

Prepared for:  
G21 CEO & Board

## Executive Summary



# G21 Continuous Improvement Project

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# Acknowledgements

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G21 - the Geelong Region Alliance



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In 2001, the City of Greater Geelong invited Surfcoast Shire, Colac Otway Shire, Golden Plains Shire, the Borough of Queenscliffe, as well as a range of State Government, community groups and business leaders to come together to discuss the possibility of a collaborative approach to creating a joint Regional plan. Prior to this, there was little formal interaction between the Councils and, as a result, many major regional issues went unaddressed and opportunities to apply for significant funding and grants to achieve regional projects were missed.

G21 is now held up as a model of cooperative achievement and has won a number of awards, including the category winner for Innovation in Regional Development at the 2005 National Awards for Local Government. The success of G21 has been due to a number of factors - most notably the cooperation at a variety of levels with multiple stakeholders in the achievement of major projects. These have included the Princes Highway duplication, Deakin Medical School, Deakin Biotechnology Park, Masters' Games and the Regional Transport Plan. As a result of the goodwill generated, the concept of the 'Region' has now become part of the language used by members of the G21 Alliance.

Cooperative approaches to Government are now being more widespread throughout the world. In South Africa, Governments at all levels have signed an agreement to 'cooperate with one another in mutual trust and good faith'. In the United States, local governments are required to 'sign at least two compacts with neighbouring municipalities'. Public-private partnerships are also becoming more prevalent and there are a number at both Federal and State level in Australia. These cooperative processes between Government, community and business organisations lie at the heart of the success of G21, and other Regions are looking to G21 as a model.

In examining the history of G21, membership surveys, interviews and forums identified a number of 'lessons learnt'. These included the benefits of the consultation model. The major strength of G21 was considered to be its ability to engage multiple organisations, highlight important regional issues and propose significant projects. G21 has done this through a strong network of members and stakeholders. Participants discussed the benefits in sharing ideas and learnings with other organisations and individuals. G21 was also seen to have contributed to a higher level of cooperation between staff at many levels within local government.

The bottom up approach to this consultation was also seen as very important, with ideas being contributed by people at all levels through the Pillar Group structure. However, there was a sense that the value of this approach needed to be balanced by clearly articulated direction and goals for G21. There was also a sense that G21 spent a lot of time planning and needed to focus more strongly on implementation of projects. This was demonstrated by feedback that, whilst identification of significant projects was a major strength, completion of these projects was not so successful. This process of achieving project outcomes was seen as an important measure of performance. At the moment, projects generally derive from a 'bottom-up' approach and are most often chosen within Pillar Groups by small groups willing to see them through rather than by criteria identified in the Region Plan. Project participants believed that there need to be more stringent criteria and clearer guidance established for project selection.

Another strength of G21 was seen to be the equal representation of the five participating municipalities within the G21 structure. Through this mechanism, all Councils are strongly engaged in a cooperative decision making process on Regional issues.

A number of challenges were identified by respondents. These included managing the expectations of G21 members and stakeholders. Pillar members identified a lack of clarity with regard to their role within the Pillar Group and were unclear on the scope and focus for the group. The lack of internal links and bridges between Pillar Groups and with the G21 Board was identified as a critical issue, and is causing difficulty for members, who lack awareness of how to engage with the Board to seek their support. This lack of vertical and horizontal communication process also makes it difficult for G21 Operations staff to offer appropriate support.

### Structure

In order for G21 to build on past successes, deal with challenges and move towards an implementation paradigm, it will be important for the organisational structure and processes to evolve. This will require a stronger emphasis on the strategic alignment of G21, an emphasis on project delivery and a better structure and communication process to ensure the ongoing engagement of G21 members and stakeholders.

In order to achieve this, a number of changes are recommended to the structure of G21. These include aligning Pillars under the strategic directions of the 2007 Geelong Region Plan to give them focus. Whilst Pillar Groups can maintain their existing specific areas of concentration, those Pillar Groups which are aligned under the same strategic direction can also be structured into informal reference groups which can come together twice a year to discuss common themes and objectives relevant to that strategic direction. This will encourage cross-Pillar communication. In some cases, Pillar Groups may decide to 'collapse' and others may form. The reference group will provide the mechanism to achieve this.

Vertical communication problems would be addressed by the creation of an informal Executive Group for each reference group under a strategic direction. These groups would comprise a Board member, the G21 CEO and the Pillar leaders for that strategic direction. This structure would enable a direct link between the Pillar Groups and the G21 Board. The formation of the Executive Group would re-introduce the original Pillar Leaders' group which was identified as highly effective. There also needs to be consideration given to the title 'Pillar Group'. Many respondents felt that the word 'Pillar' implied a structure which was rigid and unchanging. G21 members should be involved in developing a new name.

In order for this revised structure to work, sessions would need to be conducted by the G21 CEO with each Pillar Group to analyse their connection to the Region Plan. Pillar Groups and Executive Groups would also need to undertake annual strategic planning to ensure ongoing alignment with the Region Plan.

### Projects

One of the issues of concern to a number of respondents was the large number of projects currently under way within G21. It is challenging for G21 Operations to actively support so many projects and for the Board to remain current with progress. Pillar members were also unsure of what process was used to prioritise G21 projects. Methods for identifying and implementing projects within the Pillar Groups varied significantly, with projects often being chosen by a small group willing to see the project through. This report recommends a more structured process for identifying and prioritising projects using a 'tiered' system.

Tier 1 projects would be of major significance to the Region, address more than one strategic direction, require cross-reference group engagement, address LGA Strategic Plan outcomes for a number of municipalities, be highly complex and involve a number of agencies across the Region. Project teams would be formed across the reference groups and a Board member would act as project 'champion'. Tier 2 projects would be of importance to the Region, contribute to one of the Regional Plan strategic directions and require multi-Pillar involvement. Project teams would be drawn from the reference group. Both Tier 1 and Tier 2 projects would receive active support from G21 Operations staff. Tier 3 projects would be Pillar specific, but still contribute to achievement of the Region Plan objectives. Project teams would be formed from within the Pillar and these projects would not normally be supported directly by G21 Operations staff.

### Operations

Feedback with regard to G21 Operations staff was mostly very positive. When asked what support Pillar members felt was most useful, respondents identified group facilitation and assistance when barriers were encountered as most important. Future support should include guidance to ensure that all projects are in line with strategic directions, facilitating collaboration and group processes including defining roles, and improving the communication process. There was consensus within those surveyed that the G21 office should be kept small and that G21 Operations staff should not work directly on projects. This report recommends that the vacant Research Officer position in G21 Operations not be filled, but that this function be undertaken by member Councils.

In undertaking the support role described by Pillar members, G21 Operations staff will need to focus the type and level of support available, and these levels should be 'tiered' for the Board, Executive Groups, Pillar Groups and project teams. G21 should also contribute to the objectives of member organisations and individuals. This can be done through building closer ties with peak industry bodies to identify synergies,

and through offering set term secondments to individuals with the skill sets needed by G21 at any particular time, enabling these people to work on Regionally significant issues. Where large projects attract funding for project officers, these personnel would also be managed by the G21 CEO.

In order to ensure that G21 Operations staff members are working effectively, the G21 CEO, in conjunction with these staff, should review job descriptions and develop meaningful performance measures. KPI's also need to be developed for Pillar Groups and Executive Groups. It will be important, however, to ensure that these KPI's do not constrain the creative process Pillar Groups bring to G21 through their role as 'think tanks'.

### **Communication**

Communication was rated as one of the most important barriers to success within G21. Communication within Pillar Groups and with G21 Operations staff rated highest, whilst communication between Pillar Groups and with external stakeholders rated lowest. Problems were also identified with vertical communication with the Board. Members suggest that communication needs to be improved with peak industry bodies, local Councillors and the Federal Government. This report recommends that the G21 CEO brief local Councillors as well as State and Federal members on a six monthly basis.

There is also a need for the Board, in conjunction with G21 Operations, to develop a strategic communications/marketing program, and to consider the introduction of a range of electronic communication processes. To further enhance communication within G21 as well as with the broader community, this report recommends the implementation of an annual conference. This would provide G21 with an opportunity to showcase reference groups, project teams and Pillar Groups, involve presentations by highly credentialed speakers, celebrate the achievements of G21 and create an opportunity for members and stakeholders to revisit the Plan and have input into the next year's strategies.

### **Governance**

A number of issues with regard to the Board structure also need to be considered. The Chairperson's role should be elected from within the Board, and both Mayors and Council CEO's should be more formally involved at Board level. Councils should retain the current system of equality of voting. This has been recognised as one of the major strengths of G21, and there would be a risk of losing the engagement of the smaller Councils if the City of Greater Geelong had more votes due to the size of its financial contribution.

There was some concern expressed by members with regard to the role of the independent Directors who are currently not formally connected to the Pillar structure. This report recommends that four of the independent Directors should become responsible for the reference group under each strategic direction. This would address the issue of poor connection between the Board and the Pillar Groups. The remaining independent Director would take on the role of Industry Representative to build stronger ties with the peak industry bodies. The Board needs to consider whether the independent Directors should continue to be elected by the general membership, elected from within the reference groups, or directly appointed by the Board. The Board would also have the option to appoint an independent Director to bring specifically identified skills to the Board. These might include high level accounting, legal, project management or governance capability.

In order to achieve the aims of the Geelong Region Plan, the Board should undertake a strategic planning session once the new structure, operations and governance model has been determined. From this, it will be possible to develop appropriate Terms of Reference and/or Memoranda of Understanding with Pillar Groups and Executive Groups to ensure that there is clear understanding of process, scope and expectations.

To reduce the funding burden on Councils, this report recommends that the G21 Operations Research Officer position not be filled and that the G21 consultancy budget be reduced. This is in line with the expressed aim of moving G21 from a planning phase into implementation.

No specific issues were identified with regard to G21's governance documents and any changes suggested in this report are as a result of the report recommendations.

### **Recommendations**

The following recommendations are contained within the report:

1	That G21 as a successful Alliance continue, but that Pillar Groups to align under Region Plan strategic directions
2	Change the name of Pillar Groups to deter the need to defend inactive groups and reflect the flexibility of the organisation. The membership should be involved in this process.
3	Form an Executive Group for each of the first four strategic directions.
4	Projects are measured against strategic policies and objectives and are tiered in a process that is transparent to all members.
5	Each Tier One project to have a Board member champion/sponsor.
6	Annual strategic planning sessions to be conducted for the Board, reference groups and Pillar Groups.
7	The Research Officer position currently nominated within G21 Operations be abolished and this function picked up through the relevant research areas of the five municipalities.
8	The G21 Operations staff should have as their primary focus the support of the G21 network and project teams. More specifically, they should not be directly engaged in projects, but rather support those who are.
9	Support from G21 Operations staff should be offered through a clearly identified 'tiered' process. These support capabilities should be clearly articulated and communicated to the membership and published in an accessible manner.
10	G21 CEO to work with Operations staff to revise individual job descriptions and develop individual KPI's.
11	G21 to work more closely with organisations such as the Committee for Geelong, Australian Industry Group and Chamber of Commerce.
12	G21 Board and CEO develop the capability to identify and implement KPI's and measuring/monitoring processes for the G21 organisation
13	G21 CEO to conduct six monthly briefings with Councillors from the five participating municipalities as well as with local State and Federal members.
14	A strategic marketing program to be designed and developed between Board, G21 CEO and Marketing/Communications Officer.
15	An annual G21 conference/'trade fair' to be conducted.
16	Board Chairperson to be elected from within the Board.
17	The G21 Board to consider various options with regard to Board composition and decide on the structure which best meets the needs of G21.
18	Each municipality to retain equal voting rights on the G21 Board.
19	That one independent Director takes on the role of Industry Representative, providing guidance on engaging industry groups.
20	Four independent Director positions be changed to Executive Leaders of Reference Groups.
21	The G21 Board to consider various options with regard to election or appointment of independent Director positions and decide on the option which will best meet the needs of G21.
22	The G21 Board appoint one independent Director to bring required specialist skills and knowledge to the Board.
23	The G21 Board to develop Terms of Reference and/or Memoranda of Understanding for Pillar

Groups and Executive Groups.

24 That the consultancy allocation within the G21 Operations budget be reduced and future consultancy requirements addressed through specific project funding.

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