

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

Organisation: Hunter Joint Organisation

Date Received: 21 August 2020



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS



Mr David Shoebridge, MLC
Chair - Inquiry into the integrity, efficacy and value for money of NSW Government grant programs
Parliament House
Macquarie Street
SYDNEY NSW 2000

21 August 2020

Subject: Submission to NSW Parliamentary Inquiry - Integrity, efficacy and value for money of NSW Government grant programs

The Hunter Joint Organisation welcomes the opportunity to provide a submission to the NSW Parliamentary Inquiry into the integrity, efficacy and value for money of NSW Government grant programs. Member Councils of the Hunter Joint Organisation include:

- Cessnock City Council
- Dungog Shire Council
- Lake Macquarie City Council
- Maitland City Council
- MidCoast Council
- Muswellbrook Shire Council
- City of Newcastle
- Port Stephens Council
- Singleton Council
- Upper Hunter Shire Council

Our submission includes a particular focus on the evolving role and growing value of Joint Organisations in working with the NSW Government to deliver on the Government's commitments to regional Councils and their communities, and the potential role of NSW government grant programs in strengthening this important relationship.

The recommendations provided in the submission are drawn from the experiences of the Hunter Joint Organisation since its establishment 2018, nearly two-decades of experience by its former entity, the Hunter Regional Organisation of Councils in procuring and managing delivery of NSW Government grants, and from ongoing communication and collaboration with the broader network of Joint Organisations around NSW.

We would welcome the opportunity to further discuss our recommendations with the Committee.

Should you have any further queries or to discuss any aspects of our submission, please contact me on

Yours Sincerely

Joe James
CEO, Hunter Joint Organisation



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS



Submission by the Hunter Joint Organisation to the NSW Parliamentary Inquiry - Integrity, efficacy and value for money of NSW Government grant programs

21 August 2020

Introduction

Recognition of the benefits arising from regional collaboration between local governments led to the NSW Government establishing, under the *NSW Local Government Act 1993*, thirteen Joint Organisations (JO's) across regional NSW. Commencing 1st July 2018, Joint Organisations are local government entities with legal powers to support councils to work together for better rural and regional outcomes, and to enhance the way local and state governments work together to plan and deliver important regional infrastructure and investment. The core statutory functions established for Joint Organisations are:

1. **Strategic planning and priority setting** – to establish strategic regional priorities for the Joint Organisation area and to establish strategies and plans for delivering those priorities
2. **Intergovernmental collaboration** - to identify and take up opportunities for inter-governmental cooperation on matters relating to the Joint Organisation area.
3. **Shared leadership and advocacy** - to provide regional leadership for the Joint Organisation area and to be an advocate for strategic regional priorities,

Joint Organisations represent the vast majority of Councils across regional NSW and are committed to working with the NSW Government to deliver on its commitments to regional Councils and their communities. Joint Organisations have transformed the way the NSW Government and local councils collaborate, plan, set priorities and deliver important projects on a regional scale, and are a key mechanism with the significant potential to support the NSW Government to more efficiently and effectively deliver funding and programs to regional NSW.

The increasing value placed on the role and contributions of Joint Organisations is reflected in State Government agencies increasingly engaging with them to:

- Provide advice on regional priorities
- Coordinate / facilitate the input of Councils to State agency planning and consultation processes
- Provide a forum through which to reach and engage with regional leaders (Mayors and General Managers) or other Council personnel
- Provide support to navigate local communities (e.g. stakeholder engagement and support for Regional Water Strategies)
- Provide a mechanism to deliver better value from State programs through aggregation / centralised delivery (contaminated land programs, regional waste programs, bridge assessments, disaster preparedness programs)
- Provide representation from a Local Government perspective at the Regional Leadership Executive



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS



- Offering consistent points of reference and repositories for maintaining local and regional knowledge and information as State agencies go through machinery of government changes.

Recommendations

The following recommendations to the Inquiry are derived from the experiences of the Hunter Joint Organisation since its establishment 2018, nearly two-decades of experience by its former entity, the Hunter Regional Organisation of Councils in procuring and managing the delivery of NSW grant programs, and from ongoing communication and collaboration with the broader network of Joint Organisations around NSW:

1. Joint Organisations were established in 2018 to provide a systematic approach to local government collaboration and intergovernmental collaboration between state and local government at a regional scale. The benefits arising from the establishment and continued operation of Joint Organisations are shared between both the NSW Government and local government, however at present the core operations of Joint Organisations are funded by local government only. Funding contributions from the NSW Government predominantly comprise short term, project based grants. Continued funding of the core operations of JO's by local government alone is not considered a financially sustainable model if Joint Organisations are to effectively meet the statutory mandate that has been established for them by the NSW Government.

Local Government and State Agency stakeholders recognise that Joint Organisations provide an opportunity for the NSW Government to work with recognised and regulated entities to more efficiently and effectively deliver state programs and funding via strategic and collaborative frameworks at the regional level. While not all Joint Organisations are at the same level of maturity, there is an equality of opportunity offered by all Joint Organisations to the State Government from a sustainable network of these entities. There is a greater value to the State of one functional network of JOs than a patchwork of capability and capacity. For these opportunities to be realised, serious thought around the nexus between the value to the State and the funding framework needs to be undertaken to ensure the sustainability of the Joint Organisation network.

Recommendation

That the NSW Government contribute to a sustainable funding model for JO's through:

- i. *Provision of base level funding (in contrast to short term project based grants) that contribute to the core operating expenses of Joint Organisations. A model of this nature would directly reflect the shared systemic benefits derived by both state and local government arising from the ongoing operation of Joint Organisations, and provide the core resources needed to support the planning and growth required for Joint Organisations to effectively meet their statutory mandate.*
- ii. *Systemic and systematic provision / realignment of state agency funding to support the activities of Joint Organisations in those areas of shared interest between local government and agencies. This specifically recognises experience to date in key portfolios (e.g. water management, circular economy, transport planning, disaster*



resilience, destination planning / tourism) where there has been an enhanced return on state funding for both local and regional outcomes when agencies have collaborated with Joint Organisations (as compared with alternative delivery options).

- iii. *Further to point ii above, a realignment of agency funding of this nature has the potential to be linked to regional priorities / plans co-designed for areas of shared interest between local government and State agencies, potentially under the auspices of the Regional Leadership Executive for each Joint Organisation region. These regional plans / priorities should also be incorporated within the Integrated Planning and Reporting Frameworks of regional councils to facilitate greater alignment, collaboration, efficiency and effectiveness in their resourcing and delivery across State Agencies, Joint Organisations and Councils.*
2. Since their establishment it has become clear that Joint Organisations provide a niche regional research and planning role that can facilitate, in line with their statutory functions, a more strategic, efficient and cost-effective delivery mechanism for state government grant funding and programs targeting regions. This role has typically included:
- Determining infrastructure and planning priorities across a region to ensure the maximum return on state investment in these areas
 - Undertaking research and preparing feasibility studies and business cases to de-risk and facilitate the uptake of new systems and technologies with the potential to deliver on a range of State Government policies and targets (e.g. Circular Economy, new energy technology). This is particularly true where such activities need to be viewed through a regional prism to identify the added value, efficiencies and effectiveness that can result from collaborative approaches across Council boundaries and stakeholder groups.
 - Establishing new financial and investment models to provide access to the capital necessary to facilitate regional scale investment in economic development and transition (e.g. Hunter 2050 Foundation).

Despite the significant value of this role performed by Joint Organisations, it is the experience of the Hunter Joint Organisation that the availability of State Government grants to undertake work of this nature is extremely limited. Existing grant programs typically include a focus on on-ground construction or product creation / delivery, whereas if a relatively small component of grant program funds were available to Joint Organisations for this regional planning and development work, it would directly contribute to more strategic and efficient expenditure or grant funded programs overall. Importantly, providing grant funding for concept development, business case and feasibility assessments would create a pipeline of shovel ready projects aligned to State and local government policies and targets.

Recommendation

- iv. *That the NSW Government, when designing and delivering grant programs, include provision for Joint Organisations to apply for funds to undertake works of a more strategic nature including regional planning, research and feasibility assessment.*



3. Across the 13 Joint Organisations in NSW there are many shared priorities, however there are also many unique priorities that occur within individual Joint Organisation regions. As a consequence, Joint Organisations should be considered in the design and eligibility criteria for new and existing NSW Government grant programs, however it is also important that program design recognises and provides adequate flexibility to accommodate potential variation between regions that exists.

Recommendation

- v. That the NSW Government, when designing new or amending existing grant programs ensure that Joint Organisations are eligible to apply, and that the design of programs:*
 - *accommodates the unique role of Joint Organisations*
 - *provides adequate flexibility to ensure differences in the levels of capacity, planning and priorities across Joint Organisation regions can be accommodated.*
4. Over recent years the NSW Government has increasingly been investing in regional positions to support Councils across NSW develop and implement systems and practices to ensure alignment with, and effective local scale implementation of, NSW Government legislation, policies and priorities. The Hunter JO has hosted a number of these roles, which for example, have focused on building the capacity of councils to effectively manage contaminated land (currently resourced through the NSW Environment Protection Authority), to transition to local planning changes arising from introduction of the NSW Biodiversity Reforms (resourced through the NSW Department of Planning, Industry and Environment), and to build the disaster preparedness of Councils and their communities (currently resourced by Resilience NSW). These roles provide an extremely important and cost-effective mechanism through which to actively:
 - Build awareness and capacity of council staff to meet their responsibilities under NSW legislation, regulations and policies
 - Support Councils to develop and implement consistent and appropriate policies, systems and procedures to align with state government directives and requirements
 - Provide direct technical support to assist Council staff understand and navigate new legislative requirements in their role
 - Improve communication between state and local government on key issues, priorities and regulatory / legislative change.

It is the experience of the Hunter Joint Organisation however, that regional support roles of this nature require investment over longer time horizons (i.e. 3 -5 years minimum). This reflects direct experience which has confirmed that enacting effective and sustained change in the culture and practices of Councils takes time, and requires sustained and direct support, encouragement and facilitation over many years. It is also the experience of the Joint Organisation that programs of less than this duration experience difficulties with project staff retention arising from employment uncertainty from short term contracts. The loss of corporate knowledge and disruption of program delivery arising from such turnover can have significant impacts on program outcomes and therefore the efficacy of grant funds underpinning their delivery.



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
P (02) 4978 4040 | F (02) 4966 0588

FOLLOW OUR PROGRESS



Recommendation

That the NSW Government:

- vi. Continue to expand and invest in regional support roles to assist Councils develop and implement systems and practices that promote increased capacity in Councils, and greater alignment and collaboration between State and Local Governments in areas of shared interest.*
 - vii. Commit to investing in longer term (minimum 3-5 years) regional support programs to maximise the effectiveness of outcomes realised from the State's investment and the significant participation in and contribution of Councils to these programs.*
5. It is the experience of the Hunter Joint Organisation that the dispersal of NSW Government grant funds are seldom accompanied by a process to effectively share information between grant recipients, or to share the outcomes of projects both with other recipients and more broadly with Councils and other stakeholders across NSW who would benefit from access to them. Implementing a process through which to facilitate the sharing of grant funded program outputs and experiences more broadly across NSW would add significantly to the efficacy and efficiency of NSW Government grant programs.

Recommendation

viii. That the NSW Government include the following processes within the design and delivery of NSW grant programs:

- o Information on the focus of projects awarded funding and the contact details for each organisation are disseminated to all successful grant recipients.*
- o Workshops involving all grant recipients are delivered by the grant body prior to project delivery and on completion of the program (at a minimum), to share information, identify potential opportunities for collaboration between projects, and to identify opportunities and processes for more widespread adaptation and dissemination of project outcomes across NSW.*
- o That funding be incorporated within grant programs to facilitate the further adaptation and dissemination of project outputs identified as being of value to a broader range of stakeholders across NSW.*

More Information

Further queries regarding this submission should be directed to: