



# Ordinary Council

## MAYORAL MINUTE

### Business Paper

**date of meeting:** Wednesday 16 September 2015

**location:** Council Chambers  
17 Burrawan Street  
Port Macquarie

**time:** 5.30pm

**Note:** Council is distributing this agenda on the strict understanding that the publication and/or announcement of any material from the Paper before the meeting not be such as to presume the outcome of consideration of the matters thereon.

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A sustainable high quality of life for all.

**Council's Mission**

To provide regional leadership and meet the community's needs in an equitable and inclusive way that enhances the area's environmental, social and economic qualities.

**Council's Corporate Values**

- ★ Sustainability
- ★ Excellence in Service Delivery
- ★ Consultation and Communication
- ★ Openness and Accountability
- ★ Community Advocacy

**Council's Guiding Principles**

- ★ Ensuring good governance
- ★ Looking after our people
- ★ Helping our community prosper
- ★ Looking after our environment
- ★ Planning & providing our infrastructure



**PORT MACQUARIE  
HASTINGS**

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- Where speakers wish to make an audio visual presentation, a copy is to be provided to the Group Manager Governance & Executive Services by 4.30pm on the day prior to the Council Meeting.
- Council will permit only two (2) speakers "Supporting" and two (2) speakers "Opposing" the *Recommendation* contained in the Business Paper. If there are more than two speakers supporting and opposing, the Mayor will request the speakers to determine who will address Council.

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**PORT MACQUARIE  
HASTINGS**

# Ordinary Council Meeting

Wednesday, 16 September 2015

## MAYORAL MINUTE

### Items of Business

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**PORT MACQUARIE  
HASTINGS**

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Item: 06.02

Subject: MAYORAL MINUTE - JOINT ORGANISATIONS - EMERGING DIRECTIONS

Mayor, Peter Besseling

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## RECOMMENDATION

**That Council request the General Manager develop (in conjunction with Councillors), a submission to the Office of Local Government in response to the Joint Organisation - Emerging Directions Paper and lodge the submission by the nominated closing date of 16 October 2015.**

### Executive Summary

The purpose of this report is to provide information to Councillors and the community on developments in relation to the proposed Joint Organisations (JO's) that form part of the NSW Government Fit for the Future (FFF) local government reform initiative.

On Thursday 10 September 2015, the Office of Local Government (OLG) released a **Ministerial Circular (No. 15-06) titled 'Joint Organisations - Have Your Say.'** The release of this circular was for the purpose of the OLG informing all NSW Councils that a key milestone in the FFF local government reforms has been reached, with the release of a report on the future direction of Joint Organisations. The report is titled 'Joint Organisations - Emerging Directions Paper', noting that a copy of the OLG report can be found attached to this Council report.

According to the Ministerial Circular, JO's are central to local government reform in regional NSW and are an opportunity for councils to play a more active role in their region and work in new ways with each other and the State. Currently five pilot Joint Organisations are being trialled across NSW in Central NSW, the Hunter, Illawarra, Namoi and Riverina regions. According to the OLG, to mark the halfway mark of the trial, the above-mentioned Emerging Directions Paper has been released, which outlines thinking on the key components of the JO model - the purpose, functions, governance and resource needs.

### Discussion

At the 17 June 2015 Council meeting, Council gave consideration to the Port Macquarie-Hastings Council (PMHC) FFF submission and resolved the following:

#### **09.09 REFORM OF LOCAL GOVERNMENT - FIT FOR THE FUTURE SUBMISSION TO THE NSW GOVERNMENT**

*RESOLVED: Besseling/Levido*

That:

1. The content of the 'Fit for the Future' proposal identified as "Scenario 2C" be submitted in accordance with the requirements of IPART, prior to 30 June 2015.

2. Council acknowledges that the submission does not bind this Council or any future Council to the suggested rate increases contained therein.
3. Any future application for Special Rate Variations associated with the submission take into account the following:
  - a) The community's capacity to pay any suggested rate increase.
  - b) Any further efficiencies identified in Council's current Services Review.
  - c) The financial realisation of Council assets.
  - d) Federal and State Government funding equity improvements.
  - e) Feedback from the community.

**CARRIED: 7/1**

**FOR: Besseling, Cusato, Griffiths, Intemann, Levido, Sargeant and Turner**

**AGAINST: Roberts**

Detailed in the 17 June 2015 Council report was some background information relating to JO's. Following is an extract from that report:

*'One of the other aspects considered by the Panel was structural reform of local government including the need for mergers and a review of the current Regional Organisations of Councils (ROC) arrangements. It flagged that the time had come for a fresh approach. The regional Joint Organisations are proposed to be different to the current ROCs given ROC's lack a statutory basis and the voluntary nature of their activities has meant their operations have varied significantly between regions.*

*According to the NSW Government, a Joint Organisation will provide a forum for local Councils and the State to work together to deliver things that matter most to regional communities and that cut across traditional council boundaries – things like jobs, education, housing, roads and transport.*

*Currently Council is a member of the Mid North Coast Regional Organisation of Councils known as MIDROC, which includes Gloucester Shire Council, Greater Taree City Council, PMHC, Kempsey Shire Council, Nambucca Shire Council, Bellingen Shire Council and Coffs Harbour City Council.*

*The Independent Review Panel did not recommend that Council merge with any of its adjacent Councils. It did recommend that Council be part of a Joint Organisation covering the Mid North Coast area which originally included the Councils of Gloucester, Great Lakes, Greater Taree, and Kempsey as well as Mid Coast Water. Since the release of the FFF reform process, Great Lakes Council have formally joined the Hunter region, so will not form part of any Mid North Coast Joint Organisation. The regional Joint Organisations are proposed to be a legislated requirement i.e. all regional Councils are to belong to a designated Joint Organisation.*

*The key concerns with the proposed Joint Organisation model are that there has yet to be formal consultation with the local government sector about what the governance model of a Joint Organisation will look like. Work on the governance model has commenced according to the OLG, however until such issues are confirmed, the way in which a Joint Organisation will operate is largely unknown. For instance, will decisions made by Mayors of a Joint Organisation be binding on the individual Councils? If so, then this conflicts with the current Local Government Act 1993. Other questions that come to mind are what will the breadth of powers be of a Joint Organisation? What are its functions, principles and relationships with Councils?*

*At a Webinar held by the OLG on Wednesday 27 May 2015, it was stated that it is likely that the legislation relating to Joint Organisations will define a core statutory model for a Joint Organisation and then there will be the ability for individual Joint Organisation's or regions to increase the scope of the Joint Organisation if agreed by all parties.*

*Council will wish to ensure that the Joint Organisation approach has real benefits, that they add no additional costs to the community and that it is not simply another tier of governance being imposed on the people of the region.'*

With the release of the Emerging Directions Paper, the OLG has now defined the purpose, principles and functions; entity and powers and governance and accountability elements of the emerging model of the future JO's. The OLG has taken this mid-point mark of the JO trials that are taking place around the State to release this paper, following workshops held in July 2015. The intent of the OLG is to release the Joint Organisation Framework Paper later in 2015, which one must assume will largely be informed by the Emerging Directions Paper and submissions received in relation to that.

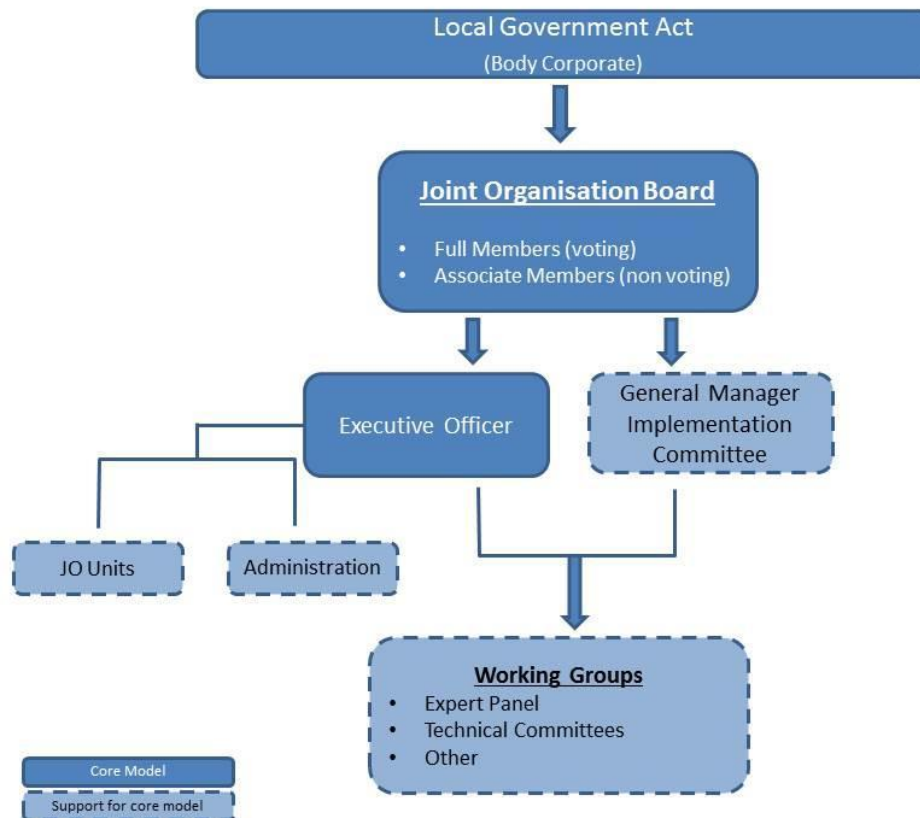
It is clear from the Emerging Directions Paper that JO's will be given legal status, which according to the OLG will provide political 'gravitas' and legislative legitimacy to partner with the State and other stakeholders on issues of strategic regional importance.

The Emerging Directions Paper also confirms the three core functions of JO's, being:

- Regional strategic planning and priority setting;
- Intergovernmental collaboration; and
- Regional leadership and advocacy.

JO's may choose to undertake the above core functions only, however individual JO's may wish to take on larger and broader regionally defined functions that would be agreed by the member Councils.

According to the Emerging Directions Paper, the likely legislative model that is being discussed is what is known as Option 4 in the paper, where JO's will be identified as a Body Corporate in the Local Government Act (Enabling). The 'Enabling' provides flexibility for the JO to carry out regionally-defined (optional) functions either directly or through other arrangements. Below is a structural chart that appears on page 12 of the Emerging Directions Paper, which better defines the proposed structure of JO's:



Perhaps the biggest point of interest is that there is no mention in the Emerging Directions Paper about the relationship between decisions of individual Councils, made by elected Councillors and decisions of a JO. This is a critical issue that needs to be addressed so that the community, Councillors and Council Staff understand how decisions will be made at a JO level. Until the governance and accountability structure is clear, there are many questions still unanswered around the impact of JO's on local democracy.

As per the recommendation included in this report, Council now has an opportunity to make a submission to the Emerging Directions Paper by close of business, Friday 16 October 2015. This will be an opportunity for Council to put forward its suggestions on the development of the JO's.

### Options

Council can choose to develop and lodge a submission to the paper titled 'Joint Organisations - Emerging Directions Paper' or choose not to do same.

### Community Engagement & Internal Consultation

There has been no external or internal consultation in relation to this report.

### Planning & Policy Implications

There are no direct planning or policy implications as a result of this report. It is acknowledged that there may be potential planning and policy implications into the future depending on the final model of the JO; however those implications are not known at this time.

## **Financial & Economic Implications**

There are no direct financial or economic implications as a result of this report. It is acknowledged that there may be potential financial and economic implications into the future depending on the final model of the JO; however those implications are not known at this time.

## **Attachments**

1 [View](#). FFF - JO Emerging Directions Paper

# Fit for the Future

Joint Organisations  
Emerging Directions Paper

SEPTEMBER 2015



**ACCESS TO SERVICES**

The Office of Local Government is located at:

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## Working together to build Joint Organisations



As part of our commitment to Rebuilding NSW the Government is continuing to work with local councils to strengthen communities across the State.

With a record \$1 billion investment in local government through the Fit for the Future reforms, we are helping to build councils that are well positioned to support our communities into the future.

Our vision is that all councils will provide the services and facilities their communities need and deserve, as effectively and efficiently as possible.

To make this happen, we have provided councils with unprecedented support and incentives to make the changes they need through the Fit for the Future process.

A key part of this is Joint Organisations. The creation of Joint Organisations is a significant commitment from the Government to strengthen regions.

Regional Joint Organisations will help councils to be more involved in planning the regional infrastructure that sustains their local economies, such as important freight routes and regional airports that serve markets and communities beyond their council boundaries. The new organisations will also strengthen opportunities for regional leadership and capacity building and ensure that people in regional communities have a strong advocate for their needs.

Currently five pilot Joint Organisations, in partnership with the NSW Government, are trialling in Central NSW, the Hunter, Illawarra, Namoi and Riverina regions to tackle the issues that matter to regional communities – jobs, transport, water and tourism.

The *Joint Organisations, Emerging Directions Paper* sees us reach an important key milestone in the Fit for the Future reforms. This important next step gives the many councils across NSW with a keen interest in JOs the opportunity to help shape the model that will bring real benefits to communities in regional NSW.

I look forward to hearing the views of the community, councils, Regional Organisation of Councils, business groups and other interested parties and continuing the discussion as the pilots progress.

Together, we can create stronger councils and stronger communities across NSW.

A handwritten signature in black ink that reads "Paul Toole".

**The Hon Paul Toole MP**

**Minister for Local Government**

## Introduction

### Enabling stronger collaboration

Regional communities play a major role in supporting the State's future. The Office of Local Government has established five pilot Joint Organisations which will give regional councils a stronger voice in partnering with the State to deliver what communities need. As the Joint Organisation pilot program is now half way through, it is time to start looking at what has been successful during the pilot and how the Joint Organisation Model should be legislated.

This paper provides a brief outline of the pilot progress to date and reflects on the key elements of the emerging model. These reflections are grouped into three areas: purpose, principles and functions; entity and powers; and governance and accountability.

There is a brief outline of each area to be considered, followed by a statement or statements titled "Emerging Directions". The emerging direction table identifies and highlights the points for discussion and consultation.

This is the first consultation paper for the Joint Organisation Model and does not attempt to answer all aspects of the model. This paper will explore core elements such as the purpose and functions of Joint Organisations and how they should be enabled in the legislation. Further work will be undertaken in the coming months to explore additional considerations.

The development of the pilots is a collaboration of the councils in each regional pilot, State agencies and stakeholders. It is through the strength of this collaboration that the pilots have positively progressed and will continue to forge new ways of operating in the future.

### Have your say

The Office of Local Government would like to hear what you think about the emerging directions for the Joint Organisation Model.

Tell us what you think in a written submission. Your submission must include your name, organisation (if relevant), and contact details.

Please respond by email (preferred) or via post to the emerging directions outlined in this paper by close of business on **16 October 2015**.

E: [jointorganisations@olq.nsw.gov.au](mailto:jointorganisations@olq.nsw.gov.au)

Joint Organisations Emerging Directions  
Office of Local Government  
Locked Bag 3015 Nowra, NSW 2541

### What will be the outcome of this consultation?

Following consultation refinement of the key areas of the Joint Organisation Model will inform a Joint Organisation Framework Paper. The Joint Organisation Framework Paper will be released later in 2015.

### Further information

For further information please contact Erin Hale from the Office of Local Government on T:02 4428 4193 E: [erin.hale@olq.nsw.gov.au](mailto:erin.hale@olq.nsw.gov.au).

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## Background

The Fit for the Future reforms are the result of almost four years of consultation and review with the community and local government sector. The reforms set out a vision of change and will help councils to deliver the infrastructure and services their communities need now, and in the future.

Expressing the need for change, the Independent Local Government Review Panel recommended the establishment of Joint Organisations to help respond to the needs and circumstances of different regions by strengthening regional collaboration and enabling better partnerships with the State.

The commitment to establish regional Joint Organisations is a key part of the NSW Government's package to support councils to become fit for the future, with over \$5 million being invested in establishing 15 Joint Organisations.

Joint Organisations are central to local government reform in regional NSW and an opportunity for councils to play a more active role in their region and work in new ways with each other and the State.

They reflect the changing face of local government in NSW, the unique challenges facing regional NSW, and will help some regional councils to deliver the infrastructure and services their communities need. Joint Organisations will encourage collaboration between State and Local Government to plan a better future for regional and rural communities in NSW.

## Progress to date

In September 2014 the State Government released its Joint Organisation Roadmap and announced it would work with local government to pilot Joint Organisations. The Government called for expressions of interest to pilot Joint Organisations during 2015 and committed to working with five regions: Central NSW, the Hunter, Illawarra, Namoi and Riverina.

The selected regions include a diverse mix of councils which have demonstrated a strong history of effective collaboration. They have a clear focus on partnering with the State to tackle key priorities in regional communities, to help their communities to thrive.

The pilots commenced in February 2015 with each trialling a different model, which reflected the different working relationships and priorities of their region.

A charter and regional strategic priorities have been developed by the pilots, in consultation with State agencies and other stakeholders, to guide their operation and planning. The pilots have been working with State agencies and the Office of Local Government and have provided valuable insights to inform the Joint Organisation Model.

On 10 July 2015, 44 representatives from the pilot Joint Organisations, State Agencies and peak bodies attended the Mid-pilot Workshop. The discussions at this workshop helped form the emerging directions statements for this paper.

The purpose of this paper is to communicate these emerging directions to the broader local government sector and seek feedback to inform the further development of the Joint Organisation model.

## Part A: Purpose, Principles and Core Functions

### Purpose

The purpose of Joint Organisations, stated in the NSW Government's Joint Organisation Roadmap and confirmed through the pilot process to date, is: *To provide a consistent regional forum for local councils to work together, with the State and others, on issues of regional strategic priority.*

Joint Organisations provide a platform for local councils and the State to work together at the regional level on the things that matter most to regional communities such as jobs, education, transport and housing.

### Principles

The principles for Joint Organisations were discussed as part of a Joint Organisation workshop held in November 2014 and built on the work of the Independent Local Government Review Panel and the Government's response. These principles have been refined and new principles identified throughout the pilot process. The Principles identified as the Emerging Directions below were confirmed at the Mid-Pilot Workshop in July 2015.

Meeting these principles, particularly providing legal status, will remove many limits faced by existing regional entities, including Regional Organisations of Councils and county councils. Legal status would give Joint Organisations political 'gravitas' and legislative legitimacy to partner with the State and other stakeholders on issues of strategic regional importance.

As legal entities Joint Organisations would also be able to employ staff, manage contracts and undertake regulatory functions, if and as directed by member councils.

#### Emerging Direction - Principles

Joint Organisations should:

- have legal status;
- be enabled through the Local Government Act and recognised in other relevant legislation;
- not be a fourth tier of government;
- not impose significant red tape or cost and ensure benefits outweigh the costs;
- embed collaborative relationships between local government and NSW Government, as well as a wide range of other stakeholders and partners;
- have a consistent core with flexible elements;
- protect entitlements for council staff;
- enable significant projects and initiatives, and associated funding and assets, to be managed regionally;
- ensure good governance; and
- serve the best interest of the region while being accountable to member councils.

**Core functions**

*Fig 1: Joint Organisation core functions emerging from subsequent discussion*

Three core functions of Joint Organisations have been identified through the pilot process and include:

- Regional strategic planning and priority setting;
- Intergovernmental collaboration; and
- Regional leadership and advocacy.

The concept of 'priority setting' will ensure Joint Organisations consider the relative importance of issues within a regional context and provide a more solid basis for resource allocation.

Joint Organisations may choose to undertake core functions only. As these functions are unlikely to require significant cost or pose significant financial or governance risks, they may be undertaken by a relatively small, structurally 'lean' Joint Organisation. However, it is important to ensure that the Joint Organisation is not prevented from undertaking larger projects to carry out their core functions, such as infrastructure projects, if appropriate.

### Emerging Direction – Core Function

The core functions of: regional strategic planning and priority setting; intergovernmental collaboration; and regional leadership and advocacy are not only consistent with the recommendations of the Independent Local Government Review Panel, but have also been sufficiently tested through the pilot process to possess both appropriate scope and flexibility for the Joint Organisations to partner effectively with the State.

### Regionally defined functions

Regionally defined functions, or optional non-core functions, may be broadly operational and give practical effect to strategic decisions that the Joint Organisations make. These functions may include strategic capacity building and service delivery.

There was general consensus from participants at the Mid-Pilot Workshop that regionally defined functions should be

- As determined by the councils
- Enabled, not prescribed by the legislation
- Flexible.

While the importance of enabling Joint Organisations to undertake regionally defined functions has been unanimously agreed, there have been mixed opinions as to whether the 'core' Joint Organisation should undertake these functions or whether they should only be undertaken by 'Joint Organisation-formed entities'.

There has been some limited discussion through the pilot process on what may be called 'Joint Organisation-formed entities' or subsidiaries. The advantages of these Joint Organisation-formed subsidiaries are that they keep the core Joint Organisation relatively lean, focussed on policy setting and at 'arms-length' from significant service and asset management and risk.

#### Emerging Direction – Regionally Defined Functions

Joint Organisations must be enabled, under legislation, to undertake a range of regionally defined functions. This would provide each Joint Organisation with options for how they undertake these regionally defined functions, either through the 'core' or Joint Organisation-formed entity.

## Part B: Entity and Powers

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The Independent Local Government Review Panel recommended that Joint Organisations be established as new statutory regional organisations under the Local Government Act. In its response the Government agreed to identify the 'necessary legislative model' through the Joint Organisation pilot process.

While the pilot process has confirmed that Joint Organisations should be enabled in the Local Government Act, the following four broad options were identified and considered in making this determination.

1. Do nothing
2. Body Corporate in the Local Government Act (Prescriptive)
3. Hybrid Statutory Corporation
4. Body Corporate in the Local Government Act (Enabling)

Consideration was given to Joint Organisations as bodies corporate rather than bodies politic due to changes in the Commonwealth Fair Work Act, which now expressly excludes local government from the national industrial relations system. In light of this, it was determined that Joint Organisations be considered as bodies corporate not bodies politic.

### *Option 1 – Do nothing*

The Government's response to the Independent Local Government Review Panel made it clear that this is not an option to be pursued. It perpetuates issues with, and limitations of, existing regional collaboration arrangements including:

- lack of legal status;
- inability to enter into contracts, tender, employ staff or own assets; and
- ad-hoc membership and relationships across regional and rural NSW.

### *Option 2 – Body Corporate in the Local Government Act (Prescriptive)*

This option is not an entity to be pursued as it would prescribe in detail a 'one size fits all' set of functions, governance and accountability arrangements for Joint Organisations. This would limit flexibility and potentially impose a high regulatory burden.

The pilot process has reinforced the need for flexibility and a low red tape burden, in keeping with the principles underpinning both the Local Government Act review, and the proposed principles for the Joint Organisation model.

### *Option 3 – Hybrid Statutory Corporation*

This option enables Joint Organisations as statutory corporations through a combination of provisions in the Local Government Act and existing body corporate legislation from a limited suite of existing entity types including:

- Incorporated Association under the *Associations Incorporation Act 2009* (NSW); or
- Company Limited by Guarantee under the *Corporations Act 2001* (Cth).

This would require minimal change to the Local Government Act but create added complication with the requirement that Joint Organisations establish themselves as one of these two entities.

Some separate governance requirements, financial and asset management and reporting would be required through the Associations Incorporation Act or the Corporations Act.

*Option 4 – Body Corporate in the Local Government Act (Enabling)*

Like Option 2, this option enables Joint Organisations as bodies corporate wholly under the Local Government Act. However unlike Option 2, this option provides for flexibility for the Joint Organisation to operate and carry out regionally-defined (optional) functions, either directly or through other arrangements.

All statutory requirements including core functions, mandatory membership requirements, the role of the governing body as well as any governance, reporting and staffing requirements would be provided for within the Local Government Act framework. The model would also provide flexibility for the Joint Organisation to undertake regionally defined functions either directly or through other arrangements.

The Local Government Act would require that each Joint Organisation be established by proclamation outlining details such as name, functions, membership, fees and designated area consistent with minimal requirements in the Act.

The direction that emerged very strongly through consultation at the Mid-Pilot Workshop is that the Joint Organisation entity should be Body Corporate in the Local Government Act (Enabling). Reasons participants preferred this model included that it is:

- embedded and enabled in the Local Government Act;
- protected from changes outside the Local Government Act;
- less 'messy' than the hybrid model;
- the most enabling and flexible option;
- able to define core functions;
- protective of staff under the Local Government (State) Award;
- able to facilitate secondments from councils to Joint Organisations and to attract staff from within the industry;
- less expensive to manage administratively;
- less onerous in terms of reporting responsibilities than the hybrid model;
- less likely to result in liability issues, such as for company directors under the Corporations Act; and
- consistent with the philosophy, paradigm and framework of Joint Organisations.

This option may look something like this:

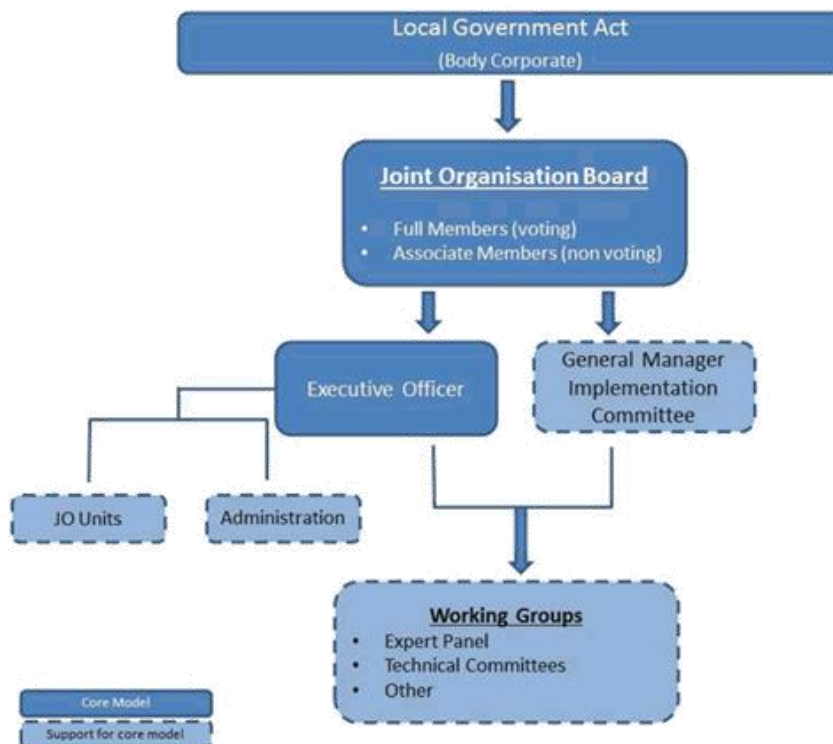


Fig 2: Body Corporate in the Local Government Act (enabling)

### Emerging Direction – Entity and Powers

The Joint Organisation entity should be Body Corporate in the Local Government Act (Enabling). This will enable the Joint Organisation to operate wholly under the Local Government Act and have other provisions within the Act apply to Joint Organisations.

## Part C: Governance and Accountability

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The Joint Organisation pilots are trialling various governance models as outlined in their Charters. In particular, these variances occur in the composition of the Board and in voting and decision making. Some of the differences include:

- 1 Vs. 2 representatives from each member council;
- Equal Vs. Unequal voting of all member councils;
- Mayor as representative Vs. nominated elected representatives; and
- Voting Chair Vs. Independent non-voting Chair.

Due to the variance in models being piloted, discussion at the Mid-Pilot Workshop was not focussed on trying to identify the 'right' or 'best' model for the implementation of Joint Organisations. Discussion at the workshop focussed on what has been learnt through the pilot process so far. Some of these learnings include:

- Must have a 'regional hat' on as part of a Joint Organisation
- Need a 'circuit breaker' if decision cannot be reached
- Must have strong communications with member councils
- Joint Organisations should be enabled by a Statement of Regional Priorities process
- Need Executive Officer to be Senior Staff/GM or DPC Regional Coordinator Equivalent.

There were mixed views on resourcing the Joint Organisation and whether this should be the responsibility of member councils or whether Joint Organisations should be jointly funded by the State.

While it is intended that the Joint Organisation Model be flexible enough to allow Joint Organisations to have regional variances to meet regional requirements, there are certain elements that would form part of the Joint Organisation model 'consistent core'. Although potentially contentious, minimum requirements for elements such as the composition of the Board, voting and decision making, role of members, planning and reporting and resourcing will likely form part of the core Joint Organisation model.

### Emerging Direction – Governance and Accountability

#### Composition of the Joint Organisation Board:

- One representative from each full member council
- DPC regional coordinator is an associate (non-voting) member
- Representative of member councils must be an elected representative and chosen by the council based on capability and capacity
- Appointment to the Joint Organisation Board is 2 years to align with proposed changes to mayoral terms
- The Chair of the Joint Organisation Board is to be chosen by the voting members of the Board.

#### Voting and decision making:

- Member councils should have equal voting rights
- The Chair should not have a casting vote
- Appropriate authority for core regional functions should be delegated to the Joint Organisation
- A majority vote on a Joint Organisation Board (75%) should be required for a decision to be made, to recognise the importance of regional-scale decision making.

#### Role of Joint Organisation Board members:

- The Joint Organisation member role should be modelled on the councillor role in the Act but includes a need to act in the best interest of the Joint Organisation and region as a whole
- The role of the Chair should be modelled on the role of the Mayor (less the urgent policy making function), with a requirement to act in the best interests of the region as a whole.

#### Planning and Reporting:

- Joint Organisations should be required to develop succinct work plans drawn from existing local and regional plans, in collaboration with the State Government and others and identify Key Performance Indicators (KPIs)
- Joint Organisations should be required to produce succinct Annual Performance Statements to show key stakeholders the extent to which they are achieving their priorities according to the KPIs identified by the Joint Organisation
- Current minimum requirements in the Local Government Act for financial reporting and accounting for councils apply to Joint Organisations.

#### Resourcing:

- Joint Organisation members should receive a Joint Organisation Board sitting fee
- Members fund ongoing administration and regional priorities from available sources, most likely largely based on contributions from member councils using a locally negotiated formula
- Joint Organisation staff be employed under the Local Government (State) Award
- Joint Organisations be required to employ an Executive Officer, with the equivalent capabilities and at an equivalent level to a General Manager, senior staff member in a council or a Department of Premier and Cabinet Regional Coordinator.

## Part D: Other Considerations

### Boundaries

The Local Government Act will require mandatory membership of Joint Organisations within designated areas based on clear communities of interest, within strategic regional growth planning boundaries.

Boundary criteria noted during the early stages of the reforms journey by the Local Government Review Panel and included in the Joint Organisation Roadmap state that the Joint Organisation must:

- align with/nest within strategic regional growth planning boundaries;
- demonstrate a clear community of interest between member councils;
- not adversely impact on other councils or Joint Organisations;
- be based around a strong regional centre, where possible; and
- be of appropriate scale and capacity to partner with the State and Federal Government and other investment partners.

### County Councils

In its response to the Independent Local Government Review Panel, the Government said it would consider the relationship between existing county councils and water utilities with Joint Organisations.

This work will happen in the coming months when there is greater certainty around what the Joint Organisation entity will look like, as well as its governance and resourcing arrangements. This issue will be explored further in the Joint Organisation Working Framework Paper.

### JO Formed Entities

Further work needs to be undertaken to explore Joint Organisation-formed entities and the relationship these entities will have with the core Joint Organisation. This will be explored further in the Joint Organisation Working Framework Paper.

### Next steps

Following consultation refinement of the key areas of the Joint Organisation Model will inform a Joint Organisation Working Framework Paper. The Joint Organisation Working Framework Paper will be released for discussion during October 2015.

An evaluation report and final Joint Organisation Model will be finalised in early 2016 to inform Cabinet and Bill processes in the second quarter of 2016. Implementation of the final Joint Organisation Model is planned from September 2016.

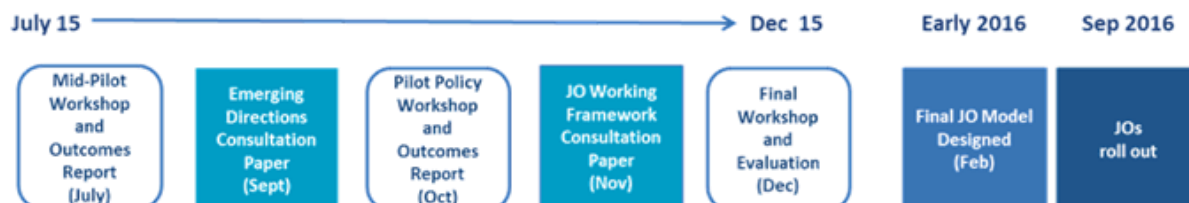


Fig 3: Next steps