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**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

**REPORT 4/2022 OF THE ACT AUDITOR-GENERAL – GOVERNANCE FOR THE PLANNING OF
SERVICES FOR PARKWOOD, GINNINDERRY – GOVERNMENT RESPONSE**

**Presented by
Andrew Barr MLA
Chief Minister**

Introduction

The Government thanks the Auditor-General for Report No 4 of 2022 - Governance arrangements for the planning of services for Parkwood, Ginninderry (the Report). 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) and the *Parkwood Urban Release Area Governance Framework* (the Parkwood Framework). It also considers how these two arrangements have been implemented and supported by the ACT Government. The Report was presented to the Speaker of the Legislative Assembly on 29 June 2022.

In 2016, the ACT Government entered into a joint venture agreement for a residential development of up to 11,500 dwellings as part of the Ginninderry development in West Belconnen. The agreement also included development of a component of land over the border in New South Wales, called Parkwood, which is only accessible from the ACT as it is bounded on two sides by bodies of water. Servicing this cross-border development will require arrangements agreed between the ACT, NSW and Yass Valley Council.

The ACT-NSW MoU, first signed in 2011 and re-signed in 2016 and 2020 by the ACT and NSW Governments, is the overarching framework for collaborating on cross-border issues that impact the Canberra Region. In 2020, the YVC, NSW Government and ACT Government co-signed the Parkwood Framework, which established a Steering Committee. This has served as the mechanism for ongoing cooperation and negotiation on the governance arrangements and service model for the delivery of government services and infrastructure for Parkwood.

The ACT Government's preferred approach to providing services for Parkwood is to move the ACT/NSW border such that Parkwood becomes part of the Territory.

In February 2022, the Auditor-General commenced the performance audit. The Report had the following three main conclusions:

- Continuing uncertainty about the prospects of moving the ACT/NSW border, present a threshold issue for service delivery planning and associated cost implications. As such, there is a need for forward planning to reduce and manage these uncertainties.
- The ACT-NSW MoU, which identifies the Parkwood Framework as a Priority Focus Area provides a sound foundation for cross border collaboration. However, the Steering Committee established under the Parkwood Framework has not effectively progressed the planning of services in Parkwood as intended.
- As chair of the Committee, the ACT Chief Minister, Treasury and Economic Development Directorate (CMTEDD) has not effectively advanced the development of a model for delivery of services in Parkwood. 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.

The Report made two recommendations, of which the Government agrees to Recommendation 1 and notes Recommendation 2.

Overarching Comments:

The ACT Government welcomes the recommendations in the Report and has already commenced work to address the findings.

While the ACT Government recognises the need to undertake appropriate planning to manage risk and uncertainty, the current masterplan for Ginninderry indicates the development will not reach the NSW border until 2032. This provides some time to explore the options available to the relevant parties, including a border move and more detailed service delivery planning.

Further, in relation to the issue of the potential move of the ACT/NSW border, the Chief Minister wrote to the NSW Premier in October 2021 seeking to recommence discussions. Since the Audit Report was released, officials from the NSW Department of Premier and Cabinet have advised that the NSW Premier has agreed to progress discussions on options to move the ACT/NSW border on a no commitment basis and alongside exploration of other service delivery options. CMTEDD is now working with the NSW Department of Premier and Cabinet on this issue.

Government responses to the Performance Audit Report's 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.

Government response

Agree.

The Parkwood Steering Committee (Steering Committee) was established under the ACT-NSW MoU and includes the ACT and NSW Governments and the YVC. The purpose of the group is to progress agreement on the preferred governance mechanism and service delivery model for Parkwood. While the Chief Minister, Treasury and Economic Development Directorate recognises its position as Chair of this Committee, it is a tripartite body of the ACT and NSW Governments and the YVC, with all parties taking a degree of responsibility for the progress of work.

The Government acknowledges that work to agree a cross-border service delivery model for the Parkwood development has not significantly progressed since 2021; however, that this pace of work was deliberate and occurred as a consequence of two factors:

1. the parties to the Parkwood Steering Committee agreeing that the option of moving the ACT/NSW border, to remove the need for cross-border service development, should be separately explored by the ACT and NSW Governments before significant resources are committed to developing a detailed cross-border servicing model; and
2. simultaneously, the progress of the Committee slowed during 2021 due to the need for all parties to reprioritise resources to respond to significant cross-border issues resulting from the COVID-19 pandemic. During this period the ACT Government's first priority in the regional portfolio was to work closely with the NSW Government, including the NSW Cross-Border Commissioner's Office, and the local governments of the Canberra Region – including through the Canberra Region Joint Organisation – to provide clear information to cross-border communities on the impacts of COVID in a cross-border context. These impacts manifested in a myriad of ways, but included cross-border travel and movement restrictions, workforce issues and cross-border medical matters. This urgent reprioritisation of the priority focus areas of the ACT-NSW cross-border relationship resulted in an effective pause to a range of cross-border initiatives, including work to support the Parkwood development.

The Parkwood Steering Committee has reconvened and met on two occasions since receiving the Report, on Wednesday 20 July 2022 and on Tuesday 20 September 2022. It is anticipated that meetings will continue to occur at a similar frequency into the future.

The ACT Government continues to work through this forum to agree a work plan to effectively deliver on its objectives in relation to the Parkwood development.

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.

Government response

Noted.

The ACT Government notes that the *Parkwood Planning Proposal: Services and Infrastructure Report (2017)* was developed by the Riverview Group in consultation with the ACT and NSW Governments through a cross-border forum required by the NSW Government. The ACT Government further notes that the base case options have not been tested, nor formally considered or endorsed by the ACT Government.

The ACT Government recognises forward planning and risk management activities in relation to the service delivery model for Parkwood are necessary. The ACT Government notes this recommendation of the Report; however, as it goes to a proposed item of work for CMTEDD, rather than to the supporting governance framework, it is unclear how this recommendation relates to the audit's objective to assess the effectiveness of the Territory's governance arrangements in relation to the delivery of services in Parkwood.

The Government also notes that a decision to make the Cross Border Agency Forum material a significant area of focus of the Parkwood Steering Committee is subject to consensus agreement of the Committee, not a matter for unilateral decision by the ACT.

Despite this, the ACT Government notes that work on this issue had commenced prior to August 2021, but with the decision taken by the Steering Committee to pursue the option of an ACT/NSW border move before considering other service delivery options, efforts in this area were paused.

Further, a change in NSW Premier in 2021 delayed commencement of the investigation of the most efficient path forward in moving the border. The ACT Government has recently received approval from the NSW Premier to re-open discussions regarding the border move.

The option to proceed by developing cross border delivery options in parallel with border relocation considerations will be further discussed by the Steering Committee; however, the Government notes that resolving the issue of a border move is, in fact, a necessary prerequisite to making significant progress on any service planning.

In addition, the ACT Government recognises that achieving a border move would negate the need for the Parkwood Framework and associated Steering Committee, as the establishment of services in the new estate would be managed as required by relevant ACT Government directorates.