



CANBERRA REGION
JOINT ORGANISATION

CRJO Board Meeting

Friday, 11 June 2021

09:00am – 12:30pm

JFK & CDG Rooms, The Vibe Hotel Canberra

Join Zoom Meeting:

<https://zoom.us/j/98843659107?pwd=SUtScTlhNTRObGI3Y0hxdGJNL2JJZz09>

Meeting ID: 988 4365 9107

Passcode: 179844

Our Region...

Dynamic

Innovative

Connected

...Compelling!

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MEMBERS	
Bega Valley Shire Council	Mayor Cr Russell Fitzpatrick Ms Leanne Barnes OAM
Eurobodalla Shire Council	Mayor Liz Innes Dr Catherine Dale
Goulburn Mulwaree Council	Mayor Bob Kirk Mr Warwick Bennett
Hilltops Council	Mayor Brian Ingram Mr Anthony O'Reilly
Queanbeyan-Palerang Regional Council	Mayor Tim Overall Mr Peter Tegart
Snowy Monaro Regional Council	Mayor Peter Beer Mr Peter Bascomb
Snowy Valleys Council	Mayor James Hayes OAM – Deputy Chairperson Mr Matthew Hyde
Upper Lachlan Shire Council	Mayor John Stafford Ms Colleen Worthy
Wingecarribee Shire Council	Mr Viv May Mr Les McMahon
Yass Valley Council	Mayor Rowena Abbey – Chairperson Mr Chris Berry
ACT Government	Ms Wilhelmina Blount Dr David Clapham
East Gippsland Shire Council	Mayor Mende Urie Mr Anthony Basford
Wagga Wagga City Council	Mayor Greg Conkey OAM Mr Peter Thompson
Canberra Airport	Mr Noel McCann
Canberra Region Joint Organisation	Ms Kalina Koloff Ms Sophie Rice-Boshi
ATTENDEES	
Resilience NSW	Mr David Timmins
Office of Local Government	Ms Karen Purser Ms Alison Murphy
NSW Government – Regional NSW	Ms Megan Cleary
NSW Cross Border Commissioner and Regional Town Water Supply Coordinator	Ms Emma Watts Mr James McTavish
Jennifer Lang Australia	Ms Jennifer Lang
Local Land Services	Ms Alison Harker Ms Megan Wylie

1. Opening Meeting

The Chairperson will open the meeting.

2. Welcome & Acknowledgement of Country

The Chairperson will welcome members and guests and make an acknowledgment of country.

3. Apologies

The Chairperson will call for any apologies. CRJO will resolve to accept any apology and may grant leave of absence.

4. Urgent Business

The Chairperson will call for any Additional Business pursuant to Clause 9.3 of the Code of Meeting Practice. Any additional business to be discussed requires a Board resolution or a ruling by the Chairperson that the matter is of great urgency.

The CRJO Board may resolve to accept any late item, information, or urgent business to be discussed and/or determined at this meeting.

5. Network Updates

5.1. ACT Government

5.2. Resilience NSW

5.3. Regional NSW

5.4. Office of the Cross Border Commissioner

5.5. Office of Local Government

6. Confirmation of Minutes

Attachment: 6.1 CRJO Board Meeting Minutes - March 26 2021

RECOMMENDATION

That the CRJO Board Meeting minutes from March 26 2021 be accepted.

7. Reports to the Board

7.1. CRJO Budget 2021/22

Reporting officer: Kalina Koloff & Jennifer Lang

Attachments:

7.1.1 Draft CRJO Operational Budget 2021/22

7.1.2 Detailed Draft 2021-22 CRJO Budget

RECOMMENDATION

That the CRJO Board

1. *Note the CRJO is budgeted to achieve an operating surplus of \$82k with total income of \$2,125k and expenses of \$2,043k for the 2021-2022 Financial Year.*
2. *Adopt the CRJO Draft Budget 2021-2022*
3. *Note potential additional income of \$2,780,632 if the application to the Bushfire Local Economic Recovery Fund is successful (NB: announcement expected in July 2021)*

REPORT

The 2020-2021 financial year saw unprecedented challenges as a result of the COVID19 pandemic. This meant a period of adjustment as the delivery of its Programs went online. These changes were reflected in the financials of the CRJO throughout 2020-2021 with significant underspend in travel, accommodation and motor vehicle expenses.

The 2021-2022 budgeting process has been undertaken with the assumption that it is 'business as usual' as meetings, workshops, training and site visits all return to their original arrangements. As a result, adequate expenditure has been budgeted to facilitate these arrangements.

Following the devastating impacts of the 2019 bushfires, the 2021-2022 budget includes a new wave of Programs focusing on bushfire recovery and resilience funded from the Bushfire Community Recovery & Resilience Fund (BCRRF). It also reflects CRJO's continued commitment to Waste Management Programs following the receipt of funding for the Food Donation and Bin Trim initiatives and the extension of its core waste Programs.

Table 1.1 below provides an overview of the draft 2021-2022 budget.

Summary	CRJO Operations \$000	Contaminated Lands \$000	Regional Co-ordination Support \$000	Total \$000
Operating Income				
Interest and Investment Revenue	\$1	\$0	\$0	\$1
Operating Grants	\$429	\$361	\$519	\$1,309
Other Revenue	\$798	\$11	\$6	\$815
Total Operating Income	\$1,228	\$372	\$525	\$2,125
Operating Expenses				
Borrowing Costs	\$0	\$0	\$0	\$0
Depreciation	\$8	\$10	\$5	\$23
Employee Benefits and On-Costs	\$354	\$283	\$221	\$858
Materials and Contracts	\$487	\$40	\$106	\$633
Other Expenses	\$237	\$40	\$252	\$529
Total Operating Expenses	\$1,086	\$373	\$584	\$2,043
Operating Surplus/(Deficit)	\$142	(\$1)	(\$59)	\$82

Table 1.1 – Overview of 2021-2022 budget

7.2. Shared Audit and Risk Services

Reporting officer: Kalina Koloff

Attachment: 7.2 Proposal - Internal Audit as a Shared Service

RECCOMENDATION

That the CRJO Board

1. *Receive the proposal*
2. *Indicate their willingness to participate in a program to deliver an internal audit and risk function through a program office located in the CRJO*
3. *Indicate preference for a shared ARIC model or maintenance of individual ARIC per LGA*
4. *Upon confirmation of participation the CRJO CEO to prepare a report detailing actual costs and timeline for delivery for endorsement by Councils*

REPORT

In an effort to improve risk management and drive greater levels accountability in local government the NSW Government introduced a mandate in 2016 under **Section 428** of the Local Government Act 1993 requiring all councils to establish an independent Audit, Risk and Improvement Committee (ARIC) and Internal Audit function as part of their broader Risk Management and Internal Audit Framework by **March 2022**.

The challenge to member councils of the CRJO is to satisfy the new regulatory requirements in an economical, timely, efficient and effective manner.

The CRJO has identified an opportunity to build capacity through the development of a Fee-For-Service program for the delivery internal audit and risk services for member councils. This proposal builds on the successful pilot program delivered by Goulburn-Mulwaree, Yass Valley and Upper Lachlan Shire Councils.

The proposal demonstrates a shared service model can deliver significant cost savings to members which increases with each additional participant. It also ensures streamlined delivery and compliance with the new framework.

7.3. CRJO Operational Report

Reporting officer: Kalina Koloff

Attachment: 7.3 CRJO Operational Report

RECOMMENDATION

That the CRJO Board receive the CRJO operational report.

7.4. CRJO Financial Report

Reporting officer: Kalina Koloff & Jennifer Lang

Attachments:

7.4.1 – Balance Sheet

7.4.2 – Profit and Loss - Overview

7.4.3 – Profit and Loss - Programs

RECOMMENDATION

That the CRJO Board receive the CRJO Finance Report and note the financial position of the Organisation as at 30 April 2021.

REPORT

SUMMARY OF OPERATIONAL ACTIVITIES TO DATE

For the year to date ending 30 April 2021, the Canberra Region Joint Organisation (CRJO) achieved an operating surplus of \$722k.

This surplus is due to:

- Unspent grant funding of \$81k carried forward from the 2019/20 financial year.
- Unspent grant funding received in the current year for existing programs \$201k.
- Unspent grant funding received within the reporting period for new programs, namely:
 - Climate Resilient Housing Toolkit (\$131k);
 - Regional Community Strategic Plan (CSP) (\$78k) and
 - Green Waste Data Collection (\$49k).
- Operational surplus available for business-as-usual expenses for the remainder of 2020/21 \$182k.

The impacts of COVID19 throughout the 2020/21 financial year saw a significant reduction in travel related expenses, which was a contributing factor to the unspent funds detailed above.

Table 1.1 below provides a breakdown of the operating surplus across each Program.

Program	YTD Income \$000	YTD Expenses \$000	YTD Operating Result \$000	Full Year Budget \$000
CRJO Operations*	\$678	\$496	\$182	\$43
EPA - Contaminated Lands	\$384	\$270	\$114	\$0
EPA - Regional Coordination Support Fund**	\$482	\$408	\$74	(\$28)
EPA - Household Chemical Clean Up	\$99	\$130	(\$31)	\$0
EPA – CRC Education	\$171	\$70	\$101	\$0
OEH – Biodiversity	\$23	\$0	\$23	\$0
NEW PROGRAM FUNDING				
Climate Resilient Housing Toolkit	\$138	\$7	\$131	\$0
Green Waste Data Collection	\$56	\$6	\$50	\$0
Regional Community Strategic Plan	\$108	\$30	\$78	\$0
Total Operating Result	\$2,139	\$1,417	\$722	\$15

Table 1.1

*Includes the JO Capacity Building Program and Disaster Preparedness Program

**Includes Regional Waste Education, Bin Trim, Food Donation Network, Container Deposit Scheme, Illegal Dumping and Litter Programs

Notable items to date:

- Program related expenditure continues to ramp up prior to the end of the financial year, which will see a number of Waste related Programs wrap up.
- All other expenditure for the period represents 'Business as Usual' operations including staff wages and on-costs.

Cash Balances

As at 30 April 2021, the CRJO holds a cash balance of \$970k. Table 1.2 below provides a summary of the distribution of cash across the core Programs.

Programs	Opening Balance 1 Jul 2020 \$000	Cash Receipts \$000	Cash Outgoings \$000	Closing Balance 30 Apr 2021 \$000
CRJO Operations*	\$413	\$706	\$732	\$387
CRJO Programs**	\$0	\$49	\$30	\$19
EPA - Contaminated Lands	\$348	\$70	\$270	\$148
EPA - Regional Coordination Support Fund***	\$325	\$317	\$398	\$244
EPA - Household Chemical Clean Up	\$151	\$19	\$115	\$54
EPA – CRC Education	\$122	\$61	\$66	\$117
OEH – Biodiversity	\$77	\$0	\$77	\$0
Total Cash on Hand	\$1,436	\$1,222	\$1,688	\$969

Table 1.2

*Includes the JO Capacity Building, Disaster Preparedness.

** Includes the Climate Resilient Housing Toolkit and Regional CSP Programs.

***Includes Regional Waste Education, Bin Trim, Food Donation Network, Container Deposit Scheme, Illegal Dumping, Litter and Green Waste Data Collection Programs.

Notable business as usual upcoming expenditure:

- GST, PAYG and superannuation payments totaling \$51k will be paid over the next two months.
- Accounts payable of \$171k primarily for the delivery of the Bin Trim Program.
- \$504k of the cash balance remains in a three-month Term Deposit. It is expected that this will continue to rollover until the funds are called upon by the core programs (i.e. Contaminated Lands and Regional Waste).

Risks to budget

- Currently, CRJO Operations is tracking on budget for the year to date.
- All other Programs remain within budget.

7.5. Submissions and Representations

Reporting officer: Kalina Koloff

Attachments:

7.5.1 Letter of Support – Canberra Raiders for Stadium Australia

7.5.2 Letter of Support – Stronger Country Community Fund – Goulburn Mulwaree Council

7.5.3 Representation at NSW Inquiry into Inland Rail

7.5.4 Submission – IPART Review on Rate Peg and Population

RECCOMENDATION

That the CRJO Board note the submissions and representations

7.6. Update from the JO Chairs Forum and Network

Reporting officer: Kalina Koloff and Peter Tegart GM QPRC (Items 7.6.1 and 7.6.2)

Attachments:

7.6.2 IPART Review on Rate Peg and Population

7.6.3 Presentation – Town Water Risk Reduction Program

7.6.4 Presentation – ARDT JO Review

RECCOMENDATION

That the CRJO Board note the updates from the JO Chairs Forum and Network

REPORT

7.6.1. Advocacy on the Emergency Services Levy

The JO Chairs have expressed concern about the rising costs of the ESL and the inability of the rate peg to adequately cover those costs.

The JO EOs have been gathering information together to provide a state-wide picture of the rising costs, of particular concern has been the increasing costs of the RFS. The RFS component of the ESL makes up on average approximately 80% of the total cost of the ESL for country councils.

The JOs have opened a conversation with IPART about how the rate peg might better accommodate the rising costs. The challenge for IPART is that the Local Government Cost Index (LGCI), upon which the rate peg is based, works on average increases across all councils, whereas the ESL varies significantly between metropolitan and rural councils. Finding an average, or an Index that can be “plugged” into the LGCI is difficult.

Recent amendments have been made to the *Local Government Act*, enabling the emergency service tax to be a separate charge on annual rate notices. This differed from the preferred approach that the emergency services tax be included in the annual property tax notice issued by Revenue NSW – quite discreet from council rates. At this stage, the Government hasn’t enacted that amendment, citing further changes to the LGA and FESL legislation and associated Ministerial Orders to activate the intent of the amendment.

At the meeting, the JO Chairs Forum resolved to:

- *Note the update*
- *JO EOs collaborate with LGNSW to present a paper on ESL inc concerns, financial impacts and implications of how ESL methodology is calculated and highlighting key issues related to the FESL*
- *JOs meet with local members to inform them about same*

7.6.2. IPART and the Rate Peg Review

The Minister for Local Government has instructed IPART to review rate peg and population growth with recommendations to give effect from July 1 2022. The brief for the IPART review was to recommend a rate peg methodology that allows the general income of councils to be varied annually to take into account population growth. IPART have confirmed the review will be evidence driven, examining costs and capacity associated with

- Per capita
- Per property
- Metro v region
- Transparency and impactor pays principles
- Capacity to pay > Covid/disaster environment

Representatives from JOs and Councils met with IPART in Sydney on 27th May to participate in a workshop to highlight issues and key considerations for determining rate peg changes for regional and rural councils.

We noted the current rate peg and infrastructure contribution systems do not provide for the operating and maintenance costs of infrastructure or increases in the volume of services demanded by a growing population. It is critical in both instances to account for the differential rates of growth and costs between metro, coastal, regional city, regional and rural councils in NSW.

The focus of concern for many CRJO members is the ongoing financial sustainability of local councils with rising costs of infrastructure and services continuing to impact annual budgets.

CRJO member councils strongly advocate that IPART incorporate a mechanism to recognise either population growth (or asset growth as a proxy) as factor for setting the rate peg for all councils, regardless of whether the individual LGA rate of population growth is at or above the NSW rate of growth.

7.6.3. Working with DPIE on the Town Water Risk Reduction Program

Ms Erin Cini, Director Town Water Risk Reduction Program, DPIE presented an overview of the program and the work that is being undertaken with JOs.

Led by the Central JO, collaboration with the NSW Government and the wider water sector is underway to identify long-term solutions to the challenges and risks to providing water supply and sewerage services in regional towns.

The program is based on a new partnership approach, which recognises and leverages the wealth of expertise within Councils and Local Water Utilities and provides opportunities for these stakeholders to design and refine better solutions in collaboration with DPIE.

7.6.4. Review of Joint Organisations

Ms Emily Verstege, Director, ARTD Consultants presented on the JO Evaluation.

ARTD has been contracted by OLG to undertake the JO Evaluation project. Over the last month ARTD has conducted a survey of General Managers. They have also conducted interviews with the JO Chairs and Executive Officers as well as other stakeholders.

ARTD will be seeking to have a conversation with the JO Chairs generally to further their research and obtain additional data to incorporate in the evaluation findings.

8. Presentations

8.1. Review and Reflection – End of Term

Reporting officer: Rowena Abbey, Mayor Yass Valley Council and Kalina Koloff

Attachment: 8.1 – CRJO End of Term Report

REPORT

Since its inception the CRJO has continued to evolve and deliver a suite of programs with member councils including in regional procurement, contaminated lands, environmental and waste education and in community recycling and litter prevention. In addition, the CRJO and members have worked to build a compelling portfolio of infrastructure prospectuses across the region to position projects withing a life cycle from inception to shovel-ready, allowing the Board and Executive to advocate on behalf of the region and showcase the opportunities available to attract investment, deliver jobs and stimulate recovery.

As we reach the end of the first term of the CRJO board and as the CRJO matures as an organisation it is appropriate to reflect o the wins, the challenges and ask ourselves ‘where to from here?’.

In this session, the Chair Rowena Abbey will lead a discussion with members to review the role of the CRJO and set forward a strategic agenda for the next term.

8.2. LLS South East – Weeds Program

Reporting officer: Allison Harker, Chair LLS South East and colleagues Megan Wylie and Anthony Marshall

REPORT

The Weeds Action Program, known as the WAP, is a surveillance and inspection program that supports weed management activities in all NSW councils. It is a program that brings together councils, Local Land Services and the Department of Primary Industries and supports councils to undertake their regulatory responsibilities under the *NSW Biosecurity Act 2015*. The key to the WAP program success is collaboration, flexibility and engagement of all organisations to achieve a positive outcome for their communities.'

9. Disclosure of Interest

With reference to Chapter 14 of the Local Government Act 1993, and CRJO's Code of Conduct, Councillors are required to declare any conflicts of interest in the matters under consideration by CRJO at this meeting.

10. Notice of Rescission

Pursuant to Clause 372 of the Local Government Act 1993 a voting representative may lodge a notice to rescind a motion for the CRJOs consideration.

11. Notice of Motions

Pursuant to Clause 10.2 of the Code of Meeting Practice a voting representative may lodge a notice of motion for the CRJOs consideration

12. Chair's Minute

Pursuant to Clause 9.6 of the Code of Meeting Practice the Chairperson without notice put to the meeting minutes on any matter or topic that is within the jurisdiction of the CRJO.

13. Confidential Matters

The CRJO Board must resolve to move into Closed Session to deal with any items under s10 Local Government Act 1993.

14. Close

The Chairperson will close the meeting.