

ACT AUDITOR-GENERAL'S REPORT
**GOVERNANCE ARRANGEMENTS FOR THE PLANNING
OF SERVICES FOR PARKWOOD, GINNINDERRY**
REPORT NO. 4 / 2022

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ISSN 2204-700X (Print)

ISSN 2204-7018 (Online)

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PA 21/07

The Speaker
ACT Legislative Assembly
Civic Square, London Circuit
CANBERRA ACT 2601

Dear Madam Speaker

I am pleased to forward to you a Performance Audit Report titled 'Governance arrangements for the planning of services for Parkwood, Ginninderry' for tabling in the Legislative Assembly pursuant to Subsection 17(5) of the *Auditor-General Act 1996*.

The audit has been conducted in accordance with the requirements of the *Auditor-General Act 1996* and relevant professional standards including *ASAE 3500 – Performance Engagements*.

Yours sincerely



Michael Harris
Auditor-General
29 June 2022

The ACT Audit Office acknowledges the Ngunnawal people as traditional custodians of the ACT and pays respect to the elders: past, present and future. The Office acknowledges and respects their continuing culture and the contribution they make to the life of this city and this region.

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SUMMARY

In 2016 the ACT Government entered into a joint venture agreement for the residential development of up to 11,500 dwellings as part of the Ginninderry development in West Belconnen. Ginninderry includes a component over the border in New South Wales, called Parkwood. Parkwood is approximately one hour's drive from Yass and is only accessible from the ACT as it is bounded on two sides by bodies of water.

Planning for, and implementing, land development across two jurisdictions necessarily creates challenges in the delivery of infrastructure, and State and Territory and municipal services.

This audit considers how effectively the cross-border governance arrangements entered into by the ACT Government support the Territory to plan for services in Parkwood. It focuses on the accountability mechanisms and performance monitoring tools contained in the *ACT-NSW Memorandum of Understanding for Regional Collaboration (ACT-NSW MOU for Regional Collaboration)* and the *Parkwood Urban Release Area Governance Framework (Parkwood Governance Framework)*. It also considers how these two arrangements have been implemented and supported by the ACT Government.

Conclusions

PLANNING FOR PARKWOOD

A threshold issue for planning for service delivery arrangements is the location of the ACT-NSW border. The ACT Government's preferred approach is to move the ACT-NSW border such that Parkwood becomes part of the Territory. This necessarily requires agreement and legislative action from the NSW Government and Commonwealth Government. Continuing uncertainty about the prospects of moving the border and the cost implications for the Territory increases the risks associated with this option and its cost-effectiveness for the ACT and there is a need for forward planning to reduce and manage these uncertainties.

GOVERNANCE AGREEMENTS

The *ACT-NSW Memorandum of Understanding for Regional Collaboration* is the over-arching governance agreement for ACT and NSW Government cross border initiatives, initially signed in 2011. The MOU's objectives, and its logical delineation of roles and responsibilities, provide a sound foundation for cross border collaboration.

In 2020 the *Parkwood Urban Release Area Governance Framework* was added as a Priority Focus Area to the *ACT-NSW Memorandum of Understanding for Regional Collaboration*. The Framework established a Steering Committee, chaired by CMTEED, to provide a mechanism for the ACT and NSW Governments and the Yass Valley Council to develop and implement a model for infrastructure and service delivery in Parkwood. The Steering Committee has not met since March 2021 and has not developed a work plan for its activities (as required by its Terms of Reference).

The Steering Committee has not effectively progressed the planning of services in Parkwood as intended.

GOVERNANCE FORUMS

The Parkwood Governance Steering Committee is the key governance forum for inter-jurisdictional and ACT Government parties that have responsibility for developing and implementing a model for service delivery to Parkwood. The Committee met twice (in March 2021) where discussions focused on the range of issues that needed to be addressed prior to moving the border, and the importance of identifying an approach to supplying water to Parkwood. The Steering Committee has not met since then, and there is no schedule of forward meetings. There is no evidence of how the matters discussed in March 2021 have since been progressed. As chair of the Committee, CMTEDD has not effectively advanced the development of a model for the delivery of services in Parkwood through this forum. While moving the border is a threshold issue and the preferred approach of the ACT Government, it continues to be important to work with stakeholders to plan for Parkwood in the event it remains in NSW.

Key findings

PLANNING FOR PARKWOOD

Paragraph

Planning for service delivery in Parkwood involves two complex and potentially protracted processes: moving the ACT-NSW border or planning for service delivery outside the ACT's territorial jurisdiction. Both involve decisions and negotiations with multiple parties inside and outside the Territory. The ACT Government's preferred approach to providing services for Parkwood is to move the border such that Parkwood becomes part of the Territory. The ACT Chief Minister has written to NSW Premiers on this matter on a number of occasions, but the NSW Government has not advised the ACT Government whether it supports moving the border. The Yass Valley Council has advised that it is prepared to consider a move of the border in exchange for a 'legacy project' for the Yass Valley community, and is presently waiting on a report about the options for securing a water supply to service the growing population in Murrumbateman.

2.27

Continuing uncertainty about the prospect of moving the border and the cost implications for the Territory increases the risks associated with this option and its cost-effectiveness. Accordingly, there is a need for CMTEDD to undertake forward planning and risk management activities to develop a strategy that supports negotiations with the NSW Department of Premier and Cabinet and the Commonwealth for this to successfully occur. This would also assist with identifying the critical timeframes and challenges for the Territory in relation to the service delivery model for Parkwood, should the border-move negotiations not succeed, and Parkwood remains in NSW.

2.28

Should there not be agreement for a move of the ACT-NSW border, then there is a need to deliver services under the existing constraints of jurisdictional

2.34

responsibilities and accountabilities. A *Parkwood Planning Proposal: Services and Infrastructure Report* (2017), which was prepared following a Cross Border Agency Forum that was held in 2016, offers the most advanced consideration of service delivery in Parkwood assuming it remains in NSW. The report suggests that ‘there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services.’ This was outlined in the report as the ‘base case’, which envisaged the delivery of services through a combination of ACT and NSW government agencies, the Yass Valley Council and ICON Water. It also requires some legislative changes to allow the ACT to deliver services in NSW. The ‘base case’ was reaffirmed by the stakeholders at a Cross Border Agency Forum in 2019, with some refinements. This report has not been formally endorsed or adopted by the ACT Government. There is a need for CMTEDD to review the ‘base case’ and determine what further work is required to identify a service delivery model that meets the needs of the ACT should a move of the ACT-NSW border not be agreed.

GOVERNANCE AGREEMENTS

Paragraph

The ACT Government is party to two governance agreements that are relevant to decision making and the planning of infrastructure and services for Parkwood: the *ACT-NSW MOU for Regional Collaboration* established in 2011 and re-signed in 2016 and 2020; and the *Parkwood Governance Framework* which was added as an addendum to the *ACT-NSW MOU for Regional Collaboration* in 2020. The *ACT-NSW MOU for Regional Collaboration* is an overarching governance arrangement for inter-governmental communication and cooperation on a range of matters relevant to the Canberra and South-East NSW region, while the *Parkwood Governance Framework* provides a specific and targeted basis for cooperation on the delivery of government services and infrastructure to Parkwood.

3.11

The *ACT-NSW MOU for Regional Collaboration* was established as a framework for the ACT and NSW Governments to work together on a range of cross border and regional priorities, such as health, the environment and economic development opportunities. The *ACT-NSW MOU for Regional Collaboration* provides a set of appropriately high-level objectives that reflect the shared commitment of the two governments to develop the means to collaborate effectively, including on information sharing, policy proposals and accountability mechanisms.

3.17

While establishing a shared vision, the *ACT-NSW MOU for Regional Collaboration* also appropriately confirms the independent responsibilities of State and Territory ministers for planning and service delivery, and of central agencies in the ACT and NSW, including the Cross Border Commissioner in NSW, for progressing the initiatives established under the MOU. For the ACT Government, the responsibilities are directed to the ACT Public Service Strategic Board and Policy Council and CMTEDD. These bodies are well placed to facilitate a whole-of-government approach and oversee the interjurisdictional nature of regional and cross-border development initiatives for the Territory.

3.18

The *ACT-NSW MOU for Regional Collaboration* established the *Parkwood Governance Framework*, which was finalised by the ACT and NSW Governments and Yass Valley Council in June 2020. The *Parkwood Governance Framework* established a Steering Committee to progress agreement on the preferred governance

3.26

mechanism and service delivery model for Parkwood. To achieve this, the Terms of Reference for the Steering Committee specifies that an annual work program is to be developed. The work program has not been developed as anticipated. CMTEDD and the Office of the NSW Cross Border Commissioner advised this was due to a reprioritisation of activities to respond to the COVID-19 pandemic. Accordingly, service delivery options for Parkwood have not been progressed since the finalisation of the *Parkwood Governance Framework* in June 2020. Agreeing a model for cross border service delivery will be complex and challenging and there is a need for the Committee to develop a work program that would enable the parties to agree, and validate with service delivery providers, a model for infrastructure and service delivery in Parkwood should it remain in NSW.

The *ACT-NSW MOU for Regional Collaboration* is recognised by the ACT and NSW Governments as the overarching framework for collaborating on cross-border issues. The MOU includes a list of principles that express a shared commitment to achieve a connected, borderless Canberra region and are appropriately high level for the diverse range of initiatives that the two jurisdictions seek to advance under the Priority Focus Areas. 3.29

The *Parkwood Governance Framework* includes a list of 17 principles that are intended to guide practical matters of local municipal and State and Territory service delivery for Parkwood, based on the assumption it remains in NSW. These principles appropriately recognise the overarching *ACT-NSW MOU for Regional Collaboration* and the principles developed at the Cross Border Agency Forum held in 2016 and reaffirmed by stakeholders in 2019. The principles are largely focused on establishing a common expectation that the residents of Parkwood experience the same quality of services as residents in neighbouring ACT suburbs, and other areas of the Yass Valley Council and NSW. Furthermore, arrangements to deliver those services are expected to utilise existing legislative, financing and governance arrangements wherever possible. In the event that Parkwood remains in NSW, the principles provide a clear vision, validated and refined over time, to develop and implement a model for service delivery in Parkwood. 3.34

Inter-jurisdictional monitoring and reporting on MOU activities is expected to occur through an annual progress report that sets out the progress against milestones and highlights issues of concern in relation to the Priority Focus Areas, such as planning for Parkwood. This report underpins the work of the Senior Officials Dialogue. CMTEDD and the Office of the NSW Cross Border Commissioner have advised that due to the need to respond to the COVID-19 pandemic, the Senior Officials Dialogue has not yet occurred, and no progress reports have been prepared. The Office of the NSW Cross Border Commissioner has indicated that a meeting is intended to occur in the second half of 2022. 3.38

CMTEDD reported on ACT Government agencies' activities under the *ACT-NSW MOU for Regional Collaboration* to the Strategic Board in 2017, 2018 and 2019. In relation to Parkwood, the reports focused on the activities driven by the rezoning of Parkwood and the conditions applied by the NSW Government in its deliberations on the Parkwood Planning Proposal. Reporting to the Strategic Board on this action item, or on progress of the *ACT-NSW MOU for Regional Collaboration* more generally, has not occurred since 2019. However, in October 2020 a progress report 3.44

was provided to the Policy Council (a subcommittee of the Board). The report to the Policy Council announced the establishment of the *Parkwood Governance Framework* and associated Steering Committee. No reporting to the Policy Council has occurred since October 2020. In its response to the draft proposed report CMTEDD advised that this was a period in which the ACT Public Service was operating at ‘peak agility’ due to the need to respond to the COVID-19 pandemic.

Neither the *ACT-NSW MOU for Regional Collaboration* or the *Parkwood Governance Framework* establish an expectation that activities driven by these arrangements will be formally reported or communicated to stakeholders outside government. Community or public reporting on issues associated with the Parkwood development is produced by Riverview Projects for the Joint Venture. There is one report on the overall progress of the Ginninderry development and this is several years old. There is a lack of public and community reporting with respect to the ACT Government’s activities for the Parkwood cross-border development. 3.51

The dispute resolution processes described in the *ACT-NSW MOU for Regional Collaboration* and the *Parkwood Governance Framework* are in keeping with the non-legal, collaborative spirit of the governance agreements. The process is devolved and empowers those at the officer level to attempt to resolve matters quickly, with options for escalating disputes if this is unsuccessful. These arrangements are appropriate. 3.58

GOVERNANCE FORUMS

Paragraph

Communication between ACT and NSW Governments and Yass Valley Council is expected to occur formally through the Parkwood Governance Steering Committee. CMTEDD, SLA and EPSDD are identified as members of this forum. According to its Terms of Reference, a meeting schedule for the Steering Committee was to be agreed by members and meetings were expected to occur at least twice a year. To date, the Steering Committee has met twice: 9 March 2021 and 19 March 2021. In response to the draft proposed report CMTEDD and the Office of the NSW Cross Border Commissioner advised that the work of the Committee was to be paused while discussions on the border move were taking place. 4.12

The Steering Committee’s minutes highlight the importance of water supply to all stakeholders, and to the progress of the Ginninderry Joint Venture. This concerns two issues: supply of water to the Parkwood community in NSW; and water infrastructure for the Yass Valley Council as possible compensation for Parkwood becoming part of the ACT. Due to an administrative error, water policy representatives were not invited to attend the two meetings of the Steering Committee, and the minutes are unclear on what actions would be taken to progress these issues. The Parkwood Governance Steering Committee has not been effective in progressing discussion and resolution of water provision issues associated with the development of Parkwood to date. 4.13

Representatives from a range of ACT Government agencies have participated in the Cross Border Agency Forums held in 2013, 2016 and 2019. CMTEDD, SLA, Education Directorate, TCCS, EPSDD and Icon Water have participated in all three forums. These 4.21

forums brought together interjurisdictional and interagency stakeholders with responsibilities to plan infrastructure and service delivery in Parkwood. With the exception of the 2013 forum, these have been held at the request of the NSW Government. To date, the ACT Government has not convened any forums for ACT Government agencies specifically focused on the risks, challenges, and opportunities of delivering services in Parkwood should it remain in NSW.

Recommendations

RECOMMENDATION 1 PLANNING FOR PARKWOOD

CMTEDD should re-convene the Parkwood Steering Committee and work with the members to agree and deliver a work program each year. The work program should document the priority tasks and timelines for the Committee to effectively deliver on its objectives in advance of the Ginninderry development reaching the NSW border.

RECOMMENDATION 2 SERVICE DELIVERY MODELS

CMTEDD should review and endorse and/or revise the service delivery options developed through the Cross Border Agency Forums in 2013, 2016 and 2019, and documented in the *Parkwood Planning Proposal: Services and Infrastructure Report* (2017). There is merit in progressing this in parallel with considerations about the border move as the move may not occur.

Response from agencies

In accordance with subsections 18(2) and 18(3) of the *Auditor-General Act 1996* various entities were provided with a draft proposed report for comment. All comments were considered and required changes were reflected in a final proposed report. The final proposed report was provided for further comment and entities were invited to provide comments for inclusion in the Summary Chapter of the report. No comments were provided for inclusion in the Summary Chapter.

Entities provided with the draft and final proposed report were:

- Chief Minister, Treasury and Economic Development Directorate;
- Suburban Land Agency;
- Office of the NSW Cross Border Commissioner;
- Yass Valley Council; and
- Riverview Developments Pty Ltd.

1 INTRODUCTION

Ginninderry and Parkwood

- 1.1 Ginninderry is the name of a residential development that stretches from the north-western suburbs of Holt and Macgregor across the ACT-NSW border. The area of land over the border in New South Wales is called Parkwood and is in the Yass Valley Council area. Parkwood is approximately one hour's drive from Yass, but is only accessible from the ACT as it is surrounded on either side by the Murrumbidgee River and Ginninderra Creek. The Ginninderry development, including the Parkwood element, is shown in Figure 1-1.

Figure 1-1 Ginninderry and Parkwood



Source: Ginninderry Master Plan (2014)

- 1.2 The Ginninderry development consists of four suburbs that are expected to provide 11,500 dwellings for approximately 30,000 people.¹ Parkwood is expected to accommodate 5,000 dwellings for an expected population of approximately 13,500 people. Of Ginninderry's 1,600 hectares, approximately half will be an open space network created by a conservation corridor along the Murrumbidgee River and Ginninderra Creek.

¹ <https://ginninderry.com/our-vision/>

- 1.3 The Ginninderry development is to occur in a series of stages, with the first suburbs – Strathnairn and Macnamara – currently under development. The development was anticipated to reach the New South Wales border in 2032, with the development of Parkwood to continue through to 2055. The current staging plan for the Ginninderry development is provided at Appendix A.

West Belconnen Joint Venture

- 1.4 In May 2016 the Territory, Riverview Developments (ACT) Pty Ltd, Corkhill Bros Pty Ltd and Reid & Stevens Pty Ltd signed the West Belconnen Joint Venture Agreement. The Joint Venture Agreement established a commitment to jointly develop land in the ACT and across the ACT-NSW border in Parkwood.
- 1.5 The Joint Venture Agreement required Corkhill Bros Pty Ltd to surrender its leases of land in the ACT to the Territory and Reid & Stevens Pty Ltd to commit its land in New South Wales to the project. The Territory also contributed land to the project. The contributions of land were identified as approximately 60 percent for the Territory and 40 percent for the other parties. The commercial return from the development is broadly distributed to the participants in line with their land contribution (60:40).
- 1.6 A detailed timeline of activities toward establishing and implementing the Joint Venture is provided at Appendix B.

West Belconnen Joint Venture management arrangements

- 1.7 Under the Joint Venture Agreement, the Territory and Riverview Developments are to undertake the Ginninderry land development project. The Territory is represented by the Suburban Land Agency (SLA).
- 1.8 The Riverview Group is a subsidiary of Corkhill Bros Pty Ltd that was established in 2003. It is a property development company with a suite of projects in NSW, ACT and Victoria. There are three distinct Riverview Group companies involved in the Ginninderry development:
- *Riverview Developments Pty Ltd* is the party to the Joint Venture with the ACT Government.
 - *Riverview Projects (ACT) Pty Ltd* is the development manager for Ginninderry, staffed by finance, planning, project management, training, and other specialists. The development manager follows the direction of the Joint Venture Board.
 - *Riverview Sales and Marketing Pty Ltd* is the supplier of sales and marketing services for the Ginninderry development project, the requirements of which are set out in a separate Agreement between the Territory, Riverview Developments and Riverview Sales and Marketing Pty Ltd.
- 1.9 The Joint Venture is overseen by a Board comprising three representatives of the Territory and three representatives from Riverview Developments, and an independent chair that is selected by the Territory.

Service delivery challenges for Parkwood

- 1.10 Planning for, and implementing, land development across two jurisdictions necessarily creates challenges in the delivery of infrastructure and municipal services. Options for the provision of infrastructure and municipal services in Parkwood, including the possibility of moving the ACT-NSW border so that Parkwood becomes part of the Territory, has been the focus of discussions between agencies of the ACT and NSW Governments and the Yass Valley Council for some time. As discussed further in Chapter 2, legal advice received by the Riverview Group suggests that relocating the border also requires the passage of legislation through the NSW and Federal Parliaments.
- 1.11 Consistent with the expectations of the Joint Venture Agreement, Riverview Projects has led the planning and approval activities required for the development of Ginninderry. This has included: undertaking community needs assessments; bushfire planning and protection activities; and planning for waste and water supply options, transport routes and policing services among other topics. A list of infrastructure and service-related studies that have occurred to date is provided in Appendix C.
- 1.12 The *Parkwood Planning Proposal: Services and Infrastructure Report* (2017) represents the most advanced inter-jurisdictional consideration of service delivery for Parkwood. The preparation of this Report was required by the NSW Government following its consideration of the planning proposal for Parkwood. Having reviewed the options for the delivery of services to support Parkwood, the Report asserts that ‘there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services’. This is referred to as the ‘base case’ and involves the Yass Valley Council collecting rates from Parkwood residents and contracting agencies of the ACT Government, or suppliers in the ACT, to deliver municipal services in Parkwood. Services usually provided by a State or Territory government, such as policing and health services, would be provided under existing joint arrangements between the ACT and NSW Governments, wherever feasible. The Report notes that some, but not all, of the options would require legislative change, and/or amendments to regulations, including changes to make it possible for the outsourcing of regulatory services to the ACT Government.
- 1.13 The details of the ‘base case’ are discussed further in Chapter 2. In response to the draft proposed report, CMTEDD advised that the ACT Government has not considered or endorsed the *Parkwood Planning Proposal: Services and Infrastructure Report* or the base case and that it has no formal status for ACT Government purposes.

Timing

- 1.14 The *Parkwood Planning Proposal: Services and Infrastructure Report* (2017) envisaged that the preferred arrangements for local services in Parkwood would be confirmed two to five years prior to construction commencing in NSW (i.e. 2027 to 2029). In relation to State, Territory and utility services, the Report acknowledged that planning arrangements would vary from service to service. It suggested that agreement of the preferred provider for water

and sewage and emergency services be tested no later than two to five years before construction and the educational services options explored by 2020.

- 1.15 The ACT Government's preference is for the ACT-NSW border to be shifted and for Parkwood to become part of the Territory. Considerable discussion and negotiation, including the passage of legislation through the NSW Parliament, will be needed to facilitate this, however. The Chief Minister Treasury and Economic Development Directorate's indicative timeline for the main decision points toward planning for services in Parkwood (be it in NSW or the ACT) is shown in Table 1-1.

Table 1-1 ACT Government's timetable for decisions on Parkwood

Key decision/activity	To occur
Parkwood Government group formed	2021
Officials' level discussions on ACT-NSW border move commence	2021
Options on border move considered by Governments (timing to be confirmed)	By 2023
Advance planning on school and education services is required 10 years in advance of reaching the border	2022-24
Decision required on cross border water supply in order to allow time for capital works planning (advised by ICON Water)	2025
Key decisions on other infrastructure and services is required 2-5 years in advance of development reaching the border. This includes public transport, rural fire services, and state emergency services	2027-2030
Development will reach the border	2032-34

Source: ACT Audit Office, based on Chief Minister, Treasury and Economic Development Directorate advice.

- 1.16 In response to the draft proposed report, CMETDD advised that although the timing of the development could be brought forward, this would require agreement from the ACT and NSW Governments, and that at this stage there is still some time until the Ginninderry development is scheduled to reach the NSW border (i.e. 2032).
- 1.17 In response to the draft proposed report, Riverview Projects advised that updated projections suggest that the confirmation of preferred services arrangements should be completed by 2027 to allow orderly development approval processes and detailed implementation planning, noting that some services require earlier resolution (e.g. water, policing and education).

Roles and responsibilities

ACT Government agencies

- 1.18 Two ACT Government agencies are involved in the main planning and decision-making for the delivery of services to Parkwood.

Chief Minister, Treasury and Economic Development Directorate

- 1.19 The Chief Minister Treasury and Economic Development Directorate (CMTEDD) represents the ACT Government's interests in cross-border and interjurisdictional initiatives. It is a party to the *ACT-NSW MOU on Regional Collaboration*, which is the overarching governance framework for cross-border initiatives. In this MOU, the Deputy Director-General of CMTEDD is nominated as responsible for overseeing the progress of the MOU's priorities and reporting to the Strategic Board and Policy Council. In addition, CMTEDD co-chairs the Senior Officials Dialogue and supports the Parkwood Governance Steering Committee, both of which were established under the *ACT-NSW MOU on Regional Collaboration* in 2020.

Environment, Planning and Sustainable Development Directorate

- 1.20 The Environment, Planning and Sustainable Development Directorate (EPSDD) is responsible for developing and implementing policies and programs in relation to city planning and development, climate change and the environment. The Directorate administers the Territory Plan, and is responsible for building regulation, land development projects and planning policy, among other policy areas. The Directorate's Planning Delivery Division, and Water Policy team, are members of the Parkwood Governance Steering Committee.

Suburban Land Agency

- 1.21 The Suburban Land Agency (SLA) is the ACT Government's representative in the Ginninderry Joint Venture with Riverview Developments. It sits on the Board of the Joint Venture and the Parkwood Governance Steering Committee. The SLA is a statutory authority within the Environment, Planning and Sustainable Development Directorate (EPSDD) and is responsible for estate and precinct planning, land release and land development delivery and community engagement.

Other ACT Government agencies

- 1.22 Other ACT Government agencies have been involved in planning for service delivery in Parkwood and will do so in the future as the Ginninderry development nears the border. This includes participation in Cross Border Agency Forums held in 2013, 2016 and 2019 in which ACT Government directorates met with representatives from NSW Government agencies and the Yass Valley Council to identify service delivery options for Parkwood.

NSW agencies and other stakeholders

- 1.23 NSW entities and agencies also have roles and responsibilities with respect to planning and decision-making for the delivery of services to Parkwood including the NSW Department of Planning and the Environment and the NSW Department of Premier and Cabinet. For the purposes of the audit, the Office of the NSW Cross Border Commissioner and Yass Valley Council are key stakeholders.

Office of the NSW Cross Border Commissioner

1.24 The Office of the NSW Cross Border Commissioner was established in 2012 and is a member of the Parkwood Governance Steering Committee. The Commissioner's Office is in the Department of Regional NSW, reporting directly to the Secretary. The Commissioner is an advocate for cross-border communities, business and organisations and works with all levels of government to resolve issues and achieve equitable outcomes between border and non-border communities.

Yass Valley Council

1.25 As noted, Parkwood is in the Yass Valley Council area. The Yass Valley Council was responsible for the successful application to rezone Parkwood for urban development. The Council is a major stakeholder in discussions about the location of Parkwood and the chosen model for service delivery to the Parkwood community. The General Manager of the Yass Valley Council is a member of the Parkwood Governance Steering Committee.

Audit objective and scope

Audit objective

1.26 The objective of this audit is to assess the effectiveness of the Territory's governance arrangements for the planning of services for Parkwood.

Audit scope

- 1.27 The audit considers the effectiveness of the governance arrangements:
- between the ACT Government, NSW Government and the Yass Valley Council in relation to planning for service delivery in Parkwood; and
 - between entities within the ACT Government in relation to planning for service delivery in Parkwood.

Audit criteria, approach and method

Audit approach and method

1.28 The audit adopted the ANAO's description of governance in the *Better Practice Guide: Public Sector Governance* (2014) as follows:

Public sector governance refers to the arrangements and practices which enable a public sector entity to set its direction and manage its operations to achieve expected outcomes and discharge its accountability obligations.

- 1.29 According to the ANAO Better Practice Guide, governance arrangements should be fit for purpose and adjusted to meet changing needs, while focused on two key objectives:
- performance: the governance arrangements and practices are designed and operate to shape the entity's overall results, including the successful delivery of government programs and services; and
 - accountability: the governance arrangements and practices are designed and operate to provide visibility of results to the entity's leadership, the government, the Parliament, and the community, and meet public expectations of openness and integrity.
- 1.30 For the purposes of this audit, service delivery incorporates local municipal services and State/Territory services. In the context of the Parkwood development, planning documentation describes these as follows:
- local services are typically provided by local government and include park maintenance, water and sewerage, roads and footpaths, and local regulation; and
 - State and Territory services are typically provided by State or Territory Government and include primary health, police, schools and environmental protection.

Audit criteria

- 1.31 To form a conclusion against the objective, the following criteria and sub-criteria were used:

Criteria 1: Do the governance agreements effectively support the Territory's planning for services in Parkwood?

- the governance agreements provide Territory entities with clarity on their objectives, and roles and responsibilities;
- the governance agreements include principles and processes to enable the Territory to establish shared goals and partnerships for achieving these over time;
- the governance agreements encourage transparency and accountability by establishing clear communication and reporting channels between the stakeholders; and
- the governance agreements have established processes for resolving differences between the stakeholders if they arise.

Criteria 2: Do the governance forums effectively support the Territory's planning for services in Parkwood?

- the governance meetings are conducted on a regular basis and according to schedule;
- attendance is sufficient to represent the Territory's interests; and
- processes are in place to monitor actions, plans and goals in the short and longer term.

- 1.32 The audit was performed in accordance with *ASAE 3500 – Performance Engagements*. The audit adopted the policy and practice statements outlined in the Audit Office's *Performance*

Audit Methods and Practices (PAMPr) which is designed to comply with the requirements of the *Auditor-General Act 1996* and *ASAE 3500 – Performance Engagements*

1.33 In the conduct of this performance audit the ACT Audit Office complied with the independence and other relevant ethical requirements related to assurance engagements.

1.34 The audit methodology involved:

- reviewing documentation generated by and for the Ginninderry development project, including research and planning reports, media articles, and ACT Government decisions, as well as policy related to urban planning in the Territory;
- reviewing documentation generated by and for the Parkwood rezoning and planning processes, including proposal documentation and reports generated by the Cross Agency Border Forums (2013, 2016, 2019);
- reviewing documentation generated by and for the *ACT-NSW Memorandum of Understanding for Regional Collaboration* (2011, 2016, 2020) and by the *Parkwood Urban Release Area Governance Framework* and its associated Steering Committee; and
- discussions with senior officers in the cross-border policy and urban planning areas of the ACT Government, as well as the NSW Cross Border Commissioner, the General Manager of Yass Valley Council and Managing Director of Riverview Developments.

2 PLANNING FOR PARKWOOD

- 2.1 This chapter discusses background and contextual information for land development in the ACT and the development of Ginninderry and Parkwood. It also discusses issues associated with the location of the ACT-NSW border, which is a threshold issue for the planning of services for Parkwood.

Summary

Conclusion

A threshold issue for planning for service delivery arrangements is the location of the ACT-NSW border. The ACT Government's preferred approach is to move the ACT-NSW border such that Parkwood becomes part of the Territory. This necessarily requires agreement and legislative action from the NSW Government and Commonwealth Government. Continuing uncertainty about the prospects of moving the border and the cost implications for the Territory increases the risks associated with this option and its cost-effectiveness for the ACT and there is a need for forward planning to reduce and manage these uncertainties.

Key findings

Planning for service delivery in Parkwood involves two complex and potentially protracted processes: moving the ACT-NSW border or planning for service delivery outside the ACT's territorial jurisdiction. Both involve decisions and negotiations with multiple parties inside and outside the Territory. The ACT Government's preferred approach to providing services for Parkwood is to move the border such that Parkwood becomes part of the Territory. The ACT Chief Minister has written to NSW Premiers on this matter on a number of occasions, but the NSW Government has not advised the ACT Government whether it supports moving the border. The Yass Valley Council has advised that it is prepared to consider a move of the border in exchange for a 'legacy project' for the Yass Valley community, and is presently waiting on a report about the options for securing a water supply to service the growing population in Murrumbateman.

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Continuing uncertainty about the prospect of moving the border and the cost implications for the Territory increases the risks associated with this option and its cost-effectiveness. Accordingly, there is a need for CMTEEDD to undertake forward planning and risk management activities to develop a strategy that supports negotiations with the NSW Department of Premier and Cabinet and the Commonwealth for this to successfully occur. This would also assist with identifying the critical timeframes and challenges for the Territory in relation to the service delivery model for Parkwood, should the border-move negotiations not succeed, and Parkwood remains in NSW.

2.28

Should there not be agreement for a move of the ACT-NSW border, then there is a need to deliver services under the existing constraints of jurisdictional responsibilities and accountabilities. A *Parkwood Planning Proposal: Services and Infrastructure Report (2017)*, which was prepared following a Cross Border Agency Forum that was held in 2016, offers the most advanced consideration of service delivery in Parkwood assuming it remains in NSW. The report suggests that ‘there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services.’ This was outlined in the report as the ‘base case’, which envisaged the delivery of services through a combination of ACT and NSW government agencies, the Yass Valley Council and ICON Water. It also requires some legislative changes to allow the ACT to deliver services in NSW. The ‘base case’ was reaffirmed by the stakeholders at a Cross Border Agency Forum in 2019, with some refinements. This report has not been formally endorsed or adopted by the ACT Government. There is a need for CMTEDD to review the ‘base case’ and determine what further work is required to identify a service delivery model that meets the needs of the ACT should a move of the ACT-NSW border not be agreed.

2.34

Urban planning in the ACT

2.2 The availability of land suitable for urban development to accommodate Canberra’s population projections has long been a consideration for urban planners. Rapid growth in the ACT in the 1950s led to estimates that Canberra would be home to as many as 800,000 people by the year 2000, of which only 550,000 would fit within the existing ACT borders.²

The Y Plan (1967)

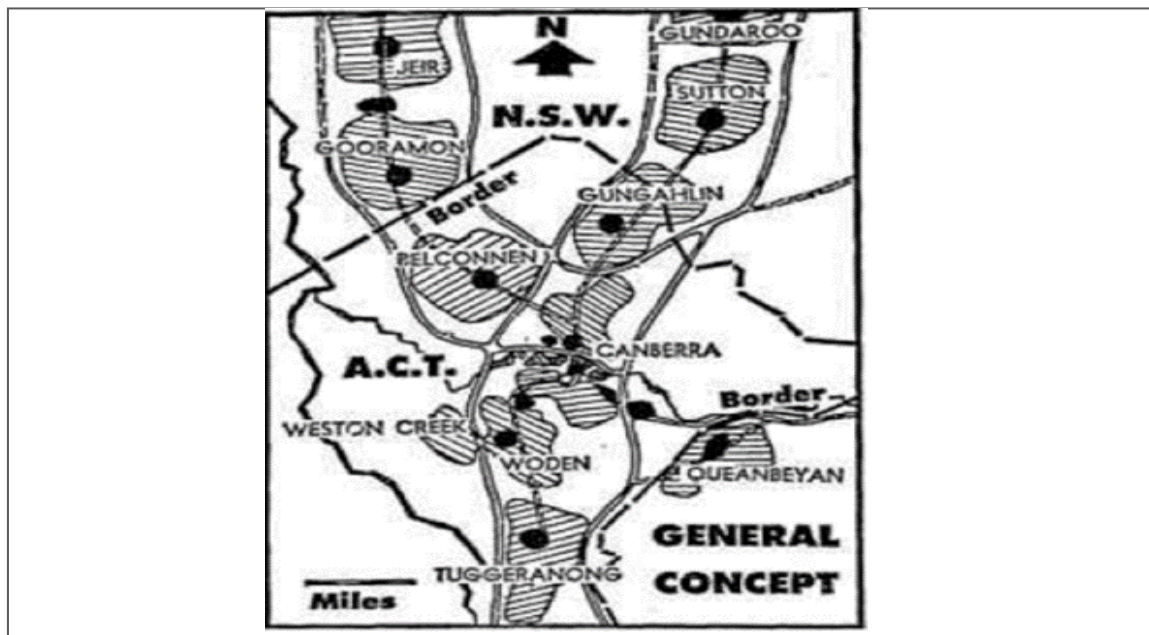
2.3 The potential to expand Canberra’s development over the border was identified in the National Capital Authority’s *General Growth Strategy* (or Y Plan), which was released in 1967. The Y Plan intended to ‘respect’ Canberra’s surrounding hills and valleys, while incorporating a series of ‘new towns’ radiating from Canberra’s centre, each offering a retail centre and office employment.³ When the Y Plan was prepared, a population of 550,000 within the ACT was envisaged by 1984, with the option to accommodate up to a million people by expanding over the border at Gooramoon and Sutton.⁴

² Richard Hu et al (2014) *A Missed Opportunity? A failed expansion of the ACT in the 1960s and 1970s*, ANZSOG Institute for Governance, University of Canberra, p.7.

³ [Building Canberra from 1958–1988 | National Capital Authority \(nca.gov.au\)](https://www.nca.gov.au/building-canberra-from-1958-1988)

⁴ Richard Hu et al (2014), p. 11.

Figure 2-1 General Growth Strategy or Y Plan



Source: Peter Harrison (1968) in Richard Hu et al (2014) *A Missed Opportunity*, p.11,

- 2.4 In 1973 a joint Commonwealth-NSW planning study found that ‘complementary growth of urban Canberra into NSW is inevitable in the foreseeable future’ and that the preferred solution was the Commonwealth’s acquisition of rural land in NSW.⁵ This was considered less complicated than jointly establishing a growth centre. As the National Capital Development Commission (NCDC) expressed in *The Future Canberra* (1964):

There would be no particular wish on the part of any Commonwealth agency to complicate the metropolitan problem by introducing a separate and sovereign government into the issues of city development and coordination. It seems unlikely, however that the decision will be left to Government agencies, for private enterprise may well see fit to seek to open up new urban areas in NSW close to the Canberra market and employment pool. If this happens then the problems of engineering services, transport, communications power, employment and finance...will move to a new level of complexity.⁶

- 2.5 While the Y Plan continued to dominate urban design for Canberra, discussion on the need to expand the Territory’s northern borders into NSW came to an end in the mid-1970s. Based on population projections and land use analysis, a NSW-lead committee of inquiry believed that ‘there is no warrant for aspiring to make Canberra, as a national capital, a city of more than 500,000’ and concluded that ‘up to and beyond the year 2000 there is no need to expand the geographical area of the ACT’.⁷

⁵ Department of Urban and Regional Development (April 1973) in Richard Hu (2021) *Remaking the Border*, Planning Perspectives, 36:2, p321.

⁶ NCDC (1964) *The Future Canberra*, in Richard Hu (2021) p.321.

⁷ Parliament of NSW (1976) *Report of Committee of Inquiry into Expansion of the National Capital into NSW* in Richard Hu (2021) p.324

The Canberra Spatial Plan (2004) and ACT Planning Strategy (2012)

- 2.6 The ACT Government released the *Canberra Spatial Plan* in 2004. The *Canberra Spatial Plan* (2004) explicitly departed from the Y Plan by focusing on areas that can be developed within the ACT. It was informed by Australian Bureau of Statistics forecasts that predicted an ACT population of 460,000 by 2032. The Plan envisaged a more sustainable and compact city, which was to be achieved by containing growth, centralising employment and minimising the need for more transport links.
- 2.7 The desire to limit urban spread and increase density continued in the 2012 and 2018 *ACT Planning Strategy*. The *ACT Planning Strategy (2018)* considers long term growth, including potential greenfield development areas through to 2031-2045. The Strategy includes a Strategic Direction to investigate the potential for new residential areas to the west of the city to meet future housing need, while noting that opportunities for expansion are limited by the ACT-NSW border. The Strategy notes that future locations for greenfield housing development need to be identified and that Parkwood may extend the timeframes of available land in Gungahlin and Molonglo.

Ginninderry

- 2.8 In 2007 the Riverview Group, a subsidiary company of Corkhill Bros Pty Ltd, approached the ACT Government with a proposal for a joint venture for a cross-border residential development in West Belconnen. The proposal included land in Parkwood that had been purchased by Corkhill Bros in 1984 (through another subsidiary company called Reid & Stevens Pty Ltd) and land in West Belconnen that had been leased to Corkhill by the ACT Government.
- 2.9 The ACT Government established an Inter-Departmental Committee (IDC) in 2011 to consider the terms of Riverview's proposal. The IDC advised Cabinet of several significant issues for management but recommended that an appropriate structure for profit sharing could be negotiated, and had the potential to deliver benefits to the Territory's budget position, land release program and housing affordability goals. The IDC proposed that rather than develop the NSW land, the NSW land be used as a development buffer to allow the Territory to extend residential development all the way to the NSW border (rather than be limited by the buffer within the Territory imposed by the National Capital Plan).
- 2.10 Negotiations proceeded on this basis and in 2013 the ACT Government entered a Heads of Agreement with Riverview Group. The Agreement was then transferred to the Land Development Agency (LDA) for operationalisation. Following a review by the LDA Board, the Land Development Agency put a business case to Cabinet that recommended the project be converted to a joint venture that included development of the adjacent land in NSW. The Heads of Agreement was subsequently replaced in 2016 by the West Belconnen Joint Venture Agreement.
- 2.11 As part of this arrangement the ACT Government purchased the 99-year lease it had granted to Corkhill Bros in 2004 for \$4.52 million. Corkhill Bros Pty Ltd then committed its NSW land

(purchased in 1984) to the West Belconnen Joint Venture Agreement on 2 May 2016. The ACT and NSW land were then combined to form the Ginninderry development, with the development of Parkwood subject to the NSW Government agreeing to rezone the land. For the development of Ginninderry to proceed, in 2015 a variation was made to the ACT's Territory Plan, and in 2016 an amendment was made to the National Capital Plan.

- 2.12 In December 2021 the ACT Government purchased two parcels of land in Parkwood to support the ambition of the Joint Venture.

Rezoning for Parkwood

- 2.13 For the Parkwood development to occur, the land was required to be rezoned from primary production and environmental management to a combination of general residential, environmental conservation and management and special activities. The Joint Venture Agreement required Riverview Developments to arrange the NSW rezoning at its own cost including commissioning reports and studies, and for the Territory to make reasonable submissions in support of the rezoning of the NSW land.
- 2.14 In July 2014 the Yass Valley Council (the 'planning proposal authority') submitted a Planning Proposal to the NSW Department of Planning and Environment (DPIE) to create a Parkwood Local Environmental Plan (LEP). LEPs provide the statutory framework for land use decisions and developments throughout NSW. A Planning Proposal is the document that sets out the justification and supporting information to allow a LEP to be made. Riverview Projects was the 'proponent' of the Planning Proposal; it was the third party that initiates and prepares the proposal and submits it to the Council. The Parkwood Planning Proposal was endorsed in July 2020 with the publication of the *Yass Valley Local Environmental Plan (Parkwood) 2020*.
- 2.15 Of relevance to this audit, the NSW Government's first response to the Planning Proposal contained several conditions including:
- the requirement for a forum of all relevant government service providers; and
 - the production of a Cross Border Government Servicing Report, which was expected to provide a framework for discussion on government funding and service delivery to Parkwood.
- 2.16 A Cross Border Agency Forum was held in March 2016. This was facilitated by Elton Consulting and was commissioned by Riverview Projects. The outcomes of this Forum were documented in the *Parkwood Planning Proposal: Services and Infrastructure Report (2017)* (Parkwood Services and Infrastructure Report).
- 2.17 The NSW Government placed further conditions on the Planning Proposal in August 2018. This included an additional Cross Border Agency Forum, which was held in March 2019, and the development of a Memorandum of Understanding between the ACT and NSW Governments and Yass Valley Council to establish governance arrangements and a servicing model for Parkwood. As a result of these conditions, in 2020 the *Parkwood Urban Release*

Area Governance Framework (Parkwood Governance Framework) was developed and added to the existing *ACT-NSW MOU for Regional Collaboration*. This is discussed further in paragraph 3.7

Options for servicing Parkwood

2.18 The provision of infrastructure and services in Parkwood is the focus of the ongoing discussions between the ACT and NSW Governments and the Yass Valley Council. A threshold issue for planning for future service delivery is the location of the ACT-NSW border.

Moving the border

2.19 The ACT Government's preferred approach to delivering services in Parkwood is to move the ACT border so that Parkwood becomes part of the Territory. The ACT Chief Minister has written to current and former NSW Premiers on the matter of moving the border on at least three occasions: in December 2016, June 2021 and October 2021.

2.20 In May 2019 the ACT Chief Minister wrote to the Yass Valley Council to lend support to the Planning Proposal for Parkwood, and stated that the ACT Government's preferred option to support the successful delivery of the Ginninderry development is that the border is moved such that the entire Ginninderry development is contained in the ACT's service delivery jurisdiction.

2.21 The Yass Valley Council advised that it has not made a formal decision to seek a move of the border but has participated in forums in which the proposal was put forward. In March 2021 the Mayor and General Manager met with the NSW Minister for Planning, the Local Member for Goulburn, the NSW Cross Border Commissioner and senior officers from the NSW Department of Planning to discuss the implications of Yass Valley Council providing services to Parkwood. The Council's briefing notes for this meeting documented a range of financial and planning risks for the Council if Parkwood remains in NSW. Moving the NSW-ACT border was put forward as an alternative and the merits of this approach discussed by the parties.

2.22 For the Yass Valley Council, moving the border would result in the loss of rates revenue but would remove the need to deliver services. The financial impact of the loss of rates may lead the Yass Valley Council to seek a 'legacy' or significant trade-off from the ACT Government for the Local Government Area. The General Manager of the Yass Valley Council has indicated that the Council is waiting on a report that provides options for a water supply for Murrumbateman in the future.

2.23 CMTEDD advised that in August 2021 the then Premier of NSW indicated support to investigate all service-related options for Parkwood, including allowing officials to explore the feasibility of relocating the border. CMTEDD is waiting for in-principle agreement for officials to recommence discussions.

- 2.24 In 2011 Riverview Projects sought legal advice from a Barrister of the Supreme Court of NSW on the feasibility of moving the border as a matter of constitutional law. The advice explained that the Constitution provides a mechanism for this to occur, and it would involve a three-step process:
- the NSW Parliament surrenders land to the Commonwealth;
 - the Commonwealth accepts this land; and
 - the Commonwealth then vests this land within the federal territory of the ACT.
- 2.25 This process suggests that the NSW Parliament can surrender part of that State to the Commonwealth which, after acceptance by the Commonwealth, will then be subject to federal control. Federal legislation would be required to vest the surrendered lands in the ACT and to ensure that it forms part of the self-governing jurisdiction created by the *Australian Capital Territory (Self Government) Act 1988* (Cth). In response to the draft proposed report, the Office of the NSW Cross Border Commissioner noted the technical complexity of the border move and that, while it may be constitutionally possible, appropriate due diligence is required by several parties.
- 2.26 Given the Territory's preferred approach to delivering services to Parkwood is to move the border, there is a need for CMTEDD to undertake forward planning and risk management activities to develop a strategy that supports the negotiations with the NSW Department of Premier and Cabinet and the Commonwealth for this to successfully occur. Forward planning would also assist in identifying critical timeframes for the border negotiations to progress so that the infrastructure and planning implications for Parkwood (should it remain in NSW) can be effectively managed.
- 2.27 Planning for service delivery in Parkwood involves two complex and potentially protracted processes: moving the ACT-NSW border or planning for service delivery outside the ACT's territorial jurisdiction. Both involve decisions and negotiations with multiple parties inside and outside the Territory. The ACT Government's preferred approach to providing services for Parkwood is to move the border such that Parkwood becomes part of the Territory. The ACT Chief Minister has written to NSW Premiers on this matter on a number of occasions, but the NSW Government has not advised the ACT Government whether it supports moving the border. The Yass Valley Council has advised that it is prepared to consider a move of the border in exchange for a 'legacy project' for the Yass Valley community, and is presently waiting on a report about the options for securing a water supply to service the growing population in Murrumbateman.
- 2.28 Continuing uncertainty about the prospect of moving the border and the cost implications for the Territory increases the risks associated with this option and its cost-effectiveness. Accordingly, there is a need for CMTEDD to undertake forward planning and risk management activities to develop a strategy that supports negotiations with the NSW Department of Premier and Cabinet and the Commonwealth for this to successfully occur. This would also assist with identifying the critical timeframes and challenges for the

Territory in relation to the service delivery model for Parkwood, should the border-move negotiations not succeed, and Parkwood remains in NSW.

The border stays where it is

2.29 Should the NSW Government not agree to moving the border, then it will be necessary to plan and prepare for cross-border and coordinated arrangements for the delivery of services by the ACT and NSW Governments and the Yass Valley Council. The most advanced consideration of these arrangements is documented in the *Parkwood Planning Proposal: Services and Infrastructure Report*.

Parkwood Planning Proposal: Services and Infrastructure report

2.30 The Cross Border Agency Forum held in 2016 canvassed a range of options for service delivery for Parkwood, as well as implementation considerations and timing for service delivery, assuming the land remains in NSW. As noted above, this is documented in the *Parkwood Services and Infrastructure Report*. The Report stated:

... there is significant ongoing work required to support the continued review of services options and infrastructure and respond to changes in Government policy and programs and demographics whilst maintaining certainly around the serviceability of the development.

'Base case' for service delivery

2.31 The Report suggests that 'there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services'. This is referred to as the 'base case' option. The 'base case' was reaffirmed by the stakeholders at the Cross Border Agency Forum in 2019, with some refinements. The key features of the 'base case' include:

- local service delivery by Yass Valley Council, or via Council contracting with ACT government agencies to deliver services wherever enabled within existing legislation;
- Icon Water providing bulk water, with Council being the local water supplier, and ACTEWAGL providing gas and electricity, or providing a bulk supply with Essential Energy being the local supplier;
- a P-12 school and related education services provided by the NSW Government;
- emergency services provided by the ACT Government, building on the approach and arrangements in existing MOUs and tested via desk top exercises prior to construction commencing;
- police, child protection and other State and Territory services provided by a combination of NSW and ACT Government agencies, building on existing arrangements including joint taskforces and special constable arrangements; and
- land management service in the conservation corridor provided primarily by the Conservation Trust, possibly supported by some government service provision.

- 2.32 The Parkwood Services and Infrastructure Report also considers options for funding services for Parkwood if it stays in NSW. The 'base case' proposed the following:
- the Ginninderry Joint Venture will fund all capital costs for local and utilities infrastructure required by the Parkwood development, and provide land for a school;
 - Yass Valley Council will recurrently fund local services through rates income raised from the development, and fines, user charges and government grants. The rate set by Council for Parkwood is expected to be comparable to the rate levied in the ACT's adjoining suburbs for local services;
 - recurrent funding for utilities will be provided through user charges;
 - State and Territory services will be recurrently funded through Commonwealth and State funding, private sector contributions and user charges; and
 - natural and environment management services, the Conservation Trust will fund the management of the Murrumbidgee River and Ginninderra Creek corridors through levies on sale of land and commercial activities of the Trust.
- 2.33 CMTEDD has advised that the Parkwood Services and Infrastructure Report is an input to ACT Government considerations on servicing Parkwood, but that it has not been endorsed and that it has no formal status for ACT Government purposes. Further, it remains subject to decisions on moving the ACT-NSW border and if the NSW border is moved prior to development reaching the border, the base case is no longer necessary.
- 2.34 Should there not be agreement for a move of the ACT-NSW border, then there is a need to deliver services under the existing constraints of jurisdictional responsibilities and accountabilities. A *Parkwood Planning Proposal: Services and Infrastructure Report (2017)*, which was prepared following a Cross Border Agency Forum that was held in 2016, offers the most advanced consideration of service delivery in Parkwood assuming it remains in NSW. The report suggests that 'there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services.' This was outlined in the report as the 'base case', which envisaged the delivery of services through a combination of ACT and NSW government agencies, the Yass Valley Council and ICON Water. It also requires some legislative changes to allow the ACT to deliver services in NSW. The 'base case' was reaffirmed by the stakeholders at a Cross Border Agency Forum in 2019, with some refinements. This report has not been formally endorsed or adopted by the ACT Government. There is a need for CMTEDD to review the 'base case' and determine what further work is required to identify a service delivery model that meets the needs of the ACT should a move of the ACT-NSW border not be agreed.

3 GOVERNANCE AGREEMENTS

- 3.1 This chapter discusses the two main governance agreements relevant to the Territory's planning for the delivery of services in Parkwood. Specifically, it considers whether the objectives and roles and responsibilities are clear and appropriate, the principles support the achievement of shared goals over time, and the communication channels encourage transparency in decision making and accountability for results.

Summary

Conclusions

The *ACT-NSW Memorandum of Understanding for Regional Collaboration* is the over-arching governance agreement for ACT and NSW Government cross border initiatives, initially signed in 2011. The MOU's objectives, and its logical delineation of roles and responsibilities, provide a sound foundation for cross border collaboration.

In 2020 the *Parkwood Urban Release Area Governance Framework* was added as a Priority Focus Area to the *ACT-NSW Memorandum of Understanding for Regional Collaboration*. The Framework established a Steering Committee, chaired by CMTEEDD, to provide a mechanism for the ACT and NSW Governments and the Yass Valley Council to develop and implement a model for infrastructure and service delivery in Parkwood. The Steering Committee has not met since March 2021 and has not developed a work plan for its activities (as required by its Terms of Reference). The Steering Committee has not effectively progressed the planning of services in Parkwood as intended.

Key findings

The ACT Government is party to two governance agreements that are relevant to decision making and the planning of infrastructure and services for Parkwood: the *ACT-NSW MOU for Regional Collaboration* established in 2011 and re-signed in 2016 and 2020; and the *Parkwood Governance Framework* which was added as an addendum to the *ACT-NSW MOU for Regional Collaboration* in 2020. The *ACT-NSW MOU for Regional Collaboration* is an overarching governance arrangement for inter-governmental communication and cooperation on a range of matters relevant to the Canberra and South-East NSW region, while the *Parkwood Governance Framework* provides a specific and targeted basis for cooperation on the delivery of government services and infrastructure to Parkwood.

The *ACT-NSW MOU for Regional Collaboration* was established as a framework for the ACT and NSW Governments to work together on a range of cross border and regional priorities, such as health, the environment and economic development opportunities. The *ACT-NSW MOU for Regional Collaboration* provides a set of

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appropriately high-level objectives that reflect the shared commitment of the two governments to develop the means to collaborate effectively, including on information sharing, policy proposals and accountability mechanisms.

While establishing a shared vision, the *ACT-NSW MOU for Regional Collaboration* also appropriately confirms the independent responsibilities of State and Territory ministers for planning and service delivery, and of central agencies in the ACT and NSW, including the Cross Border Commissioner in NSW, for progressing the initiatives established under the MOU. For the ACT Government, the responsibilities are directed to the ACT Public Service Strategic Board and Policy Council and CMTEDD. These bodies are well placed to facilitate a whole-of-government approach and oversee the interjurisdictional nature of regional and cross-border development initiatives for the Territory. 3.18

The *ACT-NSW MOU for Regional Collaboration* established the *Parkwood Governance Framework*, which was finalised by the ACT and NSW Governments and Yass Valley Council in June 2020. The *Parkwood Governance Framework* established a Steering Committee to progress agreement on the preferred governance mechanism and service delivery model for Parkwood. To achieve this, the Terms of Reference for the Steering Committee specifies that an annual work program is to be developed. The work program has not been developed as anticipated. CMTEDD and the Office of the NSW Cross Border Commissioner advised this was due to a reprioritisation of activities to respond to the COVID-19 pandemic. Accordingly, service delivery options for Parkwood have not been progressed since the finalisation of the *Parkwood Governance Framework* in June 2020. Agreeing a model for cross border service delivery will be complex and challenging and there is a need for the Committee to develop a work program that would enable the parties to agree, and validate with service delivery providers, a model for infrastructure and service delivery in Parkwood should it remain in NSW. 3.26

The *ACT-NSW MOU for Regional Collaboration* is recognised by the ACT and NSW Governments as the overarching framework for collaborating on cross-border issues. The MOU includes a list of principles that express a shared commitment to achieve a connected, borderless Canberra region and are appropriately high level for the diverse range of initiatives that the two jurisdictions seek to advance under the Priority Focus Areas. 3.29

The *Parkwood Governance Framework* includes a list of 17 principles that are intended to guide practical matters of local municipal and State and Territory service delivery for Parkwood, based on the assumption it remains in NSW. These principles appropriately recognise the overarching *ACT-NSW MOU for Regional Collaboration* and the principles developed at the Cross Border Agency Forum held in 2016 and reaffirmed by stakeholders in 2019. The principles are largely focused on establishing a common expectation that the residents of Parkwood experience the same quality of services as residents in neighbouring ACT suburbs, and other areas of the Yass Valley Council and NSW. Furthermore, arrangements to deliver those services are expected to utilise existing legislative, financing and governance arrangements wherever possible. In the event that Parkwood remains in NSW, the principles 3.34

provide a clear vision, validated and refined over time, to develop and implement a model for service delivery in Parkwood.

Inter-jurisdictional monitoring and reporting on MOU activities is expected to occur through an annual progress report that sets out the progress against milestones and highlights issues of concern in relation to the Priority Focus Areas, such as planning for Parkwood. This report underpins the work of the Senior Officials Dialogue. CMTEDD and the Office of the NSW Cross Border Commissioner have advised that due to the need to respond to the COVID-19 pandemic, the Senior Officials Dialogue has not yet occurred, and no progress reports have been prepared. The Office of the NSW Cross Border Commissioner has indicated that a meeting is intended to occur in the second half of 2022.

3.38

CMTEDD reported on ACT Government agencies' activities under the *ACT-NSW MOU for Regional Collaboration* to the Strategic Board in 2017, 2018 and 2019. In relation to Parkwood, the reports focused on the activities driven by the rezoning of Parkwood and the conditions applied by the NSW Government in its deliberations on the Parkwood Planning Proposal. Reporting to the Strategic Board on this action item, or on progress of the *ACT-NSW MOU for Regional Collaboration* more generally, has not occurred since 2019. However, in October 2020 a progress report was provided to the Policy Council (a subcommittee of the Board). The report to the Policy Council announced the establishment of the *Parkwood Governance Framework* and associated Steering Committee. No reporting to the Policy Council has occurred since October 2020. In its response to the draft proposed report CMTEDD advised that this was a period in which the ACT Public Service was operating at 'peak agility' due to the need to respond to the COVID-19 pandemic.

3.44

Neither the *ACT-NSW MOU for Regional Collaboration* or the *Parkwood Governance Framework* establish an expectation that activities driven by these arrangements will be formally reported or communicated to stakeholders outside government. Community or public reporting on issues associated with the Parkwood development is produced by Riverview Projects for the Joint Venture. There is one report on the overall progress of the Ginninderry development and this is several years old. There is a lack of public and community reporting with respect to the ACT Government's activities for the Parkwood cross-border development.

3.51

The dispute resolution processes described in the *ACT-NSW MOU for Regional Collaboration* and the *Parkwood Governance Framework* are in keeping with the non-legal, collaborative spirit of the governance agreements. The process is devolved and empowers those at the officer level to attempt to resolve matters quickly, with options for escalating disputes if this is unsuccessful. These arrangements are appropriate.

3.58

Governance agreements – overview

- 3.2 The ACT Government has numerous agreements and arrangements with the NSW Government and with local councils in relation to the broader Canberra region. These are summarised below with those relevant to planning for service delivery in Parkwood noted.

ACT-NSW Memorandum of Understanding for Regional Collaboration

- 3.3 The *ACT-NSW Memorandum of Understanding for Regional Collaboration (ACT-NSW MOU for Regional Collaboration)* is the over-arching governance arrangement for cross-border cooperation.
- 3.4 The *ACT-NSW MOU for Regional Collaboration* was first established in December 2011 by the then ACT Chief Minister and former NSW Premier. The 2011 MOU notes that it 'builds on a long history of collaboration between the two jurisdictions' and seeks to 'strengthen collaboration between the two jurisdictions to optimise regional outcomes and service delivery to the people of the ACT and surrounding South East NSW region'. The MOU makes specific reference to 'priority actions' in relation to strategic regional directions, land use planning and infrastructure, and integrated service planning initially focusing on health and education sectors. The MOU is to be reviewed every three years.
- 3.5 The *ACT-NSW MOU for Regional Collaboration* was re-signed in December 2016. The 2016 MOU largely retained the overall intent and objectives of the 2011 MOU. In addition, it highlighted the importance of engagement with local government and regional entities, and acknowledged the role of the NSW Cross Border Commissioner (created in 2012) to identify emerging cross-border issues within the ACT and South-East NSW region.
- 3.6 The *ACT-NSW MOU for Regional Collaboration* was re-signed in June 2020. The 2020 MOU was significantly restructured. It introduced guiding principles, established an annual meeting of Senior Officials, and provided greater detail on the roles and responsibilities of the NSW and ACT Government entities that would progress the MOU's priorities. The 2020 MOU also identified six Priority Focus Area Plans, one of which specifically focused on the development of Parkwood, as shown in Figure 3-1.

Figure 3-1 ACT-NSW MOU for Regional Collaboration (2020) Priority Focus Areas



Source: ACT Audit Office, based on *ACT-NSW MOU for Regional Collaboration (2020)*.

Parkwood Urban Release Area Governance Framework

- 3.7 The *Parkwood Urban Release Area Governance Framework (Parkwood Governance Framework)* is an addendum to the 2020 *ACT-NSW MOU for Regional Collaboration*. It acknowledges the *ACT-NSW MOU for Regional Collaboration* as the primary framework for cross border collaboration.
- 3.8 Drafting of the *Parkwood Governance Framework* began in late 2018 with the input of the Chief Minister, Treasury and Economic Development Directorate, the Yass Valley Council and the NSW Department of Premier and Cabinet. It was signed by the Director-General of CMTEDD in March 2020 and the Secretary of the Department of Regional NSW and the General Manager of the Yass Valley Council in June 2020.
- 3.9 The purpose of the *Parkwood Governance Framework* is to serve as:
- ... a mechanism between Yass Valley Council, NSW and ACT Governments for the ongoing cooperation and negotiation on the governance arrangements and service model (including the method and responsibility for service and infrastructure delivery) for the provision of governance services and infrastructure, specifically in relation to the proposed urban release area on the NSW/ACT border, known as Parkwood.
- 3.10 The ACT Government is a party to two other regional development arrangements: the Canberra Regional Economic Development Strategy (CREDS) which is a joint strategy document, and the Canberra Regional Joint Organisation (CRJO), which is a local government body established under NSW law. These arrangements do not specifically concern Ginninderry or Parkwood and are not considered further in this audit.

3.11 The ACT Government is party to two governance agreements that are relevant to decision making and the planning of infrastructure and services for Parkwood: the *ACT-NSW MOU for Regional Collaboration* established in 2011 and re-signed in 2016 and 2020; and the *Parkwood Governance Framework* which was added as an addendum to the *ACT-NSW MOU for Regional Collaboration* in 2020. The *ACT-NSW MOU for Regional Collaboration* is an overarching governance arrangement for inter-governmental communication and cooperation on a range of matters relevant to the Canberra and South-East NSW region, while the *Parkwood Governance Framework* provides a specific and targeted basis for cooperation on the delivery of government services and infrastructure to Parkwood.

Objectives, roles and responsibilities

3.12 Governance agreements need to be explicit about their objectives and provide the parties to the agreement with a clear delineation of roles and responsibilities for achieving these objectives. The ANAO's *Better Practice Guide: Public Sector Governance* (2014) states that the proper definition and communication of each party's roles and responsibilities can help to reduce gaps or overlaps in functions that can, in turn, weaken governance arrangements.

ACT-NSW MOU for Regional Collaboration

Objectives

3.13 The 2020 *ACT-NSW MOU for Regional Collaboration* includes a statement of objectives that it describes as 'shared values and the common commitment by both jurisdictions to address the diversity of challenges and opportunities within the Canberra Region'. These objectives are:

- identify key priorities of mutual interest within the Canberra Region through coordinated cross border policy development and service delivery planning;
- agree tangible pathways towards progressing shared priorities;
- align shared priorities to national and State/Territory objectives and cross border initiatives underway;
- develop and implement shared proposals that support planning and service delivery outcomes;
- enhance information and data sharing opportunities between government agencies to better inform cross border planning and policy development proposals, and culturally appropriate and community focused services;
- establish agreed consultation and notification mechanisms between the State, Territory and local government within the Canberra region;
- introduce a framework of accountability to ensure a rigorous governance mechanism that supports progression and achievement of shared priorities; and
- aspire to achieve a shared, outcome-oriented investment framework.

Focus Area Priority Plans

3.14 Objectives are further stated in the Focus Area Priority Plans that were introduced in 2020. The Focus Area Priority Plans are supplemented by a table of ongoing cross border issues, and capture the initiatives agreed under the MOU in 2011 and 2016. With the exception of the *Parkwood Governance Framework* these Plans are not specific to the Ginninderry development and are not considered in detail here.

Roles and responsibilities

3.15 The 2020 *ACT-NSW MOU for Regional Collaboration* sets out the roles and responsibilities of the parties. These are conveyed in general terms and begin by affirming established jurisdictional responsibilities of the two parties, as follows:

- State and Territory Ministers and their agencies remain responsible for the planning and delivery of State and Territory services; and
- Government Ministers and their agencies may refer matters to their respective First Ministers' agencies where appropriate.

3.16 The 2020 *ACT-NSW MOU for Regional Collaboration* also sets out the signatories' roles and responsibilities in relation to the governance and implementation of the cross-border arrangement, as follows:

- for the ACT, the development, implementation and progress of the MOU's priorities and initiatives will be overseen by the Deputy Director-General, CMTEDD, working across government, reviewed by ACT Public Service Strategic Board and Policy Council, and reporting to the Chief Minister; and
- in NSW, oversight of the MOU is provided by the Department of Planning, Industry and Environment's (DPIE) NSW Cross Border Commissioner and DPIE's Regional Coordinator.⁸

3.17 The *ACT-NSW MOU for Regional Collaboration* was established as a framework for the ACT and NSW Governments to work together on a range of cross border and regional priorities, such as health, the environment and economic development opportunities. The *ACT-NSW MOU for Regional Collaboration* provides a set of appropriately high-level objectives that reflect the shared commitment of the two governments to develop the means to collaborate effectively, including on information sharing, policy proposals and accountability mechanisms.

3.18 While establishing a shared vision, the *ACT-NSW MOU for Regional Collaboration* also appropriately confirms the independent responsibilities of State and Territory ministers for planning and service delivery, and of central agencies in the ACT and NSW, including the

⁸ It is noted that Machinery of Government changes have occurred since the drafting of the 2020 MOU. The Office of the NSW Cross Border Commissioner is now in the Department of Regional NSW, and the Department of Planning, Industry and Environment is now the Department of Planning and Environment.

Cross Border Commissioner in NSW, for progressing the initiatives established under the MOU. For the ACT Government, the responsibilities are directed to the ACT Public Service Strategic Board and Policy Council and CMTEDD. These bodies are well placed to facilitate a whole-of-government approach and oversee the interjurisdictional nature of regional and cross-border development initiatives for the Territory.

Parkwood Governance Framework

Objectives

- 3.19 The Terms of Reference for the *Parkwood Governance Framework* states that the parties will ‘progress agreement on the preferred governance mechanism and service delivery models for the urban release area on the NSW/ACT border known as Parkwood’. The Terms of Reference were confirmed by the Steering Committee in March 2021.
- 3.20 To achieve this objective the Steering Committee was expected to develop an annual work program to:
- develop and implement a servicing model for the provision of government services and infrastructure to Parkwood;
 - identify key issues that impede efficient and consistent service delivery to the community of Ginninderry and to determine an appropriate arrangement for those services; and
 - identify opportunities for alignment and integration of service delivery and infrastructure spending, including where appropriate through innovative and digitally-enabled solutions.

Roles and responsibilities

- 3.21 Consistent with the signatories to the *Parkwood Governance Framework*, the Terms of Reference for the Parkwood Steering Committee nominate entities within the ACT and NSW Governments and the Yass Valley Council as members of the Steering Committee. The Committee is to provide an advisory role, and CMTEDD’s Policy and Cabinet Division is to provide secretariate support to the Committee.
- 3.22 Membership of the Steering Committee, as per the Terms of Reference, is shown in Table 3-1.

Table 3-1 Parkwood Governance Steering Committee

Parties	Nominated representatives
ACT Government	CMTEDD - Policy and Cabinet
	CMTEDD - Economic and Financial Analysis
	Suburban Land Agency - Urban and Commercial
	EPSDD - Planning Delivery Division

Parties	Nominated representatives
	EPSDD - Water Policy
NSW Government	Office of the NSW Cross-Border Commissioner
	Department of Planning, Industry and the Environment (now the Department of Planning and Environment)
	Department of Regional NSW - Regional Development Department of Regional NSW - South East Water
Yass Valley Council	Yass Valley Council - General Manager Planning and Environment – Director

Source: Terms of Reference for the Steering Committee for the Parkwood Urban Release Area Governance Framework

- 3.23 The Terms of Reference contain an error as there is no entity called the Department of Regional NSW – South East Water in the NSW Government. The NSW Government is represented by the Department of Regional NSW (South East) and the Department of Planning and Environment, which represents both planning and water responsibilities.
- 3.24 According to the Steering Committee’s Terms of Reference, the parties were to agree to prepare an annual work program. CMTEDD has advised that this has not yet occurred because resources in the ACT and NSW Governments, and the Yass Valley Council, were redirected and reprioritised to respond to the COVID-19 pandemic, and that a decision was made by the parties to pause meetings. In response to the draft proposed report, the Office of the NSW Cross Border Commissioner also advised that from March 2020 to January 2022 the Office ‘reprioritised activity to support cross border communities on four borders in navigating difficult border closures, travel restrictions and misalignment of public health instruments’.
- 3.25 The minutes of the Parkwood Steering Committee’s two meetings in March 2021 indicate that the risks and challenges of cross border service delivery, and the tasks involved in preparing for a border move, are significant for each party. While acknowledging that the members have reprioritised their activities due to the COVID-19 pandemic, it is nevertheless important that CMTEDD brings the key inter-jurisdictional stakeholders in this governance group together to progress planning for the complex task of identifying, consulting on and testing a model for providing services to Parkwood.
- 3.26 The *ACT-NSW MOU for Regional Collaboration* established the *Parkwood Governance Framework*, which was finalised by the ACT and NSW Governments and Yass Valley Council in June 2020. The *Parkwood Governance Framework* established a Steering Committee to progress agreement on the preferred governance mechanism and service delivery model for Parkwood. To achieve this, the Terms of Reference for the Steering Committee specifies that an annual work program is to be developed. The work program has not been developed as anticipated. CMTEDD and the Office of the NSW Cross Border Commissioner advised this was due to a reprioritisation of activities to respond to the COVID-19 pandemic. Accordingly, service delivery options for Parkwood have not been progressed since the finalisation of the *Parkwood Governance Framework* in June 2020. Agreeing a model for cross border service

delivery will be complex and challenging and there is a need for the Committee to develop a work program that would enable the parties to agree, and validate with service delivery providers, a model for infrastructure and service delivery in Parkwood should it remain in NSW.

Principles

3.27 Principles provide a foundation for the parties to a governance arrangement to successfully work together over time. The ANAO's *Better Practice Guide on Public Sector Governance* (2014) notes that in agreements where sanctions cannot be applied, such as cross-entity arrangements and memoranda of understanding, principles play a particularly important role in guiding collaborative behaviours, establishing commitment and cultivating trust.

ACT-NSW MOU for Regional Collaboration

3.28 The 2020 *ACT-NSW MOU for Regional Collaboration* describes itself as a 'principles-based document' that 'sets out the overall framework within which the ACT and NSW will work together in the delivery of targeted services, economic outcomes and the implementation of policy to cross-border communities'. The principles underpin the MOU and are designed to 'reflect the shared values and the common commitment by both jurisdictions to address the diversity of challenges and opportunities within the Canberra Region'. The principles are outlined in Table 3-2.

Table 3-2 Principles in the 2020 ACT-NSW MOU for Regional Collaboration

Principles	
1.	Recognise the unique attributes of both jurisdictions in contributing to the Canberra Region's vibrant and diverse economic and environment landscape.
2.	Foster a cooperative, open and trusted environment to enhance the collaboration of ideas and the sharing of information across both jurisdictions.
3.	Facilitate the exchange of views on respective activities and implement complementary, evidence-based strategies and programs in support of the focal areas of shared interest set out below.
4.	Encourage collaboration which is outcomes-focused.
5.	Build on existing cross agency MoUs, operational arrangements and service-level agreements, which already deliver coordinated NSW and ACT government services across the border for policing, emergency services and human services.
6,	Promote the equitable allocation of resources.
7.	Pursue a borderless approach that optimises best outcomes for the Canberra Region.

Source: *ACT-NSW MOU for Regional Collaboration* (2020)

3.29 The *ACT-NSW MOU for Regional Collaboration* is recognised by the ACT and NSW Governments as the overarching framework for collaborating on cross-border issues. The MOU includes a list of principles that express a shared commitment to achieve a connected,

borderless Canberra region and are appropriately high level for the diverse range of initiatives that the two jurisdictions seek to advance under the Priority Focus Areas.

Parkwood Governance Framework

- 3.30 The *Parkwood Governance Framework* identifies the parties' agreement that the development of the governance arrangement and service delivery model for Parkwood is to be guided by the principles set out under the *Parkwood Services and Infrastructure Report* (2017). As discussed in paragraphs 2.31 to 2.32, this Report is the outcome of the Cross Border Agency Forum held in 2016 that was attended by representatives from NSW and ACT Government agencies and the Yass Valley Council.
- 3.31 The principles, which are identified in Table 3-3, are premised on the assumption that Parkwood remains in NSW and services are provided by the Yass Valley Council, ACT Government agencies or NSW Government agencies, as appropriate.

Table 3-3 Principles in the *Parkwood Governance Framework*

Look and feel	
1.	Achieve the look and feel of a borderless community wherever possible
2.	Provide a consumer centric service and complaints model of service delivery
3.	Encourage both government and non-government service providers to be guided by these principles
Local service provision	
4.	Establish the same or similar service levels for local services in the ACT and NSW parts of the development wherever possible
5.	Implement the same or similar infrastructure standards in the ACT and NSW parts of the development wherever possible
6.	Set local government rates and charges at an adequate level to cover the costs of local services and infrastructure maintenance and renewal in the long term
7.	Recognise that if provided by ACT service providers, user charges for water, sewer, gas and electricity service provision in Parkwood will seek to recoup costs at levels comparable to ACT charges
8.	Ensure service provision into Parkwood from the ACT has no detrimental impact on service delivery for ACT residents
9.	Ensure existing Yass Valley ratepayers and NSW residents are not detrimentally impacted by service provision from Yass Valley
10.	Use existing legislative opportunities to maximise options for delivery of local services to Parkwood by ACT
State and Territory service provision	
11.	Utilise needs-based planning to inform service provision
12.	Establish the same or similar service levels for state services in the ACT and NSW parts of the development wherever possible

13.	Implement the same or similar infrastructure standards in the ACT and NSW parts of the development wherever possible
14.	Recognise existing Commonwealth, State and Territory service provision and financing agreements
15.	Build on existing cross agency MOUs and operational arrangements which already deliver coordinated NSW and ACT Government services across the border for policing, emergency services and human services
16.	Build on and where needed further formalise engagement and dispute resolution procedures between governments related to operational MOUs, guided by the governance approach in the overarching MOU
17.	Use the framework of the overarching MOU between the ACT and NSW Governments to engage further, finalise arrangements and resolve potential and actual disputes to support service access and delivery

Source: *Parkwood Urban Release Area Governance Framework (2020)*

- 3.32 The principles in the *Parkwood Governance Framework* largely mirror the principles in the *Parkwood Planning Proposal: Service and Infrastructure Report (2017)*. They differ, however, in relation to timing and process. That is, the principles in the *Parkwood Planning Proposal* include an intention to ‘review service delivery proposals and policy directions in 2020 and then every 2 to 5 years before construction in NSW’. The *Parkwood Governance Framework* is silent on the timeline for planning services for Parkwood.
- 3.33 In relation to governance, the principles in the *Parkwood Governance Framework* directly reference the overarching *ACT-NSW MOU for Regional Collaboration* (see principles 16 and 17). However, the majority of the principles in the *Parkwood Governance Framework* focus on the parties’ expectation that the residents of Parkwood do not experience any detriment or difference in the services that they receive than residents of the ACT or other areas of NSW. The principles also highlight a clear intent by the parties’ that service providers should utilise existing legislation, and cross jurisdictional and inter-agency arrangements wherever possible, thereby limiting additional regulation or administration, including for future residents of Parkwood.
- 3.34 The *Parkwood Governance Framework* includes a list of 17 principles that are intended to guide practical matters of local municipal and State and Territory service delivery for Parkwood, based on the assumption it remains in NSW. These principles appropriately recognise the overarching *ACT-NSW MOU for Regional Collaboration* and the principles developed at the Cross Border Agency Forum held in 2016 and reaffirmed by stakeholders in 2019. The principles are largely focused on establishing a common expectation that the residents of Parkwood experience the same quality of services as residents in neighbouring ACT suburbs, and other areas of the Yass Valley Council and NSW. Furthermore, arrangements to deliver those services are expected to utilise existing legislative, financing and governance arrangements wherever possible. In the event that Parkwood remains in NSW, the principles provide a clear vision, validated and refined over time, to develop and implement a model for service delivery in Parkwood.

Monitoring and reporting

- 3.35 Governance arrangements encourage openness and transparency by establishing clear communication between stakeholders and a regular system of performance reporting, including to oversight bodies and to the broader community.

ACT-NSW MOU for Regional Collaboration

- 3.36 The 2020 *ACT-NSW MOU for Regional Collaboration* establishes that CMTEDD and the NSW Cross Border Commissioner are the respective secretariates for the MOU, and that an annual Progress Report will be agreed each year, which is expected to outline progress against milestones and highlight issues of concern. The outcomes and recommendations identified in the annual report are to inform discussion at an annual Senior Officials Dialogue on Regional Collaboration.
- 3.37 Since establishment in mid-2020 the Senior Officials Dialogue meeting has not yet occurred, and no progress reports have been prepared. In response to the draft performance audit report, the NSW Cross Border Commissioner advised that conversations were had in early 2021 to develop a timetable for the Dialogue but that further work associated with the COVID-19 pandemic interrupted this work. The NSW Cross Border Commissioner further advised that planning is underway for a Dialogue meeting in the second half of 2022.
- 3.38 Inter-jurisdictional monitoring and reporting on MOU activities is expected to occur through an annual progress report that sets out the progress against milestones and highlights issues of concern in relation to the Priority Focus Areas, such as planning for Parkwood. This report underpins the work of the Senior Officials Dialogue. CMTEDD and the Office of the NSW Cross Border Commissioner have advised that due to the need to respond to the COVID-19 pandemic, the Senior Officials Dialogue has not yet occurred, and no progress reports have been prepared. The Office of the NSW Cross Border Commissioner has indicated that a meeting is intended to occur in the second half of 2022.

Strategic Board

- 3.39 The 2020 *ACT-NSW MOU for Regional Collaboration* also encourages accountability through internal governmental reporting on the MOU's work program. In the ACT this involves the Strategic Board and the Policy Council. The Strategic Board is the senior management team for the ACT Public Service and is the peak forum for coordinating effort on government priorities. The Board is chaired by the Head of Service and comprised of the seven Directors-General and the Under Treasurer. The Policy Council is one of six sub-committees of the Strategic Board and operates as an inter-directorate working group. Annual reports on the progress of the MOU's work program were provided to the ACT Government's Strategic Board in 2017, 2018 and 2019. The nature of these updates is summarised in Table 3-4 below.

Table 3-4 Reporting to the Strategic Board on the ACT-NSW MOU for Regional Collaboration

Occurrence	Agenda items
September 2019	<ul style="list-style-type: none"> - Provided the final draft ACT-NSW MOU for Regional Collaboration, including the Priority Focus Areas Plans, Table of Ongoing Cross Border Issues (2019-20) and the Parkwood Urban Release Area Governance Framework - Provided with the MOU Annual Work Plan (2018-19) which includes an update on progress
May 2019	<ul style="list-style-type: none"> - Provided the MOU Annual Work Plan Progress Report (2018-2019) including suggestion to reframe these into Priority Focus Areas and establish an annual Senior Officials Dialogue
October 2018	<ul style="list-style-type: none"> - Provided with the MOU Work Plan Progress Report (2017-2018) - Provided with the MOU Work Plan for the coming year (2018-2019)
August 2017	<ul style="list-style-type: none"> - Provided with the Annual Work Plan Progress Report (2016-17) - Provided with the Annual Work Plan for the coming year (2017-18)

Source: ACT Audit Office based on documentation provided to the Strategic Board (2017-2019)

3.40 In the progress reports to the Strategic Board, issues associated with the development of Parkwood are addressed by reporting on action item 2.2 ('cross border communities'). This action item concerns the development of a cross-border service and infrastructure delivery plan for the development of Parkwood. Extracts of the reports to the Strategic Board for this action item are provided in Table 3-5.

Table 3-5 Reporting on Parkwood issues to the Strategic Board

2.2 Cross border communities	
Continue the development of a cross-border service and infrastructure delivery plan to the Ginninderry/Parkwood development	
2018 - 19 Report	A cross border workshop was held on 12 March 2019 between ACT Government, NSW Government and Yass Valley Council to further discuss cross border servicing arrangements. Matters in the Ginninderry Gateway Determination have now been satisfied to allow the public notification of the NSW Rezoning Proposal to proceed.
2017 - 2018 Report	A rezoning process for Parkwood, the NSW component of the Ginninderry Joint Venture land, has commenced through Yass Valley Council and the NSW DPE. ACT EPSDD have reviewed and provided preliminary feedback on the Ginninderry Community Needs Assessment.
2016 - 2017 Report	<p>The NSW and ACT Governments are continuing discussions on the range of issues associated with Parkwood development, and options to resolve the issues. While this work is yet to be completed, NSW DPE is using this and other proposals elsewhere in NSW to develop a set of guiding principles for developing in border areas. The principles are unlikely to be completed until mid-2018.</p> <p>In the west of the ACT, detailed discussions have occurred between the ACT and NSW Governments, and the Yass Valley council regarding infrastructure and service delivery to the proposed Parkwood development which straddles the NSW and ACT borders. There are opportunities to collaborate in planning</p>

	for service delivery at Local and State agency levels, and this will continue to be a focus in the 2017-2018 work plan.
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Source: ACT Audit Office based on progress reports provided to the Strategic Board (2017-2019)

- 3.41 The reports to Strategic Board in relation to Parkwood focus on the activities driven by the rezoning of Parkwood and the conditions applied by the NSW Government in its deliberations on the Parkwood Planning Proposal. Reporting to the Strategic Board on this action item, or on the progress of activities under the *ACT-NSW MOU for Regional Collaboration* more generally, has not occurred since 2019. In February 2022, CMTEDD advised the ACT Chief Minister that a detailed report on the implementation of MOU commitments will be provided in July 2022.

Policy Council

- 3.42 In October 2020, the Policy Council was provided with the renewed *ACT-NSW MOU for Regional Collaboration* and an associated Implementation Plan (2020-21), along with the *Parkwood Governance Framework*.
- 3.43 At this meeting the Policy Council was advised of the progress of the *ACT-NSW MOU for Regional Collaboration* and invited to recommend members for the Parkwood Governance Steering Committee. In the meeting papers, consideration of matters associated with Parkwood is listed as a stand-alone action item, as shown in Table 3-6:

Table 3-6 *Parkwood Governance Framework – progress reporting*

Parkwood Urban Release Area Governance Framework
Establish a Steering Committee comprising representatives from each party to progress agreement on the preferred governance mechanism and service delivery models.
2020-21 Implementation Plan
Establish Steering Committee to progress agreement on preferred governance mechanism and service delivery models – Steering Committee established

Source: Meeting papers for the Policy Council (October 2020)

- 3.44 CMTEDD reported on ACT Government agencies' activities under the *ACT-NSW MOU for Regional Collaboration* to the Strategic Board in 2017, 2018 and 2019. In relation to Parkwood, the reports focused on the activities driven by the rezoning of Parkwood and the conditions applied by the NSW Government in its deliberations on the Parkwood Planning Proposal. Reporting to the Strategic Board on this action item, or on progress of the *ACT-NSW MOU for Regional Collaboration* more generally, has not occurred since 2019. However, in October 2020 a progress report was provided to the Policy Council (a subcommittee of the Board). The report to the Policy Council announced the establishment of the *Parkwood Governance Framework* and associated Steering Committee. No reporting to the Policy Council has occurred since October 2020. In its response to the draft proposed report CMTEDD advised that this was a period in which the ACT Public Service was operating at 'peak agility' due to the need to respond to the COVID-19 pandemic.

Parkwood Governance Framework

3.45 The *Parkwood Governance Framework* established the Parkwood Steering Committee, which is the main formal channel for communication on Parkwood matters between the ACT and NSW Governments, and the Yass Valley Council. The Terms of Reference for the Steering Committee, which were agreed by the parties in March 2021, contains no statements in relation to reporting on or communicating about the work of this Committee.

Community and public reporting

3.46 Neither the *ACT-NSW MOU for Regional Collaboration* or the *Parkwood Governance Framework* establish an expectation that activities driven by these arrangements will be formally reported or communicated to stakeholders outside government.

3.47 The only public-facing reporting in relation to Parkwood is provided on the Ginninderry website, operated by Riverview Projects. The website includes a 'resource centre' that provides access to the reports and studies commissioned for the Ginninderry project, as well as a section listing and responding to media commentary on Ginninderry. In addition, the website makes available two types of reports, described below.

Ginninderry Project Vision Progress Report

3.48 The *Ginninderry Project Vision Progress Report* (September 2019) was prepared by Riverview Projects on behalf of the Ginninderry Joint Venture. The Report provides a traffic light assessment of progress against sets of principles in relation to partnerships, evaluations, ecological matters, and social, cultural and economic development. The Report notes that it is an internal progress report, not an independent review of Ginninderry.

3.49 In relation to Parkwood, the Progress Report notes that the Joint Venture has been liaising with the Yass Valley Council and relevant agencies in the NSW Government since the inception of the project. It also details the Cross Border Agency Forums held in 2016 and 2019, and that a feasible option for the delivery of all infrastructure and services had been identified (i.e. the 'base case' discussed in paragraph 2.32).

Environment Protection Biosecurity Conservation Act annual reports

3.50 These annual reports are prepared by the Riverview Group for the Australian Government. Their purpose is to demonstrate that the Riverview Group is fulfilling the conservation outcomes required of the *Environment Protection Biosecurity Conservation (EPBC) Act* on behalf of the Ginninderry development. Approval of the Ginninderry development included commitments to protect, enhance and offset the natural values in the locality, the majority of which occurs in the Ginninderry Conservation Corridor. The reports for 2019-20 and 2020-21 are available on the Ginninderry website.

3.51 Neither the *ACT-NSW MOU for Regional Collaboration* or the *Parkwood Governance Framework* establish an expectation that activities driven by these arrangements will be

formally reported or communicated to stakeholders outside government. Community or public reporting on issues associated with the Parkwood development is produced by Riverview Projects for the Joint Venture. There is one report on the overall progress of the Ginninderry development and this is several years old. There is a lack of public and community reporting with respect to the ACT Government's activities for the Parkwood cross-border development.

Dispute resolution

- 3.52 The ANAO's *Better Practice Guide: Public Sector Governance* (2014) notes that while entities can be expected to work in a collaborative manner, it is sensible to build into MOUs more formal dispute resolution mechanisms, such as the ability to escalate issues to broader governance groups, or Ministers, so that differences are dealt with efficiently.

ACT-NSW MOU for Regional Collaboration

- 3.53 Section 11 of the 2020 *ACT-NSW MOU for Regional Collaboration* details the process for resolving disputes between the parties:

Directorates and agencies will identify key regional issues that impede efficient and consistent service delivery to communities. Directorates and agencies will engage CMTEDD and DPIE where attempts to resolve such issues at a local level have been unsuccessful, or where a strategic government-to-government approach is required.

- 3.54 The MOU further describes that 'where any dispute arises under this MoU, the ACT and NSW Governments will take all necessary steps to resolve the dispute expeditiously by mutual agreement'.

Parkwood Governance Framework

- 3.55 The *Parkwood Governance Framework* notes that it is not intended to create legally binding obligations on the parties to the Framework, and that the intention is to minimise the requirement for dispute resolution by pursuing active engagement.
- 3.56 Where a dispute does arise, it is proposed that Yass Valley Council and/or the ACT and NSW Governments will take all necessary steps to resolve the dispute expeditiously by mutual agreement, using the following procedures:
- Discussions will first take place at an officer level, with every attempt made to resolve the dispute at this level.
 - If the issue cannot be resolved at an officer level, then discussions will be held between the heads of relevant agencies and/or departments or otherwise as provided in the ACT-NSW Memorandum of Understanding for Regional Collaboration.
 - If the issue cannot be resolved by the heads of relevant agencies, then discussions will be held between relevant Ministers.

- 3.57 The Steering Committee for the *Parkwood Governance Framework* inherits the dispute resolution processes outlined above.
- 3.58 The dispute resolution processes described in the *ACT-NSW MOU for Regional Collaboration* and the *Parkwood Governance Framework* are in keeping with the non-legal, collaborative spirit of the governance agreements. The process is devolved and empowers those at the officer level to attempt to resolve matters quickly, with options for escalating disputes if this is unsuccessful. These arrangements are appropriate.

4 GOVERNANCE FORUMS

- 4.1 This chapter considers how the governance arrangements outlined in Chapter 3 have been implemented. It considers the various governance forums that have been established to support the governance agreements, including the frequency of meeting of the governance forums and the attendance of ACT Government representatives at these forums.

Summary

Conclusion

The Parkwood Governance Steering Committee is the key governance forum for inter-jurisdictional and ACT Government parties that have responsibility for developing and implementing a model for service delivery to Parkwood. The Committee met twice (in March 2021) where discussions focused on the range of issues that needed to be addressed prior to moving the border, and the importance of identifying an approach to supplying water to Parkwood. The Steering Committee has not met since then, and there is no schedule of forward meetings. There is no evidence of how the matters discussed in March 2021 have since been progressed. As chair of the Committee, CMTEDD has not effectively advanced the development of a model for the delivery of services in Parkwood through this forum. While moving the border is a threshold issue and the preferred approach of the ACT Government, it continues to be important to work with stakeholders to plan for Parkwood in the event it remains in NSW.

Key findings

Communication between ACT and NSW Governments and Yass Valley Council is expected to occur formally through the Parkwood Governance Steering Committee. CMTEDD, SLA and EPSDD are identified as members of this forum. According to its Terms of Reference, a meeting schedule for the Steering Committee was to be agreed by members and meetings were expected to occur at least twice a year. To date, the Steering Committee has met twice: 9 March 2021 and 19 March 2021. In response to the draft proposed report CMTEDD and the Office of the NSW Cross Border Commissioner advised that the work of the Committee was to be paused while discussions on the border move were taking place.

Paragraph

4.12

The Steering Committee's minutes highlight the importance of water supply to all stakeholders, and to the progress of the Ginninderry Joint Venture. This concerns two issues: supply of water to the Parkwood community in NSW; and water infrastructure for the Yass Valley Council as possible compensation for Parkwood becoming part of the ACT. Due to an administrative error, water policy representatives were not invited to attend the two meetings of the Steering Committee, and the minutes are unclear on what actions would be taken to progress

4.13

these issues. The Parkwood Governance Steering Committee has not been effective in progressing discussion and resolution of water provision issues associated with the development of Parkwood to date.

Representatives from a range of ACT Government agencies have participated in the Cross Border Agency Forums held in 2013, 2016 and 2019. CMTEDD, SLA, Education Directorate, TCCS, EPSDD and Icon Water have participated in all three forums. These forums brought together interjurisdictional and interagency stakeholders with responsibilities to plan infrastructure and service delivery in Parkwood. With the exception of the 2013 forum, these have been held at the request of the NSW Government. To date, the ACT Government has not convened any forums for ACT Government agencies specifically focused on the risks, challenges, and opportunities of delivering services in Parkwood should it remain in NSW.

4.21

Governance forums

- 4.2 The key formal governance forum for the planning of services for Parkwood is the Parkwood Governance Steering Committee.
- 4.3 For the purposes of the audit, however, the Territory's participation in the Cross Border Agency Forums held in 2013, 2016 and 2019 is also considered. These forums have been central to the inter-jurisdictional and inter-agency planning for service delivery in Parkwood that has occurred to date.

Parkwood Governance Steering Committee

- 4.4 Communication between the ACT and NSW Governments and Yass Valley Council is expected to occur formally through the Parkwood Governance Steering Committee.
- 4.5 According to the *Parkwood Governance Framework* the purpose of the Parkwood Governance Steering Committee is to serve as a mechanism:
- ... for the ongoing cooperation and negotiation on the governance arrangements and service model (including the method and responsibility for service and infrastructure delivery) for the provision of government services and infrastructure, specifically in relation to the proposed urban release areas on the NSW/ACT border known as Parkwood.
- 4.6 The Committee's Terms of Reference sets out that the Territory members are CMTEDD, the Suburban Land Agency (SLA) and the Environment Planning and Sustainable Development Directorate (EPSDD). CMTEDD's Policy and Cabinet Division chairs and has secretariat responsibilities for the Committee.
- 4.7 According to the Steering Committee's Terms of Reference, a meeting schedule was to be agreed by members and meetings were expected to occur at least twice a year. To date, the Steering Committee has met twice: 9 March 2021 and 19 March 2021. A meeting schedule has not been prepared. CMTEDD has advised that resources to progress cross-border initiatives had been redirected to respond to the COVID-19 pandemic. In response to the

draft proposed report, CMTEDD and the Office of the NSW Cross Border Commissioner both advised that it had been agreed by members that conversations on moving the border should take place between the appropriate authorities prior to additional meetings being scheduled. The minutes of the Steering Committee meetings do not reflect this decision, however.

- 4.8 Member attendance at these meetings is listed in Table 4-1. Except for representatives from the EPSDD's Water Policy Team, attendance of Territory representatives has been consistent with the expectations of the Terms of Reference.

Table 4-1 Attendance at Parkwood Steering Committee meetings

Steering Committee members	9 March 2021	19 March 2021
ACT Government		
CMTEDD (Policy and Cabinet)	✓	✓
CMTEDD (Economic and Financial Analysis)	✓	✓
Suburban Land Agency (Urban and Commercial)	✓	✓
EPSDD (Planning Delivery Division)	✓	×
EPSDD (Water Policy)	×	×
NSW Government		
Office of the NSW Cross-Border Commissioner	✓	✓
Department of Planning, Industry and the Environment (now the Department of Planning and Environment)	✓	✓
Department of Regional NSW	✓	✓
Yass Valley Council		
Yass Valley Council General (Manager)	✓	✓
Planning and Environment (Director)	✓	×

Source: Parkwood Steering Committee Terms of Reference and Meeting Minutes (9 March and 19 March 2021)

Water issues

- 4.9 In addition to the challenges of cross border service delivery, water supply was a key topic of discussion at the first meeting of the Parkwood Governance Steering Committee on 9 March 2021. The Yass Valley Council identified that cross-border water supply was a particularly pertinent issue. The meeting minutes note that water supply was related to the service needs of the cross-border development, and also linked to the potential border move. The Committee discussed a number of solutions to progress water issues including:
- ACT Treasury was to develop a policy paper on water supply to Parkwood for NSW Government and Yass Valley Council consideration;
 - a technical working group could be established (potentially led by ICON Water) that would be tasked with developing a paper outlining the high level technical and

regulatory issues, and timeframes for decisions that will impact on water infrastructure; and

- a further meeting would be held within two weeks to discuss the next steps on water supply and the potential border move.

- 4.10 The minutes of the second meeting of the Steering Committee (19 March 2021) record members reiterating the importance of water supply issues. The Suburban Land Agency noted that ‘water supply is the number one strategic priority for cross border service provision from the perspective of the joint venture’, and the NSW representatives noted the interaction of water supply action under the South-East Regional Plan would be an important consideration for NSW. The SLA agreed to develop a list of possible attendees and a draft Terms of Reference for a working group focused on cross-border water supply. The SLA has subsequently advised the Audit Office that negotiations regarding the provision of utility services have been ongoing, including meetings with ICON, however these have occurred independently of the Parkwood Governance Steering Committee.
- 4.11 Contrary to the Terms of Reference for the Committee, representatives from EPSDD’s Water Policy unit were not in attendance. CMTEDD has advised that due to an administrative error, invitations to the meeting were not issued to the water representatives in the ACT and NSW Governments. EPSDD was, however, represented by the Executive Group Manager for Statutory Planning. The Office of the NSW Cross Border Commissioner has advised that NSW was appropriately represented by the Department of Planning, Industry and the Environment, at the time, and that discussions are underway to establish a Cross Border Water Issue Steering Committee for multi-lateral discussions on water in the region.
- 4.12 Communication between ACT and NSW Governments and Yass Valley Council is expected to occur formally through the Parkwood Governance Steering Committee. CMTEDD, SLA and EPSDD are identified as members of this forum. According to its Terms of Reference, a meeting schedule for the Steering Committee was to be agreed by members and meetings were expected to occur at least twice a year. To date, the Steering Committee has met twice: 9 March 2021 and 19 March 2021. In response to the draft proposed report CMTEDD and the Office of the NSW Cross Border Commissioner advised that the work of the Committee was to be paused while discussions on the border move were taking place.
- 4.13 The Steering Committee’s minutes highlight the importance of water supply to all stakeholders, and to the progress of the Ginninderry Joint Venture. This concerns two issues: supply of water to the Parkwood community in NSW; and water infrastructure for the Yass Valley Council as possible compensation for Parkwood becoming part of the ACT. Due to an administrative error, water policy representatives were not invited to attend the two meetings of the Steering Committee, and the minutes are unclear on what actions would be taken to progress these issues. The Parkwood Governance Steering Committee has not been effective in progressing discussion and resolution of water provision issues associated with the development of Parkwood to date.

Cross Border Agency Forums

4.14 Territory officials have participated in three Cross Border Agency Forums for the purpose of planning for future services and infrastructure in Parkwood. These forums have been the primary inter-jurisdictional and inter-agency collaborations focused on planning of services for Parkwood. On each occasion Riverview Projects commissioned Elton Consulting to facilitate the event and produce an outcomes report.

Cross Border Agency Forum 2013

4.15 The first Cross Border Agency Forum was held over four days in November 2013. The objective of the Forum was to prepare the preliminary draft West Belconnen/Parkwood Master Plan. The event included a Community and Stakeholder Vision workshop, followed by a three-day Planning and Design Forum involving technical experts from ACT and NSW Government agencies, consultants, decision makers and community representatives.

Cross Border Agency Forum 2016

4.16 The second Cross Border Agency Forum, held in March 2016, was requested by the NSW Government following its assessment of the Yass Valley Council's planning proposal for Parkwood. As part of that assessment, the NSW Department of Planning and Environment issued eight conditions for the planning proposal to proceed, one of which was a more detailed phase of engagement between government agencies.

4.17 The 2016 Forum tested a preliminary framework, principles and an approach to service delivery that had been developed by senior staff from across NSW and ACT Government agencies prior to the Forum. The Forum involved three concurrent sessions that focused on municipal and local government services, emergency services and policy, and human services and health. Attendees addressed matters of timing, funding and follow-up tasks.

4.18 The 2016 Forum, and individual agency meetings that preceded it, was the main input to drafting of the *Parkwood Planning Proposal: Services and Infrastructure Report* (June 2017). This identified a 'base case' that represents the participants assessment of the most feasible approach to servicing Parkwood in NSW, consistent with the agreed principles.

Cross Border Agency Forum 2019

4.19 The third Cross Border Agency Forum was held in March 2019, again in response to conditions set by the NSW Department of Planning and Environment in its assessment of the Planning Proposal. Specifically, it required that Yass Valley Council organise a forum to assist agencies to understand the proposed servicing framework, and to establish an appropriate governance arrangement for Parkwood. The ACT and NSW Governments and Yass Valley Council agreed the governance framework would be an addendum to the 2020 *ACT-NSW MOU for Regional Collaboration*. The 2019 Forum did not significantly alter the planning for service delivery outlined in the Parkwood Planning Proposal and its 'base case'.

4.20 The participation of ACT Government representatives in the 2013, 2016 and 2019 forums are shown in Table 4-2. It is evident that CMTEDD, Suburban Land Agency, Education Directorate, TCCS, EPSDD and ICON Water have participated in all three forums. For completeness, the National Capital Authority's attendance is also shown in the table.

Table 4-2 ACT Government agency attendance at Cross Border Agency Forums

ACT agency attending the Forums	2013	2016	2019
Australian Federal Police/ACT Policing	x	✓	x
ACT Environmental Protection Authority	✓	x	x
Emergency Services Agency/Fire and Rescue	✓	✓	x
Justice and Community Safety Directorate	x	✓	x
CMTEDD	✓	✓	✓
Land Development Agency/Suburban Land Agency	✓	✓	✓
Education Directorate	✓	✓	✓
Community Services Directorate	x	✓	x
ACT Health	✓	x	x
TCCS/Territory and Municipal Services	✓	✓	✓
ICON Water/ACTEW	✓	✓	✓
Access Canberra	x	x	✓
EPSDD/ ACT Parks and Conservation	✓	✓	✓
ACT Government Solicitor	x	✓	x
ACTION buses	✓	x	x
National Capital Authority	✓	x	x

Source: Cross Border Agency Forums Outcome Reports (2013, 2016, 2019)

4.21 Representatives from a range of ACT Government agencies have participated in the Cross Border Agency Forums held in 2013, 2016 and 2019. CMTEDD, SLA, Education Directorate, TCCS, EPSDD and Icon Water have participated in all three forums. These forums brought together interjurisdictional and interagency stakeholders with responsibilities to plan infrastructure and service delivery in Parkwood. With the exception of the 2013 forum, these have been held at the request of the NSW Government. To date, the ACT Government has not convened any forums for ACT Government agencies specifically focused on the risks, challenges, and opportunities of delivering services in Parkwood should it remain in NSW.

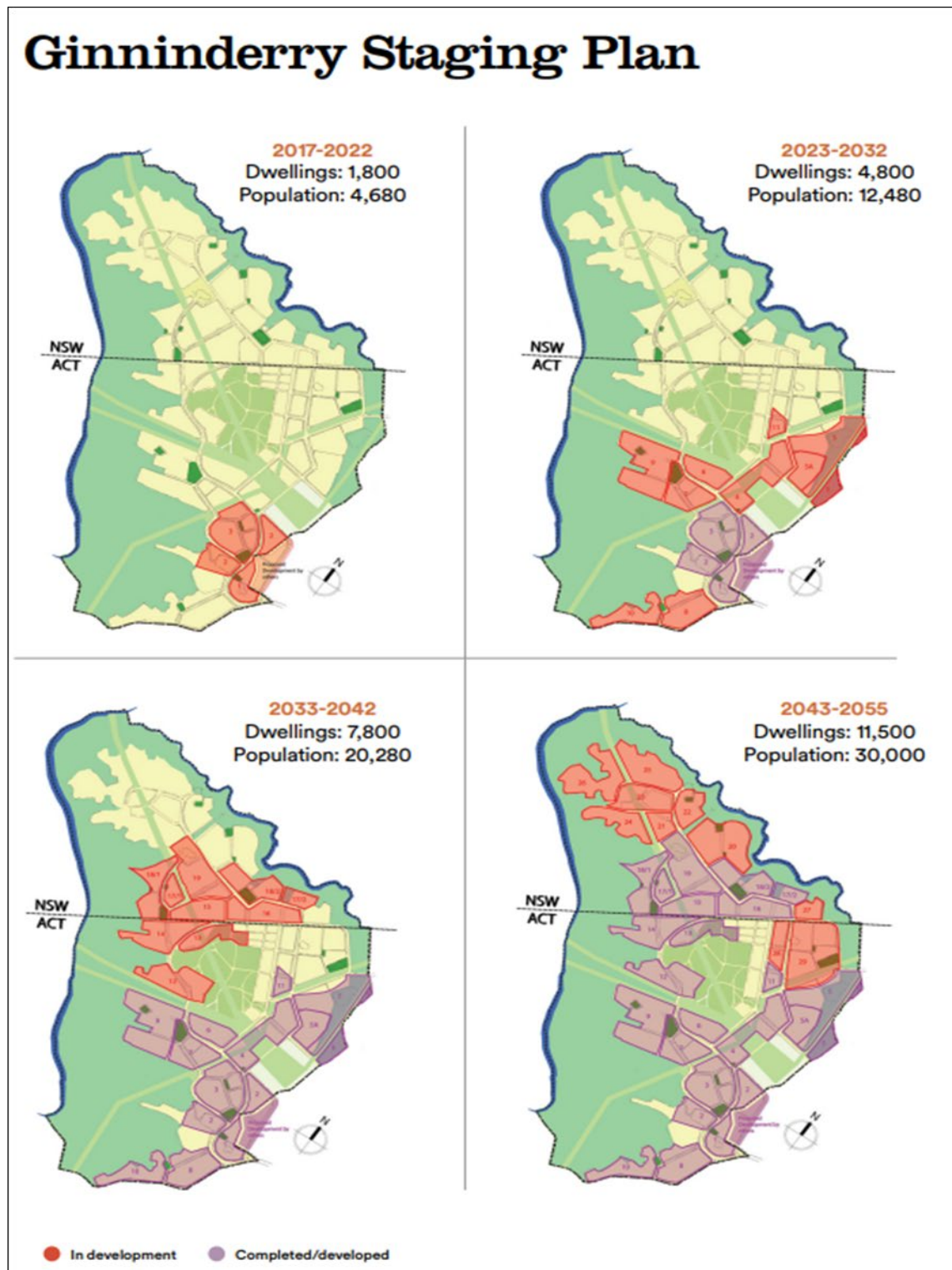
RECOMMENDATION 1 PLANNING FOR PARKWOOD

CMTEDD should re-convene the Parkwood Steering Committee and work with the members to agree and deliver a work program each year. The work program should document the priority tasks and timelines for the Committee to effectively deliver on its objectives in advance of the Ginninderry development reaching the NSW border.

RECOMMENDATION 2 SERVICE DELIVERY MODELS

CMTEDD should review and endorse and/or revise the service delivery options developed through the Cross Border Agency Forums in 2013, 2016 and 2019, and documented in the *Parkwood Planning Proposal: Services and Infrastructure Report* (2017). There is merit in progressing this in parallel with considerations about the border move as the move may not occur.

APPENDIX A: GINNINDERRY STAGING PLAN



Source: Ginninderry Staging Plan (<https://ginninderry.com>)

APPENDIX B: TIMELINE FOR THE JOINT VENTURE

Key events	
Corkhill family acquired Parkwood land (330ha) in NSW.	1984
Corkhill Bros Pty Ltd acquired the short term lease (670ha) of the Ginninderry development land on the ACT side for \$855,255.	2002
ACT Government granted a 99 year lease for the Corkhill Brothers land purchased in 2002.	2004
Riverview Group, a subsidiary of Corkhill Bros Pty Ltd, approached the ACT Government with a proposal for a joint venture for the residential development of rural land leased by Corkhill Brothers in the ACT and on contiguous NSW land owned by them through another subsidiary company, Reid and Stevens Pty Ltd.	2007
The ACT Government established an Intergovernmental Committee to consider the terms of the proposal and the cost implications for the ACT. The IDC proposed the Government proceed, but only with development of land to the ACT-NSW border. This would have expanded the area for development into the buffer zone (along the border) but did not contemplate development in NSW.	2011
Cabinet agreed to the execution of a Heads of Agreement (HofA) between the Territory and the Riverview Group and responsibility for implementation was passed to the Land Development Agency (LDA) for implementation.	2013
A planning proposal related to Parkwood was submitted to the Yass Valley Council by Riverview (the proponent). This was subsequently referred to the NSW Government for a Gateway Determination.	2014
A Gateway determination was issued by the NSW Department of Planning and Environment. A condition of the determination was that a Cross Border Government Servicing report is to be prepared which sets the proposed arrangements for government service delivery.	2015
Cabinet agreed to a LDA proposal to enter into a joint venture with the Riverview Group for the development of West Belconnen and endorsed a land development project business case for the proposed venture. This agreement replaced the HofA.	2015
In May, the Territory, Riverview Group, Corkhill Bros and Reid & Stevens entered into the West Belconnen Joint Venture Agreement. In November, the LDA purchased the 99 year lease back from Corkhill brothers that had been granted in March 2004 for \$4.52 million. As part of the agreement, Corkhill Brothers committed their adjacent blocks of land on the NSW side of the border.	2016
From May to July work was underway to amend the National Capital Plan and vary the Territory Plan to include the proposed development of Parkwood (NSW).	2016
In June, the final version of the report detailing service delivery implications the <i>Parkwood Planning Proposal Services and Infrastructure Report</i> was formalised.	2017
Cabinet agreed to the establishment of a pilot gas deregulation project which removed the mandatory requirement to install gas infrastructure in the first stage of the Ginninderry estate. Cabinet also agreed to establishing a Special Purpose Vehicle, owned jointly by the Territory and Riverview, which will deliver housing within the affordable and low-cost threshold.	2017

Riverview submitted a revised planning proposal to Yass Valley Council, which was also subsequently referred to the NSW Government. This revised proposal included significant updates arising from the first Cross Border Agency Forum.	2017
The first sales at Ginninderry take place in April with more than 1300 individuals registering for blocks of land in the first suburb of Strathnairn.	2017
In September, the West Belconnen Strategic Assessment (SA 024) for the Ginninderry Joint Venture (JV) project was approved by Minister Frydenberg, Commonwealth Minister for the Environment and Energy, an important environmental milestone.	2017
In August, an amended Gateway Determination was submitted by the Department of Planning and Environment.	2018
In October Cabinet agreed to the establishment of an environmental management trust to manage the West Belconnen conservation corridor in perpetuity.	2018
In March, the second Cross Border Agency Forum was conducted and led by Elton Consulting.	2019
In June, the <i>NSW-ACT Memorandum of Understanding for Regional Collaboration</i> is resigned, with the addition of the <i>Parkwood Urban Release Area Governance Framework</i>	2020
In October, ACT Government introduces legislation to allow the SLA to purchase land in NSW. In December, ACT Government purchases two parcels of land in NSW for its joint venture Ginninderry development, adding nearly 500 blocks to the master-planned cross-border resident project.	2021

Source: ACT Audit Office based on information in media reports, timelines in official ACT Government documentation and historical sources on the Ginninderry Joint Venture website.

APPENDIX C: SAMPLE OF PLANNING STUDIES UNDERTAKEN FOR GINNINDERRY

Document title	Author	Commissioned by	Publication date
Towards a vision for West Belconnen: outcomes report from the stakeholder vision workshop and planning and design form	Elton Consulting	Riverview and the LDA	2013
West Belconnen Community Plan Background report (part 1) Social sustainability (part 2) Social infrastructure (part 3) Housing (part 4)	Elton Consulting	Riverview and the LDA	2013
West Belconnen Summary Traffic Report	AECOM	Riverview	2014
West Belconnen Landscape and Open Space Strategy	Mcgregor Coxall	Riverview	2014
West Belconnen Integrated Sustainable Transport Plan	MRCagney	Riverview	2014
West Belconnen Strategic Waste Management Strategy	GHD	Riverview	2014
West Belconnen Sewer and Water Concept Plan Report	Smart Consulting	Riverview	2014
West Belconnen Master Plan Report	Roberts Day	Riverview	2014
Planning Study report: Proposed draft amendment to the National Capital Plan	AT Adams consulting	Riverview	2014
Cross border/single community policing options advice	Mick Palmer	Riverview	2015
Trail Master Plan West Belconnen Conversation Reserve	Arthur Burton and Canberra Town Planning	Riverview	2016
Parkwood Planning Proposal Services and Infrastructure Report	Elton Consulting	Riverview	2017
Bushfire Management Strategy	Ecological Australia	Riverview	2017
Parkwood Planning Proposal – Services and Infrastructure Report	Elton Consulting	Yass Valley Council	2017
Ginninderry Conservation Corridor Management Plan (2018-2023)	TRC Tourism	Riverview	2018
Strategic Bushfire Assessment of Parkwood	Ecological Australia	Riverview	2019
Flood Risk Assessment	Calibre	Riverview	2019
Ginninderry Community Needs Assessment	SGS Economics and Planning	Riverview	2019

Source: ACT Audit Office based on information available on the Ginninderry website (<https://ginninderry.com>) and the NSW Department of Planning and Environment's planning portal (<https://www.planningportal.nsw.gov.au>)

Audit reports

Reports Published in 2021-22	
Report No. 03 – 2022	ACT Taxi Subsidy Scheme
Report No. 02 – 2022	Fraud Prevention
Report No. 01 – 2022	Management of detainee mental health services in the Alexander Maconochie Centre
Report No. 13 – 2021	Campbell Primary School Modernisation Project Procurement
Report No. 12 – 2021	2020-21 Financial Audits – Financial Results and Audit Findings
Report No. 11 – 2021	Digital Records Management
Report No. 10 – 2021	2020-21 Financial Audits Overview
Report No. 09 – 2021	Annual Report 2020-21
Report No. 08 – 2021	Canberra Light Rail Stage 2a: Economic Analysis
Reports Published in 2020-21	
Report No. 07 – 2021	Procurement Exemptions and Value for Money
Report No. 06 – 2021	Teaching Quality in ACT Public Schools
Report No. 05 – 2021	Management of Closed-Circuit Television Systems
Report No. 04 – 2021	ACT Government’s vehicle emissions reduction activities
Report No. 03 – 2021	Court Transport Unit Vehicle – Romeo 5
Report No. 02 – 2021	Total Facilities Management Contract Implementation
Report No. 01 – 2021	Land Management Agreements
Report No. 10 – 2020	2019-20 Financial Audit – Financial Results and Audit Findings
Report No. 09 – 2020	2019-20 Financial Audits Overview
Report No. 08 – 2020	Annual Report 2019-20
Report No. 07 – 2020	Management of care of people living with serious and continuing illness
Reports Published in 2019-20	
Report No. 06 – 2020	Transfer of workers’ compensation arrangements from Comcare
Report No. 05 – 2020	Management of household waste services
Report No. 04 – 2020	Residential Land Supply and Release
Report No. 03 – 2020	Data Security
Report No. 02 – 2020	2018-19- Financial Audits – Computer Information Systems
Report No. 01– 2020	Shared Services Delivery of HR and Finance Services
Report No. 11 – 2019	Maintenance of ACT Government School Infrastructure
Report No. 10 – 2019	2018-19 Financial Audits – Financial Results and Audit Findings
Report No. 09 – 2019	2018-19 Financial Audits – Overview
Report No. 08 – 2019	Annual Report 2018-19

These and earlier reports can be obtained from the ACT Audit Office’s website at <http://www.audit.act.gov.au>.