

**MEDIA RELEASE****29 JUNE 2022****GOVERNANCE ARRANGEMENTS FOR THE PLANNING OF SERVICES FOR  
PARKWOOD, GINNINDERRY**

Auditor-General, Mr Michael Harris, today presented a report on the governance arrangements for the planning of services for Parkwood in Ginninderry, to the ACT Legislative Assembly.

Parkwood is a component of the Ginninderry joint venture development and is located over the border in NSW. The audit considered how effectively the ACT Government's cross-border governance arrangements support the Territory to plan for services in Parkwood.

The Auditor-General noted that planning for, and implementing, land development across two jurisdictions necessarily creates challenges for the delivery of infrastructure, and State and Territory and municipal services.

The audit found that the ACT Government's preferred approach to delivering services in Parkwood is for the ACT-NSW border to be moved so that Parkwood becomes part of the Territory, but that it is currently uncertain whether the NSW Government will agree to this. The Auditor-General says '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'.

In 2020 the ACT and NSW Governments, together with the Yass Valley Council, established a Steering Committee to develop a model for infrastructure and services delivery to Parkwood. The Committee met twice in early 2021 but has not met since then or developed a work program of activities. There is no evidence of how the matters discussed in March 2021 have since been progressed. The Auditor-General says 'the Steering Committee has not effectively progressed the planning of services in Parkwood as intended'.

The summary of governance arrangements for the planning of services for Parkwood, Ginninderry Report, with audit conclusions and key findings are attached to this media release.

Copies of the **Governance arrangements for the planning of services for Parkwood, Ginninderry: Report No 04/2022** are available from the ACT Audit Office's website [www.audit.act.gov.au](http://www.audit.act.gov.au). If you need assistance accessing the report please phone 6207 0833.

# 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 CMTEDD, 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

2.28

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

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

## 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

3.18

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.

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 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 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

## 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.



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.