



**NORTHERN RIVERS JOINT
ORGANISATION
DISCUSSION PAPER**

June 2015

Introduction

At the February NOROC meeting Mayors agreed that the General Managers prepare a discussion paper on a pilot Northern Rivers Joint Organisation to be taken back to NOROC member councils for discussion. The discussion paper will include:

- Roles of the Joint Organisation
- Representation
- Fee structure
- Executive Officer position
- Other relevant matters

The NSW Government has said ROCs may continue to operate separately to Joint Organisations. For the purposes of this discussion paper it is assumed NOROC will be wound up and all funds transferred to the new Northern Rivers JO.

NOROC has operated in the Northern Rivers for many years and certainly there have been numerous challenges including, parochialism and the inability to make regional decisions. The local government areas in the Northern Rivers are diverse, representing very different communities of interest. It is therefore difficult for one/some LGAs to commit to projects, which may have minimum interest or outcomes for their communities or councils.

Currently NOROC membership is optional with the constitution requiring 12 months notice of resignation. Decisions made by NOROC are made by consensus requiring 100% support from member councils.

NOROC is currently staffed by a part-time Executive Officer who is engaged as a consultant 15 - 20 hours a week on an hourly rate. NOROC does not have a permanent office space; rather the Executive Officer arranges meetings at Council offices as needed. Executive support for the position is via the General Manager and administrative staff of the President's council.

The NSW Government has said membership of Joint Organisations will be mandatory. With little other direction from the State Government so far, there is the possibility that the new Joint Organisation will operate in the same way as NOROC, with the same underlying parochial issues but with councils unable to resign.

Each council needs to consider carefully what it wants from the new Northern Rivers Joint Organisation. Are you happy with NOROC? If not - what are the lessons for the new JO so the problems can be fixed? What roles will the JO have? Is each council committed to financially supporting an expanded JO? Is each council willing to support initiatives/projects that may directly benefit only several LGAs and not the whole region? Will the new JO support a full-time Executive Officer and perhaps a part-time support person? Are you fully committed to a regional brand of local government? Are you willing/is your council prepared to significantly increase your financial contribution to a new JO to pay for staff, office space etc?

Joint Organisations - what is happening in NSW?

The NSW Government has invested in five pilot Joint Organisations (Central West, Hunter, Illawarra, Namoi and Riverina) and has described JOs as:

- A forum for local councils and the State to work together to deliver the things that matter most to regional communities.
- Making it easier to initiate and manage important projects across traditional council boundaries.
- A fresh start that will require new relationships, new ways of working together and real commitments to change from both state and local government sectors.
- A commitment to work together for the long-term and support a shared vision for each region.

In January this year the NSW Government released the *Joint Organisations First Interim Report*, which provided details on the five pilot regions, the outcomes of some of their workshops, and details of the membership and structure of their boards and fees and contributions. A summary of the approach each of the pilot areas is taking is below.

	CENTRAL WEST	HUNTER	RIVERINA	ILLAWARRA	NAMOI
MEMBERSHIP	Member councils and county councils will be Bathurst, Blayney, Cabonne, Cowra, Forbes, Lachlan, Lithgow, Mid-Western, Oberon Council, Orange, Parkes, Weddin and Central Tablelands Water. Associate members will be Boorowa, Upper Lachlan and Young Shire Councils.	Member councils will be Cessnock, Dungog, Great Lakes, Lake Macquarie, Maitland, Muswellbrook, Newcastle, Port Stephens, Singleton and Upper Hunter. The status of Gloucester Shire Council will be resolved early in the pilot process.	Member councils and county councils will be Bland, Coamon, Cootamundra, Greater Hume, Gundagai, Junee, Lockhart, Temora, Tumbarumba, Tumut, Urana, Wagga Wagga, Goldenfields Water and Riverina Water.	Member councils will be Kiama, Shellharbour, Shoalhaven and Wollongong.	Member councils will be Gunnedah, Gwydir, Liverpool Plains, Moree Plains, Narrabri, Tamworth and Walcha. Associate member will be Uralla Shire Council
BOARD	Each member council will have two representatives on the pilot JO governing body.	Each member council will have the Mayor as the representative on the pilot JO governing body. There will be no alternates or sitting fees.	Each member council will have two representatives on the pilot JO governing body. There will be no sitting fees.	Each member council will have two representatives on the pilot JO governing body, one being the Mayor or Mayoral delegate; and the other being determined by each council.	Each member council will have the Mayor as representative on the JO governing body with the Deputy Mayor as the alternate. Sitting fees will be paid based on attendance at meetings.

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FEES & CONTRIBUTIONS	Operating costs will be funded by members with a formula for core functions and a further formula for optional functions.	Operating costs during the pilot will be funded by Hunter Inc.	A formula will be determined for payment of operating costs for core functions.	Councils will make equal contributions to the pilot JO for operating costs associated with core functions. Funding for special projects will be decided on a case by case basis.	Member councils will pay an equal annual membership fee to cover the cost of governance and administration as well as core JO functions.
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The NSW Government has also indicated it could select several more pilot Joint Organisations but there is no further information about this.

The next report on the progress of the pilot Joint Organisations is due in July/August 2015. The Executive Officers of the Central West JO (CENTROC) and the Illawarra JO (Southern Councils Group) spoke recently at a LG Professionals Hot Topics forum and each spoke positively about the JO pilot process. Of particular note was the commitment from the State Government and representatives of its agencies to working with Local Government on the formation of the JOs with the aim of improving relationships, communication and collaboration. Whilst each saw this as extremely positive, it remains to be seen if the reaction from NSW Government staff on the North Coast will be the same if there is less direction and involvement from the State Government on the formation of the Northern Rivers JO.

What have we done so far?

In late January Kim Anson from Elton Consulting attended a meeting with the General Managers to discuss the progress of the pilot Joint Organisations and ideas for NOROC to consider. It was Ms Anson's suggestion that we wait until the next report on the pilot JO process is released before holding detailed workshops and discussions. She believes the next report will contain information that could be useful to NOROC and the formation of the Northern Rivers JO.

The General Managers have continued to discuss the Northern Rivers JO at their monthly meetings and have agreed a minimalist approach to the Joint Organisation would be the best option in the short term, focusing on the core roles of the JO as identified by the NSW Government (regional strategic planning, intergovernmental collaboration, regional advocacy). There is however an appetite from some councils for the JO to administer regional programs such as libraries, waste, water etc.

Framework for the Northern Rivers JO

The pilot JO model is structured around five key areas:

- Objectives and functions
 - core and optional
- Relationships and boundaries

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- full and associate members
- mechanisms for intergovernmental collaboration
- Entity and governing body
 - member representation
 - governance
- Enabling and resourcing
 - funding and employment arrangements
- Other
 - Relationship with ROC
 - Not a fourth tier of government

In the first interim report on the pilot process it was recognised that whilst there were elements of a JO that were consistent across the five pilot areas, there were also elements that varied from region to region.

The General Managers are suggesting the following minimalist framework for a Northern Rivers JO.

Objectives and functions

Core functions

- **Regional strategic planning (not land use planning)**
 - There will be a Northern Rivers Joint Organisation Regional Strategic Plan - a succinct document stating the regional vision and priorities. The Regional Strategic Plan will consider and include information from:
 - Each member council's Community Strategic Plans
 - NSW Government plans and strategies
 - Federal Government plans and strategies
 - Regional workshop with JO Board, General Managers, regional Government agency representatives and other stakeholders to identify and confirm regional priorities.
 - Priority areas for the Northern Rivers Regional Strategic Plan include:
 - Transport (including public transport and freight)
 - Regional economic development
 - Infrastructure
 - Planning for the region's aging population
- **Intergovernmental collaboration**
 - Promote the Regional Strategic Plan to Local, State and Federal Government agencies and relevant community organisations.
- **Regional advocacy**
 - Develop a communications/media strategy to promote the Northern Rivers JO and increase community understanding about the organisation and its roles.

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- Hold regular meetings with the regional DPC Coordinator
 - Develop relationships with relevant NSW and Federal Government Ministers to highlight issues of regional importance.
 - Work with RDA Northern Rivers on matters of regional importance, particularly regional economic development.
- **Regional Service Delivery**
 - Services that could be potentially delivered by the JO in the medium term include:
 - Library services
 - County Councils
 - MyRoadInfo
 - Weeds
 - Waste
 - River catchment management

Relationships and boundaries

Full and associate members

The councils of Lismore, Kyogle, Richmond Valley, Tweed, Richmond Valley, Byron and Ballina will be full members of the Northern Rivers JO.

Associate members may be neighbouring councils such as Tenterfield and Clarence Valley, or Rous County Council, with each paying a membership fee to be resolved.

County Councils (Rous Water)

Councils will need to consider where and how Rous Water sits in the Joint Organisation structure. Several of the pilot JOs have county councils as members.

Representation/Entity and Governing Body

The General Managers have proposed the following model for Council representation on the Northern Rivers Joint Organisation. All elements of this model were not unanimous across the General Managers.

Model 1

- The mayor and a nominated councillor from each council will sit on the board.
- Each board member will receive one vote of equal value regardless of the size of the LGA.
- The JO Board will meet a minimum four times a year.
- There will be no stipend/sitting fee.
- Decisions will be made by a two-thirds (2/3) majority vote.
- The President of the Board will be elected for a two-year term.
- A full-time/part-time Executive Officer will report to the JO Board.
- Membership of the JO will be mandatory.

The role of the General Managers

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- Will meet monthly with the Executive Officer.
- Will work with the Executive Officer on regional issues/projects including progressing the actions from the Regional Strategic Plan.
- Will not have a position on the JO Board although will attend Board meetings in an advisory capacity.
- Will form working groups to progress matters/projects with a focus on regional outcomes as is the case currently with NOROC General Managers Group.

Enabling and Resourcing

The role of the Executive Officer

The creation of the Northern Rivers Joint Organisation will require an Executive Officer.

- Full-time/part-time position?
- To work with the General Managers of JO councils to progress matters/project focused on regional outcomes.
- To represent the Northern Rivers JO to the NSW and Federal Governments and attend meetings/functions/sit on committees on behalf of the JO.
- To be funded (initially) from member Council contributions.
- To report back to the General Managers.
- To liaise with the General Managers and the NOROC board.

Budget for Northern Rivers Joint Organisation

The following expenses need to be take into consideration:

- Salary of Executive Officer (Up to \$150,000)
- Wages for part-time staff member if required (\$35,000)
- Office rental

Fee Structure

The following budget is based on NOROC being replaced by the Northern Rivers Joint Organisation. The budget for the Northern Rivers Joint Organisation is based on the expenses currently incurred by NOROC, although with more allocations for staff funding and the rental of permanent office space etc should this be required.

Currently the only income NOROC receives is from annual Member contributions, which are based on a 50% flat rate and 50% population. The fees paid last financial year (2014/15) were:

MEMBERSHIP FEES	2014/15
Ballina	17,567
Byron	15,067
Kyogle	9,924
Lismore	18,307
Richmond Valley	13,084
Tweed	28,944
Total	\$102,893

Historically there has been some division among NOROC councils as to the amount of membership fees paid in relation to the equal vote each council receives.

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Discussion with the General Managers suggests this will continue to be an issue therefore it is suggested each council pay equal membership fees regardless of the size of the local government area. The suggested memberships fees for 2016/17 are:

MEMBERSHIP FEES	2016/17
Ballina	50,000
Byron	50,000
Kyogle	50,000
Lismore	50,000
Richmond Valley	50,000
Tweed	50,000
Total	\$300,000

Following is the most recent NOROC financial report (as at 31 March 2015) and a suggested budget for the Northern Rivers Joint Organisation for 2016/17. The allowance for staffing is based on the maximum amount to employ a full-time Executive Officer and a part-time support person and permanent office space. The proposed budget does not reflect a change in the current membership fees nor does it account for the \$300,000 allocation from the NSW Government.

NOROC			
STATEMENT OF COMPREHENSIVE INCOME			
AS AT 31 MARCH 2015			
	2015 BUDGET	2015 ACTUAL	2014 ACTUAL
INCOME			
Cost Recovery – Conferences and Events			1,868
Interest Received	10,000	4,432	5,566
Membership Fees	102,893	73,949	117,717
MyRoadInfo	-	30,060	-
TOTAL INCOME	112,893	108,441	125,151
EXPENDITURE			
Bank Charges	-	7	6
Conferences and Events	4,000	-	1,868
Councillor – Professional Development	5,000	-	-
Pacific Highway Task Force	7,000	3,500	7,000
Professional Fees - Audit	1,600	1,630	-
Profile and Communication	10,000	1,932	2,976
Record Storage	500	209	209
Resource Sharing	110,000	35,400	-
Secretarial Services	65,000	33,881	55,010
Strategic Plan – Review	5,000	3,095	448
Sundry Expenses	6,000	4,330	3,211
TOTAL EXPENDITURE	214,100	83,984	70,728
SURPLUS/(DEFICIT) FOR YEAR	(101,207)	24,457	54,423
RETAINED PROFITS AT BEGINNING OF FINANCIAL YEAR	206,423	206,423	152,000
RETAINED PROFITS AT END OF REPORTING PERIOD	105,216	230,880	206,423

Proposed Northern Rivers Joint Organisation Budget 2016/17

	2016/17 BUDGET
INCOME	
Membership Fees	300,000
Interest Received	9,000
MyRoadInfo	36,000
TOTAL INCOME	345,000
EXPENDITURE	
Bank Charges	-
MyRoadInfo	36,000
Conferences and Events	4,000
Councillor – Professional Development	5,000
Pacific Highway Task Force	7,000
Resource Sharing	110,000
Strategic Plan – Review	5,000
Profile and Communication	10,000
Staff (part-time EO plus part-time admin)	190,000
Professional Fees – Audit	1,500
Legal Expenses	-
Record Storage	500
Sundry Expenses	6,000
Office rent & expenses	20,000
TOTAL EXPENDITURE	395,000
SURPLUS/(DEFICIT) FOR YEAR	(50,000)
RETAINED PROFITS AT BEGINNING OF FINANCIAL YEAR	105,216
RETAINED PROFITS AT END OF REPORTING PERIOD	55,216

Other

With the new JO expected to take over the role of NOROC it is expected NOROC will cease to exist. There is unlikely to be any appetite from councils to fund the JO and NOROC into the future. NOROC Mayors and General Managers are not keen for the JO to create a fourth tier of government. The emphasis of the JO is to coordinate projects and matters of regional interest and significance.

Where to from here?

When the Mayors and their councils generally agree on the basic structure of the new Joint Organisation it is recommended a facilitator who has experience with the NSW Government and the new JO structures, be engaged to help NOROC negotiate

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the next steps of this process. The next report on the progress of the pilot JOs is expected to be released around July/August 2015 and should provide additional information and ideas to guide the Northern Rivers JO.