

**SUBJECT: CCL 27/02/18 - NOMINATION FOR MEMBERSHIP OF A HUNTER JOINT ORGANISATION OF COUNCILS**

**REPORT BY: CORPORATE SERVICES**  
**CONTACT: INTERIM DIRECTOR CORPORATE SERVICES / INTERIM MANAGER LEGAL AND GOVERNANCE**

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## **PURPOSE**

To nominate for membership of a Joint Organisation.

## **RECOMMENDATION**

- 1 That Council informs the Minister for Local Government (Minister) of the Council's endorsement of the Minister recommending to the Governor the establishment of a Joint Organisation.
- 2 That the Joint Organisation includes Newcastle City Council and any two or more of the following councils as additional members of the Joint Organisation: Cessnock, Dungog, Lake Macquarie, Maitland, MidCoast, Muswellbrook, Port Stephens, Singleton or Upper Hunter.
- 3 That the Lord Mayor and Chief Executive Officer take all necessary steps to finalise Council's Joint Organisation Nomination – Forming a Joint Organisation Checklist including finalisation of membership.
- 4 That before 23 March 2018, the Chief Executive Officer provides the Minister with a copy of this resolution and Council's Joint Organisation Nomination – Forming a Joint Organisation Checklist.
- 5 That, on the expiry of a period of 28 days from the making of this resolution, the Chief Executive Officer informs the Minister whether this resolution has been rescinded.

## **KEY ISSUES**

- 6 The Local Government (Amendment) Regional Joint Organisations Act 2017 (Act) was assented to on 30 November 2017. A draft Local Government (General) Amendment (Regional Joint Organisations) Regulation 2018 (Draft Regulation) was released on 16 February 2018 for consultation. Under the Act Joint Organisations (JO), once proclaimed, will be a separate legal entity comprising member councils from each designated area and will have the following principal functions:
  - (a) to establish strategic regional priorities, strategies and plans for delivering those strategic regional priorities;
  - (b) to provide regional leadership and to be an advocate for strategic regional priorities; and
  - (c) to identify and take up opportunities for inter-governmental co-operation on strategic matters.

- 7 Each JO is required to be governed by a board made up of the Lord Mayor/Mayor of each member council who are each entitled to one vote at a meeting of the board. The board is required to adopt a charter providing for its operational and governance principles. The Draft Regulation proposes that each JO must also prepare:
- (a) A statement of strategic regional priorities - setting out strategic regional priorities for the JO area and the strategies and plans for delivering those priorities. The first statement is to be prepared by 31 December 2018 with future statements to be prepared annually following the ordinary election of councillors. The statement of strategic regional priorities is to be published by the joint organisation on a website maintained by the JO.
  - (b) An annual performance statement (except in the first year) - reporting its progress in implementing its strategies and plans for delivering the strategic regional priorities.

### **FINANCIAL IMPACT**

- 8 The NSW Government will provide up to \$3.3 million in seed funding to JOs to support their establishment. There is currently no detail as to the specific funding levels for each JO.
- 9 The Draft Regulation proposes that JO Charters must include a methodology for determining annual financial contributions by the member councils of each. That is, it will be up to each individual JO to develop its own methodology as to financial contributions.

### **COMMUNITY STRATEGIC PLAN ALIGNMENT**

- 10 Depending on the strategic priorities adopted by the JO, the JO may support any or all of Council's strategic directions.

### **IMPLEMENTATION PLAN/IMPLICATIONS**

- 11 If the recommendation contained within this report is endorsed, Council's Chief Executive Officer and the Lord Mayor will finalise and submit Council's Joint Organisation Nomination – Forming a Joint Organisation Checklist by 23 March 2018.

### **RISK ASSESSMENT AND MITIGATION**

- 12 The Act and Draft Regulation mandate strong governance and reporting arrangements in respect of JOs. The structure mitigates financial and other risks.

### **RELATED PREVIOUS DECISIONS**

- 13 Nil.

## **CONSULTATION**

- 14 In 2014 the NSW State Government, through the Office of Local Government, began a consultation process on the introduction of a new model of regional organisation within the local government sector in NSW. A pilot process was undertaken with five regions including the Hunter exploring a range of options in regard to structure, focus and resourcing. The Minister's Second Reading Speech notes successes in Namoi Region with the development of an economic investment strategy focused on agricultural exports and a regional youth strategy in the Illawarra Region.

## **OPTIONS**

### **Option 1**

- 15 The recommendations at paragraphs 1-5. This is the recommended option.

### **Option 2**

- 16 Councillors resolve to not nominate for membership of a JO. This is not the recommended option.

## **BACKGROUND**

- 17 After consultation as part of the Fit of the Future initiative, the NSW Government has developed a local government reform package to build a stronger system of local government and ensure that councils are ready to deliver the quality services and infrastructure for communities. One of the identified initiatives in the local government reform package includes new JOs to support regional growth.
- 18 The Hunter Region, through Hunter Councils, was one of the five regions selected to participate in a pilot JO program. Council is a member of Hunter Councils. A link to the Fit for Future website containing details about the Hunter JO pilot is listed in the references section.

## **REFERENCES**

Joint Organisation Nomination – Forming a Joint Organisation Checklist and FAQs

<https://www.olg.nsw.gov.au/sites/default/files/Final%20JO%20Information%20Pack%20%28version%20sent%20to%20councils%29.pdf>

Information about the Hunter JO pilot - <http://www.fitforthefuture.nsw.gov.au/joint-organisations/hunter-incorporated-joint-organisation-pilot-joint-organisation>

## **ATTACHMENTS**

Nil.