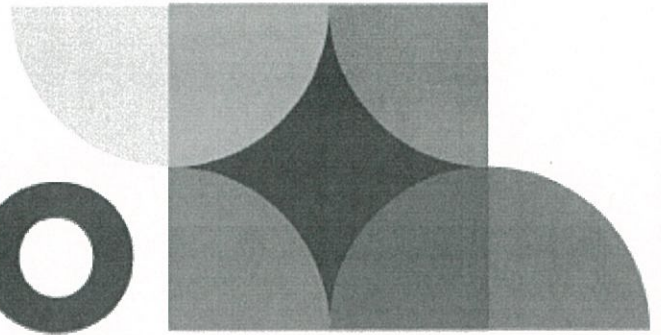


Mid North Coast
Joint Organisation

mncjo

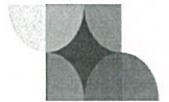


Mid North Coast Joint Organisation

Board Meeting

Minutes

Date: 01 February 2019
Location: Bellingen Shire Council
Time: 10.30am



PRESENT

Voting Members:

Mayor Liz Campbell, Kempsey Shire Council (Chair)
Mayor Dominic King, Bellingen Shire Council (Deputy Chair)

Non-Voting Members:

Louise McMeeking, Director Northern DPC Regional
Liz Jeremy, General Manager, Bellingen Shire Council
Craig Milburn, General Manager, Kempsey Shire Council
Craig Swift-McNair, General Manager, Port Macquarie-Hastings Council & Interim Executive Officer

Other Attendees:

Sonja George – Local Government Manager - Roads and Maritime Services

The meeting opened 10:30am

**1. ACKNOWLEDGEMENT OF COUNTRY**

The Chair invited the Mayor of Bellingen, Dominic King to give the Acknowledgement to Country.

2. APOLOGIES

Mayor Peta Pinson, Port Macquarie-Hastings Council

3. CONFIRMATION OF PREVIOUS MINUTES

RESOLVED: King/Campbell

That the minutes be held for confirmation to next Board meeting on the 5 April 2019 in the absence of Mayor Peta Pinson.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

4. DECLARATION OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no Declarations of Interest tabled.

5. SPEAKERS

Sonja George – Local Government Manager – Roads and Maritime addressed the MNCJO regarding changes at RMS.

**Dealing with Items by Exception:**

At this point in the meeting, the Chairperson put forward a motion as follows:

That in relation to the agenda items included in this agenda, the Board deal with items by exception via a single resolution.

Following discussion with the Board, the following was resolved:

RESOLVED: King/Campbell

That the board resolve to adopt the following multiple items of business by way of this single resolution, being items 6, 8, 9, 12, 13, 14, 15, 17, 18, 19, 20, 21 and 22, and that these items be adopted as per the recommendations included in this agenda.

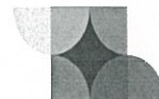
CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

6. ONGOING FUNDING FOR JOINT ORGANISATIONS

RESOLVED: King/Campbell

That the Board note the information provided in relation to the combined Joint Organisations funding proposal to the NSW government.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil



7. PACIFIC HIGHWAY HANDOVER UPDATE

RESOLVED: King/Campbell

That the Board:

1. Note that a meeting was held on Friday 1 February 2019 with The Hon. Melinda Pavey MP Minister for Roads, Maritime & Freight and Member for Oxley, the Roads & Maritime Services (RMS) and the Councils of Bellingen Shire, Nambucca Shire, Kempsey Shire and Port Macquarie-Hastings.
2. Note that agreement was reached at the meeting mentioned in resolution No.1 above that Roads and Maritime would address previous correspondence and the matters raised in the above-mentioned meeting within two weeks.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

Please note that the minutes from the above-mentioned meeting with Minister Melinda Pavey regarding the Pacific Highway are included as an attachment to these minutes.

8. WHY LOCAL GOVERNMENT MATTERS

RESOLVED: King/Campbell

That the Board note the update provided on the 'Why Local Government Matters' report.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

9. NEW CODE OF MEETING PRACTICE

RESOLVED: King/Campbell

That the Board note the information provided in relation to the new Model Code of Meeting Practice and its applicability to the MNCJO.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

**10. EXECUTIVE OFFICER RECRUITMENT PROCESS UPDATE**

RESOLVED: King/Campbell

1. That the Board note the information provided in relation to the recruitment of the MNCJO Executive Officer.
2. In the absence of a Mayor on the interview panel, that a General Manager will fill the position.

CARRIED: King/Campbell

FOR: 2/0

AGAINST: Nil

11. APPLICATION FOR ASSOCIATE MEMBERSHIP OF THE MID NORTH COAST JOINT ORGANISATION BY DESTINATION NORTH COAST

RESOLVED: Campbell/King

That the Board invite Destination North Coast to become an Affiliate Member of the Mid North Coast Joint Organisation.

CARRIED: King/Campbell

FOR: 2/0

AGAINST: Nil

12. MID NORTH COAST JOINT ORGANISATION WEB SITE UPDATE

RESOLVED: King/Campbell

That the Board note progress on the development of the MNCJO web site.

CARRIED: King/Campbell

FOR: 2/0

AGAINST: Nil



13. MNCJO STATEMENT OF REVENUE POLICY – POST EXHIBITION REPORT

RESOLVED: King/Campbell

That the Board adopt the 2018-2019 MNCJO Statement of Revenue Policy.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

14. MNCJO FINANCIAL UPDATE

RESOLVED: King/Campbell

That the Board note the information contained in the MNCJO Financial update report to end December 2018.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

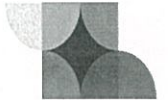
15. STATEMENT OF STRATEGIC REGIONAL PRIORITIES

RESOLVED: King/Campbell

That the Board:

- 1) Adopt the MNCJO Statement of Strategic Regional Priorities
- 2) Request the Interim Executive Officer to submit the MNCJO Statement of Strategic Regional Priorities to the NSW Premier, NSW Deputy Premier, the NSW Minister for Local Government, the NSW Department of Premier and Cabinet and the NSW Office of Local Government.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

**16. PRIVATE NATIVE FORESTRY**

RESOLVED: Campbell/King

That the Board:

- 1) Note the Terms of Reference for the review of Private Native Forestry.
- 2) Mid North Coast Joint Organisation make a joint submission with the Northern Rivers Joint Organisation to the review of Private Native Forestry.

CARRIED: Campbell/King
FOR: 2/0
AGAINST: Nil

17. RFS & SES FUNDING ARRANGEMENTS

RESOLVED: King/Campbell

That the Board:

- 1) Note the information in relation to control of Rural Fire Service (RFS) and State Emergency Services (SES) assets and local government funding of the RFS and SES.
- 2) Request the Interim Executive Officer write to The Hon. Troy Grant MP, Minister for Police and Emergency Services, requesting an update on this issue, following on from the Minister's letter to Local Government NSW in May 2018.

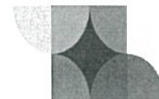
CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

18. LOCAL GOVERNMENT PROCUREMENT DRAFT MEMORANDUM OF UNDERSTANDING

RESOLVED: King/Campbell

That the Board note the information provided in relation to the Local Government Procurement draft Memorandum of Understanding.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

**19. BIODIVERSITY REFORMS QUARTERLY UPDATE**

RESOLVED: King/Campbell

That the Board note the information included in the quarterly Biodiversity reforms update.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

**20. MINUTES OF GENERAL MANAGERS ADVISORY COMMITTEE (GMAC) 18
JANUARY 2019**

RESOLVED: King/Campbell

That the Board note the minutes of the General Managers Advisory Committee meeting held on 18 January 2019.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

**21. MINUTES OF THE JOINT ORGANISATION EXECUTIVE OFFICERS MEETING –
26 NOVEMBER 2018**

RESOLVED: King/Campbell

That the Board note the minutes of the Joint Organisation (JO) Executive Officers meeting held in Sydney on 26 November 2018.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil



22. CORRESPONDENCE

RECOMMENDATION: King/Campbell

That the Board note the incoming and outgoing correspondence.

CARRIED: King/Campbell
FOR: 2/0
AGAINST: Nil

23. MATTERS RAISED BY VOTING AND NON-VOTING REPRESENTATIVES

23.1 NSW Government Caretaker Mode

- Louise McMeeking advised that the NSW Government were entering into Caretaker mode as at 1/3/19.

23.2 Roads Funding

- Craig Swift-McNair suggested and it was agreed by the Board that the NRMA be invited to the MNCJO Board meeting on 5 April 2019 to discuss road funding.

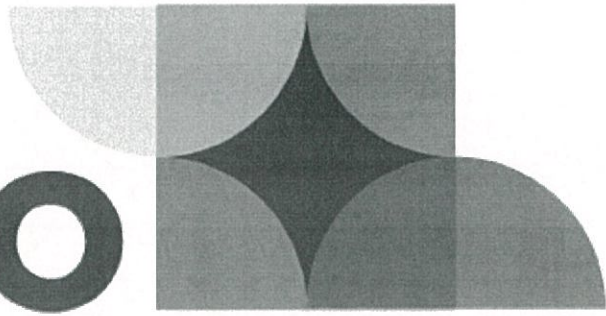
23.3 Climate Council

- Mayor King raised a recent meeting Bellingen Shire Council had with the CEO of the Climate Council of Australia and that the CEO be invited to address the next MNCJO Board meeting on the 5 April 2019 to discuss their work and opportunities to work together.

24. CONFIDENTIAL REPORTS

NIL

MEETING CLOSED: 11:25am



Pacific Highway Meeting

1 February 2019 @ 9:00am, Bellingen Shire Council

Present:

- The Hon. Melinda Pavey MP (Minister for Roads, Maritime & Freight and Member for Oxley)
- Les Wells
- John Alexander (Roads & Maritime Services)
- Mayor Liz Campbell (Kempsey Shire Council)
- Craig Milburn (General Manager, Kempsey Shire Council)
- Mayor Dominic King (Bellingen Shire Council)
- Liz Jeremy (General Manager, Bellingen Shire Council)
- Matt Fanning (Deputy General Manager, Bellingen Shire Council)
- Mayor Rhonda Hoban (Nambucca Shire Council)
- Michael Coulter (General Manager, Nambucca Shire Council)
- Craig Swift-McNair (General Manager, Port Macquarie-Hastings Council)
- Alice Burnett

Apologies: Mayor Peta Pinson (Port Macquarie-Hastings Council)

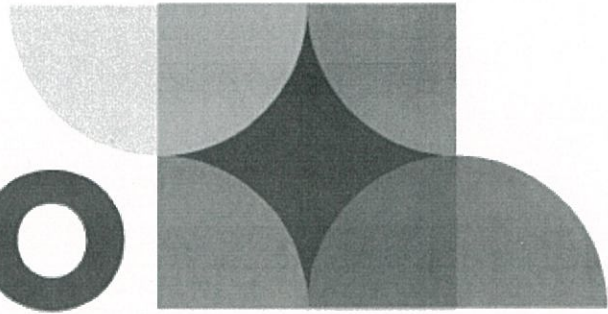
Meeting commenced 9.05am

- Liz Jeremy welcomed everyone to the meeting and talked to the key points included in the Pacific Highway briefing note that was distributed to the Minister the day prior to the meeting. This included detailed information around the long term financial impacts on local Councils when handed over State assets such as the old Pacific Highway and the impacts on the long term financial sustainability and financial ratios of Councils.

Nambucca Shire Council and Bellingen Shire Council have been working towards a solution on this with the Roads & Maritime Services (RMS), the Office of Local Government (OLG) and the Minister for over 2 years and are keen to finalise key financial aspects of the handover of the old Pacific Highway.

There have been delays in getting responses from the Chief Executive of the OLG on this matter as well as a lack of progress on this from the RMS senior management over this time.

Previously the Minister asked the Councils to present a solution to the RMS in an effort to move this issue forward and this was done in late 2018 (refer to the Pacific Highway briefing note for further details). It would appear that the solution proposed, whilst getting a good hearing from senior management of the RMS, has been buried, noting that the response letter to the Councils from the RMS stated that an RMS policy change would be required and



that a further response to this would be forthcoming after Christmas, however that response has not been received at the time of this meeting.

- The Minister spoke to the fact that the NSW government has in recent years doubled the roads budget and has assisted in funding replacement of timber bridges across the mid north coast region, plus has agreed with Nambucca and Bellingen Shire Councils' that as part of the old Pacific Highway hand over, the RMS will continue to maintain some concrete and complex bridges in the Nambucca and Bellingen Shire areas.
- John Alexander noted that the RMS are still grappling with the depreciation issue and the IPART suggestions as included in the proposal received from the Councils. It was noted that the Coffs Harbour by-pass project had taken a lot of time and resources from the RMS in recent months. The RMS is conscious that any decisions made in relation to the mid north coast highway hand over, will have flow on effects across the rest of NSW, however the RMS are still willing to find a workable solution on this issue.
- Matt Fanning detailed for the meeting that from a Bellingen Shire Council perspective, the maintenance diary issues relating to the handover have largely been agreed, as well as acceptance of the RMS decision to categorise the old Pacific Highway as a Regional Road. What is outstanding however is the revaluation of the assets prior to handover to Council. The point being that the assets should be revalued in line with their intended new use i.e. not as a State highway; this will then see a reduction in the depreciation impact on Councils. As it stands, the handover of the old Pacific Highway to Bellingen will increase their annual depreciation by \$1.9 million.

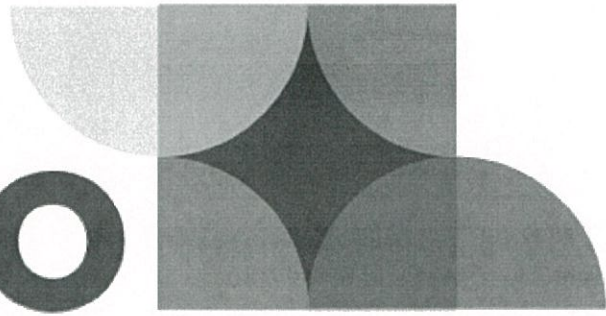
Further to the above, the valuation of the 32km of road that Nambucca Shire Council are to be handed over is approximately \$200 million and this is why there needs to be a revaluation of the assets prior to handover i.e. the new useful life of the old Pacific Highway will be extended substantially due to reduced volumes of traffic etc, which supports the revaluation / depreciation issue.

NSW Treasury guidelines state that assets must be revalued at hand over.

The Councils are looking for a decision maker within the RMS who can make a decision regarding the depreciation and revaluation issue.

Bellingen and Nambucca are now just waiting on final maintenance diary from the RMS and are happy to finalise this, but are looking for a commitment re the handover depreciation issues first.

- Les discussed that the depreciation issue will also have an impact at the NSW Treasury end and this would need to be fully understood prior to any decisions being made.

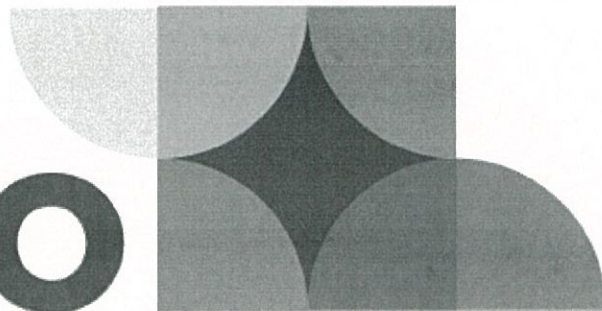


- John Alexander committed to having the RMS look further into the NSW Treasury policy issue re the revaluation of the assets to understand what the RMS position is in relation to this.
- Liz Jeremy noted that Bellingen Shire Council are willing to move forward on the maintenance diary side of things and sign off on that whilst working on the depreciation / revaluation issues.

The point was also made that as the Nambucca Shire Council and Bellingen Shire Council operating performance ratios are going to be negatively impacted by the handover, that there needs to be some acknowledgement from the State when audit is done, as to what the reason for the negative impact is. Kempsey brought their handover to account last year at \$1.2 million depreciation, which is equivalent to asking the community for rate rise of around 10% to cover this. On this point, the impact on Bellingen Shire Council from the handover is equivalent to asking the community for a rate rise of approximately 33% and on Nambucca Shire Council, the impact is equivalent to a rate rise of approximately 43%.

This impost on the Councils could also see the participating Councils not having access to the low interest loans from NSW Treasury, due to negative operations performance ratios.

- Michael Coulter noted that the participating Councils surely deserve a letter from the OLG once audit is done for 18/19 noting the impact of the handover on the financials and the long term impact of this.
- Bellingen suggested that if the maintenance diaries were finalised the Councils could be issued with a road occupancy licence so that the Councils could commence works on the road while the revaluation and depreciation issue was addressed.
- Other issues discussed:
 - o Mayor King raised the issue of the use of plastics and glass waste in asphalt, noting that the RMS are not currently using waste in their road maintenance or construction. It was noted that Sutherland Shire Council are undertaking a trial of this at the moment and the Minister noted that such initiatives also depend on the type and use of road.
 - o The Minister asked about any local initiatives with regard to the silage waste i.e. the plastic from the silage. The Minister and Bellingen Shire Council have raised this previously with the Minister for the Environment. Liz Jeremy provided the Minister with a copy of the Bellingen communications on this issue.



ACTIONS:

- The Minister committed to getting a response from senior management of the RMS on this issue within two weeks from this meeting date, with the letter detailing agreement to finalise the maintenance diary arrangements for Nambucca and Bellingen, whilst also committing the RMS to continuing to work to find a satisfactory solution to the depreciation issue and a timeframe around that.
- It was agreed that the Minister would request the OLG write to the relevant Councils confirming acceptance that the handover has and will impact on their operating performance ratios.
- It was agreed that Liz Jeremy would be the key contact for all communications from the Minister and the RMS around this issue.

Meeting closed 10.05am