

INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

Organisation: Canberra Region Joint Organisation

Date received: 2/07/2015

NSW MEMBER COUNCILS

Bombala | Boorowa | Cooma-Monaro | Eurobodalla | Goulburn Mulwaree | Harden |
Palerang | Queanbeyan | Snowy River | Upper Lachlan | Yass Valley | Young.

The ACT Government

26 June 2015

The Director General
General Purpose Standing Committee No. 6
Parliament House
SYDNEY NSW 2000
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**Inquiry into Local Government in New South Wales
Submission process**

To Whom It May Concern

The Canberra Region Joint Organisation (CBRJO) provides this submission to the General Purpose Standing Committee No. 6 Inquiry into Local Government in New South Wales and will address two points in the Terms of Reference where the CBRJO has a specific interest regarding the structure and network of its Councils and the membership of the ACT Government it represents.

The Canberra Region Joint Organisation (previously known as the South East Regional Organisation of Councils (SERO) comprises the councils of Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Yass Valley, Young and the ACT Government.

The CBRJO is in the process of undertaking reform measures to be prepared and well positioned to participate and be part of the conversation going forward. It was resolved at a Board meeting in August 2014 to transition from the ROC model to a Joint Organisation model and is in the process of developing its first comprehensive Integrated Regional Strategic Plan. One of the key objectives of this strategic plan is to make regional advocacy activities a priority of the CBRJO. The regional advocacy activities are informed by its Integrated Regional Strategic Plan and supported through intergovernmental collaboration.

The *vision* of the Canberra Region Joint Organisation is to provide a strong cohesive voice for the region. Our *mission* is to be a regional leader that facilitates opportunities and partnerships to create sustainable vibrant communities.

The CBRJO realise the importance of local government reform and that it is necessary in order to be more strategic and drive efficiencies; encouraging a more collaborative and co-ordinated approach is vital for this current reform process to succeed.

Should you require further information, please do not hesitate to contact me.

Yours faithfully

Ms Gabrielle Cusack
Chief Executive Officer

CANBERRA REGION JOINT ORGANISATION SUBMISSION INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

BACKGROUND

The Canberra Region Joint Organisation (CBRJO) membership comprises the 12 NSW Local Government Authorities of Bombala, Boorowa, Cooma-Monaro, Eurobodalla, Goulburn-Mulwaree, Harden, Palerang, Queanbeyan, Snowy River, Upper Lachlan, Yass Valley and Young; and the ACT Government.

The entity, previously known as the South East Regional Organisation of Councils (SERO) is the 'youngest' of the ROC models. The CBRJO acknowledges that our region needs to continue to build on the strengths that we have achieved thus far. Being only four years young, CBRJO is committed to moving forward cohesively; to ensure our councils are fit for the future; work in collaboration and use the knowledge base and emotional intelligence to be at the forefront of engagement, development and participation in this new order of local government reform.

The CBRJO is fortunate that the ACT is at the centre of the region and intrinsically connected to the South East Region of NSW through transport hubs, education institutions, tertiary health services, retailing, research and knowledge-based institutions (ACT Government Economic Development Directorate, 2012).

The ACT's role as the hub of the region and the future growth of its economy is inexorably linked to the development of many important issues, including the delivery of health and education services, transport, water and energy. It is crucial to view the region's issues holistically, as the relevance of most extend across the border.

To support this view, in 2011 the ACT and NSW Governments established a MoU on Regional Collaboration. The aim being to strengthen collaboration between the two jurisdictions and optimise regional outcomes and service delivery to the people of the ACT and surrounding South East Region of NSW.

Closer collaboration allows for a regional approach in the areas of health, education, transport, emergency services, justice, tourism, planning and economic development (ACT and NSW Governments, 2011).

The CBRJO is uniquely positioned. The development by Canberra Airport as an International Airport will provide a significant boost to the region's economy and the broader business sector. It will also bring the Canberra Region closer to domestic and international markets. The realisation of this significant event is a game changer for our region and further reiterates the importance of how significant cross-border collaboration and connectedness is to grow, sustain and maintain our regional and rural communities. Local Government is at the core of all decision making processes and through the CBRJO these events, activities and decisions will have a strong cohesive voice that advocates for taking a sensible approach to how the local government reform process will be realised.

1.1 The role of co-operative models for local government including '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 co-operative model of the CBRJO has been successful. The CBRJO was the last network to form as a Regional Organisation of Councils; the entity was able to identify what worked across other ROC's and what did not – enabling the organisation to be on the front foot in regards to its structure, governance arrangement and setting the agenda for the entity.

"The Australian Local Government Association has defined ROCs as "partnerships' between groups of local government entities that agree to collaborate on matters of common interest" (ALGA nd, Gooding 2012).

It is clear however that while ROCs have been effective, the outcomes have been uneven and are heavily dependent on the commitment of the member councils to the organisation and a regional approach (DLG 2011a: p21).

Given these comments, the CBRJO has taken necessary steps to ensure that they does not reinvent the wheel, but learnt and adapted to what is relevant, cost effective and applicable to its Member councils.

INITIATIVE

Moving toward the joint organisation model was one of the major recommendations from the Independent Panel's Review of Local Government. The Panel's final report strongly recommended that councils work in regions to focus on:

- 🌀 Delivery of strategic planning outcomes
- 🌀 Advocacy
- 🌀 Leadership
- 🌀 Intergovernmental collaboration

Instead of sitting back; the CBRJO is on the front foot – being proactive in driving the agenda for South East NSW and the ACT; particularly in a cross-jurisdictional setting.

The Joint Organisation model is another level of maturity with its focus on intergovernmental collaboration and one that is supported and endorsed by the Canberra Region Joint Organisation.

LEADERSHIP

The CBRJO is taking necessary steps to ensure that it is part of the conversation and leading the reform process. We are transitioning to a company limited by guarantee, with a strong governance structure that will provide the competitive advantage when actively looking to attract investment; growing our regional communities, streamlining our internal functions as well as being proactive, engaged and outcomes focussed. We do not see reforms as a challenge, but an important opportunity to better support and implement the aspirations of the region. Our collective voice is stronger than one individual voice

LOCALISM & RESILIENCE

You can't have change, unless you have the buy-in from stakeholders. Those stakeholders are the people that live and work across our council areas and the ACT. The CBRJO aims to be a strong unified voice for our region and are committed to developing a framework that reflects the needs and identifies the opportunities of this incredibly diverse, unique and rich region of South East NSW and the ACT. The Canberra Region brand has four sub regions including 'city, coast, alpine, tablelands' reflecting the diversity of the region but also the distinct areas of the region. It is a community of interest that binds the region.

The CBRJO will play to its strengths and actively promote the Canberra Joint Organisation as melting pot of innovators, entrepreneurs; celebrate our diversity and take every opportunity.

The Joint Organisation platform gives the CBRJO the vehicle to transition from the traditional local government ethos to become a more dynamic and strategic entity that will drive policy; use economic growth and regional development as the drivers to attract, retain and sustain long term investment, jobs and continuity across our 12 Members councils in NSW and the ACT regions.

FUNCTIONS

The functions of the Canberra Region Joint Organisation broadly cover (i) advocacy and (ii) operations. Based on the *Fit for the Future* Roadmap issued in September 2014, the CBRJO will undertake the following functions:

- ☞ Regional advocacy for infrastructure including regional road, freight and communications infrastructure that supports economic development and community safety;
- ☞ Intergovernmental collaboration on regional priorities through the alignment of local, regional and state plans providing consistency of effort;
- ☞ Implementation and continual review of CBRJO's regional strategic plan endorsed by the Board in November 2014.

Regional advocacy activities are the priority of the CBRJO. The regional advocacy activities are informed by its Integrated Regional Strategic Plan and supported through intergovernmental collaboration.

The CBRJO will continue to identify and implement initiatives to optimise advocacy opportunities by holding board meetings at both State and Federal Parliament Houses to improve access to decision makers and implement an engagement program with relevant political, business and community stakeholders across the region.

Operational opportunities for regional service delivery activities continue to be developed by the General Managers Advisory Committee with areas being investigated to provide efficiency gains including:

- ☞ Human Resources
- ☞ Procurement
- ☞ Information Technology
- ☞ Land Use Planning
- ☞ Financial and Technical Services

In addition to the three mandatory functions listed above, information sharing will continue to be an important and valued function across the CBRJO membership.

Given the diversity of the CBRJO Member Councils, cluster collaboration will continue to function – as they have been identified as successful and effective and this is a sensible approach to drive efficiencies. These clusters such as Bombala Council, Snowy River Shire Council and Cooma-Monaro Council have a shared service arrangement in regards to the Monaro regional libraries which has been functioning since the 1960's – indicating this track record demonstrates effectiveness and the positive impact it has on the communities across the three Council areas.

Likewise Palerang Council, Yass Valley Council and Snowy River Council have an arrangement regarding the services of an internal auditor. Again a sensible, practical approach has been taken to ensure the area of need has been identified and can be shared in order to achieve the desired outcome.

The above examples are only two of a myriad of efficiency arrangements in place across our region which CBRJO is well placed to facilitate and enhance.

All Councils have identified the strengths and weaknesses and are sensible and mature enough to realise that working in a collaborative environment will ultimately improve the financial sustainability of its respective council and provides the platform to further explore a shared service arrangement with other Councils and the ACT Government.

The CBRJO are of the opinion that consideration should have been given to the Local Government Act and legislation in the first instance. Across the board a number of inefficiencies and impediments are a direct result of the legislative framework. This inadvertently has caused the smaller Councils to be marginalised, isolated and restricted capacity to deliver on core services due to the nature of how the legislation is structured.

It would have been more strategic to undertake the reform process in tandem with the changes to the legislation; perhaps would have given a clearer pathway of how the new agenda for local government would be structured.

The CBRJO are calling on both the Commonwealth and State Governments through the Grants Commission to review the process regarding the distribution of grants such as the Financial Assistance Grants (FAGs). It is understood that there was a review commissioned in September 2012; to date there has been no outcome or future direction regarding how the distribution will be fair and equitable; reflecting the needs of Councils; particularly those in rural and regional NSW.

As part of the local government reform process; there should be serious consideration given to how the revenue raising mechanisms are structured; it should be reflected in the legislative framework to ensure the new order of local government in NSW accurately translate how it support local government achieve the reform process.

1.M How forced amalgamations will affect the specific needs of regional and rural councils and communities, especially in terms of its impact on local economies

As history has shown forced amalgamations do not work. There is the resistance and ground swell at the grass roots that is the disabling factor in ensuring success and continuity in the transition process.

There is concern and vulnerability in the smaller councils. They are of the opinion that if Councils are forced to merge without a sound evidence base or clear transition framework, the smaller councils will be more marginalised and miss out on opportunities as it will potentially be diverted to the large council area.

The shared service model where Councils can remain autonomous, but have a collective buy-in across certain areas should be seriously considered as an alternative to blanket mergers. It is also important to note that many of the smaller councils are the largest employer of the area. If Councils do merge without proper consideration and consultation, the ripple effect could potentially be catastrophic not only for councils, but the local economy, schools and community activities.

The approach of the current Minister for Local Government to local government reform has been considered and thought through.

The Achilles heel of Minister Toole is that when he took carriage of the reform process there was no monetary mechanism to assist with the process. It was not until the reform process was well under way that there was serious consideration given to some form of financial support to assist with the transition to ensure a sensible, cohesive approach to the reform process. Several Councils within the CBRJO region have investigated and in some instances supported proposals to merge. All investigations have verified that the cost of merger is significant and without government financial support to counter these costs it is difficult to justify any merger being financially positive.

The announcement of the Joint Organisation and pilot approach, and the provision of an initial funding of \$300,000 for each pilot area, clearly demonstrated the Minister's commitment to ensure the process was supported and monitored; with clear and transparent outcomes that were driven by engagement and communication across all Council areas.

Minister Toole said in November 2014 that *"Joint Organisations will enable councils to work together more effectively within their regions, as well as transform the way State and local government collaborate on key community priorities that cut across traditional boundaries such as jobs, planning and infrastructure."*

"Establishing these new regional structures will make it easier to manage important projects, to better deliver the jobs, education, housing, roads, bridges, sports grounds, libraries and other facilities and services that regional and rural communities need".

"The NSW Government understands that one size does not fit all for regional communities. It is critical to get Joint Organisations right so that they foster consistent collaboration, yet are flexible enough to meet individual community needs and to operate with minimal cost and red tape."

The greatest fear of forced amalgamations is the loss of identify and provision of essential resources for the community. Minister Toole, through the pilot process and continued consultation with Councils and their representatives, has allayed this fear and turned the potential negative into a positive for Councils to consider and take back to their communities.

Given the nature of the local government reform process; CBRJO is of the opinion that this measure cannot be rushed and must be thought through – giving consideration to the long term implications of this measure.

Amalgamations if executed correctly should enhance the communities and local economies of the CBRJO. With Councils agreeing to look at shared service models that drive efficiencies at the same time keep people employed in the local communities.

It should be noted that the Western Australia Government provided \$19 million for its transition process. Given the NSW Government had supporting funds to assist with the reform process; it has been an exercise of innovation, leadership and general respect across the CBRJO Council membership. This indicates that these Councils realise the need for reform in some capacity and we need to ensure it is done right the first time and properly delivered for each and every person of the Council areas of South East NSW.

GENERAL

COMMENTS ON THE INQUIRY INTO LOCAL GOVERNMENT IN NEW SOUTH WALES

To date, much of the emphasis in the local government reform process has surrounded mergers which are only one aspect of reform.

The CBRJO firmly believes that funding models for local government should form a key priority for the Government in considering the long term sustainability of the sector. Unless the trend of revenue raising capacity declining in real terms compared to base line expenditure cost increases, the services our communities receive from local government will continue to decline.

Local Government Reform is absolutely necessary in order to provide essential services for those people that live and work in our regional communities.

The democratic process must take its course; time is of the essence and the Canberra Region Joint Organisation are supporting its member councils with the transition and are wanting to get on with the mandate to operate as a single organisation.

The single region joint organisation inclusive of the ACT Government, recognises the strong community of interest between Canberra and the surrounding local government areas. It also aligns with the NSW's strategic planning boundaries.

The CBRJO proposal to form a single Canberra Region Joint Organisation provides an opportunity to further strengthen the maturing collaborations across the ACT and the South East NSW Councils; at the same focussing on achieving the NSW Government's *Fit for the Future* local government reforms.