



## **Mid North Coast Joint Organisation**

### **Board Meeting**

### **Business Papers**

**Date:** 6<sup>th</sup> December 2019  
**Location:** Kempsey Shire Council - 22 Tozer Street, Kempsey  
**Time:** 9.30am

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## **1. ACKNOWLEDGMENT OF COUNTRY**

We acknowledge that this meeting will be held on the traditional lands of the Dunghutti people and extend our respect to the Elders past, present and emerging.

## **2. APOLOGIES**

Craig Swift-McNair, General Manager, Port Macquarie-Hastings Council

Michael Thurston, General Manager, Destination North Coast (General Manager)

Louise McMeeking,

## **3. DECLARATION OF PECUNIARY AND NON-PECUNIARY INTEREST**

### **RECOMMENDATION:**

**That the Board confirm there are no PECUNIARY OR NON-PECUNIARY INTERESTS**

### **Report**

If a pecuniary or non-pecuniary interest is declared, the Declaration found as **Attachment 1** must be completed and the relevant action (as below) effect.

Pecuniary - must leave meeting, take no part in discussion and voting.

Non-Pecuniary - Significant Conflict - Recommended that Board Member leaves chamber, takes no part in discussion or voting.

Non-Pecuniary - Less Significant Conflict - Board Member may choose to remain in Chamber and participate in discussion and voting.

#### **4. SPEAKERS**

RECOMMENDATION:

**That the following requests to address the Board be acceded to:**

REPORT

There are no requests to address the Board.

#### **5. CONFIRMATION OF PREVIOUS MINUTES**

RECOMMENDATION:

**That the Minutes of the MNCJO Board meeting of 11 October 2019 be confirmed.**

#### **Alignment with SSRP**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

The meeting opened 9:30am and was chaired by Liz Campbell, Mayor of Kempsey Shire Council

A copy of the minutes of the MNCJO Board meeting on the 11 October 2019 may be found appended as **Attachment 2**.

#### **6. CORRESPONDENCE**

RECOMMENDATION:

**That the Board note the incoming and outgoing correspondence included on the correspondence register, for the period 1 October 2019 to 30 November 2019**

REPORT

Please refer to **Attachment 3**.

#### **7. MINUTES OF THE GENERAL MANAGERS ADVISORY COMMITTEE (GMAC) MEETING – 8<sup>th</sup> NOVEMBER 2019**

RECOMMENDATION:

**That the Board note the minutes from the General Managers Advisory Committee meeting held on the 8<sup>th</sup> November 2019 at Kempsey Shire Council.**

### Alignment with SSRP

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

#### REPORT

For your consideration the minutes of this meeting may be found as **Attachment 4**

## 8. STANDING ITEMS

#### RECOMMENDATION:

**That the Board note the information in the update reports provided, as resolved by the MNCJO in the Board meeting of the 9<sup>th</sup> August 2019, Bellingen Shire Council:**

*“That the Executive Officer create a standing item on future MNCJO Board Agendas for update report to be provided by:*

*North Coast, Regional NSW ,Regions, Industry, Agriculture and Resources*

*Office Local Government*

*Destination NSW*

### Alignment with SSRP

SSRP 6. Advocacy: effective relationships with NSW and federal governments to ensure the long term sustainability of local government in the region

#### REPORT

A verbal report on items of interest will be provided by:

Representative	Agency	Attachment(s)
Louise McMeeking	Director, North Coast, Regional NSW Regions, Industry, Agriculture and Resources	Nil
Anita Gambhir	Engagement Officer, Office Local Government	Nil

### Alignment with SSRP

SSRP 7. Economy: a diverse and robust economy which strengthens existing and creates new industries and educational opportunities

Michael Thurston, General Manager Destination NSW North Coast, has provide a written summary of items of interest related to regional Tourism, which may be found as **Attachment 5**

## 9. ANNUAL PERFORMANCE STATEMENT -MNCJO FYE 30/6/2019

RECOMMENDATION:

**That the Board**

- 1. Note the MNCJO annual performance statement which was submitted to OLG in compliance with the Local Government Act ( s 428(1) )**

### Alignment with SSRP

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

The Annual Performance Statement for the Mid North Coast Joint Organisation (MNCJO) to 30th June 2019, was produced in compliance with the Local Government Act 1993 (Act) s 428(1). The statement is structured into three (3) sections in alignment with the JO Annual Performance Statement Checklist. The three sections are :

- Part A General Performance
- Part B Audited Financial Statements
- Part C Other Appended Documents

The report provides a snapshot of the performance of the NCJO during the financial year which ended 30/6/19, by detailing the deliverables against the SSRP focus areas and goals which are:

1. Social, health and wellness	An active, healthy, resilient and safe community
2. Environment	Enhance natural and cultural heritage
3. Economy	A diverse and robust economy which strengthens existing and creates new industries and educational opportunities Vibrant, connected cities and centres
4. Infrastructure	
5. Regional leadership	Effective and efficient governance and regional leadership
6. Advocacy	Effective relationships with NSW and federal governments to ensure the long-term sustainability of local government in the region

In addition, the Audited Financial Statements were included, which highlighted no areas of concerns in terms of financial management of receipts or outflows during the financial year. For your reference the Annual Performance Statement is appended as **Attachment 6**

## **10. MNCJO AUDITED FINANCIAL REPORT – FINANCIAL YEAR END 30/6/19**

RECOMMENDATION:

**That the Board adopt the MNCJO Audited Financial Report for the financial year end 30 June 2019**

### **Alignment with SSRP**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

In compliance with the Local Government Act 1993 (Act) s 428(1) the Board is asked to consider and endorse the Audited Financial Statements, noting that Public Submissions will be required for later Board review.

The relevant financial statements are appended to this document as **Attachment 7**

## **11. JO CAPACITY BUILDING FUND PROJECT SUBMISSION**

RECOMMENDATION:

**That the Board note the requirements of the JO Capacity Building Funding and endorse the proposed MNCJO project application, due for submission to OLG by Tuesday 9th December 2019**

### **Alignment with SSRP**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

### **Purpose of the Capacity Building Fund**

In August 2019 the Joint Organisation Capacity Building Fund was established by the NSW Government to support Joint Organisations in developing their ongoing sustainability. The Joint Organisation Capacity Building Funds must be spent on activities and projects specifically designed to improve the sustainability of a JO.

### **Available Funding**

The Joint Organisation Capacity Building Fund provides a one off total of \$1,950,000 (\$150,000 per JO) and is available to all JOs proclaimed in 2018.

### **How the Joint Organisation Capacity Building Fund can be spent**

Joint Organisation Capacity Building Funds must be spent on activities and projects specifically designed to improve the sustainability of a JO in one or more areas.

Activities may include but are not limited to:

- Program design
- Program promotion
- Program prioritisation (EOI process and business case development)
- Funding application assessments
- Contract management
- Project management
- Project and program delivery
- Funding/project acquittal
- Program evaluation.

Any funding shortfall or funding for ongoing operational activity will be funded by the JO. JOs are responsible for implementing projects, consistent with the guidelines.

### **Criteria for selecting projects**

JOs must use the funding to deliver specific outcomes in relation to one or more of the capacity areas noted above, and address one or more of the JOs strategic priorities.

JOs will submit a proposal for a project which addresses these guidelines. The project and agreed outcomes will be agreed between the JO, Office of Local Government and Regional Directors of Regional NSW (former DPC Regional Directors) following an approved assessment process.

Projects must meet the following criteria:

- Address one or more of a JOs strategic regional priorities
- Deliver measurable outcomes
- Demonstrate commitment from member councils to provide in kind support in the development and or implementation of the project/s
- Contribute to a JO Business plan demonstrating ongoing financial sustainability.

### **Ineligible activities**

The Joint Organisation Capacity Building Fund is not to be used for capital expenditure or operational costs, or activities which could be considered as “business as usual”.

### **Accountability and acquittal of funds**

JOs will be responsible for the effective governance of the Joint Organisation Capacity Building Funding and will be required to use a project management framework that supports the delivery of projects.

The Joint Organisation Capacity Building Fund is to be spent or committed by 30 December 2020 and all funding must be acquitted before 30 June 2021. JOs will be accountable for the expenditure of the Joint Organisation Capacity Building Fund in accordance with these guidelines, which require the following:

The Office of Local Government (OLG) will prepare a funding agreement to provide funding under the Joint Organisation Capacity Building Fund to JOs, including agreement to participate in the assessment process and undertake the projects jointly identified during that process. On signing of the funding agreement and submission of an invoice, the OLG will provide the



funds to JOs.

By September 2019, JOs are to notify the OLG of their plan for delivering the projects under the Joint Organisation Capacity Building Fund. Notification is to include information on governance arrangements, including costings, timeframes (including major delivery milestones) and expected benefits. JOs are to advise OLG of any changes to the delivery plan. Any interest received from the investment of the funds is to be added to the balance of the fund.

### **Acknowledgement**

The funding agreement will specify that funding is conditional on agreement to the Funding Acknowledgment Guidelines for Recipients of NSW Government Grants

### **Timeframes**

The Joint Organisation Capacity Building Fund is to be spent or committed by 30 December 2020 and all funding must be acquitted before 30 June 2021.

MNCJO Project Submission to meet these guidelines centres on a delivery of a Biodiversity Offset Viability Project to help mitigate the MNCJO financial vulnerability by exploring the potential creation of supplementary income by the establishment of biodiversity stewardship agreements in each LGA that create biodiversity credits.

### **MNCJO Project Scope**

Under new legislation, permanent protection and management of biodiversity is provided by the establishment of biodiversity stewardship agreements that create biodiversity credits. Where applicable, these credits may provide an income source for land managers to implement land management actions. Biodiversity credits can be used to offset unavoidable biodiversity loss. This project involves an assessment of the unavoidable biodiversity offset requirements likely to be generated from land already identified for development across the MNCJO region, and analysis of potentially available biodiversity stewardship sites on public land in the MNCJO region

### **MNCJO Project Objectives**

The objectives of the MNCJO Biodiversity Stewardship project are to:

- To explore if a viable option is available for the MNCJO to enhance its sustainability, enabling achievement of its mission, by potentially generating supplementary revenue contributing to future ongoing financial capacity, from the identification and potential management of stewardship sites within each of the member's local government area.
- To show leadership and build upon the concerns of local residents as revealed in the "*Why Local Government Matters*" report
- Demonstrate to the State Government the capability of the Joint Organisation in delivering a project across Council boundaries and with cross-Councils collaboration
- Demonstrate to the membership elected bodies the value proposition of the Joint Organisation
- To explore innovative ways to respond positively to legislative reforms, state/federal government initiatives and to align with the MNCJO Statement of Strategic Regional Priorities 2018-2019

### **MNCJO Project Outputs**

Project outputs are:

- An assessment of potential stewardship sites by an accredited assessor to produce clear

- stewardship options, within each of the member's LGA, for Board consideration
- Advice on the regulatory framework and constraints that may apply around JO management of the offsets program/retention of offset revenue
- Advice on Potential offsets that may engender
- Advice on practices, protocols and systems that would be required by the JO to enable potential management of stewardship sites and protentional retention of any offsets
- Report to Board and GMAC and OLG
- Reports to member Council
- Media releases locally
- Powerpoint presentation to potential developers regarding offset sites available
- Through this project, stronger relationships will be built both between JOs and their members

### **MNCJO Project Strategic Alignment**

By exploring offset opportunities, the MNCJO demonstrates regional leadership by building upon the concerns of its local communities as revealed in the *Why Local Government Matters* report produced by UTS. This research report showed that over two thirds of the region's residents are concerned about environmental matters, with 66% citing the health of the Mid North Coast's fauna and flora as extremely important.

This project also articulates directly with the MNCJO SSRP 2018-2019 2.2 which states "*preserve strategic biodiversity and identify land with high environmental value and biodiversity...*" and is aligned with the funding guidelines criteria that the project must "*address one or more of the Joint Organisation's strategic priorities*"

The submission is seeking funding to cover the costs for contracting of a project lead to ensure all deliverables are achieved; and of an accredited assessor to assess nominated sites in each LGA using the recognised Biodiversity Assessment Method (BAM).

The MNCJO project application form and associated project plan, which details the structure, milestones, reporting and budget may be found as **Attachment 8**

The OLG JO Capacity Building Funds guidelines are also appended as **Attachment 9**

## **12. COST SHIFTING TO COUNCILS**

RECOMMENDATION:

**That the Board request the GMAC give consideration to developing a consolidated report on cost shifting reflecting the financial impacts and impost on the member Councils of the MNCJO.**

### **Alignment with SSRP**

SSRP 6 Advocacy: Effective relationships with NSW and federal governments to ensure the long-term sustainability of local government in the region

## REPORT

Cost shifting has an effect on each Council's financial position and ability to deliver to the community. This report discusses the impact of cost shifting imposed on Councils from both the Federal and NSW Governments and utilises PMHC as a case study to highlight the effect of this on one of our members. It is anticipated a similar proportional impact would occur for all members. As an example the table below indicates the \$ impacts of cost shifting on PMHC, though the full impact is yet to be determined.

**Table 4 Cost Shifting Impacts Absorbed by PMHC Council**

	<b>2018/2019 Actuals (\$'000)</b>
Total of Cost Shifting Impacts from Table Above	13,384
Cumulative Ongoing Impact of Indexation Freeze on Financial Assistance Grant	870
Non Rateable Properties	2,000
Impacts of Biodiversity Conservation Act	25
<b>TOTAL IMPACT</b>	<b>16,279</b>

### **Financial Impact of Cost Shifting on Council's Operational Plan and Long Term Financial Plan**

This cost shifting impacts Council's available funds to deliver quality services and infrastructure, and its operating performance. The funds absorbed by the impact of cost shifting could otherwise improve Council's operating position and/or be spent on some of the following:

- Additional services to the Community.
- Increasing current service levels to the Community.
- New infrastructure works.
- Increased maintenance expenditure.
- Increased spend on renewal of assets.

Some of these items would lead to a better overall performance and improve Council's financial sustainability.

A detailed report on Cost Shifting provide by the GM PMHC is appended as **Attachment 10**

### 13. FIRE RESILIENCE FORUM

#### RECOMMENDATION:

**That the Board note the update provided on the Fire Resilience Forum conducted in the offices of Port Macquarie Hastings Council 28 November 2019.**

#### Alignment with SSRP

SSRP 1: Social, health and wellness: an active, healthy, resilient and safe community

#### REPORT

The MNCJO hosted a Fire resilience Forum on 28 November 2019 in the offices of Port Macquarie Hastings Council.

Chaired by Mayor Liz Campbell the purpose of the forum was to enable dialogue between Councils and key Government Agencies on the regional priorities and issues pertaining to Fire Risk.

Greg Mullins shared his perspective on the bushfire outlook based on his many years' experience as a former Fire and Rescue Commissioner.

Following Greg OEM facilitated a session to provide an opportunity for participants to work through key concerns and issues around disaster preparedness across the region, as well as to seek advice regarding resourcing models and enabled exploration of issues raised at the previous Coffs Harbour Risk Reduction Workshop.

Outputs from the Forum included the identification of Barriers to effective Disaster Recovery response and the Priorities Focus going forward. These were:

#### Barriers

- Communication
- Knowledge
- Competing Priorities
- Hierarchy
- Relationships (between Agencies/Levels of Govt)
- Knowledge of Roles

#### Priorities/Focus

- Protection of our natural assets as well as our built assets ( important in this region)
- Emotional /Psychological Wellbeing (Moving Together)
- Supporting Vulnerable People (both at home and in institutions)
- Capacity Building of Education facilities ( Access to one reliable source of evidence to enable informed Decision Making, including for items such as Air Quality)
- Seamless flow of information between Agencies (Timely decision making, Mandated roles, communication/decision trees)
- Multi-Agency Plenary Sessions
- Resourcing Community Initiatives/Building on previous initiatives
- Communicating experiences/building equity
- Identifying 'Safe Places'

These outputs and priorities will inform the development of a foundational piece of the broader OEM Regional Disaster Resilience/Preparedness project, which is due to commence in early in 2020.

#### **14. MNCJO ONGOING ITEMS**

RECOMMENDATION:

**That the Board note the items under auspices of MNCJO that are ongoing, including the formation of subcommittees and networks.**

##### **Alignment with SSRP**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

GMAC, in their meeting of 8 November 2019, instructed that a matrix be included in the Board meeting business papers, to provide ease of tracking of all open items under auspices of MNCJO, including committees and networks.

This matrix may be found appended to this document as **Attachment 11**

#### **15. NSW JOINT ORGANISATION CHAIRS FORUM– 31/10/2019**

RECOMMENDATION:

**That the Board:**

- 1. Note the information provided in the minutes of the NSW JO Chairs Forum 31/10/2019, which was chaired by the MNCJO Chair Mayor Liz Campbell, including the appointment of Clr. Rowena Abbey, Canberra Region JO, as interim Chair and Clr Rick Firman Riverina JO as Interim Deputy Chair**
- 2. Discuss any implications arising from JO and member Councils' data being included on the OLG 'Your Council' Website**

##### **Alignment with SSRP**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

The NSW Joint Organisation (JO) Chairs' Forum met on Thursday 31 October 2019 in the Stanley Preston Room, NSW Parliament.

The forum was chaired by MNCJO Mayor Liz Campbell. As the Budget Estimates session was in progress attendance by Ministers was not possible. Ballots for Interim Chair and Interim Deputy Chair was conducted.

Clr Rowena Abbey (Canberra JO) was succeeded as Interim Chair and Clr Rick Firman (Riverina JO) succeeded as interim Deputy Chair.

Other updates provided included updates by OLG, Minister Hancock's office and LGNSW.

The minutes from the Chairs with handouts, are appended as **Attachment 12**

#### **16. LATE ITEMS**

RECOMMENDATION:

**That the Board consider granting leave for late reports to be tabled for Board review.**

SSRP 5. Regional leadership - effective and efficient governance and regional leadership

REPORT

#### **17. CONFIDENTIAL MATTERS**

There are no confidential matters tabled for discussion as at 1 December 2019

REPORT

Nil

#### **18. NEXT MEETING DATE**

The next meeting will be held at Bellingen Shire Council 7<sup>th</sup> February 2020 at 9.30am

