix One – List of Submissions

Date Submission No. Author

21/06/2004   **No. 1** - Mr Clem CAMPBELL

02/07/2004   **No. 2** - Mr Brian WILKINSON (Richmond Valley Council)

13/07/2004   **No. 3** - Mr R D PIGG (Shoalhaven City Council)

14/07/2004   **No. 4** - Dr Alan BUNDY (University of South Australia)

19/07/2004   **No. 5** - Mr Peter J DOYLE (Bellingen Shire Council)

21/07/2004   **No. 6** - Mr Donald BERGOMI (Stephenson & Turner)

21/07/2004   **No. 7** - Mr John NEISH (Parramatta City Council)

22/07/2004   **No. 8** - Mr Gary MOORE (NCOSS - Council of Social Services of NSW)

22/07/2004   **No. 9** - Mr Terrey KISS (Coolamon Shire Council)

22/07/2004   **No. 10** - Mr Nick TOBIN (Willoughby City Council)

26/07/2004   **No. 11** - Mr T V LOBB (Weddin Shire Council)

29/07/2004   **No. 12** - Mr G C LAVELLE (Temora Shire Council)

29/07/2004   **No. 13** – Mr J W HUNTER (Manly Council)

03/08/2004   **No. 14** - Mr Brendan O'REILLY (Department of Ageing, Disability & Home Care)

09/08/2004   **No. 15** - Mr Peter GESLING (Port Stephens Council)

09/08/2004   **No. 16** - The Hon John DELLA BOSCA MLC (Minister for Commerce)

12/08/2004   **No. 17** - Mr Ken MORRISON (Property Council of Australia)

13/08/2004   **No. 18** - Mr Gregory J PRESTON (Australian Property Institute)

13/08/2004   **No. 19** - Mr Graham COLLINS (Blue Mountains City Council)

13/08/2004   **No. 20** - Mr Gary CHAPMAN (Queanbeyan City Council)

13/08/2004   **No. 21** - Mr Ian COSTLY (Mirvac Projects Pty Ltd)

13/08/2004   **No. 22** - Mr Howard TANNER (Tanner Architects)

16/08/2004   **No. 23** - M/s Nicole BENSON (Cessnock City Council)

16/08/2004   **No. 24** - Mr Andrew CRAKANTHORP (Griffith City Council)

16/08/2004   **No. 25** - Mr Richard COLLEY (Bankstown City Council)

16/08/2004   **No. 26** - Mr Murray BROWN (NSW Heritage Office)

16/08/2004   **No. 27** - Mr Terry BARNES (Department of Housing)

16/08/2004   **No. 28** - Mr Peter WILSON (Central Coast Regional Organisation of Councils)

16/08/2004   **No. 29** - Mr Tom PORT (Nambucca Shire Council)

17/08/2004   **No. 30** - Mr Ray BROWNLEE (Auburn Council)

17/08/2004   **No. 31** - M/s Tracey MAGUIRE (Southern Councils Group)

20/08/2004   **No. 32** - Dr Neil SHEPHERD (Department of Community Services)

20/08/2004   **No. 33** - Mr J W RAYNER (Sutherland Shire Council)

20/08/2004   **No. 34** - The Hon Michael COSTA MP (Ministry for Transport Services)

23/08/2004	**No. 35**	- Mr Ray RAUSCHER (Combined Pensioners & Superannuants Association of NSW Inc (CPSA))
23/08/2004	**No. 36**	- Mr Alan McCORMACK (Central West Regional Organisation of Councils)
23/08/2004	**No. 37**	- The Hon Carl SCULLY MP (Landcom)
23/08/2004	**No. 38**	- M/s Anne HALL (Metropolitan Public Libraries Association & Country Public Libraries Association)
24/08/2004	**No. 39**	- Mr Roger B WILKINS (State Library - NSW Ministry for the Arts)
24/08/2004	**No. 40**	- M/s Kylie WALSHE (Woolhara Municipal Council)
27/08/2004	**No. 41**	- Mr Daniel LABBAD (Lend Lease)
30/08/2004	**No. 42**	- Mr Anthony FAZIO (Marrickville Council)
30/08/2004	**No. 43**	- M/s Ann SHARP
30/08/2004	**No. 44**	- M/s Sarah-Jane RENNIE (Museums and Galleries Foundation of NSW)
01/09/2004	**No. 45**	- The Hon Tony KELLY MLC (Minister for Local Government)
07/09/2004	**No. 46**	– Mr Angus Gordon (Pittwater Council)
16/09/2004	**No. 47**	– The Hon Michael Egan (Treasurer)
16/09/2004	**No. 48**	– Ms Jennifer Westacott (Department of Infrastructure, Planning and Natural Resources)
16/09/2004	**No. 49**	– The Hon Bob Debus MP (Acting Minister for Education and Training)
20/10/2004	**No. 50**	– Mr Roy Hetherington (Balranald Shire Council)

Appendix Two – List of Hearings and Witnesses

Wednesday 22 September 2004

Mr Donald Bergomi, Stephenson & Turner Architects

Mr Angus Gordon, General Manager, Pittwater Council

Mr Danny Graham, Director, Private Projects Branch, NSW Treasury
Mr Colin Campbell, Principal Policy Advisor, Property Values Branch, NSW Treasury

Wednesday 13 October 2004

Mr Gary Moore, Director, NCOSS

Ms Patricia Knight, Programs and Projects Manager, Southern Councils Group

Mr Ross Woodward, Acting Director General, Department of Local Government

Ms Petula Samios, Director Metropolitan Planning Unit, Department of Infrastructure, Planning and Natural Resources
Mr Stephen Durnford, Team Leader—Building Systems Unit, Department of Infrastructure, Planning and Natural Resources

Mr Grant White, (Metropolitan Public Libraries Association Submission), Campbelltown City Council Library

Mr Ken Morrison, NSW Executive Director, Property Council of Australia
Mr Stephen Simpson, Division Council Member, Sinclair Knight Merz, Property Council of Australia

Mr Howard Tanner, Managing Director, Tanner Architects
Mr Robert Denton, Director, Tanner Architects

Mr Mike Cush, General Manager, Asset Management, Department of Education and Training
Mr Phillip Peace, Director, Asset Planning and Support, Department of Education and Training

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Appendix Three – List of Projects Mentioned in Submissions

Councils	S. No.	Summary of Projects [S. No. = Submission Number]
Auburn Council	30	Co-location project: • Auburn Council with NSW Police Service's Flemington Local Area Command – including a multi-purpose community centre, Auburn Library and a multi-storey carpark.
Bankstown City Council	25	Joint use project: • Cherster Hill Multipurpose Centre – Department of Education and Council
Bellingen Shire Council	05	Joint use project: • Bellingen High School, multipurpose centre – Department of Education.
Blue Mountains City Council	19	Joint use project: • Blaxland High School, community sports centre – Minister for Education and Training, Department of Sport and Recreation, Springwood Basketball Association, Blaxland High School, and the Blue Mountains City Council.
Central Coast ROC	28	Joint use projects with funding from Wyong Shire Council: • 50m indoor aquatic centre, regional athletics track – Mingara Recreation Club with joint funding also from Gosford City Council; • Wadalba Community School (kindergarten to year 12), a community centre, sports field, gymnasium and movement studio – the Department of Education; • Berkeley Centre – partly funded by the Spastic Centre NSW, with purpose built space to operate their services; and • Blue Haven Community Centre, to operate adjacent to and part of Blue Haven Primary School – the Department of Education. Joint use projects with funding from Gosford City Council: • Chertsey Public School – community cottage; • Brisbania Public School – multi-purpose covered outdoor learning area; and • Parkside Multi-Service Youth Facility – the Department of Education and Training, Area Consultative Committee and the private sector. Public/Private partnership project (planned): • Woongarrah School Hall – Wyong Shire Council, the Department of Education and a private developer. • Hamlyn Terrace Community Centre – Wyong Shire Council and Warnervale Uniting Church. • Ozanam Recreational Area, Kincumber – Catholic Church; and • Erina Community Centre and Erina Library – Erina Fair Shopping Centre.
Central West ROC	36	No individual projects discussed.
Cessnock City Council	23	Retrofitting and adaptive reuse: • Kurri Kurri Community Centre – Public Library and HACC facilities; and • Abermain School of Arts – HACC/Health Services, including Meals on Wheels, Neighbour Care, Home Care, Laludah day care and health services (aged care). Two proposed projects:

Appendix Three – List of Projects Mentioned in Submissions

		• Cessnock multipurpose centre, as part of the Civic Precinct Project, with attached courthouse and council chambers; and • Greta multipurpose centre.
Coolamon Shire Council	09	Co-location project: • New Emergency Centre – Rural Fire Service, SES and NSW Fire Brigades. However, NSW Fire Brigades have pulled out of the project.
Griffith City Council	24	Joint use centre: • The Council undertook preliminary planning for a joint use centre for Council, Murrumbidgee Irrigation and Country Energy. The plan was abandoned due to the legal framework needed to administer the arrangement. *Submission notes that Country Energy has entered into arrangement with local government state-wide, delivering savings to itself, and in turn by dividend to the State Government.*
Manly Council	13	Joint use projects: • Community carpark incorporating strata ownership; • Beachfront property incorporating public restrooms and a restaurant.
Marrickville Council	42	Joint use projects: • Debbie & Abbie Borgia Recreation Centre – Police Citizens Youth Centre; • Wilkins Primary School, childcare centre – Department of Education; • A number of public schools in the local area have after hours childcare and school holiday programs; and • Proposed redevelopment of old Marrickville Hospital site into a central library and other civic facilities.
Nambucca Shire Council	29	Joint use projects: • Macksville High School – indoor stadium; and • Nambucca Heads High School – indoor stadium.
Parramatta City Council	07	Joint use, co-location public/private partnership project in planning stage: • Civic Place Master Plan – to incorporate commercial offices, retail, residential apartments, underground carpark, library, community facilities and council facilities. *The submission notes that surplus floor space at the Sydney Water site may form part of further development opportunities for the Civic Place site.*
Pittwater Council	46	Joint use projects: • Park and Ride transportation facilities at Newport Beach and Mona Vale – weekday commuter parking, weekend use by users of sport and recreation facilities; • Mona Vale Community Hall – used by Council as meeting chamber and other community organisations; • Warriewood Sportsground – Narrabeen Sports High School and Council; • North Narrabeen Reserve – multiple users; • Boondah Depot – three Council works depots were amalgamated into one; • Mona Vale Centre – Library, Customer Service Centre, Cafe and Civic Plaza with a new early childhood centre being sited outside the old library entrance; and • Avalon Recreation Centre and Dunbar Park Village Green – Council Customer Service Centre with physical activity areas, meeting rooms, exhibition spaces, community library and indoor basketball court.

		Retrofitting and adaptive reuse (in planning stage): • Newport Recreation Centre – current Newport Women's Bowling Club site available for re-use. Public/Private partnerships: • Northern Beaches Indoor Sports Centre – Department of Education and Training, Department of Sport and Recreation, Manly Warringah Basketball Association, Federal Government and Council; and • Gymnastics Centre including an indoor pool facility at Narrabeen Sports High School - Department of Education and Training, Department of Sport and Recreation, with long-term private leasehold arrangements for the venture.
Port Stephens Council	15	Joint use project: • Tomaree Multipurpose Centre project – Council, Department of Education and community on management committee. Other groups located at Council facilities: • Hunter Water Corporation; • Hunter Area Health Service; • HACC programs – both State and Federally funded; • Port Stephens community radio; and • Community bases, State-funded para-health services.
Queanbeyan City Council	20	Joint use and co-location projects: • Queanbeyan Multilingual Centre, Care Financial Counselling Service and Senior Citizens Centre are co-located at Council premises; • Queanbeyan Health Service Facility is being developed with DoCS; and • The Council is looking at shared school and community sporting facilities and a one stop shop community facility.
Richmond Valley Council	02	No individual projects discussed. State Library submission discusses a joint use project incorporating Evans Head branch library, a community technology centre and the Rural Fire Service.
Shoalhaven City Council	03	Joint use and co-location projects: • Integrated Emergency Management Centre – Rural Fire Service, State Emergency Services and an Emergency Operations Centre for Shoalhaven Council; • Nowra High School – sporting fields; • Shoalhaven High School – sporting fields; and • Vincentia High School – multipurpose hall.
Southern Councils Group	31	Joint use projects: • Bowral Library and Area Health Centre – Wingecarribee Shire Council and South Western Sydney Area Health Services; • Bowral Memorial Hall – YWCA and Southern Highlands Performing Arts; • Moss Vale Community Centre – Moss Vale Senior Citizens and Wingecarribee Food Service; • Bowral Senior Citizens – Bowral Senior Citizens Centre and Tulip Time Offices; • Mittagong Community Centre – Mittagong Playhouse, Local Family History, Adult Education; • Robertson Community Centre – Community Centre and Pre-School; • Batemans Bay Library and Education Access Centre – Eurobodalla Shire Council, University of Wollongong, NSW TAFE Illawarra Insititue;

Appendix Three – List of Projects Mentioned in Submissions

		• Batemans Bay Family and Children Centre (in planning stages) – Department of Transport and Regional Services (Regional Solution Programme), Department of Community Services, Batemans Bay Preschool, and Eurobodalla Shire Council; • Narooma Library and Community Health Centre – Eurobodalla Shire Council, Southern Area Health Service; • Cringila Community Centre – Wollongong City Council and Illawarra Area Health Service; • Corrimal Community Centre – Wollongong City Council, lease arrangement with Illawarra Area Health Service and other State government funded programs and services; and • Bega Community, Cultural and Governance Centre (in planning stage) – one stop shop community facility. *Note: Four projects by Shoalhaven City Council also discussed in this submission.*
Sutherland Shire Council	33	Joint use and co-location projects: • Sutherland Shire Hub for Economic Development (SSHED), University of Wollongong Loftus Education Centre – with joint funding from Council, the University of Wollongong and the Southern Sydney Institute of TAFE.
Temora Shire Council	12	Joint use and co-location projects: • NRCC House – houses Temora Visitor Information Centre, Temora Library, Temora CTC, Temora Home and Community Care and the Greater Murray Area Health Service; • RTA co-located in Temora Council building.
Weddin Shire Council	11	Joint use and co-location projects: • Grenfell – Stan McCabe Oval, jointly maintained by council and community; –school hall, used/hired by community groups; and –library, council library extended to house TAFE technical library.
Willoughby City Council	10	Joint use and co-location: • Dougherty Apartments – jointly funded by Council, Department of Housing and the Uniting Church; • Willoughby Girls High – playing fields; • Chatswood High – playing fields, and – planned project for basketball/multipurpose hall; Retrofitting and adaptive reuse: • Masonic Halls – library; • Residential Cottages – children's literature centre; *Mirvac submission mentions Chatswood Connection – a joint use project with State Rail.*
Woolhara Municipal Council	40	Joint use projects: • Sir David Martin Drill Hall and Cottage, incorporating dementia day care centre, performance development space and use by a disability group; and • Early childhood health centres – Department of Health.

Ministers & DGs	S. No.	Summary of Projects [S. No. = Submission Number]
Department of Ageing, Disability and Home Care (DADHC)	14	Home Care Service often located within Home and Community Care Centres administered by local government.
Department of Community	32	No individual projects discussed.

Services (DoCS)		
Department of Housing	27	Joint use and co-location projects: • Ashfield corporate office – with NSW businesslink • Six offices are currently co-located with DoCS, the Department of Ageing, Disability and Home Care and NSW businesslink; and • Goulbourn – negotiations underway for this project with two other government departments.
Minister for Commerce	16	No individual projects discussed.
Minister for Local Government	45	Joint use project: • Government Offices, Nowra – with a number of other state government agencies. Other joint use projects discussed by the Minister: • Temora Library/Visitor Information Centre/Community Technology Centre; and • Cootamundra Public/TAFE Library.
Minister for Transport Services	34	Joint use and co-location projects: • Parramatta – shared premises by the Ministry of Transport, RailCorp and the Department of Education; and • Henry Deane Place – co-location of Railcorp office with the Department of Infrastructure, Planning and Natural Resources.
Landcom	37	Joint use and co-location projects: • Warnervale Town Centre – potential joint projects included integrated health and social services appropriate to
NSW Heritage Office	26	No individual projects discussed.
State Library – Ministry for the Arts	39	Joint use public libraries: • Batlow – Tumut Council with Community Technology Centre (CTC); • Coolah – Coolah Council with CTC; • Denman – Muswellbrook Council with CTC, community centre, credit union, tourist information and meeting rooms (proposed); • Eden – Bega Valley Council with CTC, tourist information and council office; • Glen Innes (proposed) – Glen Innes and Severn Councils, TAFE and the University of New England (UNE). Including Glen Severn Learning Centre, joint TAFE/public library, learning centre, gallery space and UNE; • Holbrook – Holbrook Council with adjoining CTC; • Kurri Kurri – Cessnock Council and community groups; • Mathoura – Murray Council with CTC, RTC, tourist information and Bendigo Bank; • Matraville – Randwick Council with community centre; • Mungindi – Moree Plains Council with CTC; • Temora – Temora Council with CTC and visitor information centre; • Tumut – Tumut Council with CTC; Co-location of library – with State Government bodies: • Adelong – Tumut Council with NSW Health, having a branch library, CTC and community health centre (CHC); • Auburn – Auburn Council and NSW Police; • Batemans Bay – discussed in Southern Councils Group submission;

Appendix Three – List of Projects Mentioned in Submissions

		- Bermagui – Bega Valley Council with CTC, RTC, Meals on Wheels, Centrelink, tourist information and hall (proposed); - Bombala – Bombala Council and Department of Ageing, Disability and Home Care and Rural Fire Service (RFS), having a branch library, CTC and RFS; - Bundeena – Sutherland Council and Department of Education and Training; - Cobar – Cobar Council and TAFE; - Evans Head – Richmond Valley Council and Rural Fire Service; - Gerrigong – Kiama Council and NSW Police; - Gordon – Ku-ring-gai Council and NSW Police; - Lennox Head – Ballina Council and Department of Education and Training; - Maroubra – Randwick Council with HACC, community centre and commercial tenancies; - Minto – Campbelltown Council and Department of Education and Training; - Muswellbrook – Muswellbrook Council and SES; - Narooma – discussed in Southern Councils Group submission; - Sanctuary Point – Shoalhaven Council and Department of Education and Training; - Swansea (proposed) – Lake Macquarie Council, Hunter Area Health Service, Swansea Community Cottage Inc; - Tottenham – Lachlan Council and Department of Education and Training; Co-location of library – with private sector or other bodies: - Ariah Park – Temora Council with licensed post office; - Bay Village – Wyong Council with shopping centre; - Binalong – Yass Valley Council with licensed post office; - Bonnyrigg – Fairfield Council with shopping centre; - Bourke – Bourke Council and energy supplier; - Bundendore – Eastern Capital City Regional and Department of Education and Training; - Campsie – Canterbury Council with shopping centre; - Castle Hill – Baulkham Hills Council with community centre and apartments; - Chatswood (proposed) – Willoughby Council and partners not yet identified; - Double Bay (proposed) – Woollahra Council and Woolworths; - Eastgardens – Botany Bay Council and Westfield; - Erina – discussed in Lend Lease submission; - Five Dock – Canada Bay Council and housing/retail developer; - Forestville – Warringah Council and shopping centre owner; - Hurstville – Hurstville Council and housing developer; - Kariong – Gosford Council and shopping centre owner; - Katoomba – Blue Mountains Council shopping centre owner; - Kogarah – Kogarah Council and housing/retail developer; - Lake Haven – Wyong Council and shopping centre owner; - Lane Cove (proposed) – Lane Cove Council and Woolworths; - Leichhardt – Leichhardt Council and housing/retail developer; - Merimbula – with Bega Valley Council as part of shopping centre - Milton – Shoalhaven Council and various other parties - Parramatta (proposed) – and discussed in Parramatta Council submission - Randwick – Randwick Council at Royal Randwick shopping centre

		- Riverstone – Blacktown Council and shopping centre - South Penrith – Penrith Council and Southlands shopping centre - St Clair – Penrith Council and shopping centre - St Ives – Ku-Ring-Gai Council and St Ives Village shopping centre - Sutherland – Sutherland Council and private housing developer - Sydney – Sydney Council and various private parties at Customs House building - Sylvania – Sutherland Council and Southgate Shopping Centre - Talbingo – Tumut Council and Department of Education and Training; - Toronto – Lake Macquaire Council and shopping centre - Tuggerah – Wyong Council and Westfield - Warialda – Gwydir Council with CTC, Centrelink and Telstra; - Warrawong – Wollongong Council and Westfield - Warringah Mall – Warringah Council and shopping centre - West Ryde (proposed) – Fairfield Council and Woolworths - Wetherill Park – Fairfield Council and shopping centre
Treasurer	47	Joint use project (in planning stage): Parramatta justice precinct – Children's Court, Trial Courts and office accommodation for the Attorney General's Department.

Tertiary Sector	S. No.	Summary on projects [S. No. = Submission Number]
University of South Australia	04	Library joint use projects in NSW: - Bateman's Bay – University/TAFE/public; - Minto – 3 schools/public library; - Bungendore – school and public library; and - Ourimbah – TAFE/university library. South Australian experience in joint use libraries: 46 school community libraries in rural areas. *Notes that about 9 per cent of Australia's 1600 public libraries are joint use, the majority being combined school and public libraries in rural area.*

Industry	S. No.	Summary of projects [S. No. = Submission Number]
Australian Property Institute	18	No individual projects discussed.
Lend Lease	41	Public/Private partnerships in South Australia: - Aberfoyle Park Retail Hub – has a high school, school and community library and information centre, YMCA, local government and school recreation centre, shared town sports park, private pre-school operations, and Donald Horne Performance Theatre. Project partners: City of Onkaparinga Council, and Department of Education and Children's Services; - Aberfoyle Parl Primary School Campus – four primary schools, two state and two private schools, share administration offices, staff rooms, schools and community hall, resource centre, canteen, playground, out-of-schhol-hours care service, oval and gymnasium; - Golden Grove – has three high schools, one state run and two private schools, which share facilities and staff; - The Mawson Centre – Salisbury City Council, University of South Australia, Mawson Lakes Education Service; and

Appendix Three – List of Projects Mentioned in Submissions

		• Mawson Lakes Primary School shares community open space. Public/Private partnership in Victoria: • Caroline Springs Town Centre – threes secondary schools, shared cultural facilities, joint school and community library, 0-8 schooling open space, shared community, school and sporting club open space and recreational facilities. Public/Private partnership in Queensland: • Varsity Central – Town square is open space shared between school and community. Public/Private partnership in New South Wales: • Erina Fair – Gosford Council and shopping centre owner with shopping mall, lifestyle precincts, ice-skating rink and fitness club, library and community centre, youth recreation centre and medical centre. Retrofitting: • MLC Building, North Sydney; and • The Bond, Millers Point – 5-Star rating for use of materials and energy, work environment matching current needs, and adaptability to respond to changes in work practices. *Note: Submission discusses library refurbishment and urban renewal projects in Chicago USA.*
Mirvac Projects	21	Joint use and co-location projects: • Gateway apartment building, Pyrmont, includes access to light rail stations and through pedestrian access; • Chatswood Connection, an integrated bus-rail interchange, with Willoughby Council and State Rail; • Pacific Place, Chatswood, an integrated community title development of former State Rail Authority land and involving four residential buildings and commercial buildings with enclosure of the railway line thereby re-connecting east and west Chatswood. Half the site is devoted to open space; • Community facilities in Double Bay, including youth drop-in café, for Woollahra Council associated with a residential development; • Former Olympic Village, now the suburb of Newington, a joint venture with Sydney Olympic Park Authority; • Beacon Cove, Melbourne, including light rail extension and foreshore public access – joint venture with Victoria Government; • Yarras Edge housing and foreshore rejuvenation and public access – joint venture with Docklands Authority established by Victoria Government; and • Development of a Willoughby Council site for apartments and serviced apartments which incorporates Councils administration building and Council Chambers within its own stratum title. Adaptive reuse and retrofitting: • Walsh Bay Redevelopment of Waterways site, including retrofitting and adaptive re-use of existing state and local government buildings. Pier 2/3, Walsh Bay is an example of an derelict building owned by NSW Government which has been restored and handed back to Government for cultural /exhibition use, as part of works required by Project Delivery Agreement for Walsh Bay Redevelopment. There are a vast number of public benefits and facilities including a lyric theatre provided by the redevelopment initiatives.
Property Council of Australia	17	Joint use and co-location projects: • Northern Beaches Indoor Sports Centre – eight groups share the facility; • Hurstville Joint Emergency Services Centre – Police, Ambulance, Fire and

		SES; • Sustainable office buildings in Nowra and Lithgow; and • Coffs Harbour Education Campus – TAFE, high school and university. Public/Private partnerships: • Bondi Police Station – with affordable housing development. *Notes that in some new residential developments in South Australia, school buildings are provided by the private sector and leased to the Department of Education. This model is also being introduced in new developments in north west Sydney.*
Stephenson & Turner	06	Joint use projects: • Glen Severn Learning Centre Adaptive reuse projects: • Narrandera One Stop Community Service Shop • Tumbarumba Rural Transaction Centre • Narrandera Emergency Control Centre • Cowra Library and Art Gallery Adaptive reuse of existing State and local government public buildings: • Cairns City Library • State Library of NSW • Waterloo Town Hall • UTS Public/Private Partnerships: • Earlville Branch Library, Stocklands Mall, QLD • Leichhardt Library, Italian Forum, Leichhardt
Tanner Architects	22	Adaptive reuse and retrofitting: • The NSW Medical Board in the grounds of Gladesville Hospital, two buildings conserved and upgraded at reasonable cost, providing superior accommodation to standard office buildings; • The Female Orphan School at the University of Western Sydney, conservation of Australia's oldest three storey building designed by Mrs Macquarie, now upgraded as a focus for the University of Western Sydney and providing a venue for meetings, conferences, exhibitions; • The NSW Heritage Office at the Old King's School, Parramatta, conservation of 1830s shell with upgrading of the interiors as modern offices; • St Patrick's College, Manly, conversion for use as international hotel school; and • Madsen Building, University of Sydney general retention of traditional exterior, major remodelling of interior to achieve 'state of the art' university research laboratories. Joint use and co-location: • Campbelltown City Council has two examples. - Eaglevale Central Community Centre, combining a heated indoor swimming pool, a library, a gymnasium/fitness centre, a council one-stop' shop, a café, a community room, and a child-care centre. The facility adjoins a large shopping centre and provides a community focus to a residential suburb. This is recently completed. - Ingleburn Community Centre, combining a library, council and commercial

Appendix Three – List of Projects Mentioned in Submissions

<table>
<tr><td colspan="3">offices, a public square, a private garden space, new community rooms and an existing community hall, child care, and possibly aged housing. Located at a major intersection, adjacent to a shopping centre and convenient to public transport this will provide a new community focus to a changing suburban context.

The submission notes that: one of the U.S. states, probably Massachussetts, has a policy that new government buildings cannot be built if any existing government building can readily serve the purpose, with a similar or lesser expenditure of public monies. This may be worth following up.</td></tr>
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Stakeholders	S. No.	Summary of projects [S. No. = Submission Number]
Combined Pensioners & Superannuants Association	35	No individual projects discussed.
Metro & Country Public Libraries	38	No individual projects discussed.
Museums and Galleries Foundation	44	Co-location projects: • Dubbo – Dubbo Museum, Dubbo Regional Gallery and University of the 3rd age; • Tamworth – Library and Tamworth Regional Gallery; • Tenterfield – Sir Henry Parkes School of Arts, Library, theatre and museum; • Albury – Library and Albury Regional Museum in same buildings within a precinct that includes a performing arts centre and regional art gallery; • Wagga Wagga – Museum of the Riverina, library, council chambers and offices and Wagga Wagga Regional Gallery; • Bathurst – Library and Bathurst Regional Gallery; • Orange – Library, Orange Regional Gallery, council offices and theatre; • Parramatta – Parramatta Heritage Centre comprising – tourist information centre, gallery, museum, archives and local studies library; • Bega – Library, Bega Valley Regional Gallery and council offices; • Kempsey – Tourist office and museum; • Gilgandra – Tourist office and Cooee Heritage Centre (museum); • Cobar – Tourist office and Greater Cobar Heritage Centre (museum); and • Deniliquin – Tourist centre, Peppin Heritage Centre (museum) and café.
NCOSS	08	No individual projects discussed.

Individuals	S. No.	Summary of projects [S. No. = Submission Number]
Mr Clem Campbell	01	Public/Private partnerships: Brisbane City Council has customer service centres, meting rooms and libraries in shopping centres.
M/s Ann Sharp	43	No individual projects discussed.

Appendix Four – Extract from Submission No. 39 State Library of New South Wales

Table 5: Co-location of libraries with other council facilities (selection only)			
Location	**Local Government Body**	**Other parties**	**Notes**
Albury (proposed)	Albury	Council	Library and regional museum (currently in design development)
Alstonville	Ballina	Council	Library is part of Alstonville Leisure and Entertainment Centre
Ashfield	Ashfield	Council	Central library is part of Civic Centre
Avalon	Pittwater	Council	Community library is part of Avalon Recreation Centre
Barooga (proposed)	Berrigan	Council	Branch library, community centre, technology room
Bathurst	Bathurst Regional	Council	Library and art gallery
Bega	Bega Valley	Council	Library and art gallery on same site as council offices
Bermagui (proposed)	Bega Valley	Council	Branch library, community hall, visitor information centre, Council office and RTC
Berowra	Hornsby	Council	Library and community centre
Blackheath	Blue Mountains	Council	Branch library and community hall
Blaxland	Blue Mountains	Council	Branch library and community centre
Camden	Camden	Council	Library and museum co-located
Casula	Liverpool	Council	Branch library, childcare centre and community centre share site
Coffs Harbour	Coffs Harbour	Council	Library and art gallery
Corrimal	Wollongong	Council	Branch library within community centre
Cowra	Cowra	Council	Branch library and art gallery
Crookwell	Upper Lachlan	Council	Branch library, training room, kiosk
Dapto	Wollongong	Council	Branch library within community centre
Eagle Vale	Campbelltown	Council	Swimming pool, branch library, creche, circuit training room, kiosk
Eastwood	Ryde	Council	Branch library and CWA tea room
Glenquarie	Campbelltown	Council	Branch library and neighbourhood centre
Goonellabah	Lismore	Council	Library with community centre
Goulburn	Goulburn	Council	Regional library within civic centre, including art gallery
Grafton	Clarence Valley	Council	Library within civic centre
Green Valley	Liverpool	Council	Branch library, community centre and youth centre under one roof
Greenacre	Bankstown	Council	Branch library and early childhood centre
Gunning	Upper Lachlan	Council	Branch library and technology centre

Appendix Four – Extract from Submission No. 39 State Library of New South Wales

Haberfield	Ashfield	Council	Branch library and community meeting space community meeting space in former school of arts building
I-lenty	Culcairn	Council	Branch library and shire office
Iluka	Clarence Valley	Council	Branch library and community centre
Inglebum	Campbelltown	Council	Branch library, community hall and meeting rooms
Kandos	Mid-Western	Council	Branch library and community centre
Kempsey	Kempsey	Council	Library within civic centre
Kiama (proposed)	Kiama	Council	Planned library extension, with Kiama Community College, local historical and family history societies and community meeting space also within the building
Kingscliff	Tweed	Council	Branch library and Meals on Wheels
Lake Cargelligo	Lachlan	Council	Branch library, council service point, RTA agency
Lalor Park	Blacktown	Council	Branch library adjoins community centre
Lawson	Blue Mountains	Council	Branch library and family day care
Lindfield	Ku-ring-gai	Council	Branch library, senior citizen's centre, community housing and tennis courts share site
Lismore (proposed)	Lismore	Council	Proposed facility including regional art gallery, historical museum, aboriginal cultural centre, multi-media centre, multi-purpose studios, training facility, youth art centre, visitor information centre, outdoor performance space and a commercial and retail component. Library is already on site
Liverpool	Liverpool	Council	Central library, community meeting spaces and multi storey car park share site
Manly	Manly	Council	Library, Council offices and multistorey car park share site
Mascot	Botany Bay	Council	Branch library and museum
Merimbula	Bega Valley	Council	Branch library and council offices
Merrylands	Holroyd	Council	Civic Centre and Library
Moss Vale	Wingecarribee	Council	Library within civic centre
Mount Druitt	Blacktown	Council	Branch library adjoins community centre
Mudgee	Mid-Western Regional	Council	Library on ground floor and theatre on first floor
Mullumbimby	Byron	Council	Library within civic centre
Murwillumbah	Tweed	Council	Library within civic centre
North Ryde	Ryde	Council	Branch library and community centre
Orange	Orange	Council	Regional library, Central West Writers' Centre and art gallery co-located
Padstow	Bankstown	Council	Branch library in vicinity of early childhood centre (share car park)
Panania	Bankstown	Council	Branch library and community hall
Pennant Hills	Hornsby	Council	Branch library and community centre
Penrith	Penrith	Council	Central library part of civic centre
Port Macquarie	Hastings	Council	Precinct includes Council swimming pool, council chambers, senior citizens' centre and community theatre

Ryde	Ryde	Council	Central library within civic centre
St Marys	Penrith	Council	Branch library is part of Queen Street Centre, Council's local business office
Singleton	Singleton	Council	Library under construction adjacent to council chambers, administration centre and auditorium
Springwood	Blue Mountains	Council	Council administration, library and art gallery
Stanhope	Blacktown	Council	Branch library and child care centre (construction commences 2004), as part of leisure centre
Sydney	Sydney	Council	Central library within Council office building
Tamworth	Tamworth Regional	Council	Regional library and art gallery co-located (existing building and new building under construction)
Tenterfield	Tenterfield	Council	Library within historic complex including museum and public hall
Thirroul (proposed)	Wollongong	Council	Branch library within community centre
Tweed Heads	Tweed	Council	Library within civic centre
Ulladulla	Shoalhaven	Council	Branch library including tourist information centre within civic centre
Ultimo	Sydney	Council	Branch library within community centre
Wagga Wagga	Wagga Wagga	Council	Regional library with civic centre
West Wyalong	Bland	Council	Library is same building as council chambers
Windsor	Hawkesbury	Council	New library, gallery and museum under construction in a cultural precinct
Wollongong	Wollongong	Council	Central library within council administration building
Yass	Yass Valley	Council	Branch library, historical society, community hall