

INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR MONEY OF NSW GOVERNMENT GRANT PROGRAMS

Organisation: Central NSW Joint Organisation

Date Received: 21 August 2020

Inquiry into the Integrity, efficacy and value for money of NSW Government grant programs

August 2020



**CENTRAL NSW
JOINT ORGANISATION**

Bathurst
Blayney
Cabonne
Cowra
Forbes
Lachlan
Oberon
Orange
Parkes
Weddin

21 August 2020

Reference: jm jb 200821
Enquiries: Ms J Bennett: 0428 690 935

Mr David Shoebridge MLC
Committee Chair
Public Accountability Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

To whom it may concern,

Re: Inquiry into the integrity, efficacy and value for money of NSW Government grant programs (the Inquiry)

About the Central NSW Joint Organisation

Local Government Regional Joint Organisations (JOs) were proclaimed in May 2018 under the NSW Local Government Act 1993. The Central NSW Joint Organisation (CNSWJO) represents over 200,000 people covering an area of more than 50,000sq kms comprising the Local Government Areas of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, Weddin, and Central Tablelands Water.

Tasked with intergovernmental cooperation, leadership and prioritisation, JOs have consulted with their stakeholders to identify key strategic regional priorities. The CNSWJO Strategic Plan can be found here: https://docs.wixstatic.com/ugd/51b46b_31886650ecf546bc916f15e99a733b3e.pdf

Standing on the shoulders of decades of successful collaboration through Central NSW Councils (Centroc) our JO's aim is for their region to be one of the 7 top contributors to National Gross Regional Product,¹ where agriculture is identified as the primary economic driver.

NSW Joint Organisation Collaboration

The CNSWJO has been engaging through the collaborative approach of the NSW JO Chairs Forum, they have been meeting every quarter since May 2018, with support through the Office of Local Government.

Key messages about the role of Joint Organisations

1. Joint Organisations in NSW are a network of 13 organisations established to strengthen collaboration and engagement between State and Local governments; and improve infrastructure and service delivery to regional communities.
2. Collaboration between the NSW Government and Joint Organisations means;
 - Active and engaged inter-agency collaboration,
 - A regional approach to dealing with a number of Local Government entities,

The Central NSW JO speaks for over 157,000 people covering an area of more than 47,000sq kms comprising of Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Oberon, Orange, Parkes, and Weddin.

- Support from Local Government when machinery of government changes are being implemented to maintain continuity, knowledge sharing and capacity building,
 - Financial savings by avoiding duplication, partnerships and facilitated aggregated procurement,
 - Better application and implementation of solutions, better relationships and corollary, and
 - The ability to assess and analyse potential solutions beyond traditional boundaries, systems and regions.
3. Joint Organisations identify government partners and key stakeholders to work with member Councils to deliver outcomes for towns and regional communities throughout NSW.
 4. Each Joint Organisation has a Statement of Strategic Regional Priorities containing the programs, projects and initiatives that the Joint Organisation is to focus on.
 5. There are examples of where Joint Organisations have transformed the way the NSW Government and local councils collaborate, plan, set priorities and deliver important projects in the regions.
 6. Joint Organisations are intended to be a key mechanism through which the NSW Government delivers funding and programs to regional NSW. This intent is critical to delivering the collaborative function of Joint Organisations and the financial sustainability of Joint Organisations.
 7. One such opportunity is the strategic planning and policy framework for the administration and delivery of urban water for regional communities in NSW.
 8. The NSW Government's Safe and Secure Water Program offers funding to Councils and Joint Organisations for the development of Regional Town Water and Integrated Water Cycle Management strategies, and with the introduction of Regional Water Strategies and their impending implementation, there is an opportunity to collaborate to make confident and informed investment decisions regarding the State's water resources.

We understand the terms of reference to be:

1. That the Public Accountability Committee (the Committee) inquire into and report on the integrity, efficacy and value for money of NSW Government grant programs, and in particular:
 - a. the range and availability of funding programs, including but not limited to:
 - i. discretionary grants funds such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants
 - ii. local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund,
 - iii. arts funding such as the Regional Cultural Fund,
 - iv. sports funding such as the Greater Sydney Sports Facility Fund and the Regional
 - v. Sports Infrastructure Fund,
 - vi. jobs for NSW funding, including the review into Jobs for NSW.
 - b. the manner in which grants are determined, including:
 - i. the oversight of funding determinations,
 - ii. the transparency of decision making under grants schemes,
 - iii. the independence of the assessment of projects,
 - iv. the role of Members of Parliament in proposing projects for funding,
 - v. the scope of Ministers' discretion in determining which projects are approved,
 - c. measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money, and
 - d. any other related matter.

2. That the Committee report by 31 March 2021.

Response

In the first instance, the member Councils of Central NSWJO express their thanks for the increased levels of funding enjoyed in regional NSW.

Where CNSWJO is a mature and effective collaboration of Councils, it is still early days in terms realizing the value the network offers.

The material difference between JOs and what were the Regional Organisation of Councils is intergovernmental collaboration. Key to optimising outcomes from collaboration between Local Government and the State at the regional level is ensuring an appropriate funding framework. CNSWJO has worked in collaboration with the other 12 JOs across regional NSW and supports the attached combined response including the following recommendations:

1. Review of the assessment criteria and Guidelines for funding under programs administered by NSW Treasury that better reflect the impact and significance of programs and infrastructure on regional communities.
2. Recognize the critical brokerage and coordination role played by JOs in supporting State priorities and programming and in building alignment between state and local government priorities across regions by;
 - i. Working with JOs to co- design and develop regional funding frameworks and programs to ensure they are appropriate and fit-for-purpose for local delivery and implementation; and
 - ii. Providing adequate support for JOs to continue to deliver these functions.

Please find also attached a Bridge Assessment Case Study showing the value to the State of a recent piece of work conducted in this region assessing over 160 bridges. With its depth of knowledge and years of experience, including as being a Pilot JO, this region would welcome an opportunity to meet with the Committee and provide more detail.

Please contact Ms Jenny Bennett, the Executive Office of the Central NSW JO on _____ should you wish to discuss further.

Yours sincerely,

—
Cr John Medcalf, OAM
Chair
Central NSW Joint Organisation (CNSWJO)

enc
Bridges Case Study
NSW Joint JO Submission

CASE STUDY

Bridge Assessments in Central NSW

What happened

At the request of member Councils this region applied through the Fixing Country Roads program for bridges to be assessed. Advice and support from Riverina Regional Organisation of Councils enabled the funding request. This program was 100% funded by the State and administered through Centroc. This led to cost savings on the aggregated procure, the State only having to deal with one entity instead of 10 and Councils only needing to deal with the ROC rather than the funding entity. Centroc gained a small income stream from the provider as it managed the contract on behalf of eleven Councils.

What was achieved

Where the project will be completed in September 2019 from Centroc's perspective the aggregated procure has led to 159 bridges being assessed at a lower price than anticipated, one contact for Councils, the provider and the State. There will also be a regional learning and next steps for members to consider with regards to this asset class.

Shared value

Value to the State

- One entity to deal with, Centroc, experienced in regional projects and offering a compliant procurement and contract management framework. This region estimates the State spends 3 hours per month managing this contract. The life of the contract including variations is 12 months. Instead of 36 hours in administration, or one week, it would have been 10 weeks assuming each Council were as easy to deal with as Centroc.



- Aggregated procurement delivers cheaper pricing and a better ROI to the State – quite simply, more bridges being assessed for the same price.
- Centroc manages Council staff turnover and other risks that lead to slippage. With their deep knowledge of Council personnel Centroc is able to assure project delivery including altering internal timeframes in the project to manage Councils' capacity to engage.
- Regional learnings from the project inform further action. In an ideal world the State would be party to these conversations to help optimise the program going forward.
- Councils with staffing challenges are taken on the journey, deliver outcomes, and give consideration to future engagement.
- Road safety outcomes as bridges are closed or in other ways managed depending on their status.

Value to members

- Councils with staffing challenges are taken on the journey, deliver outcomes, and give consideration to future engagement.
- Cheaper pricing for bridges being assessed outside the grant using the same provider as a contract extension.
- Councils deal with Centroc staff using known Centroc processes which offer compliance and with which they are comfortable rather than unknown grant administrators.
- Regional management means less staff time and costs dedicated to the project, for example reporting to Councils and the funding entity, the procurement process and contact management are all delivered by Centroc.
- Road safety outcomes.
- Asset management outcomes.

Value to contractor

- One entity to deal with rather than 11.
- Experienced at regional programming, Centroc smooths the way for the contractor with member Councils and provides
- The contractor recognises this value by paying a management fee.

Value to JO

- Regional advice leads to further regional programming embedding the value to members of Centroc.
- Success of project leads to further regional programming embedding the value to members of Centroc.
- Income stream from management fee from the contractor helps with financial sustainability.

