

APPENDIX E

JOINT ORGANISATION

Gloucester Shire Council is a member of the Hunter ROC and a board member of incorporated bodies created to govern and control business entities. This ROC is conducting a pilot Joint Organisation (JO) process. Gloucester Council will be an active participant in the Hunter JO when finalised. Although the final model for the new JOs has yet to be determined, we summarise below the Hunter ROC successes and JO opportunities.

Hunter Councils and Strategic Services Australia are corporate entities owned by the eleven councils of the Hunter Region and representing a community of more than 600,000 people.

Hunter Councils was initially formed at a meeting in Cessnock on 27 March 1955 in response to the disastrous flooding of the Hunter River and as a means of gaining, through joint strength and cooperation, the best outcomes for the residents of the Hunter from dealings with the State and Commonwealth Governments.

Since 1955 and through a range of name changes, the Hunter's local government entity has stayed true to its original aim while at the same time evolving into one of Australia's most significant, if not the most significant, local government regional operations.

In 2015 the story of regional partnerships in the Hunter Region entered a new era with the selection of the Hunter Region as a trial area for a new form of State and Local Government cooperation: the Joint Organisation of Councils. Developed out of the Hunter Councils model, the Joint Organisation is an exciting initiative that will lead to enhanced coordination, sharing of resources between levels of government and united approaches to strategic opportunities.

Background to the Hunter Councils model

In the late 90s and early 2000s the members of what was then called the Hunter Regional Organisation of Councils reviewed their approach and adopted a completely different way of doing business.

Context

- The lingering impact of the change environment of the 1990s
- Voluntary structural reform in NSW
- Imperative to demonstrate efficiency and effectiveness
- Increasing demands on resources and shrinking / constrained revenue

Outcome

- Adoption of a commercial business model open to private as well as public sector that facilitated the introduction of viable and self-sustaining shared services and strategic initiatives
- Elimination of council subsidisation and introduction of either free or subsidised fee for service arrangements for member councils
- Introduction of complete contestability in regard to business operations

Hunter Councils historical Structure:

Hunter Councils Incorporated

The majority of the activities of Hunter Councils are managed through an incorporated association led by a Board comprising the Mayors of the member Councils.

The activities of Hunter Councils Incorporated comprise:

- Regional advocacy through the Council of Mayors and General Managers Advisory Committee
- Administration, Finance and Technology services to the Boards of the group and their business activities
- Environmental consultancy services
- Film and Television approvals and facilitation services
- Aggregated procurement services for member councils and the wider local government sector in New South Wales
- Training and development opportunities through the Local Government Training Institute and Leadership and Development Australia
- Consultancy Services provided at no cost to member councils and at cost to other councils and private sector customers
- Overseas consultancy services
- Professional Team coordination.

The collective of Councils also owns a company limited by guarantee - Strategic Services Australia – which operates one of New South Wales fastest growing records management businesses as well as an incorporated legal practice – Local Government Legal.

A series of professional teams derived from staff from member and adjacent council also operates under the guidance of the General Managers Group.

The Hunter Joint Organisation of Councils

The creation of new “Joint Organisations of Councils” is a vital part of the State Government’s “Fit for the Future” approach to local government reform and renewal.

It is intended that Joint Organisations will ultimately be imbedded in a revised and updated Local Government Act and that they provide a forum for local councils and the State to work together to deliver regional priorities on areas as diverse as jobs, education, housing, roads and transport. Vitally, they will also help to connect local priorities from local council Community Strategic Plans with regional planning for growth, infrastructure and economic development and thus provide a means of delivering projects across council boundaries. The NSW Government is providing \$5.3 million to get the new organisations up and running in regional NSW with the final model being developed by local councils in partnership with the State.

Five groups of NSW councils are currently working with the NSW Government to develop the JO model and build better working relationships between councils and State agencies. The successful Pilots are: Hunter, Illawarra, Central West, Namoi and Riverina regions. They include a diverse mix of councils, all with a strong history of working together and a commitment to partnering with the State to address regional priorities such as economic development, transport and infrastructure. Each Pilot is trialling a slightly different model, to reflect the different working relationships and priorities of their region. The Pilots will be sharing their learning with other councils along the way and helping to develop the JO model, which will be finalised in early 2016.

The priority areas of the Hunter trial Joint Organisation are derived from our expression of interest in participation in the program and comprise:

1. Formalising, with DPC and relevant other agencies, protocols, frameworks and strategies that will:
 - integrate, communicate and correlate local community / local government priorities within future Hunter Regional Plans, agency planning processes and overall reporting mechanisms, and
 - facilitate the actioning of State Government priorities through the actions, funding, resourcing and advocacy of local councils in the Hunter
2. Pursuing cooperative strategy with the Department of Planning and Environment and other State Government agencies in regard to the development and implementation of the Hunter Regional Growth Plan and on other approaches such as the Pacific, New England and Golden Highways corridors strategy (Roads and Maritime Services)
3. Cooperative strategy with the HIIF, HDC and other relevant agencies and agency documents on the development and costing of a priority listing of regional infrastructure projects including social infrastructure projects
4. Cooperative strategy with relevant State Government agencies on a Hunter placed-based service delivery framework including the trialling of that approach in nominated local government areas

5. Development, in conjunction with relevant Government Ministers, Destination NSW, Trade and Investment and the industry of a new and sustainable model for the coordination of regional tourism strategy and development.

Unique features of the Hunter Trial Joint Organisation

The Hunter Region is uniquely placed to capitalise on the Joint Organisation model because of the sophistication, breadth and self-funding capacity of our regional structures.

Hunter Joint Organisation, alone amongst the trial Joint Organisations, will operate at no cost to member councils as any operational costs will be met through profits generated by the commercial activities of the current regional entities.

The Hunter Joint Organisation will also be unencumbered by issues of business operations, pricing, competition and contestability because its sole focus will be regional advocacy, regional voice and the forging of partnerships with, most especially, the State Government. This clarity of purpose will be assisted by the Board solely comprising the Mayors of the Region.

To facilitate the operation of the Joint Organisation the activities of the Hunter region's councils at a corporate, whole of region level will be restructured through a process to be completed by the end of the 2015/16 financial year.

The regional structure will then comprise:

The Hunter Joint Organisation of Councils that will focus on

- Regional Advocacy / Government Partnerships

Strategic Services Australia Limited that will deliver commercial services through

- Hunter Records Management
- Regional Procurement
- The Local Government Training Institute
- Leadership and Development Australia
- Administration, Finance and Technology
- Environment consultancy services
- Screen Hunter
- Consultancy Services
- Internal Audit / Risk Management

Legal services will continue to be provided by Local Government Legal – a wholly owned operation of Strategic Services Australia Ltd.

Whilst the final model has yet to be determined, Gloucester Council looks forward to continuing to participate in the pilot, welcomes the opportunities for an enhanced input to regional issues through the Hunter JO and the continuance of the current service provided through Strategic Services.