

## **INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES**

**Organisation:** Namoi Councils

**Date received:** 3/07/2015

---



**MEMBERS**  
Gunnedah Shire Council  
Gwydir Shire Council  
Liverpool Plains Shire Council  
Moree Plains Shire Council  
Narrabri Shire Council  
Tamworth Regional Council  
Walcha Council  
**ASSOCIATE MEMBER**  
Uralla Shire Council

**NAMOI COUNCILS**  
PO Box 555 TAMWORTH NSW 2340  
T 02 6767 5267  
F 02 6767 5499  
M 0467 616066  
[E:namoicouncils@tamworth.nsw.gov.au](mailto:E:namoicouncils@tamworth.nsw.gov.au)  
ABN: 35 540 425 772

## Joint Organisation

The Director  
General Purpose Standing Committee No 6  
Parliament House  
Macquarie Street  
**SYDNEY NSW 2340**

[gpsc6@parliament.nsw.gov.au](mailto:gpsc6@parliament.nsw.gov.au)

Dear Sir

### **General Purpose Standing Committee No 6 – “Fit for the Future” Reform Agenda**

#### **1 BACKGROUND AND OVERVIEW OF THE TERMS OF REFERENCE**

The Namoi Councils Joint Organisation appreciates the opportunity to make this submission to the Parliament Legislative Council’s General Purpose Standing Committee No. 6 Inquiry into Local Government in New South Wales.

This submission will focus primarily on Terms of Reference (I), specifically supporting the establishment of Joint Organisations as a key part of the overall NSW Local Government Reform Package:

- (I) the role of co-operative models for local government including the ‘Fit for the Futures’ own Joint Organisations, Strategic Alliances, Regional Organisations of Councils, and other shared service models, such as the Common Service Model,*

However, while providing considerable detail on the benefits (both proven and expected) from the JO Model as implemented in the Namoi, the Councils wish to provide background comment on a number of the other terms of reference.

In particular, the starting point for considering local government reform is that Local Government remains chronically under-funded and that no reform model or models, however well-intentioned or executed, have the capacity to solve this issue. This is not to say that reforms are not needed, nor that they would not be of benefit, however they are only a part of a wider problem.

The origins of this problem are not new, and go back to the Whitlam Government, and promises to fund Local Government at 2% of tax receipts. A major opportunity was lost with the implementation of the GST, and together with the implementation of rate pegging, Local Government has continued to lose ground, notwithstanding occasional opportunities for individual Councils to see special rate rises. Exacerbating the situation is the current

“pause” in General Assistance Grants implemented by the current Federal Government. This shortfall in funding has its major impact in the maintenance of infrastructure, in particular local roads. Within the Namoi Councils this remains a key issue, in particular for Councils such as Moree and Narrabri which are highly productive agriculturally, but are having that production put under threat through an inability to properly develop and maintain unsealed roads.

**(a) *the New South Wales Government’s ‘Fit for the Future’ reform agenda,***

The Namoi Councils support the overall intent of “*Fit for the Future*”. While there are still strong areas of concern relating to several of the benchmarks and measures adopted, the Councils are finding that the process has resulted in a serious and careful review of operations and procedures by member Councils. That being said, concerns remain regarding the role of amalgamations, and, in particular, the justification for a number of requests for amalgamation to be considered coming out of the Local Government Independent Review Panel report *Revitalising Local Government* of 2013.

In the Councils’ submissions, a number of the suggestions do not appear to have taken into account key elements surrounding communities of interest or commonalities of bio-regions and agricultural systems. Pleasingly, however, the recommendations do look to the role of JOs in achieving appropriate scale and capacity where this is appropriate in terms of optimising resources across the member Councils.

As is outlined in more detail later in this submission, Namoi Councils are confident that the JO model provides appropriately for enhancing economic efficiency in a way that amalgamations cannot. In particular, it means that the natural scale economy of any service can be optimised – whether that be across one council, two Councils or the entire JO membership.

- (b) *the financial sustainability of the local government sector in New South Wales, including the measures used to benchmark local government as against the measures used to benchmark State and Federal Government in Australia,***
- (c) *the performance criteria and associated benchmark values used to assess local authorities in New South Wales,***
- (c) *the performance criteria and associated benchmark values used to assess local authorities in New South Wales,***

As outlined above, strong concerns are expressed regarding some of the measures and criteria used. Different member Councils have, at times, different views on the measures and criteria, and accordingly it is not possible to place a combined Namoi Councils position before the enquiry at this time. The Councils have a strong interest, however, in the submissions being made, and the Inquiry’s ultimate findings regarding this area.

**(d) *the scale of local Councils in New South Wales,***

It is Namoi Councils strong view that the scale of individual Councils is far less relevant than reform agendas over many years and in many jurisdictions have suggested. Of interest, in particular, is where dis-amalgamations have occurred, often as a consequence of community of interest and cultural clashes. There are numerous examples where

groups of communities have been amalgamated, but where ongoing tensions exist, often for decades, after forced amalgamations.

The use of Joint Organisations facilitates scale economies across political boundaries based on the natural scale of the service being shared or joint tendered. Namoi Councils submit that aggregations in scale in terms of amalgamating Councils should only be considered where the natural scale economy of the majority of an individual Councils expenditure on services is more than twice the geographic size of that Council and where strong common communities of interest exist (such as around a large regional centre).

**(e) *the role of the Independent Pricing and Regulatory Tribunal (IPART) in reviewing the future of local government in New South Wales, assisted by a South Australian commercial consultant,***

Namoi Councils note that there is a considerable body of experience within IPART relating to the costing of a wide variety of services provided throughout state and local government in NSW. In addition, some potential benefit is seen in drawing on outside advice (whether from a commercial provider or otherwise). That being said, the Councils would have preferred a specific purpose commission that could have drawn on IPART and appropriate expertise from a wide range of jurisdictions within Australia, including outside NSW. This would have enabled a more robust process to be developed, with the various measures and benchmarks being given additional consideration.

**(f) *the appropriateness of the deadline for 'Fit for the Future' proposals,***

There are a variety of views among member Councils regarding the deadline. The majority of member Councils have been able to meet the deadline with submissions that, in their view, are appropriate and considered. Member Councils recognise that over the next 12 months there will be a continuation of the focus on *Fit for the Future*, in part around enhancing base-line information and methods as the move towards full implementation occurs.

**(g) *costs and benefits of amalgamations for local residents and businesses,***

Namoi Councils are of the view that this area has not been well-researched within Australia, and that a thorough and consistent review methodology needs to be developed as national "best practice". Anecdotal evidence from member Councils (most of whom who have experienced amalgamation in the past) is that results have been mixed, with ongoing concerns from residents in rural areas and in smaller communities that they are not always receiving the level of support that they had experienced in the past. This can include concerns that in the case of amalgamations staff resources may be withdrawn from smaller communities as part of a rationalisation of service offerings. In addition, for some member Councils, the actual costs of amalgamations have been significantly higher than those predicted. While member Councils have sought to respond proactively to these concerns, they highlight the overall funding constraints on local government and the limitations of amalgamations and other reform tools in addressing these underlying problems.

**(h) *evidence of the impact of forced mergers on council rates drawing from the recent***

***Queensland experience and other forced amalgamation episodes,***

Namoi Councils do not have a current position on this issue.

***(i) evidence of the impact of forced mergers on local infrastructure investment and maintenance,***

There is anecdotal evidence from some of the member Councils that in some circumstances resources tend to become concentrated in larger urban areas as a result of assessment processes that look to the number of people benefitted by a proposed expenditure. This naturally favours larger urban areas. These tendencies can, however, be overcome through the use of “village committees” and similar processes to ensure a fair and reasonable rural/urban balance. Namoi Councils have no position at this stage regarding overall investment and maintenance which emphasises the lack of consistent reporting and evaluation frameworks post-amalgamations.

***(j) evidence of the impact of forced mergers on municipal employment, including aggregate redundancy costs,***

Amalgamations usually require all positions to be maintained, apart from natural attrition, for an agreed period of time post-amalgamation. Some member Councils have direct experience regarding this issue from previous amalgamations, however, Namoi Councils as a group do not have a current position on this issue.

***(k) the known and or likely costs and benefits of amalgamations for local communities,***

In the experience of some member Councils, anticipated costs of amalgamation are not always accurate. As an overall statement, member Councils are of the view that costs are generally understated and there has been insufficient quantification of benefits. In particular when forced amalgamations occur, member Councils are of the view that resources need to be provided by state government to undertake competent cost-benefit analyses prior to any amalgamation, and resources should also be provided to undertake post-amalgamation reviews against an appropriate best practice framework.

***(l) the role of co-operative models for local government including the ‘Fit for the Futures’ own Joint Organisations, Strategic Alliances, Regional Organisations of Councils, and other shared service models, such as the Common Service Model,***

The Councils strongly support cooperative models. These have proven very effective in a number of situations in the past, and across a number of jurisdictions. The main portion of this submission specifically addresses the Namoi Councils Joint Organisation and its demonstrated and future anticipated benefits.

***(m) how forced amalgamation will affect the specific needs of regional and rural Councils and communities, especially in terms of its impact on local economies,***

Member Councils remain concerned that forced amalgamations have been undertaken in the past without a consistent and well-researched approach to communities of interest and biophysical characteristics. While this is less of an issue when dealing with an urban



centre and a surrounding “doughnut” Shire, it can be a significant issue when looking at amalgamations which contain several towns of similar sizes from different “donor” LGAs. As previously mentioned, some historical amalgamations stretching back to the Barnett Amalgamations of 1981 still have some residual issues in terms of some communities.

- (n) *protecting and delivering democratic structures for local government that ensure it remains close to the people it serves,***

This is a key element when considering the overall scale of Councils. Use of cooperative models such as Joint Organisations enhances the ability to provide representation at a level which responds to local communities of interest. It can also be an issue when considering Councils with a combination of urban and rural populations. Depending upon whether Councils choose to use a ward structure or not, representation can, at times, be dominated by a large centre where it is the dominant population area in the LGA.

- (o) *the impact of the ‘Fit for the Future’ benchmarks and the subsequent IPART performance criteria on Councils’ current and future rate increases or levels***

In many respects this issue is an emerging issue where a view can only be formed as part of the overall assessment process. Member Councils do, however, recognise that the process can identify areas where, despite effective reform, the provision of services in accordance with community expectations would require additional rate funding.

## **2 HISTORY OF THE JOINT ORGANISATION**

Namoi Councils operated up until December 2014 as a voluntary regional organisation of councils in north western NSW for many years and during that time, developed a strong record of jointly collaborating on regional issues for the mutual advantage of their region and their communities.

Grounded upon a history of productive regional collaboration, leadership and advocacy, Namoi Councils submitted an Expression of Interest to be a Pilot Joint Organisation as a key part of the *Fit for the Future* Local Government Reform Package. In December 2014, Namoi Councils was selected by the Minister for Local Government as one of 5 Pilot Joint Organisation across NSW to work in partnership with, and assist, the NSW Government in the co-design of a robust and flexible model for a Regional Joint Organisation.

Namoi Councils members are excited and enthusiastic at the mutual benefits which will be delivered to their communities by becoming a positive partner working with the NSW Government to achieve sustainable local government reform in NSW.

The Namoi Councils Pilot Joint Organisation commenced on 5 January 2015 and comprises as members, Gwydir Shire Council, Gunnedah Shire Council, Liverpool Plains Shire Council, Moree Plains Shire Council, Narrabri Shire Council, Tamworth Regional Council and Walcha Council.

Uralla Shire Council is currently an associate member.

The boundary **(blue)** of the Namoi Councils Joint Organisation is as follows:

With the exception of Walcha Council, all member Councils are located within the proposed Namoi Joint Organisation boundary. Walcha LGA is located within the State strategic planning boundary (red) for Namoi Council's and hence its inclusion is consistent with the *Fit for the Future* framework.

### **3 JOINT ORGANISATION CORE FUNCTIONS**

The proposed core functions under the *Fit for the Future* Reform Program for building and co-designing a robust and flexible JO Model are:

- (i) Regional Strategic Planning and Prioritisation;
- (ii) Regional Advocacy and Leadership; and
- (iii) Intergovernmental Collaboration and Engagement

All member Councils have a strong commitment to participate in the Pilot Joint Organisation process. Similarly, Uralla Shire Council also has a strong commitment to explore how it might contribute to, and benefit from, the Joint Organisation as an associate member.

### **4 PILOT JOINT ORGANISATION**

Namoi Councils believe that it was selected to be Pilot JO for the following reasons:

- There is an existing strong history of effective collaboration between member Councils and an equally strong commitment to pursuing the Joint Organisation model for even more effective representation of the region.
- The Namoi Councils is comprised of a unified group of Councils with a diversity of regional contexts from Councils exploring the Rural Council model to Councils where no structural changes are proposed.
- Member Councils have a divergence of social and commercial drivers, from coal to food production, but share common priorities for sound infrastructure investment, asset management and good strategic landuse planning.
- Namoi Councils have a strong, innovative leadership with an existing professional skills base to deliver a sophisticated Joint Organisation model.
- There is a strong desire within the Group of Councils to deliver an outstanding Joint Organisation model to inform the drafting of legislation for 2016 and to secure the long term sustainability of their respective communities.
- Namoi Councils offer an ideal context in which to explore, identify and define core functions for Joint Organisations including how those functions might work collaboratively with NSW State Government agencies.
- Namoi Councils already work together on identifying strategic priorities for the region. The pilot Joint Organisation will provide a vehicle for developing concepts of Joint Organisation structure, greater use of community strategic planning in relation to achieving regional priorities and goals, and more effective engagement and collaboration with Regional leadership groups and other State regional bodies.
- As a pilot Joint Organisation, Namoi Councils has the capacity and commitment to pick up and run with the *Fit for the Future* reforms and deliver better government within the region and in NSW.

Namoi Councils believe there is convincing case for the escalation of the regional elements of the *Integrated Planning and Reporting (IPR)* framework operating at the Council level to the Regional level. This would involve, amongst other things, integrated regional strategic planning, regional governance, regional advocacy, regional inter-governmental relationships, regional economic development and coordinated regionally significant infrastructure and agreed shared service delivery arrangements, embodied in a Regional Strategic Plan to create a positive environment for investment, jobs growth and the sustainable development of the Region.

## **5 PILOT JO WORK PROGRAM**

The Work Program for Pilot JOs includes developing and building the following initiatives together:



- (i) Structure and governance which is flexible and equitable to all members.
- (ii) Efficient and lean resourcing for the Joint Organisation which is able to flex up and flex down using the internal resources available to each member rather than committing to a model with recurrent administration costs.
- (iii) Coordinated and professional advocacy of regional issues through a unified regional voice.
- (iv) Mechanisms for improving engagement with State Government agencies with a regional focus.
- (v) Developing astute and thoughtful strategies for both planning and delivering regional infrastructure assets in a way which delivers a legacy, not a liability, for future generations in the region.
- (vi) A commitment to **NOT** building a 4<sup>th</sup> Tier of Government and **NOT** creating another level of bureaucracy.
- (vii) Developing performance measures for the effectiveness of regional strategic planning and prioritisation, regional leadership and advocacy, and interagency engagement.

The following are the strategic tasks completed to date as key elements of the process of building and designing a JO Model:

- Statement of Regional Strategic Priorities
- Communications Strategy
- Namoi Councils JO Governance Structure
- Namoi Councils Charter
- JO Membership
- Membership fee structure
- Council delegation of JO core functions
- Council delegation of authority to JO Board Member
- Development of a strong and effective working relationship with the Regional Office of the NSW Department of Premier & Cabinet.

The challenges remaining in the building of a Namoi Councils Pilot JO Model are as follows:

- JO Enabling legislation with legal, governance, management and operational efficacy
- JO State Government policy framework

- Legislation to embed a direct nexus between the State Plan and Regional Strategic Plans
- JO legitimacy for key partnership role played in regional strategic planning
- Coordination of State Agency collaboration with Joint Organisations
- Department of Premier & Cabinet as State/JO coordinator with regulatory back-up
- JO serving the best interests of member Councils
- JO collaboration to assist member Councils remain sustainable and “*Fit for the Future*”
- JO role, if any, in proposals for the merger of member Councils.

Namoi Councils as a voluntary regional organisation of Councils operating up until December 2014 significantly enhanced the capacity of member Councils to facilitate a much more productive State-Local Government relationship.

Going forward, this developed and mature capacity has paved the way for an effective and productive strategic collaborative approach to regional social and economic development under the structure of a Joint Organisation proposed as a key part of the *Fit for the Future* Local Government Reform Package.

## 6 CURRENT REGIONAL COLLABORATION

Namoi Councils currently has the following governance arrangements and structures in place to integrate the capacity for strategic regional and sub-regional planning, inter-government relations, regional advocacy and information and technical exchanges between member councils:

- **Namoi Water Utilities Binding Alliance** consisting of all councils as members to ensure retention of community ownership of water supply and sewerage service assets and the sustainability of Council water and sewer operations and adopting one of the three organisational structure and accompanying governance model recommended by the 2008 NSW Armstrong & Gallatly Report for a Binding Alliance
- **Namoi Region Minerals & Energy Working Group**, chaired independently by Mr John Turner former NSW Member of Parliament, established to act as a consultative mechanism between State Government Agencies, Councils and Mining Companies in recognition of the critical need for increased tripartite dialogue and consultation with the Mining and Energy sector operating within the Gunnedah Basin and Liverpool Plains to deliver improved community outcomes for the areas impacted by minerals and energy resource expansion.
- The establishment of the **Minerals and Energy Working Group as a “Primary Reference Group”** to assist NSW planning bureaucrats and legislators in the development of policy and strategy relating to minerals and energy resource expansion in the Gunnedah Basin and Liverpool Plains drawing on the unique capacity of the Working Group to assist in the collection of multi-faceted government, mining sector and community input to inform the development of a NSW Coal and Gas Strategy, the development of the New England North West Strategic Regional Land Use Plan and the New England North West Regional Infrastructure Plan encompassing the Gunnedah Basin and Liverpool Plains.

- **Shared Panel of Conduct Reviewers** for complaints received in respect of breaches of individual Councils Code of Conduct following the invitation of Expressions of Interest by Namoi Councils and the appointment of Conduct Reviewers by Council members.
- **General Managers Advisory Committee (GMAC)** consisting of the General Manager of all member Councils whose function it is to provide professional and expert advice and opinion on finance, governance, management and operational matters and issues.
- **Plant & Procurement Working Group** to reduce costs, access economies of scale, reduce duplication of effort, delivering services or introducing new services through plant and equipment sharing to achieve better environmental outcomes and improve access to staff technical expertise and skills development. Joint Procurement among member Councils to achieve lower prices by combining purchasing activities leading to economies of scale, more attractive offers from suppliers, particularly for smaller councils, and administrative cost savings for joint tenders.
- **Strategic Workforce Planning Group** established under the direction of the General Managers Advisory Committee (GMAC) with the specific objective of capturing the benefits and opportunities of a regional strategic collaborative approach to HR services among member Councils.
- **Regional Planning Group**, comprising as members the Directors of Planning from member Councils, to exercise the function of providing specialist planning advice to the Namoi Councils Board on opportunities to support regionally significant economic drivers and to progress planning strategies to facilitate regional growth and the timely delivery of infrastructure and services.
- **Submissions on pinnacle Local Government issues** involving governance, finance, regional economic development, transport, health education, regional infrastructure, water supply, local government reform, NSW legislation, strategic regional planning, regional land use, tourism development and mining and energy resource development.
- **Membership of the Western Regional Mining Taskforce** established by the Department of Premier & Cabinet which reports direct to the Premier and NSW Cabinet on resource development issues and initiatives critical to State and Regional Development.
- **Partnership with Regional Office of NSW Department of Premier & Cabinet** and the cooperative development of strategies and actions to assist communities maximise the net social and economic benefits from mining and resource development in the Namoi Region.
- **Two-way channel of communication** with State Government executive decision makers, not previously existing, to explore and capture economic benefits and opportunities for the Namoi Region.
- **20 Year Regional Infrastructure Priority Plan** of infrastructure projects critical to the sustainability, future growth and development of the Namoi Region to position the Region to secure funding from the Rebuilding NSW Program to invest \$6 billion in infrastructure, funded from the partial lease of the NSW Electricity Networks.

- **Joint Electricity Contract** secured Armidale Dumaresq, Gunnedah, Moree Plains, Narrabri and Tamworth Councils combined savings of \$296,688 in electricity charges for the first year of a 3 year contract following acceptance of tenders organised by Namoi Councils. In the first year of the new electricity contract, Armidale Dumaresq achieved a savings of \$41,982, Gunnedah \$21,182, Moree Plains \$42,583, Narrabri \$33,927 and Tamworth \$157,014 when compared with the last year of the contract with their former electricity supplier. Tamworth Regional Council achieved total savings of \$430,000 in electricity charges. Gunnedah Shire Council achieved total savings of \$57,382 in electricity charges. Narrabri Shire Council achieved total savings of \$92,780 in electricity charges. Armidale Dumaresq Council achieved total savings of \$113,848 in electricity charges. Council joint purchasing of energy needs identified the significant positive benefits flowing from regional collaboration between Councils on essential energy requirements.
- **Joint Regional Tourism Board** preliminary investigations have commenced to assess the costs and the benefits of establishing a tourism promotion and marketing function and operating structure for the LGAs of Liverpool Plains, Gunnedah, Narrabri, Walcha, Uralla and Tamworth.
- **Regional Grey Nomad RV Traveller Strategy**, including identifying the comparative advantages of the region's natural and built environment and developing an on-line marketing strategy.
- **Public Street Lighting** preliminary investigation of a new business model for public street lighting asset ownership, management and operation.

## 7 REGIONAL JOINT ORGANISATIONS

Namoi Councils support the view that there is significant value in concept of *Regional Joint Organisations* to drive growth in regional NSW; to facilitate exchange of information and expertise; and to strengthen liaison with key State and Federal agencies.

Member Councils acknowledge that an important function of such a network would be the exchange of information and experience to build the leadership capacity of regional areas.

Member Councils hold the view that a *Regional Joint Organisation* will benefit from having a strong regional centre. In the case of the regional centre of Tamworth and the surrounding Councils of Gwydir, Gunnedah, Liverpool Plains, Moree Plains, Narrabri and Walcha, the relationship is strongly collaborative, productive and strategically focussed on the economic development of the Region.

Member Councils believe that through the past operations of the voluntary organisation of councils, a mechanism has been established and the capacity exists to collaboratively work together in achieving key regional economic and governance outcomes.

Namoi Councils believe that the Pilot JO Alliance, with the City of Tamworth as the regional centre, represents a good fit with the following key attributes of a regional centre and its surrounding area:

- **Population and economy** – the population of the Namoi Councils' region is 107,000 with the regional centre of Tamworth carrying 59,461 of the population. The population of the region is moderately growing with a robust economy and projected ongoing growth, particularly in the agriculture and mining sectors.
- **Hierarchy** – the City of Tamworth hosts regionally significant public and private services, infrastructure and facilities that support residents and businesses in the surrounding areas. Other major towns in the region provide these services on a shire-wide basis and in number of cases, to a broader area.
- **Accessibility** – the City of Tamworth is on the confluence of two major transport routes, the Oxley and the New England Highways. The Kamilaroi, Newell, Gwydir and Carnarvon Highway traverse the western part of the region, thereby facilitating easy road access from surrounding areas, both intra and interstate. A daily rail transport passenger service is available to and from Newcastle and Sydney for the city of Tamworth and the surrounding towns of Quirindi, Gunnedah, Narrabri, Moree, Walcha and Uralla. The Tamworth and Moree Airports provide direct daily return passenger air transport services to Sydney's Kingsford Smith Airport. Airports are located at Gunnedah and Narrabri which provide the option for extensive air charter services and which have supported RPT services to Sydney in the past. Preliminary plans exist to develop a Transport Intermodal Centre within the City of Tamworth and the town of Moree.
- **Scale and Stature** – the city and towns making up the Namoi Councils area are '*first among equals*' in the region and Namoi Councils is a credible partner of State and Federal agencies with the existing capacity to attract national and international interest and investment.
- **Strategic Capacity** – Namoi Councils' members have a strong revenue base; staff with high level strategic, professional and technical skills; the ability to lead regional strategic planning; and the capacity to undertake high level economic and infrastructure projects.
- **Leadership and Facilitation** – Namoi Councils' members have demonstrated their ability as collaborative leaders of the region; have the capacity to commit resources to regional projects on the basis that a strong region is in the long-term best interests of the local and regional community; have the proven capacity to promote the region and its opportunities for growth, including regional advocacy and negotiation with other governments; and to gain acceptance as regional leaders who can be trusted.
- **Good Governance** – councillors understand their regional role and can make decisions in the best interests of their respective councils and the region. Member councils are structured and equipped to support regional decision-making, engage in regional service delivery, the sharing of resources and building social capital in the region through engaging with the community.

## **8 JO STRATEGIC - OPERATIONAL FUNCTIONS**

Namoi Councils believe that the core functions proposed for Joint Organisations by the *Fit for the Future* Reform Package are appropriate and support is recorded for a clear separation between mandatory core functions and non mandatory operational functions.

Operational functions would comprise shared or joint services entered into at the discretion of member councils to ensure flexibility, best practice, net positive community benefit and autonomy and self determination within the overall policy and legal framework proposed for Joint Organisations.

Transparency, accountability and probity would be ensured by the requirement for a business case/cost benefit analysis to clearly identify the economies, cost savings, operational efficiencies and productivity improvements of a proposed shared or joint service to be delivered to participating Councils.

Namoi Councils propose the following division between core (mandatory) functions and operational (non mandatory) functions:

### **Division 1 - Core Functions - Strategic**

- Strategic regional and sub-regional/inter LGA planning
- Inter-government relations
- Regional leadership and advocacy
- Information and technical exchanges between member councils
- Road network planning and major projects
- Collaboration with State and Federal agencies in infrastructure and service provision
- Strategic procurement
- Regional Strategic Planning (IPR at the Regional Level)

### **Division 2 - Operational Functions – Shared or Joint Services**

- Regional alliances of local government water utilities
- Shared or joint services such as major infrastructure projects, regional waste and environmental management (including weeds and floodplain management), regional economic development, regional library services and 'high level' corporate services or 'back office' functions such as IT, HR, Regional Workforce Plan, Payroll, WHS Systems, Event Management, Plant and Equipment, Joint Procurement, Staff Learning and Development and Strategic Planning.

## **9 CONCLUSION**

Shortly after Namoi Councils was advised of selection as one of 5 Pilot JOs, and as the caretaker period for the March 2015 State Election approached, speculative discussion occurred at the March Namoi Councils Board Meeting centred on whether the Namoi Pilot JO initiative should be deferred pending the outcome of the State Election and any change of government.

A representative of Gwydir Shire Council stated that regardless of the fact that Joint Organisations were a key foundation element of the NSW Local Government Reform Agenda, regional collaboration in all its forms, among a natural grouping of councils, was as a good thing to do no matter what.



All member Councils readily supported this view, which is proof positive of the support among member Councils for the concept of Joint Organisations.

Member Councils believe that Namoi Councils is recognised at the State and Federal Government level as being strategic in its focus, a strong and an effective advocate on behalf of the Region with the capacity to clearly articulate and commentate on regional issues vital to the growth and development of the Region and the State.

Namoi Councils is a good example of an effectively operating regional organisation of councils with a high level of mutual trust, respect, confidence and collaboration among member Councils who are ready, willing and able to build and road test the joint organisation model as proposed by the Minister for Local Government as a key part of the *Fit for the Future* Local Government Reform Package.

Cr Col Murray  
Chairperson  
**NAMOI COUNCILS**

3 July 2015