



Central NSW Joint Organisation

PO Box 333 Forbes NSW 2871

Chair – Cr John Medcalf, OAM - Lachlan Shire Council

Executive Officer – Jennifer Bennett

Email: jennifer.bennett@centraljo.nsw.gov.au

Ph: 0428 690 935

Agenda to the CNSWJO Board Meeting 25 November 2021

Members

Cr I North	Bathurst Regional Council	Cr J Medcalf	Lachlan Shire Council
Cr S Ferguson	Blayney Shire Council	Cr K Sajowitz	Oberon Council
Cr K Beatty	Cabonne Council	Cr R Kidd	Orange City Council
Cr B West	Cowra Shire Council	Cr K Keith	Parkes Shire Council
Cr P Miller	Forbes Shire Council	Cr M Liebich	Weddin Shire Council

Attending

Mr D Sherley	Bathurst Regional Council	Cr D Somerville	CTW
Ms R Ryan	Blayney Shire Council	Mr G Rhodes	CTW
Mr B Byrnes	Cabonne Council	Ms R Fagan	RDACW
Mr P Devery	Cowra Shire Council	Mr W Sunderland	RDACW
Mr S Loane	Forbes Shire Council	Ms G Collins	DPC
Mr G Tory	Lachlan Shire Council	Ms K Purser	OLG
Mr G Wallace	Oberon Council		
Mr D Waddell	Orange City Council	Ms J Bennett	CNSWJO
Mr K Boyd	Parkes Shire Council	Ms M Macpherson	CNSWJO
Mr J Rath (Acting)	Weddin Shire Council	Ms K Barker	CNSWJO

It is advised that the next meeting of the Central NSW Joint Organisation Board will be held on Thursday 25 November 2021 beginning at 10.00am at the Orange City Council Chambers 135 Byng Street Orange.

Following the meeting will be a formal end of term lunch at the Five Ways Church, 1 Bathurst Street Orange. [Enter from Summer Street](#) please see the map following. There is ample parking.

Please contact Jenny Bennett on 0428 690 935 with any questions.

Agenda



**CENTRAL NSW
JOINT ORGANISATION**

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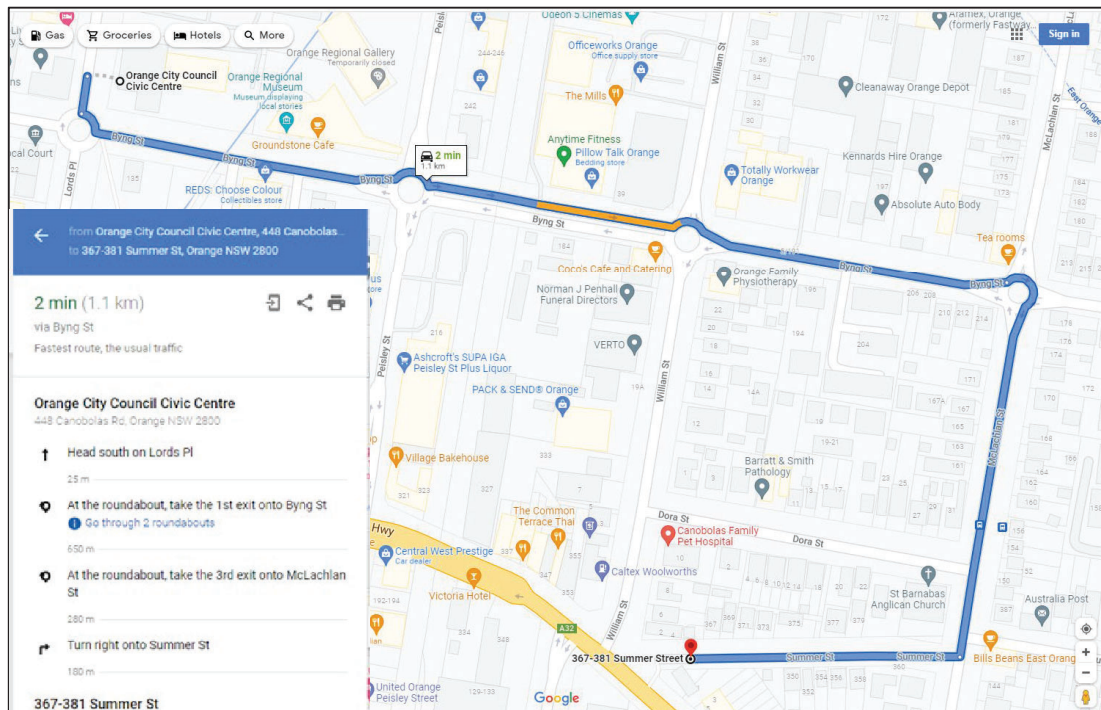
Executive Officer – Jennifer Bennett

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Map from Orange City Council Car Park off Lords Place to the Five Ways Church Restaurant

- Head south on Lords Pl
25 m
- At the roundabout, take the 1st exit onto Byng St
Go through 2 roundabouts
650 m
- At the roundabout, take the 3rd exit onto McLachlan St
280 m
- Turn right onto Summer St
180 m
- 367-381 Summer St Orange NSW 2800



Agenda



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Agenda

1. Welcome
2. Acknowledgment to Country
3. Apologies and applications for a leave of absence by voting representatives
4. Speakers
 - a. Planning and TfNSW on their respective plans- TBC
 - b. CNSWJO End of Term Highlights – Jenny Bennett
5. Chairperson's Minute – Nil
6. Minutes..... 5
- Confirmation of the Minutes of the CNSWJO Board Meeting 12 August 2021 in Orange 5
7. Matters in Progress 12
8. Reports on Statement of Regional Strategic Priority 22
 - a. Adoption of Audited Financial Statements for the year ended 30 June 2021 22
 - b. Financial Report..... 48
 - c. Delegations for the Chair between elections 52
 - d. Compliance and CNSWJO meeting dates for 2022..... 53
 - e. Policy and Procedure review 60
 - f. Options for regional support in implementing Office of Local Government (OLG) guidance in audit, risk and improvement..... 61
 - g. The internal review of the CNSWJO and end of term Report..... 77
 - h. Regional Procurement and Contracts..... 100
 - i. Energy Program 106
 - j. Energy Advocacy Plan 118
 - k. Transport update including working with TfNSW and the (Central NSW ITG) 121
 - l. Water Update 124
9. Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 132
10. **Confidential Report** CNSWJO Executive Officer Proforma Performance Review Report.... 147
11. Late reports
12. Matters raised by Members - Cowra Shire Council
 - **Population projections** - Council is deeply concerned that these population projections create a skewed process away from Government's investigating thoroughly the opportunities for growth beyond current methodology. See attachment 37
 - **The duplication of the GWH** - Council strongly urges the Central NSW Joint Organisation to prioritise the establishment of an expressway route across the Blue Mountains connecting Sydney to the central NSW region. See attachment 38

Agenda



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13. Speakers to the next meeting

14. Next meetings:

GMAC – 3 February 2022

Board – TBC and will include the Election of Chair

Jenny Bennett

Executive Officer

6. Minutes

Confirmation of the Minutes of the CNSWJO Board Meeting 12 August 2021 in Orange

Minutes of the Central NSW Board meeting 12 August 2021 via zoom

In Attendance

Cr I North	Bathurst Regional Council	Cr J Medcalf OAM	Lachlan Shire Council
Cr S Ferguson	Blayney Shire Council	Cr K Sajowitz	Oberon Council
Cr K Beatty	Cabonne Council	Cr R Kidd	Orange City Council
Cr B West	Cowra Shire Council	Cr K Keith OAM	Parkes Shire Council
Cr P Miller	Forbes Shire Council		

Mr D Sherley	Bathurst Regional Council	Ms R Fagan	RDACW
Ms R Ryan	Blayney Shire Council	Ms L Smart	RDACW
Mr B Byrnes	Cabonne Council	Ms A Murphy	OLG
Mr P Devery	Cowra Shire Council	Ms G Collins	Regional NSW
Mr S Loane	Forbes Shire Council	Ms J Bennett	CNSWJO
Mr G Tory	Lachlan Shire Council	Ms M Macpherson	CNSWJO
Mr G Wallace	Oberon Council	Ms K Barker	CNSWJO
Mr D Waddell	Orange City Council	Ms A Thomas	CNSWJO
Mr K Boyd	Parkes Shire Council	Ms C Griffin	CNSWJO
Mr G Rhodes	Central Tablelands Water	Ms V Page	CNSWJO
Cr J Jones	Cabonne Council		

Meeting opened at 9:00am

- Welcome**
- Acknowledgement to Country and Welcome from the Chair, Cr John Medcalf OAM.**
- Apologies applications for a leave of absence by Joint Voting representatives**

Cr M Liebich, Cr D Somerville, Mr M Chalmers, Ms K Purser

Resolved	Cr R Kidd/Cr I North
That the apologies for the Central NSW Joint Organisation Board meeting 11 August 2021 listed above be accepted.	

4. Speakers

9.00am The Chair welcome Ms Steph Cooke, Parliamentary Secretary for Regional Health and Member for Cootamundra and Frances Crowley, Electorate Officer.

Follow-up

- Ms Steph Cooke to take offline about the Maternity Services in Parkes and Forbes;
- The region wants to see lga by lga data for vaccinations;
- Support for Tresillian in Cowra; and
- Seeking an update from Ms Cooke on the review of rural workforce.

9.28am Ms Steph Cooke, Parliamentary Secretary for Regional Health and Member for Cootamundra left the meeting.

Minutes

Ms R Fagan joined the meeting at 9.07am

Mr Greg Tory and Mr Garry Wallace joined the meeting at 9.13am

Cr R Kidd joined the meeting at 9.27am

5. Chairman's Minute – Nil

6. Minutes

Confirmation of the Minutes of the Central NSW Joint Organisation meeting 3 June 2021 held in Orange.

Resolved	Cr R Kidd/Cr K Keith
That the Central NSW Joint Organisation Board confirm the Minutes of the meeting 3 June 2021 held in Orange.	

7. Business Arising from the Minutes – Matters in Progress

Resolved	Cr I North/Cr K Sajowitz
That the Central NSW Joint Organisation Board note the Matters in Progress, making deletions as suggested.	

9.38am The Chair welcomed the Hon Paul Toole, Minister for Regional Transport and Roads, and Member for Bathurst and Nicholas Chilton, his advisor.

Follow-up

1. The Central West Orana Transport Plan is in final stages it will be aligning with the work done by DPIE.
2. Fixing Local Roads Program Round 3 is coming soon and Fixing Country Bridges, to be announced in October, the next round for timber bridges.
3. Regarding Blayney, Demondrille, Minister will ask TfNSW to come back to update.
4. Minister seeking support from the JO and individual Councils for a duplication for Central West over the Mountains.

10.05am The Hon Paul Toole and Nicholas Chilton left the meeting,

10.05am The Chair welcomed the Hon Dr Geoff Lee, Minister for Skills and Tertiary Education, Member for Parramatta and Nick Karam, his advisor.

Follow-up

Regarding training water operators, the Minister will ask Training services to focus on water training.

10.33am Hon Dr Geoff Lee, Minister for Skills and Tertiary Education, Member for Parramatta and Nick Karam, his advisor left the meeting.

Cr Ken Keith left at 10.25am.

10.34am The Chair welcomed The Hon. Melinda Pavey, Minister for Water, Property and Housing, Member for Oxley and his advisor Mr Angus Mackie.

Follow-up

The JO Board to follow up with the Minister's and Deputy Premier's Offices for a joint media release on the importance of the Wyangala Dam project.

Minutes

11.00am The Chair welcomed the Hon John Barilaro, MP Deputy Premier, Minister for Regional New South Wales, Minister for Industry and Trade and Member for Monaro and Advisor Georgina Williams.

Actions

1. Members raised issue about Cowra on Tresillian needing to be in the Master Plan. Supports a model, will chase up with Steph Cooke's Office;
2. Vaccination figures will be made available by Iga;
3. Regarding any stimulus money, with tight timeframes - anyone experiencing pushback on extensions to let the Deputy Premier know. In this current climate extensions must apply;
4. The Deputy Premier's commitment and the election commitment to raising the wall at Wyangala remains- however the costs of the Biodiversity Offset Scheme makes development very difficult;
5. Takes on notice being briefed about the Joint Organisation review.

11.37am the Hon John Barilaro, MP Deputy Premier, Minister for Regional New South Wales, Minister for Industry and Trade and Member for Monaro and Advisor Georgina Williams left the meeting.

11.37am The Chair welcomed the Hon Matthew Kean, Minister for Energy and Environment and Member for Hornsby and his advisors Dimitry Palmer and Anthony Brewster.

Actions

1. Cabonne to write formally about barriers to development of their vision for solar energy production.
2. JO representatives to meet with Minister's representatives regarding procuring electricity around contracts we are seeking support to enable councils to engage in renewable energy.

12.05pm the Hon Matthew Kean, Minister for Energy and Environment and Member for Hornsby and his advisors Dimitry Palmer and Anthony Brewster left the meeting.

Kent Boyd left meeting at 12.10pm

Frances Crowley left meeting at 12.11pm

8. Reports on Statement of Regional Strategic Priority

Priority One: Inter-Council Co-operation

a. Financial Report

Resolved	Cr K Beatty /Cr B West
That the Board note the Financial Report.	

b. OLG Capability Building Stage 2 Funding Agreement

Resolved	Cr K Sajowitz/Cr B West
That the Board note the report on the OLG Capability Building Stage 2 Funding Agreement and	
1. Lodge a project plan with the following inclusions:	
a. a \$35K investment in a Public Relations campaign responding to Covid to be developed with members;	
b. a \$25K Workforce Development Plan for Water and Wastewater to be developed;	

- c. regional strategic support for IP and R to both support members and inform the next Statement of Strategic Regional Priority where CNSWJO contributes \$20K; and
 - d. support for projects in energy and waste to support collaboration with key agencies and stakeholders for \$70K; and
2. Thank the Minister for her ongoing funding support.

c. Service Level Agreement Report

Resolved	Cr P Miller/Cr K Sajowitz
That the Board notes the report on the Services Level Agreement Report and adopt the Staff Employment and Hosting Policy.	

d. Best Practice in Aggregated Procurement

Resolved	Cr B West/Cr K Beatty
That the Board notes the report on Best Practice in Aggregated Procurement and	
1. Adopt the heads of consideration for aggregated procurement activities, contribution to income and expenditure in budgetary and strategic considerations' reporting; and	
2. Receive the suite of BPAP documents at the November Board meeting for consideration with a view to adoption.	

e. Energy Program

Resolved	Cr K Sajowitz/Cr K Beatty
That the Board notes the report on the Energy Program and	
1. Note the advice on a regional approach for solar panels and batteries with further scoping work to be undertaken with GMAC on options in due course;	
2. Support the RACE for 2030 application on understanding and alleviating network constraints;	
3. Communicate to the EV industry that Central NSW is EV-supportive and should be highly considered in their applications under the NSW Government's funding for ultra-fast EV charging and for fast charging under the upcoming ARENA funding round; and	
4. Approve a regional grant application for destination chargers for interested member councils.	

Priority One & Four: Energy Program & Regional Water Security

f. Report on the NSW Government's Pumped Hydro Recoverable Grants Program

Resolved	Cr B West/ Cr K Beatty
That the Board note the report on the NSW Government's Pumped Hydro Recoverable Grants Program and endorse the JO to work with CTW, key member Councils and identified stakeholders including Water NSW and Water Infrastructure NSW on potential co-funding for a grant application.	

Priority Two: Regional Prosperity

g. Tourism PR Visitor Economy Strategy

Resolved	Cr B West/ Cr K Sajowitz
That the Board note the Tourism PR and Visitor Economy Strategy report and	
1. Adopt the priorities for the next twelve months as:	
a. Codeveloping and delivering with members a PR campaign responding to Covid including \$35K from the OLG Capacity Building Fund;	
b. Progressing options advice for members for data;	
c. Review the advocacy plan to be considered by the next Board;	
d. Scoping report on a collaborative project with DNCO on the value tourism in this region to be resourced in-house;	
e. A report on tourism infrastructure priority to the Board;	

- | |
|--|
| <ul style="list-style-type: none"> f. Any training as requested by the Tourism Managers that can be delivered by the CNSWJO Training Service; and g. High level marketing campaign codeveloped with Tourism Managers providing direction to PR, Social Media and broad direction CNSWJO services; and <p>2. Note the PR value from CNSWJO activities for the past twelve months was \$2.44m.</p> |
|--|

Bathurst Regional Council left the meeting at 12.20pm

Cr Reg Kidd returned 12.22pm

h. Skills, Workforce and Housing Report

Resolved	Cr B West/ Cr K Beatty
<p>That the Board note the Skills and Workforce Report and</p> <ol style="list-style-type: none"> 1. Nominate the Executive Officer to be a member of the Local Jobs and Skills Taskforce; 2. That the Regional Leadership Executive will be seeking a member from the Joint Organisation to be part of its Central West Orana and Far West Workforce Development Sub-Committee; 3. Note the Draft Terms of Reference for the Central West Orana and Far West Workforce Development Sub-Committee; 4. Support the efforts by the Regional Growth and Development Corporation in seeking a dedicated resource to coordinate skills and workforce for the Special Activation Precinct; and 5. Note the advice regarding potential “Grow Our Own” activities that could be undertaken to support Council workforce and receive a business case to inform JO prioritisation for the incoming Board after the election in December 2021. 	

Priority Four: Regional Water Security

i. Water Update

Resolved	Cr R Kidd/Cr K Sajowitz
<p>That the Board note the Regional Water report and</p> <ol style="list-style-type: none"> 1. support feedback to be provided by the JO through the Executive in consultation with members and in line with Board policy on DPIE Water’s Roadmap to an improved regulatory framework; 2. seek advice from DPIE on innovative water security projects in NSW and their enablement; and 3. seek a Joint or JO media release on the iron clad support for the Wyangala Dam Project, with the Portfolio Minister and Deputy Premier. 	

8. Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020

Resolved	Cr R Kidd/Cr P Miller
<p>That the Board note the Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority and</p> <ol style="list-style-type: none"> 1. endorse the submissions to the <ol style="list-style-type: none"> a. Joint Standing Committee on road safety, response to the inquiry into mobile speed camera enforcement programs in NSW; 2. prepare a submission to the <ol style="list-style-type: none"> a. Transport for NSW (Transport) on the(REF) and Concept Design for the proposed Medlow Bath Upgrade; b. DPIE on the Regional Housing Taskforce; and c. Committee on Community Services inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW 3. progress a collaborative approach to regional support for members in developing their Community Strategic Plans (CSPs) including: 	

- a. twelve month support for a regional support group of Council staff undertaking IPandR;
- b. advice to the next round of the CNSWO Statement of Strategic Regional Priority; and
- c. leveraging the Regional Leadership Executive to provide better State support to the CSP development;
4. note advice on the Central West and Orana Regional Plan Review;
5. note the advice on The Inland Rail Interface Improvement Program (II Program) – Productivity Enhancement Program (PEP);
6. note the cost savings of \$2.2m in the 2020/2021 FY;
7. note the grant funding of \$736k in the 2020/2021 FY;
8. write a support letter to Steph Cooke regarding the funding for the Tresillian and Gidget Foundation Australia to open a new Regional Family Care Centre in Cowra;
9. write to the Deputy Premier thanking him and making reference to the commitment around extensions with funding deadlines; and
10. write to Minister Toole, supporting the upgrades to the GWH.

10. Confidential: Contract for Safety Compliance Training

Resolved	Cr B West/Cr K Sajowitz
That the Board:	
<ol style="list-style-type: none"> 1. Pursuant to section 10A(1)-(3) of the Local Government Act 1993, the media and public be excluded from the meeting on the basis that the business to be considered is classified confidential under the provisions of section 10A(2) as outlined above; and 2. correspondence and reports relevant to the subject business be withheld from public access. 	

Representatives of RDACW and OLG and Mr Gavin Rhodes left the meeting at 12.38pm.

Resolved	Cr B West/ Cr S Ferguson
That the Board note the confidential report for the Contract for Safety Compliance Training and	
<ol style="list-style-type: none"> 1. Accept the tenders from, and enter into contracts with the following service providers on behalf of member councils: <ul style="list-style-type: none"> • Admire Workplace Safety • Allens Training • Allied Risk Solutions • Australian Training and Consulting • Midd-West Risk Management • Play Safety Training Group • Rojo Emergency and Safety Training • Sitetrain • Strategic Services (Local Government Training Institute) • Succeed Training 2. Delegate the signing of contracts to the Executive Officer; and 3. Advise all tenderers of the decision in accordance with clause 179 of the Regulation. 	

Resolved	Cr B West/Cr K Sajowitz
That the Board resumes open session.	

11. Late reports – Nil
12. Matters raised by Members -Nil
13. Notices of motions/Questions with notice - Nil
14. Speakers to next meeting

Minutes

-
15. **Next meeting**
 GMAC – 28 October 2021
 Board – 25 November 2021 – either in Canberra or via zoom with Federal Minister
 meetings.

Meeting close 12.54 pm

Page 6 is the last page of the Central NSW Joint Organisation meeting 12 August 2021

7. Matters in Progress

Action	By	Update
290519-8b-Drought Sub-committee - Progressing the recommendations of the Drought Issues Paper Work with requisite State agencies and other peak regional bodies regarding drought preparedness with a report to be provided to the Board on options for resourcing better drought support and coordination at the local and regional level.	JB and MM	<p>This sub-committee has now been replaced by the Resilience and Recovery Sub-committee managed by Resilience NSW. This Subcommittee has not met since February.</p> <p>The Department of Regional NSW has developed a Future Ready Regions Strategy to guide drought management by the State Government. This is one of suite of strategies that includes the State and Regional Water Strategies. https://www.nsw.gov.au/regional-nsw/future-ready-regions</p> <p>Concerns are that now it has rained inter-agency coordination for drought has been discontinued within the region. Also, the Regional Water Strategies including options to secure town water supplies are a long way off. See the Regional Water Report.</p>
281113 - 8b - Water Infrastructure Develop a MoU with NSW Health.	MM	<p><i>November 2013- ongoing</i></p> <p>This task has proven difficult to progress. Collaboration between Local Water Utilities and regulators for town water supplies now form part of the Town Water Risk Reduction Program. The Western Area Public Health Unit based in Dubbo have expressed interest in a collaborative exercise with the CNSWJO. To progress matters, as at February 2021, the JO is providing an online platform for collaboration with further discussion underway on how this can add value.</p>
271119-6-P3a-Regional Transport Advocacy Policy, Prioritisation and Freight Links Mapping. 1. Provide updated mapping to the Board; and 2. Provide a review of the Advocacy Plan that identifies one or two priorities for the Board to focus its advocacy efforts.	JB	<ol style="list-style-type: none"> 1. This work is being finalised by DPIE (Planning) and TfNSW at which point outputs will be adapted by the JO. Currently seeking a publishable format from TfNSW. 2. The Chair provided advice via a minute to the Board in February 2020 regarding priority where freight links were identified as one of two overall foci for this year's effort. Work is now underway with TfNSW on how this might look. Also noteworthy is the work being undertaken as part of the Federal Roads of Strategic Importance program. Please note the December 4 2020 meeting had a transport focus. A revised advocacy plan was provided to the March 2021 Board meeting. Please request. Suggest deletion 3. Please note a significant amount of work is being undertaken at the Federal level by both the National Heavy Vehicle Regulator and at the National Freight Data Hub - prototype website National Freight Data Hub - prototype website (freightaustralia.gov.au)
271119-P4-b-Regional Water Report. 1. Agree arrangements be developed with the strategic subcommittee and in consultation with member	MM	<ol style="list-style-type: none"> 1. a.to d. A Strategic Regional Water Committee met on 1 April 2020. The ToR endorsed by the Board (May 2020) includes these items in the heads of consideration. Work on these is on-going through the State Government's strategic water planning framework currently underway. See Regional Water report.

Matters in Progress

<p>Councils for emergency water management between towns across the region that (based on previous Board policy) address the following heads of consideration:</p> <ol style="list-style-type: none"> a. Arrangements for the sharing of water for emergency water needs between towns across the region so that the burden of providing infrastructure for critical urban water transfers is borne equitably by the region (for example through the development of instruments and agreements not structures); b. Ownership and management by LG of any such infrastructure built to transfer emergency water between towns across the region for critical human needs; c. On-going operational costs for emergency water infrastructure; d. A multi-source approach to the supply of emergency water that enables options to be switched on or off as needed with these to be linked to State and local based triggers; and; <p>2. Undertake advocacy seeking early engagement in the Wyangala Dam wall raising and Lake Rowlands to Carcoar Dam projects with a view to being able to influence outcomes.</p>		<p>2. Every opportunity is being sought to engage early with the newly formed Water Infrastructure NSW who, as of 1 July, have carriage of the Wyangala and Lake Rowlands to Carcoar Pipeline Projects.</p>
<p>271119-15a-Confidential Reports Regional Bridge Assessment Report</p> <ol style="list-style-type: none"> 1. receive a report on options for a collaborative approach within three months to the repair and replacement of identified bridges; and 2. members give consideration to their participation in a 	JB	<p>A meeting was held in Bathurst on 13 February 2020 with Public Works Advisory, Transport for NSW and other JOs to discuss options for collaboration. This is moving slowly as TfNSW personnel are going through a restructure. Most recently the report was provided to Mr A Lunn as he seeks to find collaborative opportunities with the JO. The broader JO network has also been progressing conversations around aggregation working collaboratively with TfNSW. A workshop with TfNSW was held Friday 29 October where the issue of a better and more strategic approach to bridges was raised.</p>

Matters in Progress

collaborative approach and advise CNSWJO accordingly.		TfNSW have agreed to progress this in collaboration with the JO Network.
270220 – 7-Chairman’s Minute 1. Adopt the overall focus for the years to align with the Federal vision to grow the agricultural sector to \$100bn by 2030; 2. Note that this includes two priority areas of activity – these being: <ol style="list-style-type: none"> 1. Watering the West <ol style="list-style-type: none"> a. leveraging raising the wall at Wyangala and b. assuring urban water security in the CNSW region; and 2. Freight links 3. Adopt the priorities for inter-council cooperation as: <ol style="list-style-type: none"> a. Reporting value to members of the operational support program; and b. Supporting the sustainability of the broader JO network; 4. Adopt the priorities for regional prosperity as: <ol style="list-style-type: none"> a. Progressing support for the visitor economy; and b. Developing and monitoring the progress of the Regional Prosperity Subcommittee noting the agricultural focus; 5. Encourage members to form or activate friendship agreements with Councils in Western Sydney;	JB	1 and 2 Where this is being implemented the Covid 19 situation is limiting the amount of face to face advocacy and events that can be undertaken. 3 and 4 and 7. The Mayoral Board reports from February 2020 included resolve in this regard. Regarding 4b and 7, please note reporting elsewhere in this agenda on the substantial activity being undertaken as part of the Energy Central Program. 5. Follow up has been undertaken. This focus remains and will be reviewed as part of the overall review of the CNSWJO Strategy after the Local Govt election in December. The review of the JO and turn -over of Board with its requisite review of strategy is due in the next quarter. Suggest deletion
270820 – 7c-Report from the NSW JO Chairs’ Forum 1. seek a report from GMAC on the potential for the Joint Organisation to leverage its role to deliver value to members on waste; 2. regarding the above ensure consultation is undertaken with key stakeholders including Netwaste; 3. advocate to the Deputy Premier, the Hon John Barilaro and others for the Regional Development portfolio to have a formal policy	JB	1. and 2. Stakeholder meetings are being coordinated and will include the findings of the work being undertaken through the Clean Energy Central Project with DPIE. Interest has been expressed from WRI, Netwaste, DPIE and RDACentral West. A report from Netwaste on the 20 year Waste Strategy has been received and is an attachment to the report on the priorities for the OLG Capacity Building fund elsewhere in this agenda. 3. Correspondence sent to the Deputy Premier. The JO Executive Officer Network has met with Ms Fiona Dewar and a workshop in Sydney is being progressed to enable better integration with Regional NSW. Please request a verbal update.

role in the oversight and engagement of Joint Organisations.		Suggest deletion
270820-7h- Scoping Report of a regional promotion campaign Provide a report to the Board that includes the following option: <ol style="list-style-type: none"> 1. a significant promotion campaign over 5 years similar to that of Evocities; 2. tailored approach working with the Regional Australia Institute or other similar entities; and 3. a rework of the Beyond the Range site with associated marketing. 	JB	The Board has resolved to progress leveraging the Regional Activators Alliance program through the Regional Australia Institute. Advice on progress of this initiative is provided elsewhere in MIP. This is the focus of the current effort. Further advice will be provided in due course where interest has been expressed by RLE in collaborative work in attraction and livability based on a potential skills initiative.
270820-7j-Water 1. through the Regional Water Committee, receive scoping advice on the development of a Productive Water Position Paper and that this take into consideration specific feedback from members on water security issues impacting on their towns.	MM	1. Advice on the approach to productive water taken by RAMJO has been provided and is being considered in the context of strategic work underway with the State in water planning. A further report will be provided to the Board in due course.
41220-9m-Western Link Work with TfNSW on aligned messages on road safety.	JB	Correspondence has been sent and follow-up through the Regional Integrated Transport Plan is anticipated upon its inception Monday 8 November 2021.
110321-Energy Program Undertake an audit of lighting as provided by Essential Energy LED upgrade program.	KB	Due to costs and lack of resource, it was decided to pilot and rollout with Cabonne. The audit of lighting in Cabonne is complete and advice has been provided to Cabonne. While there were some unusual findings, they were not sufficiently material to warrant further audits at this time. An audit methodology has been developed and will be sent to members in due course to assist them to conduct their own audit should it be of interest. Suggest deletion
110321- A 20-Year Economic Vision for Regional NSW – Refresh <ol style="list-style-type: none"> 1. work with RDACW and the Regional Prosperity Committee on ensuring opportunities in the Regional 20-Year Economic Vision are realised in Central NSW; 2. Seek feedback from members on the REDs to inform this discussion; and 3. Seek local case studies on 	JB	1. and 2. This matter was raised with the Regional Prosperity Subcommittee 14 May 2021. Feedback from EDOs was included. Follow up has been undertaken with Brendan Cook of DPC who advises that REDS will be reviewed next year (2022) and will be seeking feedback from this region. This advice has been provided to the Economic Development Managers' Forum meeting 3 November. Further work is anticipated and will be reported to the Board. Advice has been sought from members seeking case studies. Some advice has been provided. 4. A meeting was held with representatives of Water NSW and

<p>skills shortages to inform a position paper on skills required to inform a codeveloped report with RDACW;</p> <p>4. seek advice from Inland Rail, Wyangala Dam, the Newell Highway taskforce and TfNSW and Regional Growth NSW Development Corporation on the outcomes from their work on traineeships.</p>		Water Infrastructure NSW. Advice in that regard is provided separately in this agenda.
<p>030621- 9d- Energy Program Invite Essential Energy to come and present to the Board on the LED street lighting upgrade.</p>	KB	Underway. Most councils have commenced or completed their roll-out, with Lachlan and Parkes the only councils yet to commence. Please see an update elsewhere in this business paper.
<p>030621-9f - Visitor Economy Strategy</p> <ol style="list-style-type: none"> 1. provide advice to the regional Prosperity Subcommittee on the action list seeking feedback on potential funding or other support for their delivery; 2. include those actions able to be delivered within resource in the CNSWJO strategy with quarterly review on progress; 3. develop policy that allows for the JO to apply for competitive funding where there is an established regional marketing priority, this to include in the context of the objectives of the JO; and 	JB	<ol style="list-style-type: none"> 1. The Regional Prosperity Committee TOR are under review at the moment. This action will depend on the priority of this subcommittee. 2. Noted. 3. Underway – anticipated for the Policy Review in November.
<p>030621-9g -Skills, Workforce and Housing Report provide advocacy support to Business NSW in its efforts on skilled migration.</p>	JB	Please see a report in this agenda.
<p>030621- Progressing a Western Link Event meet with Blue Mountains City Council, Penrith City Council and other Western Sydney Councils individually on potential opportunities</p>	JB	Will be progressed as NSW opens up.
<p>030621 – 10-Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020</p> <ol style="list-style-type: none"> 1. advocate noting our 	JB	<ol style="list-style-type: none"> 1. Correspondence sent. 2. See report to this meeting. <p>Suggest deletion</p>

Matters in Progress

<p>disappointment in the review process including engagement with every Mayor and the unfortunate timing at the end of council term;</p> <p>2. receive an end of term report and include the risks, challenges and delivery against the objectives, this to include a survey with feedback from members.</p>		
<p>120821-4-Speakers Ms Steph Cooke, Parliamentary Secretary for Regional Health and Member for Cootamundra</p> <p>1. Ms Steph Cooke to take offline about the Maternity Services in Parkes and Forbes;</p> <p>2. The region wants to see lga by lga data for vaccinations;</p> <p>3. Support for Tresillian in Cowra; and</p> <p>4. Seeking an update from Ms Cooke on the review of rural workforce.</p>	JB	CNSWJO have been progressing with Steph Cooke's Office.
<p>120821-4-Speakers The Hon Paul Toole, Minister for Regional Transport and Roads, and Member for Bathurst</p> <p>1. The Central West Orana Transport Plan is in final stages it will be aligning with the work done by DPIE.</p> <p>2. Regarding Blayney Demondrille, Minister will ask TfNSW to come back to update.</p> <p>3. Minister seeking support from the JO and individual Councils for a duplication for Central West over the Mountains.</p>	JB	<p>1. TfNSW and DPIE Planning both advise that their respective plans will be on exhibition in November. Requests have been provided to both agencies for presentations to the Board.</p> <p>2. A Powerpoint was circulated on 13/11.</p> <p>3. This has been provided through the exhibition period for Medlow Bath.</p> <p>Suggest deletion</p>
<p>120821-4-Speakers the Hon Dr Geoff Lee, Minister for Skills and Tertiary Education, Member for Parramatta</p> <p>Regarding training water operators, the Minister will ask Training services to focus on water training.</p>	JB,KB/CG	<p>Correspondence sent.</p> <p>Suggest deletion.</p>
<p>120821-4-Speakers the Hon Matthew Kean, Minister for Energy and Environment and Member for Hornsby</p>	JB/KB	<p>Follow-up correspondence has been sent and a meeting has been held with Minister Kean's Office.</p> <p>Suggest deletion</p>

Matters in Progress

<ol style="list-style-type: none"> 1. Cabonne to write formally about barriers to development of their vision for solar energy production. 2. JO representatives to meet with Minister's representatives regarding procuring electricity around contracts we are seeking support to enable councils to engage in renewable energy. 		
120821 –8a-OLG Capability Building Stage 2 Funding Agreement <ol style="list-style-type: none"> 1. Lodge a project plan with the following inclusions: <ol style="list-style-type: none"> a. a \$35K investment in a Public Relations campaign responding to Covid to be developed with members; b. a \$25K Workforce Development Plan for Water and Wastewater to be developed; c. regional strategic support for IP and R to both support members and inform the next Statement of Strategic Regional Priority where CNSWJO contributes \$20K; and d. support for projects in energy and waste to support collaboration with key agencies and stakeholders for \$70K; and 2. Thank the Minister for her ongoing funding support. 	JB	Completed Suggest deletion
120821-8d- Best Practice in Aggregated Procurement <ol style="list-style-type: none"> 1. Adopt the heads of consideration for aggregated procurement activities, contribution to income and expenditure in budgetary and strategic considerations' reporting; and 2. Receive the suite of BPAP documents at the November Board meeting for consideration with a view to adoption. 	JB/KB	See report to this meeting. Suggest deletion
120821- 8e-Energy Program	KB	<ol style="list-style-type: none"> 1. Discussions are still underway with Essential Energy to finalise the application. Further information will be provided in due course.

Matters in Progress

<ol style="list-style-type: none"> 1. Support the RACE for 2030 application on understanding and alleviating network constraints; 2. Communicate to the EV industry that Central NSW is EV-supportive and should be highly considered in their applications under the NSW Government's funding for ultra-fast EV charging and for fast charging under the upcoming ARENA funding round; and 3. Approve a regional grant application for destination chargers for interested member councils. 		<ol style="list-style-type: none"> 2. The NSW Government has recently announced that the EV fast charging EOI and the fleet incentives round 1 are open. CNSWJO is working to identify a regional approach for members. See elsewhere in this business paper for an update on the EV program. 3. Noted. Suggest deletion
<p>120821-8f-Report on the NSW Government's Pumped Hydro Recoverable Grants Program</p> <p>endorse the JO to work with CTW, key member Councils and identified stakeholders including Water NSW and Water Infrastructure NSW on potential co-funding for a grant application.</p>	MM	<p>Completed. See Regional Water Report.</p> <p>Suggest deletion</p>
<p>1208521-8g-Tourism PR Visitor Economy Strategy</p> <ol style="list-style-type: none"> 1. Adopt the priorities for the next twelve months as: <ol style="list-style-type: none"> a. Codeveloping and delivering with members a PR campaign responding to Covid including \$35K from the OLG Capacity Building Fund; b. Progressing options advice for members for data; c. Review the advocacy plan to be considered by the next Board; d. Scoping report on a collaborative project with DNCO on the value tourism in this region to be resourced in-house; e. A report on tourism infrastructure priority to the Board; f. Any training as requested by the Tourism Managers that can be delivered by the CNSWJO Training Service; and g. High level marketing campaign codeveloped with Tourism Managers providing direction to 	JB/CG	<p>For an update, please see the quarterly review table attached to the Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020.</p> <p>Suggest deletion</p>

PR, Social Media and broad direction CNSWJO services		
120821-8h-Skills, Workforce and Housing Report 1. Nominate the Executive Officer to be a member of the Local Jobs and Skills Taskforce; 2. Note that the Regional Leadership Executive will be seeking a member from the Joint Organisation to be part of its Central West Orana and Far West Workforce Development Sub-Committee; 3. Support the efforts by the Regional Growth and Development Corporation in seeking a dedicated resource to coordinate skills and workforce for the Special Activation Precinct.	JB	1. Two meetings have been held - please request the TOR notes etc. Ms J Bennett is now heading a subcommittee supporting Local Government and Infrastructure – please request a verbal update. 2. Noted 3. Ongoing Suggest deletion of items 2 and 3
120821 -8i-Water Update 1. support feedback to be provided by the JO through the Executive in consultation with members and in line with Board policy on DPIE Water’s Roadmap to an improved regulatory framework; 2. seek advice from DPIE on innovative water security projects in NSW and their enablement; and 3. seek a Joint or JO media release on the iron clad support for the Wyangala Dam Project, with the Portfolio Minister and Deputy Premier.	MM	1. Completed. Suggest deletion. 2. See Regional Water Report for advice on projects across the state. 3. Completed. See Regional Water Report. Suggest deletion
120821-9 Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020 1. prepare a submission to the a. Transport for NSW (Transport) on the(REF) and Concept Design for the proposed Medlow Bath Upgrade; b. DPIE on the Regional Housing Taskforce; and c. Committee on Community Services inquiry into and report on options to improve access to existing and alternate	JB	1a, b and c – Please find attached. Suggest deletion 2. See an update in the Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority 2019/2020 3. 4 and 5 – Letters have been sent Suggest deletion

<p>accommodation in order to help address the social housing shortage in NSW</p> <p>2. progress a collaborative approach to regional support for members in developing their Community Strategic Plans (CSPs) including:</p> <p>a. twelve month support for a regional support group of Council staff undertaking IPandR;</p> <p>b. advice to the next round of the CNSWO Statement of Strategic Regional Priority; and</p> <p>c. leveraging the Regional Leadership Executive to provide better State support to the CSP development;</p> <p>3. write a support letter to Steph Cooke regarding the funding for the Tresillian and Gidget Foundation Australia to open a new Regional Family Care Centre in Cowra;</p> <p>4. write to the Deputy Premier thanking him and making reference to the commitment around extensions with funding deadlines; and</p> <p>5. write to Minister Toole, supporting the upgrades to the GWH.</p>		
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8. Reports on Statement of Regional Strategic Priority**Priority One: Inter-Council Co-operation****a. Adoption of Audited Financial Statements for the year ended 30 June 2021**

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation.
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Jenny Bennett, 9 November 2021

Recommendation/s
That the Board adopt the CNSWJO Joint Organisation General Purpose Financial Statements for the year ended 30 June 2021.

Reason for the report

This report seeks adoption of the CNSWJO Joint Organisation General Purpose Financial Statements for the period 1 July 2020 to 30 June 2021. This is a requirement to comply with the Local Government Act.

Legislative Policy and Risk Consideration

Under the Local Government Act the JO Board must adopt its Audited Financial Statements (the Statements) having placed them on exhibition for public feedback.

The accounts were audited by the Auditor-General and an Independent Auditor's Report and Report on the Conduct of the Audit for the period 1 July 2020 to 30 June 2021 were received 25 October 2021. The Statements were then placed on exhibition on the CNSWJO website.

At the time of writing no feedback has been received. Should any be received, a late report will be provided to the Board.

Please see the Opinion from the Independent Auditor's Report below:

Opinion

I have audited the accompanying financial statements of Central NSW Joint Organisation (the Joint Organisation), which comprise the Statement by Members of the Board and Management, the Statement of Income and Accumulated Surplus for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, and Statement of Cash Flows for the year ended 30 June 2021 and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Joint Organisation's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)*

Reports

- *the financial statements:*
 - *have been prepared, in all material respects, in accordance with the requirements of this Division*
 - *are consistent with the Joint Organisation's accounting records*
 - *present fairly, in all material respects, the financial position of the Joint Organisation as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards–Simplified Disclosures*
- *all information relevant to the conduct of the audit has been obtained*
- *no material deficiencies in the accounting records or financial statements have come to light during the audit.*

My opinion should be read in conjunction with the rest of this report.

Please see an excerpt from the Report on the Conduct of the Audit below:

Net Operating Result

The Joint Organisation's net operating surplus for the year ended 30 June 2021 was \$50,000 (2020 loss \$170,000).

The Joint Organisation's primary income source during the year was from contributions from member councils \$752,000 which contributed to 44.95 per cent of the Joint Organisation's income from continuing operations of \$1,673,000.

Grant income of \$180,000 was significantly lower than 2020 (\$850,000) which included one off restart NSW bridge funding of \$781,000.

The Joint Organisation also generated \$412,000 of training income (2020 - \$337,000). The Joint Organisation's total operating expenses from continuing operations for the period was \$1,623,000 which primarily consisted of employee benefits and on-costs of \$608,000 and administration expenses of \$997,000.

Financial position

At 30 June 2021, the Joint Organisation had total assets of \$1,391,000 and net assets of \$849,000. The Joint Organisation's main assets consist of cash of \$1,150,000 and receivables of \$207,000.

Impact of new accounting standards

AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2'

The Joint Organisation adopted the new accounting standard AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2' in its 2020–21 financial statements.

AASB 1060 sets out a new, separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 'Application

Reports

of Tiers of Australian Accounting Standards'. AASB 1060 has been developed based on a new methodology and principles to determine the Tier 2 disclosures that are necessary for meeting user needs.

AASB 1060 reduces the reporting requirements of entities using the current Tier 2 reporting requirements for preparing general purpose financial statements.

The adoption of AASB 1060 has not affected the reported financial position or performance of the Joint Organisation, however certain disclosures have been added, amended or omitted.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Joint Organisation's accounting records or financial statements. The Joint Organisation's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited*
- staff provided all accounting records and information relevant to the audit.*

Attachment/s: Nil

Central NSW Joint Organisation

Financial Statements

For the Year Ended 30 June 2021

Reports

Central NSW Joint Organisation**General purpose financial statements
for the year ended 30 June 2021****Contents**

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Central NSW Joint Organisation is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at

Central NSW Joint Organisation
2 Court Street
FORBES, NSW 2871

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.centraljo.nsw.gov.au.

Reports

Central NSW Joint Organisation**Statement by Members of the Board and Management made pursuant to Section 413(2c) of the Local Government Act 1993 (NSW)**

The attached general purpose financial statements have been prepared in accordance with:

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder
- the Australian Accounting Standards – Simplified Disclosures and other pronouncements of the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

- present fairly Central NSW Joint Organisation's operating result and financial position for the period
- the accord with Central NSW Joint Organisation's accounting and other records.

We are not aware of any matter that would render this report false or misleading in any way.

Signed by the delegates of the Board of Central NSW Joint Organisation.



Councillor John Medcalf
Chairperson

Dated: 25/10/21



Councillor Phyllis Miller
Voting Representative Board Member

Dated: 21/10/21



Ms Jennifer Bennett
Executive Officer

Dated: 21/10/21

Central NSW Joint Organisation**Statement of Income and Accumulated Surplus
for the year ended 30 June 2021**

		2021 000's \$	2020 000's \$
	Notes		
Income			
Member council contributions	B.1.1	752	731
Grants provided for operating purposes	B.1.2	180	850
Interest and investment revenue	B.1.3	-	1
Other income	B.1.4	741	756
Total income		1,673	2,338
Expenses			
Employee benefits and on costs		608	613
Administrative expenses	B.2.1	997	1,877
Depreciation		18	18
Total expenses		1,623	2,508
Net operating result for the year		50	(170)
Gain on transfer of assets from former entity (Centroc)		-	896
Net result for the year		50	726
Accumulated surplus at 1 July		799	-
Accumulated Surplus as at 30 June		849	726

The above Statement of Income and Accumulated Surplus should be read in conjunction with the accompanying notes

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Central NSW Joint Organisation**Statement of Financial Position
as at 30 June 2021**

		2021 000's \$	2020 000's \$
	Note		
ASSETS			
Current assets			
Cash and cash equivalents	C.1.1	1,150	1,040
Receivables	C.1.2	207	125
Total current assets		1,357	1,165
Non-current assets			
Property, plant and equipment	C.1.3	34	50
Total non-current assets		34	50
Total assets		1,391	1,215
LIABILITIES			
Current liabilities			
Payables	C.2.1	223	170
Contract liabilities	C.2.2	220	131
Employee benefit provisions	C.2.3	99	115
Total current liabilities		542	416
Total liabilities		542	416
Net assets		849	799
EQUITY			
Accumulated surplus		849	799
Total equity		849	799

The above Statement of Financial Position should be read in conjunction with the accompanying notes

Central NSW Joint Organisation**Statement of Cash Flows
for the year ended 30 June 2021**

	2021 000's \$	2020 000's \$
Notes		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts:		
Contributions from member councils	828	731
Investment revenue and interest	-	1
Grants	165	980
Other	910	1,028
Payments:		
Employees and suppliers	(1,790)	(2,722)
Net cash provided by operating activities	<u>113</u>	<u>18</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Receipts:		
Sale of property, plant and equipment	-	11
Payment for property, plant & equipment	(3)	(37)
Payments:		
Net cash (used in) investing activities	<u>(3)</u>	<u>(26)</u>
Net increase/(decrease) in cash and cash equivalents held	<u>110</u>	<u>8</u>
Cash transferred from former entity (Centroc)	-	973
Cash and cash equivalents at beginning of year	<u>1,040</u>	<u>75</u>
Cash and cash equivalents at end of financial year	C.1.1 <u>1,150</u>	<u>1,040</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

A. About the Joint Organisation and these financial statements

A1 Basis of Preparation

These financial statements were authorised for issue by the Board of the Central NSW Joint Organisation on 25/10/2021. The Board has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Local Government Act 1993 (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. JO NSW is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

(a) New and amended standards adopted

The JO has early adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the adoption of this standard has not affected the reported financial position or performance of the JO, however certain disclosures have been added, amended or omitted.

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the JO's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the JO and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Central NSW Joint Organisation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) employee benefit provisions – refer Note C2.3.

Significant judgements in applying the JO accounting policies

- (i) there are no significant judgements made by the JO

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

B. Financial Performance

B1 Sources of income

B.1.1 Member Council contributions

	2021	2020
	000's	000's
	\$	\$
Orange City Council	129	125
Bathurst Regional Council	128	125
Parkes Shire Council	77	75
Cowra Shire Council	57	55
Cowra Tourism Corp	16	16
Cabonne Council	71	69
Forbes Shire Council	60	58
Lachlan Shire Council	56	54
Blayney Shire Council	42	41
Oberon Council	53	51
Weddin Shire Council	32	31
Central Tablelands Water	31	31
	752	731

Accounting policy

Contributions by member councils are recognised as revenue at the point in time when the amount to be paid for the period has been determined and communicated to councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded at its fair value).

The methodology for determining the contribution is:

- Contributions by all member councils is prorated based on population in their respective Local Government Areas (LGA's) in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

B1 Sources of income (continued)

B.1.2 Grants

	Operating		Capital	
	2021 000's \$	2020 000's \$	2021 000's \$	2020 000's \$
OLG capacity building funding	60	19	-	-
Dept Planning, Industry & Environment	120	34	-	-
Tourism - DNCO	-	15	-	-
Restart NSW Fund - NSW Bridges	-	781	-	-
Total grants	180	850	-	-
Comprising:				
- Commonwealth funding	-	-	-	-
- State funding	180	835	-	-
- Other funding	-	15	-	-
	180	850	-	-
Timing of revenue recognition				
Grants recognised over time	60	850	-	-
Grants recognised at a point in time	120	-	-	-
Total grants	180	850	-	-

Accounting policy

Grants - enforceable agreement with sufficiently specific performance obligations

Grant revenue arising from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Other grants

Assets arising from grants in the scope of AASB 1058 is recognised at the asset's fair value when the asset is received. The JO considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Central NSW Joint Organisation**Notes to the Financial Statements
for the year ended 30 June 2021****B1 Sources of income (continued)****B.1.3 Interest and investment income**

	2021	2020
	000's	000's
	\$	\$
Interest revenue from:		
- interest on financial assets measured at amortised cost	-	1
Total interest and investment revenue	-	1

Accounting policy

Interest and investment income is recognised using the effective interest rate at the date that interest is earned.

B.1.4 Other income

	2021	2020
	000's	000's
	\$	\$
Procurement rebates	171	206
Vehicle leaseback	15	15
Management of aggregated electricity procurement fees	6	44
Copyright licence fees	19	18
Training fees	412	337
Regional tourism group other income	4	54
Other revenue	114	80
Gain on disposal of asset	-	2
Total other revenue	741	755

Accounting policy

Other income is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Gain on transfer of assets relates to the value of net assets received free of charge from Centroc on establishment of the JO.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

B.2 Costs of providing services

B.2.1 Administrative expenses

	2021	2020
	000's	000's
	\$	\$
CWUA Group expenses	53	130
Audit of financial statements	13	13
Regional training program	370	337
Legal expenses	4	6
Phone expenses	2	3
Meeting expenses	6	7
IT expenses	16	12
Travel expenses	3	16
Advertising/Branding expenses	-	4
Joint organisation projects	309	1,076
Staff training/conferences	4	14
Hosting fees	14	14
Regional tourism group expenses	164	212
Motor vehicle expenses	14	15
Other expenses	25	18
	997	1,877

Accounting policy

Employee benefit expenses

Employee benefit expenses are recorded when the service has been provided by the employee.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Administrative expenses

Administrative expenses are recorded on an accruals basis as the JO receives the goods or services.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

C Financial position

C.1 Assets we manage

C.1.1 Cash and cash equivalents

	2021 000's \$	2020 000's \$
Cash at bank and in hand	186	359
Deposits at call	964	681
	1,150	1,040
Restricted cash and cash equivalents		
External restrictions	220	71
Unrestricted	930	969
	1,150	1,040

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C.1.2 Receivables

	2021 000's \$	2020 000's \$
Trade receivables	136	37
GST receivable	33	39
Accrued revenues	38	49
Net receivables	207	125

Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

The JO applies the simplified approach for receivables in providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

Central NSW Joint Organisation

Notes to the Financial Statements
for the year ended 30 June 2021

C.1.3 Property, plant and equipment

	Movements during the period						At 30 June 2021		
	Gross carrying amount \$'000	At July 2020 Accum Depn and impairment \$'000	Net carrying amount \$'000	Additions \$'000	Disposals \$'000	Depn and Impairment \$'000	Gross carrying amount 000's \$	Accum depn and impairment 000's \$	Net carrying amount 000's \$
Office equipment	5	(3)	2	2	-	(2)	7	(5)	2
Vehicles	58	(10)	48	-	-	(16)	58	(26)	32
Totals	63	(13)	50	2	-	(18)	65	(31)	34

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

C.1.3 Property, plant and equipment (continued)

Accounting policy

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the JO and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement and Other Comprehensive Income during the financial period in which they are incurred.

When property, plant and equipment are acquired by the JO for significantly less than fair value, the assets are initially recognised at their fair value at acquisition date.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

- | | | |
|------|------------------|-----------|
| (i) | Office equipment | 2-5 years |
| (ii) | Motor vehicle | 5-6 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

C.2 Liabilities of the joint organisation

C.2.1 Payables

	2021 000's \$	2020 000's \$
Trade payables	183	170
Accrued expenses	40	-
	<u>223</u>	<u>170</u>

Accounting policy

Trade payables represent liabilities for goods and services provided to the JO prior to the end of financial period that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

C.2.2 Contract liabilities

	2021 000's \$	2020 000's \$
Funds received prior to performance obligation being satisfied	220	131
Total payables	<u>220</u>	<u>131</u>

The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

C.2 Liabilities of the joint organisation (continued)

Accounting policy

When an amount of consideration is received from a fund provider prior to Central NSW Joint Organisation transferring a good or service to the customer, Central NSW Joint Organisation presents the funds which exceed revenue recognised as a contract liability.

C.2.3 Employee benefits

	2021		2020	
	Current 000's	Non-current 000's	Current 000's	Non-current 000's
	\$	\$	\$	\$
Annual leave	10	-	27	-
Long service leave	89	-	88	-
Total employee benefit provisions	99	-	115	-
Current employee benefits provisions not expected to be settled within the next 12 months	89	-	88	-

Accounting policy

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefits obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses that will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

C.2.3 Employee benefits (continued)

Accounting policy

The obligations are presented as current liabilities in the Statement of Financial Position if the JO does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

C.3 Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

D Risks and accounting uncertainties

D1 Financial Risk Management

Risk Management

The JO's activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk. Financial risk management is carried out by the finance team under policies approved by the JO Board.

The fair value of receivables approximates the carrying amount.

D.2 Contingencies

There were no contingent assets or liabilities which the JO is party to at 30 June 2021 (30 June 2020:None).

E People and relationships

E1 Related party disclosures

E.1.1 Key management personnel

Key management personnel (KMP) of the JO are those persons having the authority and responsibility for planning, directing and controlling the activities of the JO, directly or indirectly.

The aggregate amount of KMP compensation included in the employee expenses is: \$195,347.

Central NSW Joint Organisation**Notes to the Financial Statements
for the year ended 30 June 2021****E1 Related party disclosures (continued)****E.1.2 Other related parties**

Nature of transactions	Transactions during the year	Outstanding balances	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
	000's \$	000's \$		000's \$	000's \$
2021					
Administration services	13	2	30 Days	-	-
Rental of office space and utilities	16	4	30 Days	-	-
Provision of Motor Vehicles	15	3	30 Days	-	-
2020					
	13	17	30 Days	-	-
Rental of office space and utilities	16	4	30 Days	-	-
Provision of Motor Vehicles	21	3	30 Days	-	-

Administration Services:

The JO has entered into an arrangement with Bathurst Regional Council and Orange City Council where 3% of payroll is paid for the provision of payroll to staff, they host. Amounts are payable on a continuing quarterly basis for staff hosted by these councils.

Central NSW Joint Organisation

Notes to the Financial Statements for the year ended 30 June 2021

E1 Related party disclosures (continued)

Rental of office space and utilities:

The JO has entered into an arrangement with Orange City Council, Bathurst Regional Council and Forbes Shire Council to provide office space and utilities to staff hosted in these locations to perform their required roles. There is an agreed annual amount paid depending on the number of staff members in each location.

Provisions of motor vehicles:

The JO has entered into an arrangement with Orange City Council to provide motor vehicles. Orange City Council will acquire motor vehicles and manage them as part of their fleet. The Council invoice for the costs incurred in acquiring the motor vehicles at the time of purchase. All running costs incurred are on charged to the JO as incurred on a quarterly basis throughout the financial year.

The JO has entered into an arrangement with Bathurst Regional Council to provide use of a motor vehicle for an annual charge of \$10,300 for the use of the motor vehicle and a set rate of \$2,700 per annum to cover operating expenses. These charges are billed on a quarterly basis over the year.

E.2 Other relationships

E.2.1 Audit fees

	2021 000's \$	2020 000's \$
Auditors of the JO - NSW Auditor-General		
Audit of financial statements	13	13
Total	13	13

F Other matters

F.1 Events occurring after reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the JO, the results of those operations or the state of affairs of the JO in future financial years.

Central NSW Joint Organisation

Auditor's Report to the members of Central NSW Joint Organisation

Report on the Audit of the Financial Report



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Central NSW Joint Organisation

To the Board of the Central NSW Joint Organisation

Opinion

I have audited the accompanying financial statements of Central NSW Joint Organisation (the Joint Organisation), which comprise the Statement by Members of the Board and Management, the Statement of Income and Accumulated Surplus for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, and Statement of Cash Flows for the year ended 30 June 2021 and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Joint Organisation's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Joint Organisation's accounting records
 - present fairly, in all material respects, the financial position of the Joint Organisation as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards–Simplified Disclosures
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Joint Organisation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of joint organisations
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

The Board's Responsibilities for the Financial Statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards–Simplified Disclosures and the *Local Government Act 1993*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Joint Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Joint Organisation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Karen Taylor

Delegate of the Auditor-General for New South Wales

25 October 2021
SYDNEY



Cr John Medcalf
Chairperson
Central NSW Joint Organisation
PO Box 333
FORBES NSW 2871

Contact: Karen Taylor
Phone no: 02 9275 7311
Our ref: D2123132/1858

25 October 2021

Dear Chairperson

Report on the Conduct of the Audit for the year ended 30 June 2021

I have audited the general purpose financial statements (GPFS) of the Central NSW Joint Organisation (the Joint Organisation) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Joint Organisation's GPFS.

This Report on the Conduct of the Audit (the Report) for the Joint Organisation for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

PERFORMANCE

Net Operating Result

The Joint Organisation's net operating surplus for the year ended 30 June 2021 was \$50,000 (2020 loss \$170,000).

The Joint Organisation's primary income source during the year was from contributions from member councils \$752,000 which contributed to 44.95 per cent of the Joint Organisation's income from continuing operations of \$1,673,000.

Grant income of \$180,000 was significantly lower than 2020 (\$850,000) which included one off restart NSW bridge funding of \$781,000.

The Joint Organisation also generated \$412,000 of training income (2020 - \$337,000).

The Joint Organisation's total operating expenses from continuing operations for the period was \$1,623,000 which primarily consisted of employee benefits and on-costs of \$608,000 and administration expenses of \$997,000.

Financial position

At 30 June 2021, the Joint Organisation had total assets of \$1,391,000 and net assets of \$849,000. The Joint Organisation's main assets consist of cash of \$1,150,000 and receivables of \$207,000.

OTHER MATTERS

Impact of new accounting standards

AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2'

The Joint Organisation adopted the new accounting standard AASB 1060 'General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2' in its 2020–21 financial statements.

AASB 1060 sets out a new, separate disclosure Standard to be applied by all entities that are reporting under Tier 2 of the Differential Reporting Framework in AASB 1053 'Application of Tiers of Australian Accounting Standards'. AASB 1060 has been developed based on a new methodology and principles to determine the Tier 2 disclosures that are necessary for meeting user needs.

AASB 1060 reduces the reporting requirements of entities using the current Tier 2 reporting requirements for preparing general purpose financial statements.

The adoption of AASB 1060 has not affected the reported financial position or performance of the Joint Organisation, however certain disclosures have been added, amended or omitted.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Joint Organisation's accounting records or financial statements. The Joint Organisation's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Karen Taylor
Delegate of the Auditor-General for New South Wales

Delegate of the Auditor-General for New South Wales

b. Financial Report

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation.
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Ann Thomas and Jenny Bennett, dated 11 November 2021

Recommendation/s
That the Board note the Financial Report.

This report presents the financial accounts at 11 November 2021. This report anticipates a full year loss of \$26,196 at 30 June 2022 against a budgeted loss of \$35,232. Taking into account prior year surpluses carried over it is anticipated that the surplus at 30 June 2022 will be \$397,311.

The anticipated result is tracking close to budget with the slight improvement being due to the higher than budgeted management fee income received recently from LGP. The spend under the LGP contracts by CNSWJO member councils increased by 45% from \$15.3 million to \$22.3 million in the 2020/2021 financial year providing CNSWJO with a management fee of \$64,736 compared to \$44,582 in 2019/2020.

CNSWJO staff wages and oncosts to 30 September 2021 are included in this report. Host Councils are reimbursed on a quarterly basis.

Attachment/s: Nil

Reports

Central NSW Joint Organisation

Financial Position at 11 November 2021

	Budget 2021/2022	Actual 11/11/2021	Anticipated 30/06/2022
Income			
CNSWJO Membership Fees	302,018	302,018	302,018
CWUA Best Practice Program	280,694	280,694	280,694
CNSWJO Regional Tourism Group	100,187	91,347	100,187
CNSWJO Operational Membership	104,650	104,650	104,650
WRAS	9,495	9,495	9,495
	\$797,044	\$788,204	\$797,044
CWUA - Smart Approved Watermark	39,535	39,535	39,535
	\$39,535	\$39,535	\$39,535
Energy - Aggregated Electricity Procurement		50,000	55,000
Energy - ERP		5,090	5,090
	\$0	\$55,090	\$60,090
HR - Regional Training Service Income	60,000	19,221	60,000
HR - Online Training & Other HR Modules	280,000	130,516	280,000
	\$340,000	\$149,737	\$340,000
Management Fees from Contracts	120,000	13,510	120,000
Management Fee from LGP	55,000	64,736	64,736
	\$175,000	\$78,246	\$184,736
Copyright Licence	19,000		19,000
Vehicle Lease Back EO	4,500	1,047	4,500
Vehicle Lease Back CWUA	5,500	1,308	5,500
Vehicle Lease Back Operational Program Mgr	4,900	1,223	4,900
Interest	1,000	53	300
Member Council/Consultant expenses to be reimbursed		20	1,000
	\$34,900	\$3,651	\$35,200
Total Income	\$1,386,479	\$1,114,463	\$1,456,605

Reports

Expenditure

Executive Officer Costs	205,000	41,534	205,000
Executive Officer Vehicle Costs & Depn	13,500	157	13,500
Operational Program Manager	125,000	31,319	125,000
Operational Program Manager - Vehicle costs	13,500	3,275	13,500
Finance Manager	70,000	20,071	70,000
Training & Program Support Officer	55,000	16,166	55,000
Executive Support Officer	70,000	18,422	70,000
CWUA Program Manager & Program costs	160,000		160,000
CWUA Membership Program & Benchmarking Program	120,694	26,300	120,694
CWUA - Smart Approved Watermark	39,535		39,535
CNSWJO Regional Tourism Group	100,187		100,187
Energy - Aggregated Electricity Procurement			55,000
Energy - ERP			5,090
WRAS	9,495	9,495	9,495
HR - Training Service Costs	58,000	17,617	58,000
HR - Online Training & Other HR Modules	280,000	130,516	280,000
Regional Medical Student Scholarship	15,000		15,000
Advocacy	10,000	171	10,000
Accounting/Audit/Payroll	30,000	6,500	30,000
Bank Fees and Sundry costs	2,500	449	2,500
Computer Software/Licences	3,000	120	3,000
Copyright Licence	19,100		19,100
Depreciation (excl vehicles)	2,000		2,000
Internet Cloud	8,000	3,086	8,000
Legal	5,000		5,000
Member Council/Consultant expenses to be reimbursed		20	1,000
Printing/Stationery/Postage	1,000	293	1,000
Supply Management Administration	2,500		2,500
Zoom Conferences	1,500	1,140	1,500
Website Hosting and costs	2,200	382	2,200
Total Expenditure	\$1,421,711	\$327,033	\$1,482,801
Net Profit/Loss	-\$35,232	\$787,430	-\$26,196

Reports

Non-Budgeted Expenditure**CNSWJO Reserves from 2020/21 and previous years**

BPAP - contributions from other JOs - Stages 2 to 6	22,270	16,064	22,270
Capacity Building Funding Stage 1	70,026	14,113	70,026
Capacity Building Funding Stage 2	150,000	18,514	150,000
CWUA Best Practice Program	105,826	25,426	105,826
CWUA - Asset Revaluations	166,481	33,296	166,481
Central NSW Regional Tourism Group	79,646	35,130	79,646
Energy Project	44,401	43	44,401
Grant - DPIE Sustainable Councils and Communities Program	120,000	20,014	120,000
Inter-Council Cooperation Reserve - Procurement	39,123	4,800	39,123
Roads and Transport Group	14,220		14,220
	\$811,993	\$167,400	\$811,993

Net Profit/Loss after Non-Budgeted Income and Expenditure

\$620,030	-\$838,189
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CNSWJO Accumulated Surplus at 30 June 2021 (incl Grants)

\$1,235,500

Anticipated Surplus at 30 June 2022

\$397,311

c. Delegations for the Chair between elections

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr Brad Byrnes and Mr Greg Tory

Report by Jennifer Bennett, 12 November 2021

Recommendation/s
That the Board note the report on the Delegation for Chair through the Election Period as per Section 377, and delegate to Cr John Medcalf, OAM the authority to: Carry out functions delegated to the CNSWJO Chair, between election day December 2021 and the first CNSWJO Board meeting in 2022 when the election of a Chair will take place.

Reason for this report

The JO has been advised that under the Local Government Act (1993), all current Councillors and Mayors elected by Councillors cease to hold their civic offices on election day 4 December 2021. This means, like Councils, the Joint Organisation will be without a governing body from 4 December 2021 until its first scheduled meeting in late February - or should the Board wish an extraordinary/special meeting could be held in January 2022.

The Office of Local Government advised that there is nothing preventing using Section 377 of the Act to delegate functions of the organisation. Many Councils and JOs across the State have undertaken this step. Given the CNSWJO Chair's current role and delegation has seen the region in good stead and the importance of the Chair, as spokesperson for the organisation, it is desirable to have continuity until the empanelment of the new Board.

Delegations to the Chair are:

- Advise and respond to enquiries from the media on matters relative to the affairs of the Joint Organisation and issue media releases on behalf of the Joint Organisation.
- Authorise any expenditure which are deemed urgent, provided that such expenditure is reported to the Joint Organisation at its next Ordinary meeting, where funds have not been voted by Joint Organisation.

Attachment/s: Nil

Reports

d. Compliance and CNSWJO meeting dates for 2022

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr Brad Byrnes and Mr Greg Tory

Report by Jennifer Bennett, 15 November 2021

Recommendation/s				
<p>That the Board note the Compliance report and;</p> <ol style="list-style-type: none"> 1. note the Calendar of Compliance and Reporting-Requirements update; 2. endorse the 2021 Annual Performance Statement and place it on the website; 3. note the advice from the Portfolio Mayors and that this is summarised in the Annual Performance Statement; 4. note the Pecuniary Interest Returns under s450a of the Local Government Act 1993; 5. determine the dates for GMAC and Board meetings for 2022 be: 				
Board	TBA February or March to be confirmed based on sitting days	26 May	26 August TBC to fit with sitting dates	25 November
Location	Federal Parliament House	Summit	State Parliament House	Cabonne
GMAC	3 February	28 April	28 July	27 October
Location	Orange	Blayney	Cabonne	Orange

Precis

This report includes:

1. an update on the Annual Compliance Calendar;
2. the 2021 Annual Performance Statement;
3. 2022 meeting dates;
4. the Pecuniary Interest Returns under s450a of the Local Government Act 1993; and
5. advice from the Portfolio Mayors.

Reason for report

This report seeks resolve to support the Joint Organisation's compliance and administrative roles.

Legislative Risk and Policy considerations

The OLG Council 2021/2022 Joint Organisations Calendar of Compliance and Reporting Requirements refers to key deadlines and statutory reporting. Please see [here](#). The region is tracking well.

An update on the Annual Compliance Calendar

Please find following the Annual Compliance Calendar for the JO. Regarding the next reporting deadline in December on complaints; no complaints have been received.

2021 Annual Performance Statement

The CNSWJO is required to submit an Annual Performance Statement (the Statement) by 30 November 2021. The Statement should report progress in implementing the Strategies Plans for delivering Strategic Regional Priorities.

The information required under the Local Government Act 1993 (the Act), the Local Government (General) Regulation 2005 and other relevant legislation and guidance has been included in the Statement. Please find attached.

A copy of the Statement will be published on the website, and a copy will be provided to the Minister for Local Government.

Tabling of Pecuniary Interest Returns (s450a Local Government Act 1993)

The Joint Organisation is required to lodge completed pecuniary interest returns for voting representatives and designated persons under section 449 of the Local Government Act 1993 and Regulation. The JO is not required to send the returns to the OLG, but they do need to be kept on file. The Executive Officer is required to table all returns at a Board meeting according to Part 4 of the Code. No forms are placed on the JO website.

At the time of writing, these are being collected and form an attachment to this report.

Annual update from the Portfolio Mayors

The JO Advocacy Policy calls for an annual report from each of the Portfolio Mayors:

- Cr John Medcalf, Portfolio Mayor for Inter-Council Cooperation;
- Cr Bill West, Portfolio Mayor for Regional Prosperity;
- Cr Ken Keith, Portfolio Mayor for Transport and Infrastructure; and
- Cr David Somerville, Portfolio Chair for Regional Water

Following are Portfolio Mayors' reports and are included in the Annual Performance Statement attached.

1. Inter-council cooperation

The Inter Council Cooperation Program covers:

- JO compliance;
- teams of Council staff delivering cost savings, information sharing, projects and other efficiencies across all member Councils; and
- Inter JO collaboration through the Chairs' Forum and the Executive Officers' Network.

Reports

The JO continues to deliver on its compliance commitments where total costs of both internal and external resourcing of the compliance burden are conservatively estimated at \$50K per annum.

The focus for this year's efforts in inter-council cooperation by Council operational teams has been in procurement, energy management and training.

We have delivered close to \$2.2m in cost savings across 20 contracts. This included almost \$630k in electricity savings for large market sites and streetlighting. New contracts for the year included: Best Practice in Aggregated Procurement Program, Road Signs, Asset Valuation Services for Water and Sewer, Bitumen Emulsion, Safety Compliance Training, Pre-Employment Screening Services, Printing and Mailing of Rates Notices, Renewable Energy Action Plans, Solar and Storage Assessments, and Operational Efficiency Audits of Aquatic Centres.

At 30 June 2021, the Best Practice in Aggregated Procurement (BPAP) Program across 4 JOs was near completion. The program has been across 4 JOs, led by CNSWJO.

Training for National Water for Wastewater Training & Certification Project delivered 560 units of competency to 52 wastewater operators from across 9 member councils in the 20/21 financial year.

The Southern Lights program led by 4 JOs in the south of the State for a rollout of one of the largest deployments of smart-enabled LED lighting in Australia, with over 75,000 LED streetlights. Substantial progress was made in the 2020/2021 year with all Councils completed with the exception of Blayney (which has been completed in recent weeks), Lachlan and Parkes. Smart controls remain a stumbling block with Essential Energy and negotiations continue.

The Energy Management program continues where member councils utilise energy management software to analyse and identify opportunities to reduce their electricity consumption.

An Electric Vehicles Toolkit has been developed to help councils, businesses and charging station operators navigate the process of installing chargers throughout the Central NSW region.
www.evtoolkit.centralnswjo.com

An [electric vehicle charging infrastructure mapping report](#) was also developed to identify ideal locations to install chargers, with the aim of the project to become grant-ready.

The signing of a MoU with DPIE Energy in October 2020 has led to significant and fast-moving acceleration of renewable energy deployment in the region. In 20/21, a total of \$335k in grant funding was received by CNSWJO members through the program with DPIE's Sustainable Councils and Communities Program. Members have used this funding to undertake projects such as Renewable Energy Action Plans, Solar and Storage Assessments, a Smart Metering pilot, Emissions Reduction Plans, Aquatic Centre Efficiency Audits, and importantly, to fund a consultant to support the region's aggregate electricity procurement where it is seeking a renewable energy Power Purchase Agreement.

On behalf of the Board, we thank Council staff for their contribution to the various outcomes for the region, be it evaluation panels, consultations regionally or providing data to inform regional contracts, we appreciate there are some outstanding staff who go the extra mile, not just for their Council and region, but for the State.

Reports

The transition of the JO into its new role. The Chairs of the JOs meet regularly to progress the issue of JO Sustainability. The CNSWJO has coordinated the Executive Officers' Network. Fortnightly meetings share information and invite key State agency personnel to facilitate the JO role of intergovernmental cooperation.

2. Regional prosperity

For the past year the JO has continued to Chair the Regional Prosperity Committee – a dedicated intergovernmental collaboration to grow the economy in Central NSW and a subcommittee of the Regional Leadership Executive (RLE). The RLE commenced a review of its subcommittees towards the end of the year and the subcommittee has not met since.

The MoU with RDA, the only one of its kind in the nation – was reaffirmed and continues to deliver excellent value including the Telecommunications Workshop in March 2021. Sadly, for the region Mr Sam Harma, Director of RDA, has relocated back to Western Australia and we wish him well for the future.

The region completed its [Visitor Economy Strategy Refresh](#), refining strategy to better suit the role of the Joint Organisation. In collaboration with RDA Central West and Arts Out West the Cultural Tourism mapping - <https://centralnsw.com/> continues to be delivered.

- PR valued at over \$814,946 in equivalent advertising value from July 2020 to June 2021 or \$2,444,838 in public relations value;
- Content promoted key towns and villages, attractions and experiences including food and wine, art and culture, places to stay, retail, events, history & local personalities;
- Significant media coverage including Magazines, Paper articles and TV Travel shows;
- Media releases researched, written and distributed to 500+ media and industry contacts to promote Central NSW travel news;
- Hosted 17 media on 2-7 day hosted “familiarisation trips” throughout Central NSW to research and produce story content;
- Central NSW’s new ‘Night Skies’ strategy delivered national promotion for Central NSW’s unique night sky attractions, experiences and events;
- The ‘We Want You Back’ campaign was rolled out to drive visitation back to the region after the Covid-19 lockdown in 2020. Key tourism ambassadors from 10 LGAs featured in three newly produced ads which reached an audience of 4.5m viewers in regional NSW, Wollongong, Newcastle and Canberra;
- Consumer traffic to the destination website www.visitcentralnsw.com.au has increased again with visits to the page doubling in April 2021 compared to the same period in 2020.

The region joined the federally funded Regional Activators Alliance to leverage over \$4m of funding to promote living and working in regional Australia. Please find your community on <https://movetomore.com.au/>

3. Regional Transport and Infrastructure

Over the year through the Strategic Regional Transport Group (SRTG), relationships continued to develop guided by the adopted Terms of Reference. This enables the intergovernmental

collaboration envisioned under the JO legislation, albeit being driven and supported by Local Government. Our key collaborators are the Federal Departments of Infrastructure and Regional Development, Investment Division and Inland Rail, multiple different departments within Transport for NSW from freight, rail and strategy, the Department of Planning Industry and Environment and Regional NSW. Given the amount of activity in transport in region, regular dialogue with these key agencies is proving worthwhile. From December 2020 the group began transition to being administered by TfNSW with a view to having the region's aspirations led by the State.

The collaboration through the SRTG successfully enabled a joint application with RDA Central West to the Inland Rail Interface Improvement Program for the Productivity Enhancement Program on better access for small to medium enterprise in the Central West leveraging Inland Rail.

The Transport Technical Committee made up of Engineers and Managers continues to work regionally to deliver outcomes locally for members and their communities. Outcomes from this group are cost savings and other efficiencies through: bulk purchases in bitumen emulsion; spray seal contract; collaborating with TfNSW to merge Council road information with State road information; negotiation of the Road Rail Interface Agreement; prioritisation including the Roads of Strategic Importance program; and supporting TfNSW in developing the Central West and Orana Regional Transport Plan. The group have also been working with NHVR, on the National Spatial Program, to deliver a nationally consistent route planning platform for the heavy vehicle industry using consistently sourced data.

A 100% grant funded program saw the completion of the bridge assessment with 164 Bridges assessed, some of these bridges have been further funded through this work. Consultation commenced with TfNSW on a more strategic approach to bridge repair and upgrade.

4. Regional Water Security

Aside from advocacy to support members in securing town water supplies through the worst drought on record, 2020-2021 marked a period of major review of water policy by both the National and State Productivity Commissions.

The NSW Parliament's Legislative Assembly Portfolio Committee No. 7 undertook an inquiry into the rationale for and impacts of new dams and other water infrastructure, including the Wyangala Dam wall project.

The State Government continued work on its suite of Regional Water Strategies. It also commenced work on its first 20-year State strategy to improve the security, reliability, quality and resilience of the state's water resources over the long term and set the overarching vision for the 12 Regional Water Strategies. Infrastructure Australia also sought to engage with the CNSWJO in the development of the water chapter for the Australian Infrastructure Plan.

The CNSWJO with its maturity in water planning and management and highly respected collaborative Water Utilities Alliance was actively engaged through all these processes writing multiple submissions and ultimately achieving recognition in the final reports issued by the Productivity Commission and Infrastructure Australia.

The Water Utilities Alliance identified and prioritised emergency infrastructure solutions for Board endorsed advocacy and continued to advocate for funding for long-term regional water security projects seeking all opportunities to engage at decision making level in the planning and business case development for these projects.

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State Government funding highlights through this period were for business case development of the:

- Lake Rowlands to Carcoar Pipeline Project and the Lake Rowlands Augmentation project;
- Wyangala Dam wall raising project.

Compounding the emergency town water response was the pressure to comply with business-as-usual processes by DPIE Water. Issues associated with these including optimising the role of JOs in the costly and resource intensive development of Integrated Water Cycle Management Plans and related processes, formed the subject of much advocacy together with on-going challenges in the regulatory and funding framework.

Most significant was success by the region for its advocacy to have urban water integrated into the State Government's strategic framework for water management in regional NSW. Member Councils worked with DPIE Water in the development of the Lachlan and Macquarie Regional Water Strategies. These are the first inland river catchment Strategies to be developed and, while there is still work to be done, particularly for towns in the unregulated Macquarie, the integration of urban water into these represents a major step in regional water management across the State.

In April 2021 in response to a report by the NSW Auditor-General on support for town water infrastructure by DPIE (September 2020), the Department announced the two-year Town Water Risk Reduction Program to work in partnership with local water utilities and the wider water sector to identify long-term solutions to the challenges and risks to providing water supply and sewerage services in regional towns. The JO and Water Utilities Alliance have been actively engaged participating in workshops, surveys, focus groups, working parties and pilots to inform the program with work ongoing. This program is a once in a generation opportunity to reform the regulatory framework for LWUs. It is a huge undertaking in a short period of time and the JO is collaborating fully to influence outcomes in the interests of LWU service delivery for member's communities.

At its June meeting the Board supported in principle the Blayney/Cabonne/Orange Alliance with CTW seeking funding support under the Regional Town Water Strategy stream of the Safe and Secure Water program for a Sub-Regional Town Water Strategy to identify local and regional cross-boundary options to address water security risks. This was successful and is underway with the potential to inform work by the JO on optimising the Regional Water Strategies for local level strategic water planning.

Water management in NSW and nationally is under-going huge re-evaluation and management change leading to ongoing requests for submissions and consultations. While there are challenges in fit-for-purpose, whole-of-government consultative processes, the JO continues to advocate for fully collaborative processes with appropriate Local Government representation at the regional level.

Dates for Meetings of the 2022 Calendar Year

Please find below the current dates for the incoming Board. These include:

- A February/March meeting at Parliament House in Canberra;
- A Summit in May; and
- An August meeting at State Parliament House.

Board	TBA February or March to be	26 May	26 August TBC to fit with sitting dates	25 November
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	confirmed based on sitting days			
Location	Federal Parliament House	Summit	State Parliament House	Cabonne
GMAC	3 February	28 April	28 July	27 October
Location	Orange	Blayney	Cabonne	Orange

General meetings of GMAC will occur four times a year one month before the Board. There will be two meetings a year in Orange and two meetings to rotate through the region on an alphabetical basis.

Attachment/s:

1. CNSWJO Designated Person Returns 2021
2. Annual Performance Statement 2021

e. Policy and Procedure review

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr Brad Byrnes and Mr Greg Tory

Report by Jennifer Bennett, 15 November 2021

Recommendation/s
That the Board note the Policy and Procedure report; and <ol style="list-style-type: none"> 1. note the minimal changes to the Procurement Policy, and 2. adopt the 2021 Joint Organisation Policy and Procedure register.

Precis

In November of every year the Joint Organisation reviews its policies and procedures. Changes to the policies this year are immaterial.

Reason for the Report

This report seeks resolve to support the JOs compliance and administrative roles.

The CNSWJO Policy and Procedure Manual has had minimal changes this year, included as new to the Manual is the Public Interest Disclosures (protected disclosures) that was originally adopted in May 2018 and has been omitted in previous suites, where the balance of changes to other policies are immaterial.

It should be noted that the Energy Advocacy Policy and Plan is being considered separately and will form part of the suite of advocacy plans for review by the incoming Board.

Policy and Procedure Document Review

In May 2018 a suite of previous Centroc policies and new compliant policies were adopted by the CNSWJO. An annual policy review of the full suite has subsequently been undertaken.

The policies included have either already been approved by members or are modelled on members existing policies and have been deemed necessary in the transition to the JO.

Updates to existing policies include:

- Addition of EOI to the Procurement Policy where approval must be sought from the Executive Officer and the Sponsoring General Managers of the Inter-Council Cooperation Priority before an EOI is conducted. A procurement process following an EOI will be subject to the approvals stated in the policy.

Attachment/s:

3. CNSWJO Policy and Procedure Manual 2021

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f. Options for regional support in implementing Office of Local Government (OLG) guidance in audit, risk and improvement

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation.
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Jenny Bennett, dated 14 October 2021

Recommendation/s
<p>That the Board note the “Options for regional support in implementing OLG guidance in audit, risk and improvement” report and</p> <ol style="list-style-type: none"> note that there is scope for collaboration between Councils on elements of the guidance including: <ol style="list-style-type: none"> coordination and administration of the Audit Risk and Improvement Committee; and development and/or procurement of the various strategies, reviews and self-assessments in internal audit, assurance, improvement and risk management; note that a more strategic regional approach is likely to identify opportunities for regional collaboration on improvement; note that a workshop of interested General Managers will be progressing a regional approach; note the advice in the report on a preferred approach being: <ol style="list-style-type: none"> supporting a collaboration of member council staff responsible for internal audit; leveraging the CNSWJO strength in procurement through coordinating a strategic approach aggregating some or all opportunities for audits, strategies, reviews and improvement; and offering an optional administrative support program for ARIC for interested councils; lodge a response to the OLG as attached to this report; and this is to include that CNSWJO seeks to be exempt from the program;

Precis

The Office of Local Government has issued its guidance with regard to changes to Local Government to enable the new Audit and Risk Framework.¹ Submissions regarding this guidance are due by COB 26 November 2021.

While every Council in the region supports effective risk management, assurance and process improvement there are mixed responses to the extent to which the OLG guidance and anticipated changes to the regulatory framework are optimal. Arguably, CNSWJO is so small that it could contemplate an effective approach to ARIC requiring a much lower resourcing burden. Commentary in this regard is included in the submission.

Councils across the region have made variable investments in effective risk management, assurance and process improvement including:

1. Funding Audit Risk and Improvement Committees;
2. Funding internal auditors;
3. Funding independent audits; and

¹ [SPECIAL VARIATION GUIDELINES \(nsw.gov.au\)](https://www.nsw.gov.au/special-variation-guidelines)

4. Internal resourcing of all audit risk and improvement processes including governance of ARIC and management of its forward program.

Under the Local Government Act, all councils and joint organisations are required to appoint an audit, risk and improvement committee by June 2022. Following June 2022, councils will have two years, until 30 June 2024, to comply with the risk management and internal audit requirements under these Guidelines and five years to comply with the audit, risk and improvement committee requirements.

New ARICs must comply with the Guidelines. Existing may transition to June 2027.

Attestation requirements will commence in 2024 for risk management and internal audit, and 2027 for audit, risk and improvement committees.

All councils will be required to publish their attestation certificates commencing with their 2024-2025 annual report.

This report:

1. is not a business case, but provides high level advice on the potential for collaboration;
2. provides direction for a response from CNSWJO to the draft guidelines; and
3. provides direction for the longer-term approach of the CNSWJO including
 - a. seeking exemption as a Tier 1 entity; and
 - b. advice to a report to the Board on options for regional support for members in delivering on the ARI framework

Legislative Risk and Policy Advice

Members will recall that there has been consultation on a previous round of OLG guidance on what the regulatory framework will look like to achieve these legislative requirements. CNSWJO policy response can be found at [https://www.centraljo.nsw.gov.au/content/uploads/191105_Submission - Internal-Audit-and-Risk-to-JOs.pdf](https://www.centraljo.nsw.gov.au/content/uploads/191105_Submission_-_Internal-Audit-and-Risk-to-JOs.pdf)

The Local Government Act 1993 ('Local Government Act') and the Local Government (General) Regulation 2005 ('Local Government Regulation') require each council in NSW to have:

1. an audit, risk and improvement committee that continuously reviews and provides independent advice to the council on how it is functioning and managing risk
2. a robust risk management framework that accurately identifies and mitigates the risks facing the council and its operations, and
3. an effective internal audit function that provides independent advice as to whether the council is functioning effectively and the council's internal controls to manage risk are working.²

Please see more detail in attachment 2 – summary advice from OLG on Audit Risk and Improvement.

Each council, county council and joint organisation has been categorised as a tier 1 (lowest) including all Councils, CTW and CNSWJO except Bathurst and Orange, tier 2 (middle) (Bathurst and Orange) or tier 3 (highest) council for the purposes of determining the size and composition of their audit risk and improvement processes.

² Ibid page 6

Tier 1 Councils, County Councils and JOs can apply for exemptions however reasons for being unable to participate will need to be given and advice will need to be provided on how they manage audit, risk and improvement.³

1. Audit, risk and improvement committee

The Local Government Regulation will require each council to appoint an audit, risk and improvement committee that has three or more members according to the council's categorisation under these Guidelines as a tier 1, tier 2 or tier 3 council. All Tiers, unless exempt must, at a minimum, comply with the following requirements:

- the chair of the audit, risk and improvement committee must:
 - o meet the independence requirements for committee members, and
 - o be prequalified as a chair under the NSW Government's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members ('prequalification scheme') (unless exemption applies)
- all other voting members must meet the independence requirements for committee members (see below)
- the Local Government Regulation will allow each committee to have an optional non-voting councillor member that meets the committee's eligibility criteria for councillor members (see below), and
- the size and composition requirements of a committee are the same whether the committee is established by a council for its exclusive use or as part of a shared arrangement.⁴

When deciding the most appropriate way to structure a council's audit, risk and improvement committee, the general manager should consider the viability and capacity of a shared committee to achieve its terms of reference given the:

- size of the council in terms of both staffing levels and budget
- geographical and functional distribution of the council's operations
- complexity of the council's core business
- risk profile of the council
- expectations of stakeholders, and
- likely demands placed on the committee by other councils in the shared arrangement.⁵

To ensure the audit, risk and improvement committee has an understanding of the interrelationships and needs of the joint organisation and its member councils, and of wider regional priorities, joint organisations must only enter into an independent shared arrangement with a member council/s.⁶

Councils that are in different tiers but share their internal audit function can, but are not required to, also share their committee. Where a committee is shared by councils that are in different tiers, the requirements for the higher tier will apply to all participating councils (including joint organisations and county councils).⁷

³ Ibid p 11

⁴ Ibid p 19

⁵ Ibid p 18

⁶ Ibid p 21

⁷ Ibid p 22

Councils that share their committee, can but are not required to, also share the committee's secretariat.⁸

Councils should develop and sign a formal agreement with the other councils in the shared arrangement which outlines how the shared arrangement will operate and costs shared.⁹

Where Councils elect to have the optional non-voting Councillor on the committee, these will not be shared.¹⁰

For Tier 1 Councils the audit, risk and improvement committee must have 3 independent voting members comprising:

- 1 chair prequalified under the NSW Government's prequalification scheme
- 2 independent persons that meet the eligibility criteria for non-prequalified committee members (see below).

There is an optional 1 non-voting councillor that meets the eligibility criteria for councillor members.

Tier 1 Councils can also apply for exemptions around Chair qualification where there is guidance on capability of Chairs and how to seek exemptions will only be granted in exceptional circumstances.¹¹

Tier 2 Councils must have the same as Tier 1 PLUS one of the Committee members will need to be prequalified under the NSW Government's prequalification scheme.¹²

There is guidance around who can be on these Committees. No Councillors or candidates, employees (for the past 12 months), auditors, close personal relationships, non-voting JO Board members, service providers including consultants for three years regarding risk, any advocate of material interest with a perceived conflict of interest and associated family members.¹³

Audit, risk and improvement committee chairs and members are appointed by a resolution of the governing body of the council. The governing body should first appoint the chair of the audit, risk and improvement committee, who is to then assist in the selection and appointment of the other independent committee members.¹⁴

The audit, risk and improvement committee must have a mix of skills and should have:

- at least one member with financial expertise (for example, a qualified accountant or auditor or other financial professional with experience of financial and accounting matters), and
- a mix of skills and experience in:
 - business;
 - financial and legal compliance;
 - risk management;
 - internal audit; and
 - any specialised business operations of the council, where the committee would benefit from having a member with skills or experience in this area (for example, IT

⁸ Ibid

⁹ Ibid

¹⁰ Ibid

¹¹ Ibid p 21

¹² Ibid

¹³ Ibid p 23

¹⁴ Ibid p 25

skills or experience where IT systems have an important role in the council's business).¹⁵

The fees a council pays to its chair and independent voting members of its audit, risk and improvement committee are to be agreed by the council and the Chair or member and reflect the time, commitment and responsibility involved in serving on the committee. Councils should consider the fees payable under the prequalification scheme when determining the fees paid to prequalified chairs and members.

Councils are obliged under the Superannuation Guarantee Administration Act 1992 to make compulsory superannuation guarantee contributions on behalf of audit, risk and improvement committee chairs and voting members.¹⁶

The Committee must have a Terms of Reference consistent with the model terms¹⁷ which it reviews annually.¹⁸

2. Risk Management Framework

Each council must manage its strategic and operational risks and implement a risk management framework that is consistent with the current Australian risk management standard and appropriate for the council's risks. Councils have the flexibility under the Australian risk management standard to adapt the size, scope and delivery of their risk management framework provided it reflects the principles, key elements and processes set out in the standard for managing risks in any sized council or organisation.

The current risk management standard at the time of the release of these Guidelines is AS ISO 31000:2018 Risk Management – Guidelines. These are summarised in the Guidelines. The following are key descriptors:

- assigns risk management roles, responsibilities and accountabilities within the council
- allocates appropriate council resources for risk management
- effectively documents and communicates risk management across the council
- includes a risk management plan that provides structure for how the council will implement its risk management policy and conducts its risk management activities, and
- This plan is evaluated and improved
- Council must provide via resolution, advice to the ARIC on its risk appetite.
- The General Manager's role:
 - overseeing the council's risk management framework and ensuring it is effectively communicated, implemented and reviewed regularly
 - approving the council's risk management policy, plans and risk reports (where applicable)
 - annually attesting that council's risk management framework complies with statutory requirements (see below), and

¹⁵ Ibid p 25

¹⁶ Ibid p 28

¹⁷ Ibid Appendix 3

¹⁸ Ibid p 18

- approving the council's implementation of corrective actions recommended by the council's internal audit function, external audit and audit, risk and improvement committee.

These roles can be delegated.

Council's internal audit function is responsible for reviewing and providing advice to the audit, risk and improvement committee and the council on the effectiveness of the council's risk management framework.

Given the need to maintain the independence and objectivity of the internal audit function, the following boundaries are to apply with respect to the role of the internal audit function in relation to the council's risk management framework:

- it is to be clear that council management remains responsible for risk management
- the internal audit function is to provide advice and challenge and support management's decision-making, as opposed to taking risk management decisions themselves;
- the internal audit function should not:
 - manage any of the risks on behalf of the council;
 - set the council's risk criteria/appetite;
 - impose risk management processes;
 - decide or implement risk responses; or
 - be held accountable for risk management activities.

The breadth and depth of this assurance role is to be determined by the council and the audit, risk and improvement committee. Some guidance is provided and Appendix 4 provides more examples. Each council is to base its ongoing monitoring and review process on its own needs, however, this should include at a minimum, providing quarterly advice from the risk management function to the general manager or their delegate.

Each Council is to provide an annual self-assessment of its risk function. The annual self-assessment is to report to the general manager whether the council's risk management framework. Guidance regarding what that looks like.

A council's audit, risk and improvement committee must provide an assessment of the effectiveness of the council's risk management framework to the governing body each council term, as part of the committee's four-yearly strategic assessment. Guidance is provided on considerations.

To ensure the effectiveness of council's risk management activities can be regularly monitored and reviewed, each council must ensure that it:

- assigns performance targets to risk management activities that can be measured against goals and objectives; and
- can obtain the data needed to measure the impact of the council's risk management framework.

The Local Government Regulation requires the general manager to attest each year in the council's annual report whether the council has complied with the following requirements in relation to its risk management activities:

- council has adopted a risk management framework that is consistent with current Australian risk management standards and appropriate for the council's risks; and

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- the council's audit, risk and improvement committee reviews the implementation of the council's risk management framework and issues an assessment of the effectiveness of the council's risk management framework to the governing body each council term.

3. Internal Audit Function

Councils can opt to have internal audit functions within councils or share them.

An in-house internal audit function is where internal auditors and other staff (where required) are employed by the council to conduct the internal audits and other activities in the audit, risk and improvement committee's annual and four-yearly strategic work plan. In region this has been in place between Orange and Bathurst though this is changing where Bathurst sees the efficiency of limiting internal resourcing and seeking externally supplied internal audits.

For internal audit functions established by joint organisations and shared between member councils recommendations from the OLG are that:

- the internal audit function is physically located at the offices of the joint organisation or a member council;
- the head of the internal audit function reports administratively to the executive officer of the joint organisation;
- the head of the internal audit function and any internal audit staff are employees of the joint organisation; and
- the Executive Officer of the joint organisation can only appoint or dismiss the head of the internal audit function in consultation with the general managers and audit, risk and improvement committees of each member council.

The head of a shared in-house internal audit function needs to be able to:

- liaise with the governing body and general manager of each participating council about that council's internal audit activities;
- implement the annual work plan and four yearly strategic plan for each council;
- conduct or oversee the individual audits of each council and monitoring the implementation of corrective actions;
- manage any contractual arrangements with external providers on behalf of each council (where required);
- attend the audit, risk and improvement committee meetings of each respective council on behalf of that council; and
- maintain separate and confidential information for each council.

The head of a shared outsourced internal audit function needs to be able to:

- manage contracts with external providers on behalf of all councils in the shared arrangement;
- liaise with the audit, risk and improvement committee and general manager of each council
- coordinate the completion of audits by the external provider in line with each council's annual plan and four-yearly strategic plan;
- provide audit reports by the external provider to the relevant committee and general manager and coordinate council responses;
- monitor the implementation by each council of corrective actions that arise from the findings of audits and reporting progress to the committee;

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- assist each council's committee to ensure the council's internal audit activities comply with statutory requirements; and
- maintain separate and confidential information for each council.

Where ARICs need to be in place by June 2022, all councils will be required to publish their attestation certificates commencing with their 2024-2025 annual report. This means Councils have about 3 years to get their audit, risk and improvement frameworks in place. There is potential for value to be driven through a regional approach. This includes

- Hosting and renewing a panel of ARIC members that Councils can draw from;
- Sharing ARIC/s across some or all members where high level advice has been sought from Canberra JO on their business case and this is attached;
- Shared administration of ARICs;
- Shared procurement of ARIC 4 year strategies or peer reviews including identifying collaborative opportunities in the framework;
- Shared procurement/development of ARIC 1 year work plans including programmatic opportunities and aggregated procurement;
- Shared approach to annual attestation and potential resourcing;
- Shared procurement/self assessment of ARIC annual reviews;
- Shared procurement of ARIC Term reviews or peer reviews;
- Continuous ARIC education and other aggregated training support as identified;
- Shared support of Councils' risk management plan development and review including annual self-assessment of Council's risk function;
- Templates and shared approaches to policy and procedure development in risk;
- Shared coordination and/or aggregation of externally procured internal audits; and/or
- Shared internal auditors.

Discussion

Key considerations when designing options for a shared approach to audit, risk and improvement in line with the OLG guidance for CNSWJO and members are:

- the capacity and experience of the JO for coordination, aggregation and subject area expertise;
- the flexibility of the service to deliver across tier;
- meeting members' varying needs for assurance services;
- the JO's fit with compliance functions, that is an enabler for Councils to derive value but not a regulator or fourth tier of government;
- the need for each audit risk and improvement risk management framework to be Council specific - particularly the risk management framework;
- the capacity for the JO to provide the structure, roles and responsibilities as described in the new framework; and
- value to councils.

Roles and responsibilities

The guidance provides defined separations of various roles and responsibilities, and any shared approach will need to fit within its parameters.

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Roles that could be included in potential models are:

- **Shared ARICs** – the procurement of an ARIC could be for multiples of Councils. Further work would need to be undertaken on ideal numbers of Councils and formats for shared arrangements.
- **Secretariat and administrative support for ARICs** that includes the following role by 2027 - compliance, fraud control, financial management, governance, integrated planning and reporting, service reviews, implementation of the internal audit strategic plan, delivery program and strategies; performance measurement data and performance improvement in compliance with section 428A of the Local Government Act.
In terms of responsibilities, it would be for:
 - quarterly meetings agendas, minutes;
 - coordinating the strategic framework including self-assessment and formal review – this to identify potential aggregated procurement and benchmarking opportunities; and
 - following up on actions between meetings which includes on the recommendations of any audits.

There is significant potential value that can be gained by collaboration on longer term strategy by ARICs in region. For example, work could be undertaken on optimizing the nexus between IP and R, asset management and ARI.

- **Internal audit support through aggregated procurement** CNSWJO facilitates the procurement of aggregated audits, strategic work, strategic reviews.
- **Internal auditors procured through the JO** should the aggregation of strategic work show benefit in having a specialist internal audit function this can be considered.
- **Coordination and aggregation of support for Council risk management.** CNSWJO already provides some activity in coordinating risk managers and undertaking activities that provide value to members for example regional contractor induction. It is recommended that advice be sought from this group on the potential for support activities under the new guidance where the Risk Management Coordinator role as outlined in the guidance is seen as Council function.
- **Delivery of programming in process improvement.** CNSWJO already undertakes some programming in support of process improvement. Indeed all CNSWJO programming seeks to deliver value. Existing examples include:
 - the CNSWJO training service including online training;
 - the assurance programming in the water utilities alliance;
 - the code of conduct panel;
 - the NAMAFA program;
 - aggregated procurement; and
 - implementing advice from various reviews eg cyber security and best practice in aggregated procurement.

A more strategic approach to internal audit, assurance and process improvement would no doubt identify more areas where the JO can deliver value. For example the GMAC workshop

on aggregated procurement identified depot, stores and asset management as being areas of interest.

The opportunities that can be realised through shared approach include:

- greater independence of the internal audit function;
- enabling benchmarking;
- cost savings;
- all of the power of the larger group;
- leveraging an organisation that is dedicated to member service and adept at negotiating in member interest; and
- reducing workload on council staff.

The risks and their management in a shared approach include:

- managing the two tiers where the approach being suggested below has managed this risk;
- the internal audit becoming too “independent” or separate from Council and thereby losing value where arguably the JO “being in the middle” will deliver better outcomes for Councils as it does with any other contract leveraging its size and culture of dogged member service;
- reputational damage to the JO from being involved in internal audit and seen as some type of regulator;
- perceptions of tier of fourth tier government;
- the internal audit function becoming “its own beast” given its need for independence with corollary financial impacts; and
- the propensity for the regulator to “grow” the role of the ARI framework with its corollary impacts on the JO and members.

Further work would need to be undertaken regarding risks.

Financial implications

Advice from members on current expenditure is as follows:

- Direct costs range between \$20K and \$160K;
- Costs for internal audits being provided by external suppliers ranges upwards from \$5k; and
- Indirect costs are at a minimum of \$8K where staff provide advice that the follow-up on the recommendations for improvement can be substantial where 1 day per week for coordination and administration of the internal audit committee including follow-up on improvement will support two to three externally supplied audits per year.

Please find attached a report from Canberra JO informing potential costs and savings showing their intention to move to a shared internal audit service between four Councils. Their advice is that one full time staff would need to be engaged per four Councils. This is a good fit with feedback on indirect costs above.

Members will have differing views on the extent to which the audit risk and improvement framework should be resourced and in what time frame. However, there is arguably a sweet spot between the ‘sunk costs’ of ARIC administration and the value that can be derived from them. This is an area that would be explored by General Managers interested in progressing regional support as outlined in the preferred approach below.

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Preferred approach

Please see some summary advice in the following table where the yellow highlights would be included in the preferred approach.

Pink highlights are models being explored by other JOs.

Requirement	Date	Options for consideration
Council appoint an Audit, Risk and Improvement Committee	30 June 2022	<ol style="list-style-type: none"> 1. Establish 11 standalone independent ARIC committees. 2. Establish a shared independent ARIC with a number of Councils led by Councils. 3. Establish a shared independent ARIC with a number of Councils led by CNSWJO. 4. Establish a centralised ARIC within CNSWJO to be shared across the member Councils of the Joint Organisation. 5. CNSWJO coordinates the recruitment process for Councils as a panel or direct aggregated procurement.
Membership of ARIC must be a Chair and 2 or more other persons that satisfy the eligibility requirements.	30 June 2027	<ol style="list-style-type: none"> 1. CNSWJO coordinates the recruitment process for Councils as a panel or direct aggregated procurement. 2. Allows for transitioning of ARIC so various models can be explored.
Allow Council to appoint a Councillor who satisfies the eligibility requirements as a non-voting member	30 June 2027	<ol style="list-style-type: none"> 1. Potential for regional capacity building program and/or 2. Potential to build networks of elected reps in region.
ARIC to operate in accordance with Terms of Reference based on model Terms of Reference	30 June 2022	<ol style="list-style-type: none"> 1. CNSWJO can include a GMAC report as part of the usual programming structural arrangements in this regard and coordinate a “Head of Internal Audit” officer group. 2. CNSWJO provides secretariat services to ARIC.
Provide ARIC direct and unrestricted access to General Manager and other Senior staff and any information and resources necessary to undertake its role	30 June 2022	<ol style="list-style-type: none"> 1. CNSWJO can include a GMAC report as part of the usual programming structural arrangements in this regard and coordinate a “Head of Internal Audit” officer group. 2. CNSWJO provides secretariat services to ARIC.
Adopt a strategic plan (every 4 years) to ensure that all matters in 428A are reviewed by the Committee and Internal Audit function over each Council term	30 June 2022	<ol style="list-style-type: none"> 1. Potential for joint procurement of strategies that enable benchmarking and further collaborative activity eg procuring internal audits, improvement in NAMAFA, IP and R and/or 2. CNSWJO provides secretariat services to ARIC.
Develop an annual work plan to guide its work over the forward year	30 June 2022	Potential for joint procurement/approach

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Annual Assessment	30 June 2022	Potential for joint procurement/approach
Develop key performance indicators for Council's strategic 4-yearly workplan and annual work plan	30 June 2022	Potential for joint procurement/approach
Develop quarterly reporting from ARIC to the GM	30 June 2022	<ol style="list-style-type: none"> 1. Potential for joint procurement of strategies that enable benchmarking and further collaborative activity eg procuring internal audits, improvement in NAMAFA, IP and R and/or 2. CNSWJO provides secretariat services to ARIC.
ARIC Members should be designated persons	30 June 2022	CNSWJO coordinates the recruitment process for Councils as a panel or direct aggregated procurement.
Chairs should meet regularly with the GM	30 June 2022	CNSWJO provides secretariat services to ARIC.
Voting Members to meet with External Auditor at least once annually	30 June 2022	CNSWJO provides secretariat services to ARIC.
Voting Members to meet with Internal Auditor at least once annually	30 June 2022	<ol style="list-style-type: none"> 1. The collaborative model does not require an internal auditor as a shared service, but shared coordination. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
Determine whether Professional indemnity and PLI is required for Chairs and Members	30 June 2022	An element of aggregated recruitment.
Implement a risk management framework for strategic and operational risks that is consistent with ISO31000	30 June 2024	<ol style="list-style-type: none"> 1. CNSWJO shares the administration of its risk management function with a Council. 2. CNSWJO seeks to opt out. 3. CNSWJO undertakes the coordination and administration of some or all of their member Councils risk management framework on behalf of the member Councils. This option must fulfil the requirements/desires of each Council, and this arrangement is to be detailed in a formal agreement.
Ensure framework demonstrates Leadership and Commitment, Integration, Design, Implementation, Evaluation and Improvement.	30 June 2024	<ol style="list-style-type: none"> 1. CNSWJO shares the administration of its risk management function with a Council. 2. CNSWJO seeks to opt out. 3. CNSWJO undertakes the coordination and administration of some or all of their member Councils risk management framework on behalf of the member Councils. This option must fulfil the requirements/desires of each Council, and this arrangement is to be detailed in a formal agreement.

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Assign risk management roles within Council	30 June 2024	CNSWJO coordinates an existing WHS and Risk Management Group which can be reviewed for better alignment with the new framework.
ARIC must provide an assessment of the effectiveness of Council's risk management framework to the governing body each Council term as part of the Committee's 4 yearly strategic plan	30 June 2024	<ol style="list-style-type: none"> 1. Assessment can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
Ensure performance targets to risk management activities can be measured against goals and objectives and obtain data needed to measure the impact if the risk management framework	30 June 2024	Activities as appropriate can be procured/coordinated regionally.
GM to provide Annual attestation each year in the annual report whether Council has complied with the risk management activities	30 June 2024	CNSWJO provides secretariat services to ARIC model would enable these meetings.
Internal Audit activities to operate in accordance with a Charter based on the Model Charter	30 June 2024	<ol style="list-style-type: none"> 1. Activities as appropriate can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
ARIC to oversee the internal audit activities	30 June 2024	<ol style="list-style-type: none"> 1. Activities as appropriate can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
Member of Council staff appointed to direct internal audit activities	30 June 2024	<ol style="list-style-type: none"> 1. CNSWJO can include a GMAC report as part of the usual programming structural arrangements in this regard and coordinate a "Head of Internal Audit" officer group. 2. CNSWJO provides secretariat services to ARIC.
Requires this staff member of staff to report only to the ARIC regarding internal audit activities	30 June 2024	<ol style="list-style-type: none"> 1. CNSWJO can include a GMAC report as part of the usual programming structural arrangements in this regard and coordinate a "Head of Internal Audit" officer group. 2. CNSWJO provides secretariat services to ARIC.
Requires ARIC to review the performance of the internal audit function each year and report to the governing body	30 June 2024	<ol style="list-style-type: none"> 1. Activities as appropriate can be procured/coordinated regionally CNSWJO can include a GMAC report as part of the usual programming structural arrangements in this regard and coordinate a "Head of Internal Audit" officer group. 2. CNSWJO provides secretariat services to ARIC.

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Requires ARIC to review performance and efficacy of the internal audit activities once each term and report to the governing body the outcome of its review and make recommendations	30 June 2024	1. Activities as appropriate can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
Publish an Annual Attestation statement in the Annual Report indicating whether in the preceding financial year the ARIC, risk management framework and internal audit function complied with the Guidelines	30 June 2024	1. Activities as appropriate can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.
ARIC must provide an annual attestation to Council each year	30 June 2027	1. Activities as appropriate can be procured/coordinated regionally. 2. CNSWJO provides secretariat services to ARIC model would enable these meetings.

It is suggested that any JO support for members implementing the audit risk and improvement guidance from the OLG would fall into two areas, a coordination role leveraging the CNSWJO procurement function and an administrative role supporting a shared ARIC.

1. Procurement co-ordination role - potential elements

- a. Coordinating an operational team to provide feedback into the process similar to other teams CNSWJO supports. This to include a forward strategy.
- b. Establishing a panel of local ARIC members.
- c. Coordinating any training required at member/ARIC request.
- d. Collaboratively procuring various audits, strategies, reviews and process improvements eg NAMAFA under the auspices of GMAC.

Should support of this type eventuate, additional resource would be required by the procurement function of the CNSWJO. A report is currently being developed by the Board outlining how this function could be resourced.

2. Administration of ARIC's role - potential elements

- a. 4 Tier 1 councils share an ARIC. An approach including Tier 2 Councils can be developed at interested General Managers' request;
- b. Secretariat role of ARIC is administered through JO. This includes all aspects as listed in the guidance;
- c. It is envisaged that ARICs would primarily meet online;
- d. Includes aggregating strategy, reviews, procurement;
- e. Includes 2-3 internal audits per year externally procured and one meetings with the external auditor as directed by the guidance;
- f. Opportunity for benchmarking and extending the program to other Councils; and
- g. Process improvement as recommended in reports follow-up undertaken with GM or delegate.

Should support of this type eventuate, additional resource would be required where a ball park figure is one FTE per four Councils. Further work would need to be done on the program to keep resource to a minimum where the JO is adept at effective and efficient resourcing, for example its

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procurement program. The approach would require service level agreements and contracts to be negotiated.

Submission to the OLG on the ARI guidelines.

Please find attached the draft submission to the OLG on the ARI guidelines. The key point this submission is making is that:

- CNSWJO is supportive of a strategic approach to process improvement and risk management;
- There is no contemplation for JOs sharing arrangements which may be a better option given their similarity in size and function;
- There is no tailored ARIC framework for JOs and given their size and role, the Tier 1 arrangements are seen as too resource intensive. It should be noted that some Joint Organisations have less than one FTE of staff which means that there will be a significant diversion of resource to deliver the internal audit and risk management framework;
- JOs biggest risks are ones they cannot manage individually. These are the sustainability of the broader network and the lack of engagement by the State.

Unfortunately for the Local Government sector, significant risks are not always within their remit to control. Take the delivery of quality secure water. Using the example of current recent drought where State owned dams and State administered regulatory are unable to assure water to communities in regional NSW. This risk was recognised in this region during the last drought with significant advocacy undertaken to try and address the problem. Arguably, a better approach for urban water security in regional NSW would be effected by a less paternalistic approach by the State and a shared approach to risk management. Happily, the DPIE are currently trying to improve their internal processes through the Town Water Risk Reduction Program, however the outcomes of this approach remain to be seen;

- An honest conversation needs to be had between the State and Local Government about what problem, or risk we are trying to manage and how it should be approached rather than the blunt instrument of increasing compliance. Another salient example is the Review of Joint Organisations administered by the Office of Local Government. Well overdue and now unlikely to be public before the end of this Council term, Councils and JOs are now unable to use this information to inform end of term reports. This includes how to manage the two greatest risks to JOs as outlined above – neither of which they are able to manage individually.
- The diversion of resource required for a Joint Organisation to fulfill these guidelines will be counterproductive and is at risk of contributing to JO network failure.
- It is noted that there has been some improvements in the framework however, the framework still diminishes the role of Councillors, is process rich and outcome poor.
- There are opportunities for support by the JOs and please find attached a report to the JO Board on progressing a preferred approach leveraging CNSWJO's strength in aggregated procurement.

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- As advised in the last round of consultation, CNSWJO would welcome an opportunity to work collaboratively on designing a model that is workable for very small organisations in the Local Government sector such as small County Councils and JOs.

Attachment/s:

4. Summary of the guidelines for Risk Management and Internal Audit Framework for Local Councils in NSW
5. Advice from Canberra JO on their approach to ARI
6. Draft submission risk management and internal audit guidelines

g. The internal review of the CNSWJO and end of term Report

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation.
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Jennifer Bennett, dated 17 November 2021

Recommendation/s
<p>That the Board note the report on the end of term, thank members who provided feedback and recommend to the incoming Board it;</p> <ol style="list-style-type: none"> 1. review the current advocacy policy and approach with a view to better respecting and leveraging the role of the Mayors of this region; 2. continue to advocate for fit for purpose engagement in development of State strategies and that this include the codesign of consultation before engagement commences; 3. consider the extent to which it should continue to pursue collaborating with the State; 4. monitor the success of the JO model and <ol style="list-style-type: none"> a. if JOs continue to fail due to financial sustainability; b. the State does not step up its support; and c. compliance costs continue to rise- the incoming Board seek to transition to an incorporated model twelve months after the next State election; 5. note the strengths and successes of this JO term including in; <ol style="list-style-type: none"> a. cost savings and other value of procurement; b. PR value of tourism where advice from a 3 year marketing plan informed by this report should be included in the Board's forward considerations; c. reputation as an advocate particularly in water; d. reputation as a collegiate and collaborative region that speaks clearly with one voice and e. seek to build on these strengths 6. as part of its strategic review, hold a Summit addressing the region's wicked problems such as health; and 7. include in its forward strategy advice from the review of JOs being undertaken by the OLG; 8. adopt the BPAP Stages 1-6 reports and <ol style="list-style-type: none"> a. consider the extent to which Procurement Model 2 is of value to members; b. adopt a management fee model for income to the JO using a shared cost savings methodology; c. build on the strength of the procurement roles of the JO; d. consider using a shared cost savings methodology for the resourcing required for the JO to support an increased level of procurement as well as supporting other JO programming more broadly noting that councils are reporting they do not want to pay more in fees; e. consider underwriting \$100k from CNSWJO reserves to enable additional procurement resource; f. consider other value-added services including training, sharing expertise, audits and health checks etc., and how these would be funded; and g. consider each of the best practice initiatives and decide which should be pursued and in which priority order.

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Precis

The Board at its June meeting resolved to receive an end of term report of the JO that includes the risks, challenges and delivery against the objectives. This is to include a survey with feedback from members. Members were provided with a survey in mid June and were asked to focus their attention in two areas:

1. What is the one thing for the JO to get right in its next term?
2. What is the most important priority for the JO to resource in its next term?

Heads of consideration in this report are:

- An end of term report providing advice on progress of the JO Statement of Strategic Regional Priority
- Joint Organisation progress on its proclaimed role
- Summary advice from the survey provided to members
- Advice to the incoming Board

Material advice includes

- timing of a request to seek to move to an alternate collaborative model than the JO
- changes to the income model for the JO leveraging cost savings through procurement

Reason for the Report

Given the slippage at the State level on the review of Joint Organisations, the Board at its June meeting resolved to receive an end of term report of the JO that includes the risks, challenges and delivery against the objectives. This advice was to be informed by a survey of members.

Advice from the review will be shared with members and the incoming Board.

Legislative Policy and Risk Considerations

End of term report providing advice on progress of the JO Statement of Strategic Regional Priority

The Local Government Act 1993 identifies the three principal functions of Joint Organisations as follows:

A joint organisation has the following principal functions:

- To establish strategic regional priorities for the joint organisation area and to establish strategies and plans for delivering those strategic regional priorities.
- To provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities.
- To identify and take up opportunities for inter-governmental co-operation on matters relating to the joint organisation area.

CNSWJO was the first Joint Organisation to constitute in June 2018 after proclamation in May 2018. It then took a root and branch approach to developing its forward strategy which can be found at <https://www.centraljo.nsw.gov.au/strategic-plan-regional-priorities/> (the Plan) as can the mandated Statement of Strategic Regional Priority. Taking a risk management approach, risks to the JO were identified and reviewed quarterly by the Board.

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Central NSW JO has identified 4 strategic regional priority areas to deliver the 3 functional principles:

- Inter-council co-operation
- Regional prosperity
- Regional transport and infrastructure
- Regional water

The term of the JO was extended due to Covid to December 4, 2021 and the Plan with minor modifications was approved and extended accordingly. JO terms have now been aligned to Council terms with amendments to the Local Government Act in 2020.

Progress has been made on all actions identified in the Plan while the JO has managed the emerging challenges and opportunities over the three-year period. Covid has had a significant impact on the JO's annual meeting schedule and Mayors have become adept at online platforms.

In 2019 the Chair requested that advice on progress of the Plan be provided as a value statement to members. Please request detail of progress of the actions identified in the Plan where this is reported quarterly to the Board.

Key outputs over the three-year period have been:

- [Statement of Regional Priorities](#)
- [Central NSW Joint Organisation Strategic Plan](#) including risk management plan
- Communications and Engagement Strategy
https://www.centraljo.nsw.gov.au/content/uploads/CNSWJO_Communication-and-Engagement-Plan-2019_2022.pdf
- Updated policy documentation in line with Local Government regulations
https://www.centraljo.nsw.gov.au/content/uploads/2020_CNSWJO-Policy-and-Procedure-Documents_FINAL.pdf
- Logos, a new website, facebook etc
- EV website and toolkit - <https://www.centralnswjo.com/>
- EV mapping Regional Charging Infrastructure in Central NSW
<https://www.centraljo.nsw.gov.au/content/uploads/CNSWJO-Regional-Charging-Infrastructure-in-Central-NSW-Final-compressed.pdf>
- A reviewed approach leveraging the JO model for its visitor economy strategy
<https://www.centraljo.nsw.gov.au/content/uploads/Refresh-of-Visitor-Economy-Strategy.pdf>
- 'We want you back' Campaign - <https://www.visitcentralnsw.com.au/we-want-you-back/>
- "The Long Long Weekend" Campaign – currently in market
- Best Practice in Aggregated Procurement <https://www.centraljo.nsw.gov.au/procurement/>
- National Asset Management Audit Framework reports for Councils and a regional report pointing to further ways in which the JO can support members
<https://www.centraljo.nsw.gov.au/cooperative-projects/>
- A collaboration between Arts Out West, RDA Central West and CNSWJO the Culture Maps website supports visitors and locals exploring all things cultural including public art, galleries, events and the region's rich heritage <https://centralnsw.com/>
- Central West Food and Fibre Strategy
<https://www.centraljo.nsw.gov.au/content/uploads/Foodand-Fibre-Strategy-Final-combined-compressed.pdf>
- A co-authored document with the Regional Leadership Executive seeking better communication, consultation and collaboration between Local and State government
https://www.centraljo.nsw.gov.au/content/uploads/210217_Consultation-Policy_CNSWJO_RLE_Final-1.pdf

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- 164 Bridge assessments for member Councils and a regional report to inform further funding and collaborative opportunities with the State and Federal Governments with a view to delivering even more value to members and the State. To view a case study visit https://www.centraljo.nsw.gov.au/content/uploads/Bridges_Case-Study.pdf
- Submissions and responses to various Inquiries <https://www.centraljo.nsw.gov.au/submissions/>
- Various outputs as part of the engagement with the Lachlan and Macquarie Regional Water Strategies and the State Water Strategy. This includes work on the methodology proposed by the State Government for economic modelling of options in the Regional Water Strategies. https://www.centraljo.nsw.gov.au/content/uploads/201109_Lachlan-RWS_Final-Consult.pdf <https://www.centraljo.nsw.gov.au/submissions/>
- A Town Water Security Infrastructure Project listing for advocacy specifically through the drought.
- Covid response guidance and resources to support for member's Local Water Utilities (LWU) co-ordinated through the Water Utilities Alliance.
- Audits of DPIE Performance Monitoring data for member's LWUs with individual Council reports recommending areas for improvement and opportunities for further JO support.
- A tool for ongoing monitoring of member's LWU Drinking Water Management Systems coordinated through the Water Utilities Alliance.
- Strategic work in Water Loss Management with the University of Sydney School of Chemical and Biomolecular Engineering Major Industrial Project Placement Scheme to position member's LWUs for potential funding under soon to be released State Government funding in leakage reduction. This includes a benchmarking and maturity model for further roll out.
- Various outputs as part of the engagement by the JO with the State Government's Town Water Risk Reduction Program. This is ongoing and includes correspondence, submission, survey responses and the discussion papers.
- Case Study for Infrastructure Australia's – Australian Infrastructure Plan- Water Chapter.
- Communique with Lachlan Valley Water negotiated to support advocacy for water security in the Lachlan valley including for the Wyangala Dam wall project.
- Various media releases supporting the need for increased water storage for towns.
- The annually renewed Memorandum of Understanding with Regional Development Australia Central West https://www.centraljo.nsw.gov.au/content/uploads/RDACW_MOU_2020-2021.pdf
- 11 plans and strategies completed and 5 underway under the Clean Energy Central program with DPIE
- Over 40 contracts leading to a total of \$5.1m saved over the three year period
- Various outputs as part of the Central West and Orana Regional Transport Plan 2056
- 29 media releases which can be found at <https://www.centraljo.nsw.gov.au/media-releases/>
- 43 water operators trained in Water management in 2018 with 19 registered under the Water Industry Operators Association (WIOA) national registration scheme; 46 wastewater operators trained in Wastewater management in 2021 with registration under the WIOA national registration scheme for Wastewater in progress.
- There are 2,062 users across the region (from 7 member councils) with access to the online learning platform. Under the contract that's in place until 31 August 2023 there is access to 308 courses from the course library. This also offers Councils surety on Council's staff understanding various compliance issues.
- Various media releases promoting the region as a destination leading to close to \$4m of PR value.

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At the Chair's request in 2019 summary advice on value for members has been developed and is reported to Councils quarterly as part of the Mayoral Board Report to Council. Please find summary advice for the three years below. This is reported quarterly.

VALUE FOR MEMBERS 2020/2021	FY 2019/2020	FY 2020/2021	FYTD 2021/2022 to date
SUBMISSIONS	20	23	8
PLANS, STRATEGIES AND COLLATERAL	26	12	2
GRANTS SEEKING	3	3	0
GRANT FUNDING RECEIVED	\$215k	\$736k	0
COMPLIANCE	13	9	6
DATA	6	3	0
COST SAVINGS	\$1.87m	\$2.2m	
REPRESENTATION	147	159	108
OPPORTUNITIES COUNCILS HAVE BEEN AFFORDED INCLUDING PR	35	102	37
PR Value	\$1.5m	\$2.4m	

The CNSWJO met at least quarterly over the three-year period. Meeting dates were:

- 24 May 2018, 23 August 2018, 22 November 2018;
- 28 February 2019, 2 May 2019, 29 May 2019, 28 June 2019, 22 August 2019, 27 November 2019;
- 27 February 2020, 4 June 2020, 3 July 2020, 27 August 2020, 4 December 2020; and
- 11 March 2021, 29 April 2021, 3 June 2021, 12 August 2021.

Mayors are voting representatives at meetings. Agendas and minutes can be found at

<https://www.centraljo.nsw.gov.au/business-papers-agendas/>

Each year the Board meets once in Parliament House in Sydney and once at Parliament House in Canberra. The State and Federal meetings enjoy support from State and Federal representatives and the Board would like to thank The Hon Michael McCormack, The Hon Paul Toole and Ms Steph Cooke. These meetings are highly valued by the Board and provide an opportunity for the region to prosecute its case and for Mayors to raise both local and regional issues. Advocacy is supported by advocacy policy which is reviewed annually by the Board each February.

Covid 19 has impacted the CNSWJO's ability to meet in Canberra and Sydney and representation has moved online.

All compliance obligations have been met on time and as part of being regularised under the Local Government Act the JO now has a raft of reporting and an audit conducted by the Auditor General. This includes Annual Performance Statements which can be found at

<https://www.centraljo.nsw.gov.au/publications/>.

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While this offers greater assurance to the Board it does come at a financial cost estimated at \$50K both in increased auditing and financial services costs and internal resourcing of the various reporting obligations.

Joint Organisation progress on its proclaimed role

JOs were proclaimed under the Local Government Act:

- To establish strategic regional priorities for the joint organisation area and to establish strategies and plans for delivering those strategic regional priorities.
- To provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities.
- To identify and take up opportunities for inter-governmental co-operation on matters relating to the joint organisation area.

The material difference between the roles of the JO model and that of the ROC is the inclusion of intergovernmental co-operation. CNSWJO has included this as a priority of inter-council co-operation. Concurrently throughout its first term, CNSWJO and has tried to proactively work with the State. Both this engagement and the JOs new compliance functions have come at a resourcing cost.

Please find following advice on CNSWJO's progress on its proclaimed functions.

1. To provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities

The priorities of the CNSWJO are broadly:

- Regional water particularly urban water owned and operated by Local Government
- Transport and infrastructure
- Regional Prosperity including agriculture, tourism, planning (land use and development), health, education and telecommunications.
- Inter-council cooperation including supporting collaboration of Council staff and working across the JO network. This includes training, energy and procurement.

To support advocacy regarding its priorities CNSWJO:

- Writes submissions and correspondence
- Leverages its networks
- Makes representations
- Develops and annually reviews its advocacy policies
- Makes opportunities for the Board to meet with State and Federal representatives
- Develops and issues media releases including through its social media networks
- Develops collateral

Advocacy Priority	Governance and resourcing	Progress and highlights
Regional Water	Portfolio Chair: Cr David Somerville	Key advocacy has been regarding: <ul style="list-style-type: none"> • <i>Emergency town water security</i> through the drought. Work is ongoing

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	<p>Sponsoring GMs: Kent Boyd, Gavin Rhodes and David Sherley</p> <p>Advocacy policy is reviewed Annually</p> <p>CNSWJO Water Utilities Alliance with all Councils providing membership meets bimonthly</p> <p>Regular advocacy updates and briefing notes</p> <p>Representations</p> <p>Submissions</p> <p>Meredith Macpherson is a dedicated resource</p>	<p>through the Regional Water Strategies (RWS)</p> <ul style="list-style-type: none"> • Drought support for central NSW communities including program and resourcing support and LG representation on the inter-agency Critical Water Advisory Panel. Disappointingly the moment it rains all support disappears. Work is ongoing with advocacy recommended that the Town Water Commissioner role is made permanent. • Long-term water security infrastructure including for Government project commitments: <ul style="list-style-type: none"> - Raising Wyangala dam wall - Belubula water security projects including the Lake Rowlands to Carcoar pipeline project and - the raising of the Lake Rowlands Dam wall. <p>Long-term water security planning including:</p> <ul style="list-style-type: none"> - the integration of town water into the Lachlan and Macquarie RWSs. This is now included and being optimised. - the need for Local Water Utilities to have a seat at the table in the Options Assessment Process. Some progress has been made with an improved consultative process with LG on the RWS options. - ground-truthing of economic modelling for short listing of options in these strategies. Agreement to review this provided following a meeting with the Deputy Secretary DPIE Water (3 Nov) - Transparency around the models used to determine the impacts of climate change on the RWSs and identification of strategies to deal with it. This is ongoing through the engagement on development of the RWSs.
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		<ul style="list-style-type: none"> - the sharing of modelling and data developed by DPIE for the RWSs with LWU's to enable local level planning. This forms part of the pilot project co-designed by the JO with the DPIE Town Water Risk Reduction Program team with work underway. - co-design of the Governance and Implementation Plans for the Regional and State Water Strategies. This includes a structure and delegation enabled in the region with inter-agency representation including LG at the decision making table. Agreement provided by Deputy Secretary DPIE Water (3 Nov) to review this with the JO. - the need to address the big issues around water sharing and dam management. Some progress has been made through consultation on the State and Regional Water Strategies. Work is ongoing on this through engagement on the RWSs and the Wyangala Dam project. <p>• <i>Supply of LWU services to Central NSW communities - Business as Usual</i> including:</p> <ul style="list-style-type: none"> - Local Government Ownership and Management of Local Water Utilities in Regional NSW. Where advocacy is ongoing, the sector has been successful with the State Government continuing to affirm that it has no intention of removing ownership from LG. This requires as ongoing watching brief. - <i>Regulatory reform</i> - Following decades of advocacy and numerous submissions on the challenges for LG LWUs through the State Government's regulatory framework in regional NSW, the NSW Auditor – General's Report on support for town water infrastructure by DPIE resulted in recognition of the many issues raised by the sector including the JO. In 2021 the Town Water Risk Reduction Program was implemented in response. The JO is fully engaged in the program delivery and seeking to influence outcomes in
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		<p>the best interests of members and their communities.</p> <p>- Collaborative Alliance model - The JO has continued to advocate for the regional collaborative alliance model to support the delivery of LWU services by LG in regional NSW. Through numerous submissions, including to the State and Federal Productivity Commission's and Infrastructure Australia, the model has been recognised as having potential to improve service delivery. The TWRRP is exploring opportunities for greater collaboration between LWUs to address risks to town water supplies.</p> <p>- Drinking water quality - the JO has continued to advocate for the Alliance as a model to support LG LWUs to manage water quality through support offered through Alliance programming.</p> <p>Other advocacy has focussed on:</p> <ul style="list-style-type: none"> • Leveraging the JO network in water management by LWUs in regional NSW. • Increased advocacy support by LGNSW for LWUs in regional NSW. This has included support for a regular JO network meeting with LGNSW and the NSW Water Directorate. • support for elected representatives to be authentically engaged in water planning and management. <p>While some inroads have been made all of the above require ongoing advocacy.</p>
Transport and infrastructure	<p>Portfolio Mayor: Cr Ken Keith OAM</p> <p>Sponsoring GM: Kent Boyd</p> <p>Advocacy policy is reviewed Annually</p> <p>The Regional Strategic Transport Group made up of key stakeholders including State and Federal Departments met quarterly, next term this group will be known as the CNSW ITG and will move into a more actions based forum.</p>	<p>Where direction is provided by the Advocacy Plan, advocacy has been regarding:</p> <ul style="list-style-type: none"> • The Central West and Orana Transport Plan; • A safe swift link between the two Wests; • Roads of Strategic Importance; • 100% funded Bridge Assessment regional report included in the National Heavy Vehicle Regulator prioritisation; • 100% funding of Inland Rail

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	<p>The Transport Technical Committee meet quarterly and collaborate on opportunities and determine regional contracts, and other operational functions. They work to a strategy which is due for review.</p>	<p>Productivity Enhancement Program;</p> <ul style="list-style-type: none"> • Connecting the two Wests through joining the Western Sydney Dialogue; • Scope for a new Regional integrated transport Group. (As of 8 Nov 21 it will be officially known as the Central NSW ITG); • Road Rail Interface; • Projects identified in the transport and infrastructure priority matrix.
Regional Prosperity	<p>Portfolio Mayor:</p> <p>Cr Bill West</p> <p>An Advocacy Plan is updated annually.</p> <p>Sponsoring GMs: Rebecca Ryan, David Waddell, Paul Devery and Glenn Carroll</p> <p>MoU with RDA Central West.</p> <p>Tourism Managers Group meeting twice a year with a marketing subcommittee meeting more frequently as projects emerge. This group s reviewed their strategy which they are working to.</p> <p>The Planners Group</p> <p>Regional Prosperity Committee was formed to identify synergies, opportunities and potential projects for future partnering between with a focus on Destination Marketing, Agriculture, Digital Connectivity, Data availability and accessibility and Energy - cost & availability</p>	<p>Key advocacy has been regarding:</p> <ul style="list-style-type: none"> • The review the Central West and Orana Regional Plan • Various submissions and representations to State and Federal Inquiries supporting the region's position including on telecommunications, health services, housing, planning, productivity, decentralisation

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Inter-council co-operation	<p>Portfolio Mayor</p> <p>Cr John Medcalf, OAM</p> <p>Sponsoring GMs: Brad Byrnes and Greg Tory</p> <p>Regional Leadership Executive</p> <p>Joint Organisation Chairs' Forum</p> <p>Joint Organisation Executive Officers' Group</p> <p>Other collaborations of Council staff not mentioned elsewhere:</p> <ul style="list-style-type: none"> • General Managers Advisory Committee • Energy Group • IT Managers • WHS/Risk Management Group • HR Managers Group • Training, Learning & Development • Various project based group for example the current effort on Community Strategic Plans 	<p>Key advocacy has been regarding:</p> <ul style="list-style-type: none"> • Joint Organisation sustainability • Planning matters • Advocacy in support of Council operational issues for example: <ul style="list-style-type: none"> ○ Street Lighting ○ The Australian Energy Regulator ○ Various elements of the compliance framework eg Audit, Risk and Improvement
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Discussion and recommendations

CNSWJO enjoys a reputation as a collegiate and collaborative region that genuinely seeks to reflect the collective aspirations of its member Councils. In line with feedback from the Survey of Mayors and General Managers informing this report, it is recommended that the incoming Board review the current advocacy policy and approach with a view to better respecting and leveraging the role of the Mayors of this region.

2. To establish strategic regional priorities for the joint organisation area and to establish strategies and plans for delivering those strategic regional priorities

In accordance with its regulatory function the JO has produced a [Statement of Regional Priorities](#). This is a subset of a more detailed strategy for the JO [Central NSW Joint Organisation Strategic Plan](#).

The policy position of the Central NSW Joint Organisation is to where possible, influence plans developed by the State and therefore have member Council and regional priorities “with waratahs on them.”

Accordingly, CNSWJO has:

- Co-authored a policy with the Regional Leadership Executive (RLE) to provide agreed direction on consultation in region.
https://www.centraljo.nsw.gov.au/content/uploads/210217_Consultation-Policy_CNSWJO_RLE_Final-1.pdf;

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- Engaged in both the delivery of the Central West and Orana Regional Plan to 2036 and its review to 2041;
- The RLE has a Statement of Intent to support its accountability. While this region has some success in having urban water included in the SOI and having Regional NSW administer a Regional Prosperity Subcommittee, the RLE is currently reviewing its approach and all its activity regarding water and regional prosperity has ceased;
- Provided significant advocacy regarding the Lachlan Regional Water Strategy and the Macquarie Regional Water Strategy to seek inclusion of and then optimal outcomes for urban water;
- Engaged in the Central West and Orana Regional Transport Plan process;
- Engaged in the substantial consultative process in the Town Water Risk Reduction Program as a result of the Auditor General's report on State support for town water [Support for regional town water infrastructure | Audit Office of New South Wales \(nsw.gov.au\)](#); and
- Responded to various calls for submission by the State and Federal Government to determine changes in legislation, policy, programming, structures and funding.

Notably at every stage having elected representatives respectfully engaged has been a challenge, more particularly in transport and planning where there has been better elected representative engagement in water.

CNSWJO has also developed a series of plans and strategies internally to support its ongoing program. These include:

- Use of the Matrix to prioritise infrastructure in the region. This advice is then developed into collateral as required;
- The CNSWJO Visitor Economy Strategy 2021-2026
<https://www.centraljo.nsw.gov.au/content/uploads/Refresh-of-Visitor-Economy-Strategy.pdf>;
- EV Toolkit
- EV Charging Infrastructure Mapping Report
- EV Charging Site Assessments Report
- Regional Energy Advocacy Plan and Road Map
- Best Practice in Aggregated Procurement – reports and tools including the Central NSW Joint Organisation Asset Management Maturity Assessment (NAMAF) regional report informing the development of a Regional Asset Management Working Party and ongoing collaboration on asset management;
- Water Loss Management audit process and maturity model including a benchmarking and decisional tool and framework for economic evaluation of strategies. Developed through the Sydney University, School of Chemical and Biomolecular Engineering, Major Industrial Project Placement Scheme (MIPPS) in 2021, this has potential as a pilot project for funding under the State Government's soon to be release water leakage program;
- Water Utilities Alliance Benchmarking Program including a rolling program of DPIE Performance Monitoring data audits and benchmarking alternated with audits of Drinking Water Management Systems using NSW Health Audit guidelines. A contribution to this program is made by members through their annual membership fees for the Water Utilities Alliance and demonstrates commitment by members to drinking water quality and performance improvements;
- Water Loss Management Toolkit- developed under a Community Energy Efficiency Program grant with support from the NSW Water Directorate. This has potential for State Government funding support through its Water Efficiency Program to develop training materials. Water loss management has been highlighted as a focus area for future programming by the State Government;

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- Pilot work by three Councils on water main condition assessment technologies including development of Case Studies underway. This is an area of future focus by the Auditor in the valuation of water and sewer assets; and
- A University of Sydney School of Chemical and Biomolecular Engineering student placement project for 2022 to further investigate and analyse the relationship between system water loss/leakage and Water Pump Station/Water Filtration Plant energy requirements (and subsequent impact on costs). A project proposal has been accepted by Sydney University to commence in early 2022. The project will provide recommendations to participating Councils and the JO on strategies to reduce energy consumption at water pump station/water filtration plant sites including alternative energy supply opportunities.

Both the CWUA and Roads and Transport Technical Committees are waiting for the State driven plans to be completed before reviewing their forward strategies.

Discussion and recommendations

CNSWJO and other JOs have been very active in seeking better engagement for Local Government in the development of State strategies. This has met with mixed success and until the State decides to leverage the value of JOs in a systematic way, it is likely that the present situation of patchy and at times ‘not fit for purpose engagement’ will continue. It is recommended that the incoming JO Board continue to advocate for ‘fit for purpose’ engagement in development of their strategies and that this include the codesign of consultation before engagement commences.

3. To identify and take up opportunities for inter-governmental co-operation on matters relating to the joint organisation area.

CNSWJO seeks to form relationships both formally and informally with peak organisations, other JOs, State and Federal agencies in interest of its members.

Examples of formal arrangements that show emerging or ongoing success are:

- RDACW MoU – Regional Development Australia Central West;
- DPIE MoU – Department of Planning and Environment – enabling the current regional energy program;
- CNSW ITG - Central NSW Integrated Transport Group TOR;
- NSW JO Chairs’ Forum TOR;
- BPAP -Best Practice in Aggregated Procurement project across 4 JOs – now complete; and
- The Southern Lights Group.

Informal collaborations that are working well are:

- TWRRP - Town Water Risk Reduction Program
- While early days, the DPIE Water Efficiency including a Leakage Reduction Program. See opportunities in 2. above. The JO has strategy and plans ready to roll-out either as pilots for the State or with funding support to enable rollout across all member Councils;
- While early days, the broader collaboration with TfNSW; and
- The JO Executive Officers’ network.

Collaborations that have unrealised potential are

- The Regional Leadership Executive more broadly, though the recent collaboration on State

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support for Community Strategic Planning has been valuable;

- The Lachlan and Macquarie Regional Water Strategies have demonstrated that State agencies have an increasing willingness to listen however the proof in the pudding will be the published documents and their willingness to engage with LG in the region in their implementation;
- The Central West and Orana Regional Plan (CWORP) development and implementation would benefit from greater engagement with elected representatives as would the Central West and Orana Regional Transport Plan. However, the concept of an implementation plan for the previous CWORP is a model that should be pursued with other agencies.

Within the JO the following collaborations:

- WHS
- HR and Training Group
- Training, Learning & Development Working Group
- Tourism Managers Group
- Energy Group
- IT Group
- Planners' Group
- Transport Technical Group
- Water Utilities Alliance
- Water Operators Group (meetings are adhoc)
- Regional Asset Management Working Party

Discussion and recommendations

The JO networks of Chairs and EOs have built sound trust relationships and remain focussed on the sustainability challenge of the broader network. Support for these collaborations should continue and include the anticipated advice from the OLG's review of the JO model in its forward program.

The region enjoys variable but always positive ongoing benefit from the operational groups who continue to share information and to greater and lesser extents deliver cost savings and other value through procurement and project delivery. Please see recommendations below regarding increasing the procurement resource to enable more support for the various operational groups.

More difficult is engaging with the State where to date there have been progress in some areas however State engagement remains patchy. CNSWJO staff spend more time trying to enable outcomes from working with State agencies than the ROC did. As JOs were created to enable a better relationship with the State, exploring this role has been an effective use of resource. However, the State support envisaged during the JO Pilot has not materialised so the resourcing of the relationship has fallen primarily onto the JO. It is therefore recommended that the incoming Board consider the extent to which it should continue to pursue collaborating with the State.

Joint Organisation Review

Members will recall that the NSW Government has commissioned a review of the Joint Organisation Model. The progress of this review experienced significant slippage and it is uncertain if this term of the JO will have opportunity to review it. At the time of writing advice has been provided from the Minister for Local Government's Office that the consultant's report has been provided to the Minister.

The Joint Organisation Chairs' Forum was advised at its meeting 4 November that they could expect a briefing in coming weeks. Further advice will be provided to the Board should this eventuate. It is

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recommended that advice from this review inform activity of the incoming Board. In the meantime, this region resolved to progress its own review informed by a survey of members.

Finally, given the sustainability challenge, it is recommended that the incoming Board give consideration to a time frame for seeking alternative structural arrangements. It is recommended that the incoming Board seek to transition to incorporation twelve months after the next State election if,

- JOs continue to struggle and fail such as is the case with Orana;
- the State not step up its support; and
- compliance costs continue to rise.

Summary advice from the survey provided to members

Mayors and General Managers were provided with a survey in June 2021. Please find a copy of the survey attached. The survey had three sections:

1. How well do you know your JO? – light-hearted questions to see the extent to which members are aware of various activities, priorities and successes of the JO;
2. Ranking the services that the JO delivers for member Councils and community; and
3. Informing the next Term of Strategic priorities and provide advice for the incoming member Councils, what should they know about their JO.

Survey results

Section 1

The light-hearted survey started with the first section ‘how well do you know your JO’. The top score was 89% and the average correct answers fared well at 57%. Respondents are well aware of the programming in water in particular.

Section 2

The highest ranked priority was “Seeking to have a more effective relationship with the State through a variety of initiatives.”

This was followed by equal support for:

- Working in Energy – including aggregated electricity procurement, the Southern Lights Project, Electric Vehicles and more;
- Working with the State on planning and prioritisation;
- Advocacy on agreed priorities and speaking with one voice including in submission writing and representation;
- Delivering visitor economy support programming like PR services returning \$1.5m of PR support, campaigns like ‘We Want You Back’ and data support;
- Working with members, with the State and advocating for quality secure water owned and operated by Local Government;
- Meetings with Ministers at Parliament House in Sydney and Canberra; and
- Networking and sharing experiences with fellow Mayors and General Managers.

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Section 3

Key questions and the answers provided by Mayors are as follows:

Q43 What is the one thing for the JO to get right in its next term?

- It's time to get together after Covid.
- Wyangala Dam.
- Something within our control. Advocacy needs to be right - have a look at how we are doing it now and can we do it better.
- Mayors taking ownership. Mayoral engagement – let's leverage their value.
- State funding. State commitment.
- I don't see any major issues. Bedding down relationship protocols with State Gov't and relevant funding is important for ongoing viability

Q44 What is the most important priority for the JO to resource in its next term?

- Water
- Health is the biggest issue however we will need to think about what we do.
- Water and rural health.
- Water. Followed by Tourism and procurement.
- Decentralisation initiatives.
- Energy & greenhouse gases & assoc. climate matters.

Of the above advice to the incoming Board, health has not been resourced to any extent. It is therefore recommended that some scoping work be undertaken on a potential approach to health.

Regional advice to members for CSP

- CWORP
- CWORTP
- RWS
- Existing Priorities

Advice to the next Board

Based on the feedback from the Survey, health is emerging as a new priority. However, feedback is also that Council budgets are constrained and any new activity should bear in mind that there is little capacity for members to pay. Please find following advice to the next Board informed by feedback from the Survey.

Water

Following the drought and the release of the NSW Auditor-General's Report into support for town water infrastructure by DPIE, the State Government's strategic focus is on improving the long-term security, reliability, quality and resilience of the State's water resources and addressing risks to town water supplies. <https://www.audit.nsw.gov.au/our-work/reports/support-for-regional-town-water-infrastructure>

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The NSW Water Strategy and National and State Productivity Commissions have recognised that water management needs to be done differently taking a more collaborative approach with stakeholders and communities to address challenges and opportunities. The principal functions of the JO being inter-governmental collaboration and strategic planning and strong reputation in the water sector, present a once in a generation opportunity to work with State agencies (and other levels of Government) to co-design better outcomes for members and their communities in water planning, management and service delivery. <https://dpiw.nsw.gov.au/water/plans-and-programs/nsw-water-strategy>

While some progress has been made over the past three years at the State level in integrating town water into the State's strategic water management framework and on addressing risks to towns posed by more extremes in climate and shifts in population, more needs to be done. Locally there continues to be challenges working with regulators in the region due largely to the existing culture, a lack of delegated agency staff and structures to support place-based delivery of solutions.

It is recommended that the focus on advocacy and inter-governmental collaboration with other levels of Government on water planning and management needs to continue. Key issues to be addressed will be:

- finalisation of the Regional Water Strategies (RWS) for the Upper Macquarie and Lachlan catchments including the ground-truthing of economic modelling for the short-listing of options to secure water supplies for towns and industry;
<https://www.industry.nsw.gov.au/water/plans-programs/regional-water-strategies>
- the co-design of a Governance and Implementation Plan for delivery of options from the RWSs and alignment with local level water planning and management by members;
- Sharing of data and modelling by State agencies with members to enable local level planning;
- On-going collaboration with DPIE and engagement in the Town Water Risk Reduction Program. <https://www.industry.nsw.gov.au/water/plans-programs/risk-reduction>
- work on productive water (as resolved by the Board in November 2020)
- support for large scale regional water security infrastructure solutions including the Wyangala Dam wall raising and Belubula Water Security Projects;
<https://water.dpie.nsw.gov.au/water-infrastructure-nsw/dam-projects/wyangala-dam>
<https://water.dpie.nsw.gov.au/water-infrastructure-nsw/regional-projects/lake-rowlands-dam-to-carcoar-dam-pipeline>

The Water Utilities' Alliance is currently reviewing its Strategic Plan but will wait for the outcomes of the Town Water Risk Reduction and Water Efficiency Programs as well as other state-based plans to be completed before finalising its forward strategy.

Broadly, given the resourcing needed for water advocacy and inter-governmental collaboration in the next 12 to 18 months at the strategic level, it is recommended that the Alliance continue to provide procurement and training support for members' Local Water Utilities, particularly given other resources are available within the organisation to support these. Based on themes emerging from strategies, including the NSW Water Strategy, it is suggested that there be a focus on the following:

- Asset management practices through the newly formed Regional Asset Management Working Party;
- Water Loss Management Auditing across member councils to inform a leakage reduction program;
- Audits and benchmarking of DPIE Performance Monitoring data;
- Audits of member's Drinking Water Management Systems including a potential pilot of NSW

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Health's revised Drinking Water Management System Audit Guidelines and peer training for internal auditing;

- Development of a Report Card based on the benchmarking and audit program;
- Optimisation of Smart Water collateral for community education and awareness of water efficiency and alternative water sources;
- Review and scoping for regional opportunities in smart metering/digitalisation;
- Nexus between water and energy projects including further investigation and analysis of the relationship between system water loss/leakage and Water Pump Station/Water Filtration Plant energy requirements (and subsequent impact on costs);
- Building on the water and waste-water operators training program, a review of the Regional Workforce Development Plan to profile the workforce and determine next steps for training; and
- Review and implementation of a platform for shared resources (e.g. policies and templates etc) across member councils.

The CWUA Strategic Plan is in development and will be influenced by the State driven plans and work underway through the Town Water Risk Reduction Program. A draft version will be discussed at a meeting of the Alliance on 9 December. It will require support from the incoming Board. A work in progress draft is available on request.

Tourism

Work done in region shows that members invest more than \$20m per annum supporting the visitor economy through:

- Visitor Information Centres and their staffing;
- Key infrastructure such as museums, galleries, parks and gardens;
- Events; and
- Marketing.

People visit before they move and arguably the investment in tourism across the region supports locational preference factors, attraction and retention of population.

Given the significant costs of a separate attraction and retention campaign in an environment busy with other agencies being active such as the Regional Australia Institute, it is suggested that the Board receive advice on visitor economy marketing and collateral that leverages member spend for the next two years. There are sufficient funds in the surplus to invest in RAI and others where it makes sense. It is recommended that the marketing work in the visitor economy should also give consideration to the broader promotion of members communities as destinations to work, live and play.

Further, in line with current Board resolve, a more strategic approach in marketing is recommended to take into consideration the changes to travel as a result of Covid and opportunities in the funding framework.

Tourism Managers report that they receive value from the marketing work in region, particularly in Public Relations where over the past two years the region has realised nearly \$4m of PR value. Further, the support in developing content and collateral in the "We Want You Back" and "Long Long Weekend" campaigns has been well received.

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Finally, feedback from various stakeholders is that there are currently significant workforce shortages in hospitality and there is potential to develop advocacy in this regard. Please see advice below on a potential Summit for next year.

Health

Health is a wicked problem in region. Despite past talk of a tsunami of doctors and various attempts to resolve the situation, figures from the Rural Doctors Network show that doctor shortages alone are increasing. This is being exacerbated by Treasury's Common Planning Assumptions informing both service delivery and the size of new hospitals.

It is recommended that Health be included as a focus area for a Summit next year.

Procurement

The Best Practice in Aggregated Procurement (BPAP) Program commenced in 2020 with neighbouring JOs, funded mainly through the OLG's Capacity Building funding – round 1. With the program now finished, this report seeks to provide a list of recommendations to the incoming Board. There are a number of reports and tools that have been produced as part of the program, along with a series of recommendations and initiatives which are summarised below.

At a workshop with GMAC in July 2021, General Managers ranked the importance of the JO providing aggregated procurement functions for members as 8.12 out of 10.

At its August 2021 meeting the Board resolved to adopt the heads of consideration for aggregated procurement activities, which are detailed below.

Procurement Models

Stage 1 identified 3 key procurement models which each require different management and delegations to be in place. The 3 suggested models are as follows:

1. Administrative model where the JO provides coordination and management of procurement on behalf of member councils at an administrative level.
2. Collaborative model where the JO undertakes direct procurement on behalf of member councils through using delegations given by them to JOs.
3. Direct contract model where the JO undertakes direct contracting on behalf of member councils.

The JO is already providing aggregated procurement services through models 1 and 3. Model 2 would require a more detailed analysis to determine the value to members. It is recommended that the incoming Board give consideration to this model.

JO Procurement Roles

At its July workshop, GMAC considered a series of potential roles for the JO. It is recommended that the incoming Board prioritise these roles at a future meeting.

- *Priorities for JO procurement* – the GMAC workshop identified the focus should be on roads, water, HR, energy, waste, legal advice, WHS and training.

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- *Total optimization of contract and health checks of council spend* – there are some high-value contracts (e.g. spray sealing) that may benefit from a ‘deep dive’ to ensure councils are procuring in the most efficient and effective way possible.
- *Extent to which the JO should be involved in supporting local suppliers* – this could include training and information sessions. There is currently no resource available within existing staff to undertake this, so if desirable would require additional resources.
- *Extent to which the JO should be involved in supporting internal council procurement practices* – like supporting local suppliers, this could not be done within existing resources and would require further resources to the JO should councils wish to take this approach.
- *Working with other aggregated procurers* - consideration should be given to the contracts available to member councils by other aggregators such as Local Government Procurement (LGP) and Procurement Australia.

Resourcing the procurement function of the JO

BPAP Stage 3 considered 9 income models, with the JO currently using a combination of 2 of the models being:

- Model 1 – contract management fee charged to suppliers, and
- Model 4 – annual operational management fees charged to councils.

Recommendations from the BPAP Program includes giving consideration to the inclusion of model 9 whereby the councils share their cost savings achieved through aggregated procurement with the JO. The Procurement and Contracts Report in the Board business paper recommends trialling a combination of models 1 and 9 with the upcoming bulk fuel contract. The current 0.15% management fee provides income to the JO of approx. \$7,500 per year, however the councils utilising the contract are saving 1.4% on average, which excludes the savings in staff resources through the procurement process. The report recommends increasing the management fee percentage from 0.15% to 0.7% which would provide \$35,231 per year to the JO for this contract with a 50/50 split in the savings with members.

The JO is also using the current RFX for linemarking services to test the extent to which the management fee is absorbed by the service provider rather than being placed on top of rates to councils. This information will be used to inform further analysis.

Where members are requesting a greater number of regional contracts, along with project and contract management related to regional team/group projects, the current resourcing level is now insufficient. To provide a greater level of opportunity and service to members, additional resources are needed particularly in the procurement space. It is therefore recommended that the Board consider the above methodology in determining the contract management fee percentage on a case-by-case basis, which would ensure members do not see an increase in direct membership fees.

Currently the procurement resource (Operational Program Manager) has 55% of the fulltime load allocated to procurement and contract management, which is no longer sufficient to resource the regional procurement program. In 2017, Centroc employed a Contracts and Program Support Officer. This position was vacated in 2018 and has remained unfilled since. It is recommended that the incoming Board approves the JO to conduct a recruitment process to fill this position to partly support the procurement program, where the remainder of the position would support general project management across the organisation.

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To underwrite this procurement resource, the incoming Board may consider using \$100k from the CNSWJO reserves.

The incoming Board should also give consideration to any other value-added services including training, sharing expertise, audits and health checks etc., and how these would be funded.

Sustainability of the JO and using the procurement function to support this

Many activities and projects that the JO supports member councils in have a level of procurement. Almost all regional teams have at least 1 regional contract that they have carriage of. Therefore, it is recommended that the income from procurement activities be used to offset the resourcing costs of other JO programs.

A focus of the BPAP Program was to focus on procurement contributing to JO sustainability, and the outputs are designed not only to improve the processes of JOs that are currently undertaking procurement, but also to support the broader sustainability of the JO network through those yet to explore the opportunity for procurement to provide an income stream.

To ensure the sustainability of the JO, it is recommended that the Board support a review of the methodology behind the determination of the contract management fee percentage, whereby the cost savings achieved for member councils through aggregated procurement are shared with the JO. See the example for the regional fuel contract elsewhere in this report.

Value for Money

Providing value for money to members must be at the forefront of any aggregated procurement activity. While many of the regional contracts have been in place and repeated many times (e.g. bitumen emulsion, road signs, bulk fuel etc.) it is important that the JO also investigates other opportunities for new procurement activities, and this would require research and investigation. The JO currently does not have spare capacity to undertake this role, which further supports the need for additional resources.

Of significant interest to members currently is the vast number of opportunities in the energy space identified through the JO/DPIE program. GMAC has recently identified a list of energy projects that it wishes the JO to pursue at an aggregated level, all of which require procurement and project management. Again, these are difficult to fit within the existing resource where the procurement resource is also the regional energy program resource. An additional staff member to support the procurement program and other regional projects is imperative to ensure the JO continues to deliver the value to members that they are requesting.

Best Practice Initiatives

The following best practice initiatives have been made through the BPAP Program. More detail on each can be found in the attachments.

- *Ensure any procurement arising from a supplier presentation follows best practice and compliant processes including consistency with Business Ethics, Code of Conduct and other policy positions, and includes consideration of anti-competitive trade practices and procurement guidelines.*
- *Pursue further engagement with the NSW Government via the Executive Leadership Team to maximise opportunities to work collaboratively and achieve shared procurement outcomes with the NSW Government.*
- *The National Procurement Network could be used as a basis for how multiple JOs might work together on aggregated procurement.*

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- *Consider undertaking an annual internal audit and process improvement review akin to the Local Government Procurement customer journey mapping project and their internal audits of supplier contract spend to enable the benchmarking of their services. Could also look at a review of one bigger contract per year to test process used, externally delivered for independence benefits.*
- *Develop and monitor supplier engagement avenues under an aggregated procurement contract offered by the JO.*
- *As a value-add service, the JOs maintain a combined list of contracts offered by the JOs and other aggregated procurement providers to assist in council decision points on contract creation/renewal. The basis for this list is included in the appendices of the report for each provider assessed in this report as of December 2020 and it is recommended that the lists annually.*
- *An annual expression of interest process be undertaken to establish local supplier goods/services information, including goods/services detail, business capacity and pricing points and the level of interest in participating in aggregated procurement initiatives. Collating the volume and prices councils are paying for goods/services would also assist in ensuring they are getting the best possible price advantage via any aggregated procurement process.*
- *The JOs revisit the Stage 1 recommendation of a shared aggregated procurement plan to cover 3-5 years given concerns they raised in Stage 2 on this issue.*
- *JOs and councils to work with the council finance system vendors to create a script that can be shared across councils to capture details on goods/services basis that includes the supplier, value of spend per invoice, volume per invoice and postcode. Use this to identify goods/services to jointly procure in future years.*
- *Investigate the Contract Lifecycle Management System pilot undertaken by Local Government to determine if a similar approach would benefit member council/JO contract management processes.*
- *Review prescription options for JOs.*
- *JOs to consider if they want to pursue the implementation of social procurement approaches, including the concepts of a circular economy and First Nation business engagement initiatives.*
- *Seek a placement like Local Government Procurement did for Liverpool and Blue Mountains councils of one of their officers working in member council offices to assist in best practice procurement processes being implemented.*
- *Local Government Procurement creates a list of potential local suppliers from information sent from councils when engaging in new procurement processes. Individual emails are sent to these firms to encourage them to register in VendorPanel. This provides a means to establish local panels and establish if local suppliers exist. Data could be stored in VendorPanel (costs should be investigated) or through the eProcure software that 3 of the 4 JOs already use this system.*
- *buy.nsw schemes approach may offer a further alternative methodology for managing local suppliers' information.*
- *While volunteer regional waste groups operate across member councils are engaged in aggregated procurement, further consolidation into one waste procurement service for all volunteer regional waste groups would offer efficiencies given homogeneity of waste goods/services being procured.*
- *As a value-add service, the JOs should maintain the basket of goods list and other provider contracts lists for aggregated procurement contracts offered in the past, present or planned for the future. Current details on what contracts other providers are offering will make it easier to review their contracts to consider if a JO run procurement process would offer better value.*

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- *Develop a monitoring dashboard to assist councils in managing and understanding expenditure levels by supplier, including local suppliers.*

It is recommended that the incoming Board consider each of these recommendations made in the BPAP Program and decide which should be pursued and in which priority order.

Skills and Housing

Skills and housing are emerging as significant issues for the region and will significantly inform any decentralisation initiatives. Over the past twelve months CNSWJO has increased its interest and engagement in this space. It is recommended that the incoming Board consider its involvement in these areas.

Climate Change, Energy and Waste

With the growing global realisation of the climate challenge, there will continue to be opportunities for the JO to work together and collaborate with other levels of government to reduce greenhouse gas emissions.

Summit - Wicked in the West Event

Survey respondents provided feedback that it is time to hold a Summit as both a strategic refresh and to reconnect with each other. Given health has been raised by so many respondents it is suggested that the Summit be framed around the region's wicked problems. To date CSU has offered a space in the Bloomfield precinct and fortnightly meetings of key peak potential partners have been held fortnightly.

Financial implications

Nil at this time where it should be noted that it is the intention of this report to provide advice that any increase in resource will need to be within existing budget.

Attachment/s:

7. Survey results
8. BPAP Stage 1 report – confidential
9. BPAP Stages 2 and 3 report
10. BPAP Stage 4 report
11. BPAP Stage 5 report
12. BPAP Stage 6 report

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h. Regional Procurement and Contracts

Regional Strategic Priorities	1.1 Deliver cost savings and other value to member councils through aggregated procurement
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Kate Barker dated 15 November 2021

Recommendation/s
<p>That Board notes the report on the Procurement and Contract Management and</p> <ol style="list-style-type: none"> 1. notes the delayed commencement of the Safety Compliance Training contract to 1 October 2021; 2. approves the JO to conduct a new procurement process for the supply and delivery of bulk fuel for participating member councils; 3. notes the analysis of the income to the JO via the bulk fuel contract which recognises the cost savings and shared value of procurement and approve the increase of the management fee for bulk fuel from 0.15% to 0.7%; 4. approves the JO to conduct a new procurement process for an Audit and Benchmarking of Performance Monitoring Data which includes a 5% management fee to the JO; and 5. approves an extension of the existing contract with ELMO until 31 August 2023 for Forbes (TBC), Lachlan, Oberon and Orange for the Recruitment module, and Cowra, Oberon and Orange for the Onboarding module.

Precis

This report provides an update on current regional procurement activities, including:

- Delay to the commencement of the safety compliance training contract,
- New procurement process for bulk fuel,
- New procurement process for the audit and benchmarking of performance monitoring data, and
- Extension of the ELMO contract for participating member councils for Recruitment and Onboarding modules.

This report seeks a number of resolutions.

Legislative Policy and Risk Considerations

Given procurement is an operational support program designed to bring cost savings and other benefits from aggregation, prior to commencing a procurement process a report is considered by GMAC where they are notified of the background and asked to approve the process, which then informs a report to the Board. All procurement processes are conducted in accordance with the requirements of the Local Government Act and the CNSWJO procurement policy.

The region is progressing a Best Practice in Aggregated Procurement (BPAP) program collaboratively with neighbouring JOs to inform optimal processes that can be leveraged by the changes in legislation enabling the JO.

Related risks from the Strategic Plan include:

27 – procurement charging processes not universally supported

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- 28 – ensuring services are relevant to all members, and providing value for money
 31 – long term viability and financial sustainability
 36 – managing members’ expectations

Discussion

Safety Compliance Training

In early 2021, CNSWJO conducted an RFT for safety compliance training. A report was received by the Board at its August meeting, where a panel of 10 providers was approved.

Due to the workload of JO staff at present, the contracts have been delayed and therefore the commencement of the contract has been pushed from 1 September 2021 to 1 October 2021. The contract period is 3 years with optional extensions.

Bulk Fuel

The contract for bulk fuel is due to expire on 30 June 2022. Where this contract is used consistently by member councils, it is recommended that GMAC commend to the Board that it approves CNSWJO to conduct a procurement process for a new contract to commence on 1 July 2022.

The spend for the past 2 financial years can be seen below:

Council	2019/2020	2020/2021	Total
Bathurst	\$791,610	\$767,533	\$1,559,143
Blayney	\$449,677	\$337,561	\$787,238
Cabonne	\$819,800	\$623,088	\$1,442,888
Central Tablelands Water	\$0	\$0	\$0
Cowra	\$691,492	\$514,957	\$1,206,449
Forbes	\$316,115	\$313,021	\$629,136
Lachlan	\$732,703	\$645,139	\$1,377,841
Oberon	\$371,361	\$393,409	\$764,770
Orange	\$383,431	\$353,999	\$737,430
Parkes	\$510,947	\$519,790	\$1,030,736
Weddin	\$167,119	\$198,601	\$365,721
Total	\$5,234,254	\$4,667,098	\$9,901,352

At its October meeting, GMAC resolved to recommend to the Board that it approve a new procurement process for the supply and delivery of bulk fuel, and that the Board will receive a report on income options.

Income options

The BPAP project is coming to a close and several recommendations have been made regarding income models, one of which is continuing to charge a contract management fee to the suppliers. An option members may wish to give consideration to is a combination model of the percentage management fee where the methodology is based on sharing the cost savings achieved through aggregation.

This approach requires agreement on the methodology of the cost savings calculation. The cost savings methodology that CNSWJO has used over the past 5-6 years seeks advice from tenderers

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during the procurement process on the percentage discount they have provided to participating councils through the aggregated process. CNSWJO seeks quarterly spend and usage information from each supplier and then uses each supplier's percentage discount to identify the savings on a council-by-council basis.

As can be seen in the table below, the total percentage savings on goods was 1% in the first year of the contract, and in the second year was 1.8%. The difference in the total savings across the 2 years is due to councils utilising the different service providers on the panel contract who have reported different savings off their pricing they would have provided had councils procured individually.

In addition to the savings on the goods, there are also savings gained by councils through CNSWJO conducting the procurement process, where for many years the calculation for these savings are \$1,000 billable savings (advertising, software costs), and \$4,000 unbillable savings (staff council time). It should be noted that any councils who participate in the evaluation panel do not have the \$4,000 savings allocated, as they contribute their time to the aggregated process.

The related savings are as follows where the total savings for member councils over the current contract represent 1.76% of total spend:

<u>SAVINGS</u>	<u>2019/2020</u> (Supply of Goods)	<u>2020/2021</u> (Supply of Goods)	<u>Total</u> (discount on cost of goods)	<u>Procurement process *</u>	<u>Total savings</u>
Bathurst	\$1,579	\$3,253	\$4,832	\$5,000	\$9,832
Blayney	\$950	\$5,640	\$6,590	\$5,000	\$11,590
Cabonne	\$799	\$3,263	\$4,061	\$1,000	\$5,061
Central Tablelands Water	\$0	\$0	\$0	\$0	\$0
Cowra	\$15,921	\$18,428	\$34,348	\$5,000	\$39,348
Forbes	\$23	\$1,535	\$1,559	\$5,000	\$6,559
Lachlan	\$13,586	\$20,106	\$33,691	\$5,000	\$38,691
Oberon [#]	\$0	\$0	\$0	\$1,000	\$1,000
Orange	\$1,103	\$5,225	\$6,328	\$5,000	\$11,328
Parkes	\$11,274	\$18,852	\$30,127	\$1,000	\$31,127
Weddin	\$7,925	\$9,538	\$17,462	\$5,000	\$22,462
Total	\$53,160	\$85,838	\$138,998	\$38,000.00	\$176,998
Percentage saving of spend	1.01%	1.81%	1.40%	N/A	1.79%

* Note – councils who show \$1k in the procurement process are those who were part of the tender evaluation process in the current contract

[#] - The reason for Oberon showing \$0 savings is that the supplier did not state any savings through the aggregated procurement process.

The bulk fuel contract has had a 0.15% management fee since 2011. The table below shows the total income received over the past 3 financial years:

	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Spend member councils	\$5,033,008	\$5,234,254	\$4,667,098
Income received (at 0.15%)	\$7,550	\$7,851	\$7,001
Spend non-member councils	\$2,521,604	\$2,212,216	\$1,917,233
Income received (at 0.15%)	\$3,782	\$3,318	\$2,876
Total income	\$11,332	\$11,170	\$9,876

A report elsewhere in this business paper recommends scaling up the regional procurement program where there are many more procurement opportunities that exist for members, however there is insufficient capacity within the existing CNSWJO staff to resource this increase in workload.

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Through the many regional teams and groups that the CNSWJO administers, a portion of each includes procurement activities, so it is recommended that by increasing the management fees for some contract, particularly the high-value contracts such as fuel and bitumen, the increased income will support the higher level of service to members in procurement and project management by allowing an additional staff member to be brought on to support procurement and project management.

There were 9 income models assessed through the BPAP project, where a combination of a number of approaches may be the best fit, these being a management fee payable by suppliers, and the sharing of cost savings. CNSWJO has listened to member feedback in regard to there being a strong preference by the majority to not increase the membership fees payable by councils to cover the costs of JO programs. As such, this report seeks the Board's support in expanding the current management fee approach, using the demonstrated cost savings from previous contracts as the basis for the methodology.

In the case of bulk fuel, the total cost savings for member councils over the past few years is 1.4% for goods alone, and 1.79% for goods and procurement process savings. It is therefore recommended that the management fee for the bulk fuel contract be increased from 0.15% to 0.7%, with members sharing the cost savings achieved through the aggregated procurement with the JO in a roughly 50/50 split.

Using previous spend data, the increased management fee would see the following income to the JO:

	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Spend member councils	\$5,033,008	\$5,234,254	\$4,667,098
Income received (at 0.7%)	\$35,231	\$36,640	\$32,670
Spend non-member councils	\$2,521,604	\$2,212,216	\$1,917,233
Income received (at 0.7%)	\$17,651	\$15,486	\$13,421
Total income	\$52,882	\$52,125	\$46,090

An increase in the income will enable the JO to provide more services to members including a higher number of regional contracts.

Another recommendation from the BPAP project is to test with service providers the level to which they are prepared to absorb the management fee where there is value to both the councils and the service providers in an aggregated procurement process, including:

- Collation of council requirements and documentation
- A single procurement process where respondents respond to one tender rather than one for each council, and each Council doesn't have to coordinate their own procurement process
- Aggregated volume with the same specification across participating councils
- Centrally coordinated contract negotiation of a single set of terms and conditions
- A single point of contact for service providers to provide insurances and other required documentation on an annual basis
- Centrally coordinated ongoing contract management and liaison in relation to any feedback or issues experienced by either party

In the RFX for linemarking services which is currently open, respondents are asked to provide detail on the contribution they are willing to make to the value stack, i.e., how much of the 2% management fee are they prepared to absorb rather than passing on to councils through increased

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costs. Information gained from the linemarking services RFX will be used for further analysis of the regional procurement program in future.

It is important for the JO to demonstrate transparency to members on the management fee model as it is not a direct cost to members. The percentage management fee is the same for every service provider for a particular contract, but the percentage is not the same for every contracted good/service. Typically, high-value contracts have a lower percentage fee than low-value contracts. Additionally, the management fee for contracts is reported to GMAC and/or the Board for approval and is detailed in reports to Council regarding participation in regional procurement processes. All regional procurement processes are opt-in, and members are able to decide individually if they wish to participate or not.

The intention is for every contract to undergo a similar level of interrogation to ensure it delivers best value to members, while also providing sufficient income to the JO to continue to manage regional procurement and projects. For example, the upcoming electricity tender will not include any income to the JO or the aggregated procurement support consultant; instead, the fees are paid upfront where 50% of the costs are through DPIE grant funding.

Audit and Benchmarking of Performance Monitoring Data

CNSWJO has conducted a regional procurement process for audits of performance monitoring data for water supply and sewerage twice before, first in 2016 and again in 2019. Through the Water Utilities Alliance, it has been agreed that it is now time to conduct the process again in line with the requirements from DPIE Water for Local Water Utilities serving over 10,000 connected properties. As in previous years, it is proposed that all councils participate in the audit exercise as it demonstrates best practice.

It is proposed that this contract also include a component to benchmark the performance monitoring data of member councils across the region as well as against state and national benchmarks.

The Board will recall a resolution from the May 2019 meeting whereby the budget was approved as including an annual fee to contribute to this program. This inclusion of the audit in the budget shows a commitment from each Council to participate. Should there be insufficient funds already collected for this project, additional funding will be requested from members.

In previous contracts, a 5% contract management fee has been included which provided income of \$2,500 to \$3,200 to the JO. It is expected that the costs of the audit and benchmarking will be higher than in previous years where the benchmarking was not included in the scope.

It is recommended that the Board approves a new procurement process for the Audit and Benchmarking of Performance Monitoring Data, which includes a 5% contract management fee.

ELMO contract

CNSWJO has had a contract with ELMO for the Learning Management System since 2017, which has been varied to include the Recruitment, Onboarding and Performance modules, and extended for the Learning Module. The current status is as follows:

Module	Timeframe	Participating councils
Learning	1 June 2017 to 31 August 2020.	Bathurst, Cabonne, Cowra, Forbes, Lachlan, Oberon, and

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	Extended to 31 August 2023.	Orange. Lithgow and Upper Lachlan are also participating as a non-members.
Recruitment	1 December 2018 to 30 November 2021. Seeking extension for Forbes, Lachlan and Orange.	Forbes, Lachlan and Orange. Note that Bathurst, Blayney, Cabonne, Cowra and Oberon exited the module in June 2020.
Onboarding	1 December 2018 to 30 November 2021. Seeking extension for Cowra, Oberon and Orange.	Cowra, Oberon and Orange. Note that Bathurst, Cabonne and Lachlan have advised they do not wish to extend the module.
Performance	1 March 2019 to 31 January 2023. Note this portion of the contract was originally due to expire in March 2022 however an extension (at no cost to councils) was granted to accommodate significant delays in implementation.	Bathurst, Blayney, Cowra, Lachlan, Oberon and Orange.

CNSWJO receives a 5% management fee on this contract which in 2020/21 equated to \$7,000 however over time this income is reducing as councils exit the regional contract.

It is recommended to the Board that it approve an extension of the existing contract with ELMO until 31 August 2023 for Forbes, Lachlan, Oberon and Orange for the Recruitment module, and Cowra, Oberon and Orange for the Onboarding module.

Value for members

Value for members in relation to regional procurement and contract management can be found in the cost savings table elsewhere in this business paper.

Financial Implications

Many contracts administered by CNSWJO contain a management fee which is a percentage of total spend by members under the contract. The management fee is incorporated into the cost to councils for the goods or services and is paid to CNSWJO directly by the provider. The models for income derivation for the JO through procurement activities has been reviewed through the Best Practice in Aggregated Procurement (BPAP) Program. Please see a report elsewhere in this business paper regarding the recommendations from the BPAP program in relation to income streams.

Attachment/s: Nil.

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i. Energy Program

Regional Strategic Priorities	1.3 Members are provided with value for money from collaboration on energy related projects
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Kate Barker and Jenny Bennett, dated 16 November 2021

Recommendation/s
<p>That the Board note the report on the Energy Program and</p> <ol style="list-style-type: none"> note the objectives endorsed by GMAC and the electricity procurement steering committee regarding: <ol style="list-style-type: none"> Cost – Proceed with a PPA provided the pricing is less than the existing contracted price; Percentage of renewable energy – The PPA should maximise the renewable energy component over and above the 50% of total electricity load; LGCs – Councils are encouraged to surrender/retire the LGCs rather than on-selling; Duration – The PPA to be a 7-10 year term; Environmental – Each Council to decide how they will meet their emissions reduction targets, where applicable; Additionality – Support the development of new projects over existing projects; and Local projects – Within the regulatory framework, support local projects in Central NSW over projects elsewhere in NSW; note that electricity is only one source of councils' emissions and therefore councils will need to look at other sources of emissions when seeking to meet any emissions reduction targets and may wish to consider the purchase of additional LGCs to offset other emissions; note GMAC's approval to include REROC councils in the CNSWJO electricity procurement process for a renewable energy PPA; note REROC's decision to wind-back its involvement in the Southern Lights Project and that CNSWJO staff will take over the project management of the Southern Lights Project in the interim while discussions with LGNSW take place; note the update regarding the RACE for 2030 application including advice that Essential Energy is supporting the program on the basis of 3-4 Councils being part of the Pilot and other considerations including data quality; recommend to the Board that it note the continuation of the MOU with the DPIE SCC Program with a review to occur in June 2022.

Precis

This report provides an update on regional energy-related activities, including:

- Electricity procurement;
- DPIE energy project and subsequent sub-projects;
- RACE for 2030 re grid constraints in Central NSW;
- Southern Lights Project; and
- Electric Vehicles.

This report seeks a number of resolutions.

Reports

Legislative Policy and Risk Considerations

Related risks from the Strategic Plan include:

28 – ensuring services are relevant to all members, and providing value for money

31 – long term viability and financial sustainability

36 – managing members' expectations

Electricity Procurement

CNSWJO has commenced work on the next round of electricity procurement, where members have provided significant support for the inclusion of renewable energy. Proforma reports to councils were provided in May which included a recommendation to include a minimum of 50% of each council's total electricity load to be sourced from renewable sources. All Councils have provided a positive response.

Following an EOI process for the aggregated electricity procurement support, a selective RFQ has been undertaken and Presync has been selected. The selective RFQ for a probity advisor for the electricity procurement process has completed and Procure Group has been selected. Contracts for both projects are between the JO and the service provider on behalf of member councils. A Steering Committee has been appointed to oversee the process, with members from Parkes, Orange, Bathurst and Lachlan under the sponsoring General Managership of Greg Tory, David Sherley and Brad Byrnes.

It has been recommended by Presync that CNSWJO member councils utilise the State Government contract for small market sites, which is due to commence on 1 July 2022 with Shell Energy. Other NSW councils have analysed the offer and report that it offers them a significant reduction in costs. Presync will undertake an analysis of the contract offer against the existing prices and determine whether there is benefit in conducting a new procurement process for small market sites over using the State Government contract which all CNSWJO member councils are eligible to utilise. Should it be determined that a new procurement process be conducted for small market sites, a subcontractor of Presync will be utilised.

Regarding small market sites, it is not typically possible to include them into a renewable energy PPA as the load cannot be matched. However, it may be possible to include small market sites that have interval meters. CNSWJO is working to have approx. 70 interval meters installed across the region.

As the smaller councils of the region require the interval meters on their small market sites to ensure they can reach 50% renewable energy, it is proposed that the sites from these councils be prioritised over sites at councils who are less reliant on the interval meters on small market sites for the PPA procurement process.

The \$50,000 DPIE funding has been received and members are in the process of being invoiced for \$5K each to progress the procurement.

CNSWJO will seek legal advice on the mechanism to accept offers, and such advice will be provided to councils in due course in the coming months, prior to the release of the RFx for the supply of electricity.

Part of the engagement of Simon Wright through the DPIE funding includes support to the procurement of electricity, particularly with assisting councils with their forecast load details. Presync is holding meetings with individual councils throughout November. This includes working

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closely with Blayney and Cabonne on their thinking with regard to medium scale solar power generation and its fit with the broader regional approach.

Project Objectives

The Electricity Procurement Steering Committee conducted a project inception meeting with Presync on 15 October. Please see the attached presentation from Presync containing background information.

During the meeting, the Steering Committee agreed the following high-level objectives for the project for GMAC's endorsement which was subsequently received at its October meeting:

1. **Cost** – Members received proforma reports to Council in May 2021 commending that councils would participate in a PPA provided the rates are less than the existing contracted rate*.
*note – both Blayney and Cabonne have provided in principle support for participation in the PPA, pending outcomes of their mid-scale solar investigations.
2. **Percentage of Renewable Energy** – All members have provided Council resolutions stating that they would participate with a minimum of 50% of their total electricity load sourced from renewable energy. Presync has confirmed that the actual PPA request to market will be for 100% of the total load of (i) large market sites, (ii) street lighting, and (iii) as many high-consuming small market sites with interval meters as possible. Small markets sites currently account for 18% of the region's annual electricity consumption.
3. **Large Scale Generation Certificates (LGCs)** – For councils to be able to claim energy purchased under the PPA as 'renewable' or 'zero carbon', the council must also purchase and retire an equivalent number of LGCs. Additional LGCs can also be purchased to cover the emissions from the smaller sites and enable the region to be 100% net zero carbon from electricity.

It is important to emphasise that only by purchasing and retiring LGCs can councils make claims around net zero carbon.

4. **Duration** – Currently, PPA terms of 7 to 10 years are providing the most competitive pricing. Although the contract term is longer than a typical retail electricity contract, it does offer councils many advantages in addition to competitively priced electricity:
 - a. councils are able to lock in electricity prices and receive long-term budget certainty; exposure to future price fluctuations is removed;
 - b. councils do not have to conduct the lengthy and complex procurement process every 2-3 years; and
 - c. councils are not at the mercy of the volatile energy market where contract timing highly influences the pricing received.
5. **Environmental** – Councils currently have varying levels of emissions reduction targets. Consequently, councils may want to purchase and retire LGCs to varying degrees and timeframes. Therefore, a blanket approach to reducing emissions through this procurement process is likely not in the best interests of all member councils. Presync will work directly with each member council to agree a strategy that supports their individual emissions reduction journey.

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6. **Additionality** – While it is possible to procure renewable electricity from an existing renewable energy development, it is recommended that councils support the procurement of PPAs from new developments to sustain the growth of renewable energy in Australia.
7. **Local Projects** – A component of the PPA procurement process allows for councils to identify the project from where the renewable energy (and LGCs) is sourced. In particular, it is possible give preference to local projects in the Central West over other projects further afield, something that GMAC may want to consider

Questions have been asked recently regarding emissions reduction and the extent to which the electricity procurement and PPA will support councils' emissions reduction targets, where applicable. It is important to note that emissions come from more than just electricity – for example landfill and fleet – and therefore the PPA and purchase of LGCs will only cover the emissions from electricity. However, councils may choose to purchase more LGCs through the process to help offset other emissions.

Inclusion of Non-Member Councils

The Sustainable Councils and Communities Program (SCC) is now rolling into other JOs areas, taking the learnings from the CNSWJO with it. In its strategic work with REROc the Councils of Bland, Coolamon, Cootamundra-Gundagai, Greater Hume and Temora have committed to the same outcomes as CNSWJO in terms of a renewable energy PPA. However, they have very little load in comparison to CNSWJO Councils and few large sites. CNSWJO councils have approx. 46 GWh p.a. of large site load, whereas REROc has less than 4 GWh p.a.

REROc has asked for their large sites to be incorporated into the CNSWJO procurement process as a variation with Presync. Please request all emails where CNSWJO staff have undertaken a risk assessment regarding this request and are supportive under the caveats:

- REROc has 1 representative with observer status in the process who is involved in meetings and reports back to participating councils;
- participating councils will put in place the same approval steps as the CNSWJO Steering Committee agrees to;
- all administrative work and reporting for REROc members will be completed by REROc; and
- participating councils will be sought to be included in the contract with Presync as a contract variation where any additional costs will be borne by REROc.

At its October meeting GMAC resolved to allow the REROc councils to join the CNSWJO process. Discussions are underway.

DPIE Energy Project

DPIE has committed to additional funding of \$50k to continue to have access to the support from Simon Wright for the coming months to encourage implementation of the projects funded in the previous round. This brings the total funding for 20/21 for the region to \$337,570.

Please find attached recent reporting to DPIE on the progress of this project against the contract.

The 16 energy-related projects funded thus far by the SCC program have identified potential savings of ca. \$2.8m across the 11 councils of the JO.

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Highlights of the program are as follows:

- Immediate savings of ca. \$250k pa identified by optimizing electricity tariffs.
- Savings of \$1.23m pa identified from solar and storage opportunities with paybacks of 6 years or less.
- Energy efficiency opportunities of ca. \$900k identified.
- Longer term options for solar and storage may become dramatically more attractive in the coming months as a result of the renegotiated electricity supply agreement.
- On-site investment and the new electricity supply contract with a 50% power purchase agreement (PPA) are set to reduce emissions across the CNSWJO with a commensurate reduction in energy costs.

Table 1 summarises the SCC-funded projects to date.

Table 1 – Summary of SCC-funded Energy Projects across the JO to date

Project	Councils	# Projects
1a. Renewable Energy Action Plans (REAPs)	Forbes, Oberon, Orange, Parkes, Weddin	5
1b. Energy Solar and Storage Assessments	Blayney, Central Tablelands Water	2
2. Aquatic Centre Operational Audits	Bathurst, Cabonne and Cowra	3
3. Smart Metering and Switching (ongoing)	Blayney, Cabonne and Oberon	3
4. Solar/Storage Tender & Implementation Support	Lachlan	1
5. Emissions Reduction Plan (ongoing)	Bathurst and Cabonne	2
	Total	16

Procurement support for each of the projects has been provided by CNSWJO staff.

With funding support from the DPIE Sustainable Councils and Communities Program, Dr Simon Wright has been retained for 0.7 days per week till June 2022 to assist with the implementation process across the JO. Similarly, DPIE has set aside further funding for both Chargeworks and 100% Renewables who completed the renewable energy action plans at Forbes, Oberon, Orange, Parkes and Weddin to work with Simon and follow through with implementation.

To sustain the momentum of this project, Simon will continue to support the JO on a broad range of energy-related projects that focus on implementation.

GMAC received a presentation from Simon Wright at the October meeting, with GMAC resolving to provide advice to CNSWJO by mid-November on the priority projects for the region. Follow-up is underway with councils.

RACE for 2030 Research Project Application

Please request previous reports regarding progressing this opportunity which seeks to explore the nexus between constraints on the Essential Energy network and opportunities for member Councils to deploy renewable energy generation and storage options.

Building on earlier mapping work by ISF and more generic research into the impact of large-scale storage and EVs on the network, this project seeks to improve our understanding of the stability and robustness of the network in the Central West and the opportunities to integrate some of these emerging technologies so critical to the low carbon transition.

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In particular, the research will explore the nature of the bottlenecks or ‘hotspots’ identified in AREMI’s mapping of the distribution network and investigate how they might be alleviated; while also improving our understanding of the potential impact on the network of increased storage and EVs and how they might exacerbate the already strained situation or form part of the solution.

The research will address questions critical to the region relating to the nature and location of the hotspots, the rate and extent of the low carbon transition, the likely scale of deployment and mix of batteries and EVs, the balance of supply and demand, the role of local government in supporting this transition, and the potential for other work within RACE for 2030 to inform this research.

After several meetings with Essential Energy they are now supporting this application however the finer details still remain under discussion.

Notably, Essential Energy are keen to work with a smaller number of Councils in region to test a tool currently under development that will address the problem of network constraints and their nexus with renewable energy production and storage. They do however have some caveats, primarily around the veracity of data and seeking to work with only a few Councils. On this basis it is recommended that those Councils identified as constrained on AREMI mapping be the candidates for this project. The Councils are Cabonne, Orange, Weddin and Lachlan.

It is anticipated that the application will be submitted to RACE in November.

MOU with DPIE Sustainable Councils and Communities Program

The MOU with NSW DPIE for support to CNSWJO member councils for energy projects is ongoing with annual reviews. The review was completed recently with no material changes made. The program has been greatly successful for members over the past 12 months with around \$340k in funding being received for various consulting support projects. The reviewed MOU is attached.

Southern Lights

Roll-Out Update

CNSWJO has requested that EE provided a more detailed ‘project status’ column in the table where feedback from members is that 70-90% is not ‘complete’. IEE has advised that in many cases the reason for the <100% complete status is due to the bulk of work being completed by a contractor, and the remaining lights have either been quarantined for Zhaga or couldn’t be replaced for reasons like overhanging trees or proximity to trees, which will be completed by EE when their works schedule allows. The JO also requested that EE start providing rough timeframes for the reminder of the upgrade to be completed.

The roll-out of the project still continues with Essential Energy providing the following update as at 17 November 2021:

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Council	No. of lig	No. of L	No. of n	% LED	Project Status	Estimated timeframe for mop-up completion	Comments
Bathurst Regional Council	6390	5719	671	89%	Major works completed - mop up remaining	Q3 FY22	Majority of outstanding HID were not planned for upgrade as part of the BLR as planned for Zhaga. 4 LED upgrades (one condemned pole, one pole on private property) outstanding are planned as part of an
Blayney Shire Council	763	736	27	96%	Major works completed - mop up remaining	TBC	13 mop up tasks with 1 condemned pole.
Cabonne shire Council	802	727	75	91%	Major works completed - mop up remaining	Q3 FY22	Majority of outstanding HID were not planned for upgrade as part of the BLR as planned for Zhaga. 6 mop up tasks with one condemned pole and two potential redesigns.
Cowra Shire Council	1397	1336	61	96%	Major works completed - mop up remaining	Q4 FY22	38 mop up tasks with 23 decoratives and one condemned pole.
Forbes Shire Council	1064	997	67	94%	Major works completed - mop up remaining	Q3 FY22	10 mop up tasks with 7 condemned poles.
Lachlan Shire Council	996	110	886	11%	Not commenced	N/A	
Oberon Council	502	491	11	98%	Major works completed - mop up remaining	Q3 FY22	3 mop up tasks.
Orange City Council	5501	3998	1503	73%	Awaiting Zhaga	N/A	Zhaga/ Phase 2- 1500 assets planned. Plus volume of under awning and suspension lights globes only.
Parkes Shire Council	1598	320	1278	20%	Not commenced	N/A	
Weddin Shire Council	468	445	23	95%	Major works completed - mop up remaining	Q4 FY22	14 mop up tasks with 4 condemned poles and 8 decoratives

Smart Controls Update

While the rollout of the LEDs continues with very positive results, the deployment of the Smart Communications that will provide the backbone to allow the lights to “talk” to a CMS is delayed.

The Southern Lights Group has been advised by Essential Energy that they intend to engage directly with councils in relation to the uptake of smart controls. It is understood that Essential Energy is seeking a statement of intent from councils in relation to smart controls as JOs cannot commit to this on behalf of their member councils. There are significant concerns from the Group around the proposed approach to bypass the Southern Lights Group in these discussions.

The procurement process for the smart controls commenced in late 2019 and the Southern Lights Group has not been advised until recently that Essential Energy would be seeking commitment from councils on the volumes of smart controls prior to Essential Energy being able to award the contract. Essential Energy has indicated that commitment would be needed from a large number of councils due to the cost of the communications system required for the whole state.

The Southern Lights Group has been advocating for many years to co-design the value stack with EE in regard to smart controls where the JOs see there is a benefit to both parties. To date the group has not been successful in this request where EE remain convinced that most, if not all, of the benefit of smart controls lay with councils.

Following previous meetings where it appeared the support from EE for smart controls was waning, a meeting was held on 20 October where EE advised that they have engaged Deloitte to conduct financial modelling on the business case for smart controls. The Group requested input into both the stakeholder consultation plan, and for JOs and councils to be consulted by Deloitte to determine the future use of the technology to inform the business case from councils as well as EE. Follow-up is underway.

Councils may also be aware that Essential Energy has recently announced an unregulated telecommunications business unit called Telbu and it is reasonable to assume it may want to leverage, unregulated (commercial) services from smart lights. The Southern Lights Group is focused on ensuring that councils are not paying for infrastructure that Essential Energy (and the other DNSPs) are using to generate income.

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Submissions

A number of submissions are underway in regard to streetlighting, which are as follows:

- **Review of the Regulatory Framework for Metering Services** - The AEMC sought submissions to their Review of the Regulatory Framework for Metering Services, due 28 October. CNSWJO responded with a submission on behalf of the Southern Lights Group, which highlighted the importance of the review in recognising the potential for smart meters to provide 'better street lighting management for councils' and that the DNSPs should be contributing to the cost as they receive value from the data that these systems provide about the network. Please find submission as an attachment.
- **Public Lighting Code Review** – a draft list of priorities was circulated to members for comment prior to the submission on 19 November. The list includes
 - Service standards
 - Billing/inventory concerns
 - Night patrols
 - PLC reporting
 - No recourse
 - Technology choice
 - Pole access regime, and
 - Contestability.

Please find submission as an attachment.

- **AER 2024-29 Framework and Approach (F&A)** – Under the National Electricity Rules (NER), Essential Energy is required to submit its regulatory proposal to the AER by 31 January 2023. However, prior to that date, the NER requires the AER to review the current F&A paper that applies to Essential Energy and decide whether to amend or replace it. The F&A Relates to how streetlighting pricing is going to be reviewed and approved. Submissions are due by 30 November. CNSWJO is working with Next Energy on behalf of Southern Lights on a submission.
- **DNSP Service Classification Consultation on Street Lighting** - In September, the Distribution Network Service Providers (DNSP), including Essential Energy, released a service classification consultation paper in the lead up to the 2024-2029 AER Pricing Determination. One of the key areas that the DNSPs are currently consulting on is the future of how street lighting is regulated. NSW councils spend over \$100m a year on street lighting (or more than half a billion dollars over the five-year regulatory period) so this topic is material and continually challenging issue for councils. CNSWJO lodged a response to Essential Energy on 30 September. Please see the submission attached to this report.

Zhaga

CNSWJO is aware that both Bathurst and Orange have quarantined lights in their LED upgrade to be Zhaga compatible. The installation of luminaires with a Zhaga port will allow smart city sensors to be plugged into the streetlight, providing a direct power supply to the sensor. To date, the majority of these lights remain as old inefficient technology, except for a small number which are currently part of a Zhaga pilot.

In Orange there are more than a thousand quarantined lights, and a smaller number in Bathurst. The Zhaga issue is complex and will be discussed directly with the affected councils. Next Energy is providing support to both Bathurst and Orange to navigate the options where the delays are costing these councils significant amounts of money.

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LED Upgrade Audit

At its March meeting, the Board resolved to undertake an audit of the LED upgrade. The audit is now complete where key finding were:

1. *LEDs installed as part of the bulk lamp replacement (BLR) were funded by Cabonne Shire Council and therefore should not incur capital recovery charges in SLUOS billing;*
2. *LEDs installed as spot replacements prior to the BLR would have been added to the inventory as EE funded and should incur capital recovery charges. There appears to be only a small number of these, with only 2 LED lights on the March 2020 inventory prior to the commencement of the BLR in April 2020;*
3. *EE had a processing error during the BLR which saw a large number of LEDs added to the inventory as EE funded. An audit of Cabonne inventories shows that this peaked in June 2020 with 183 of 615 LEDs (29.8%) listed in the inventory as EE funded. Once this error was picked up incorrect funding was reversed in the inventory (completed by September 2020), but at this stage Councils have not been reimbursed for the capital overcharges;*
4. *It was not possible to calculate the amount owing to Cabonne Council as a result of this error as not all the required information was supplied by EE in the inventory and billing reports. However, an estimate is several thousand dollars;*
5. *By September 2020, the reversal of the funding errors left 32 of 705 LED luminaires (or 4.5%) as EE funded. The luminaires which remain as EE funded may relate to warranty claims (see point 7);*
6. *By July 2021, the number of EE funded LEDs in the inventory increased to 48 of 725 LEDs (6.6%). Cabonne Council is paying capital recovery charges on these lights. This seems a very high number of failures in the first year, which may suggest that some may be due to errors rather than a warranty claim. At a recent meeting of the Southern Lights Group, EE advised that the total failure rate was <1%, with the worse rate being 2.06%;*
7. *When a luminaire fails and it is replaced by EE the funding was being automatically changed to EE funded pending a warranty claim investigation. Bathurst Regional Council has raised the issue of warranty claims automatically reverting to EE funded and as a result EE have introduced a new system for warranty claims as of July 2021. Under this system replaced luminaires will remain customer funded pending the result of the warranty investigation. If deemed not to be a warranty claim (and therefore Council is liable for the cost of a new luminaire) Councils will be invoiced separately for the failed luminaire to increase the transparency of charges relating to warranty claims;*
8. *May inventory listed 798 luminaires across Cabonne Council LGA 273. (34%) luminaires were physically checked against inventory in Cudal, Nashdale, Canowindra, Cargo, Manildra and Molong;*
9. *Of these, 6 luminaires (or 2.2%) were found to be incorrect in the inventory;*
10. *A further 7 luminaires (or 2.5%) were located which were not on the inventory at all;*
11. *Total inventory errors were 4.5% (noting luminaires missing from inventory have a favourable impact to Council invoices)*
12. *Quote provided by EE estimated there were 738 luminaires eligible for upgrade to LED. As of July 2021, 725 luminaires on the inventory out of 799 luminaires are LED. (Note that this is according to the inventory which has been shown to have an estimated 4.5% errors during the site visit); and*
13. *The project has achieved the estimated electricity cost savings predicted, but has not achieved the SLUOS savings predicted. This is due, in part, to two factors. The first is that the capital funding issue was not rectified fully until September 2020 and the second is the high*

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number of EE funded LED luminaires remaining on the inventory which are incurring capital recovery charges.

Th recommendations have been provided to Cabonne Council.

The irony of all this work needing to be done because Essential Energy will not come to the party on smart controls to better manage their assets is not lost on any local government stakeholders.

A methodology is being prepared by Deborah Taylor from Bathurst Regional Council to allow councils to conduct a similar audit for their own Council. Additionally, some councils have requested support to understand what monthly checking they should be doing when the bill and inventory are received.

Transitioning of the Southern Lights Project

Given Essential Energy's unwillingness to work regionally on the smart controls project and that the LED program is near completion, the work of Southern Lights is reducing substantially.

Arguably the advocacy work required will be more in regard to lighting in the regulatory framework. This type of work would apply to all Distribution Network Service Providers (DNSPs) and arguably is a better fit with the role of Local Government NSW.

Accordingly, REROC and Central NSW JO have provided advice to Scott Phillips, CEO of LGNSW that there is a peak organisation role in the following:

1. **AER submission** – every 5 years the AER releases a Determination that sets the pricing framework for DNSP charges for streetlighting. Typically there is at least a 2.5 year consultation period prior the final Determination being made. The DNSPs are required to put their anticipated costs forward for the next period which are reviewed by the AER and consumers like local government. Typically, Southern Lights find that the pricing put forward is opaque and that substantial work needs to be done to validate what is being asked for, and they always ask for more.
2. **NSW mandatory streetlighting code reviewed** – after more than a decade of lobbying the NSW Public Lighting Code is now mandatory. This means that the DNSP's Licence which is issued by IPART is held to account in part by its performance in meeting streetlighting benchmarks. The Code is the only way that councils can hold DNSPs to account in relation to the promises that are made to the AER in relation to service provision. The Code is reviewed annually and fully reviewed every 3 years. A full review is due next year.
3. **Supporting and progressing smart innovation** – Southern Lights' experience to date across all DNSPs has been a resistance to adopting change and there has been a divide and conquer approach to councils who want to adopt new technology. A whole of state approach would go a long way to addressing the problem, in addition councils are now duplicating arguments and research to justify the adoption of the technologies with DNSPs.
4. **Quality assurance in billing** – Southern Lights have been finding that there are some significant discrepancies in billing and these are being addressed on a one-by-one basis. It is likely these are the tip of the iceberg and that a whole-of-state approach would be far more efficient way of dealing with the problem, perhaps on a DNSP-by-DNSP basis. As reporting on billing and performance are now part of the reporting to IPART in relation to their licensing getting the quality assurance right is important.

The REROC Board has advised that they are scaling back their involvement to:

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1. IPART Review of Essential Energy Annual Performance Reports
2. DPIE Public Lighting Code Review
3. AER Pricing Review

Other JOs have provided advice that they plan to take a similar approach.

In the interim CNSWJO are providing the administrative support to Southern Lights during the transition given the deep interest of a number of members in smart controls and Zhaga.

Electric Vehicles

Please request all past reports on Electric Vehicles. Aligning with its Net Zero aspirations the NSW Government is progressing its support for transitioning to electric vehicles. Broadly in its [Electric Vehicle Strategy](#):

1. Rebates for new electric vehicle purchases
2. Phase out of stamp duty for electric vehicle purchases
3. Fleet incentives to help local councils and businesses buy electric vehicles
4. Building a world-class electric vehicle charging network
5. Making it easy to drive an electric vehicle with access to transit lanes
6. Regional tourism benefits

In September, ChargeWorks was engaged by the JO to complete site assessments for prioritised EV charging locations. Councils were able to select up to 5 destination charging sites and up to 3 fast charging sites for the assessment. All councils participated in the project. The project is being co-funded by the JO using OLG Capacity Building Round 2 funding.

In mid-November the NSW Government announced the release of:

- [EV Fleet Incentives](#) – which will help bridge the cost of transitioning fleets of passenger, light commercial or sports utility vehicles to BEVs through a reverse auction process.
- [EV Fast Charging EOI](#) - this investment will expand existing public fast charging across the state. This involves co-funding private industry to build and operate charging stations every 100km along major NSW highways, and every 5km along commuter corridors in metropolitan NSW.

The JO is working with councils to provide support to individual EOI responses from councils who wish to put forward sites. Sites submitted through the EOI process will be added to a register of interest that potential charging providers will have access to.

The rounds focusing on destination chargers are expected in early 2022.

EV Test Drive Days

The Institute for Sustainable Futures (ISF) approached CNSWJO in August to seek interest in participating in an application to the NSW Government's EV Test Drive Days throughout the state in 2021/22. Due to the short timeframe for the application, the larger councils were targeted to provide their support to the program.

The test drive days would enable councils to assist in increasing the awareness of EVs in the minds of fleet managers and council personnel to better inform their purchasing decision.

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Unfortunately, the application was unsuccessful, however CNSWJO will continue to pursue these opportunities for members.

Value for members

Members have received over \$330k in the 20/21 FY to directly fund consulting support for council-identified priority projects. Additionally, \$40k of the OLG Round 1 funding was utilised to fund the EV Mapping report, and a further \$70k of the OLG Round 2 funding has been earmarked for future energy and waste projects.

Financial Implications

Members currently don't pay membership fees specifically for the energy program, with the funding for all projects coming from existing and new grant funds. CNSWJO staff continue to seek funding opportunities to support this program.

Income gained through the regional procurement program subsidises the resourcing required for the energy program where many activities are procurement related.

While the consulting support for the DPIE energy project reports have mostly come from DPIE and the OLG Capacity Building Fund, some councils have contributed financially to the projects. Few projects to date have secured funding for the capital component of projects, and the JO will continue to work with councils to seek grant funding.

Attachment/s:

13. DPIE SCC MOU
14. Submission to Essential Energy re DNSP Service Classification Consultation on Street Lighting
15. Submission to NSW DPIE re Public Lighting Code Review
16. Submission to AEMC re Metering Review
17. Climate Council Report: Climate Costs and Risks to Councils – for information only

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j. Energy Advocacy Plan

Regional Strategic Priorities	1.3 Members are provided with value for money from collaboration on energy related projects
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Kate Barker, dated 16 November 2021

Recommendation/s
That the Board note the report on the Regional Energy Advocacy Plan (the Plan) and <ol style="list-style-type: none"> 1. adopt the Plan; and 2. share the policy position with LGNSW

Precis

With the vast amount of interest and projects around the region in relation to energy efficiency and streetlighting, the JO has worked with a number of its consultants to develop a Regional Energy Advocacy Plan.

The Plan consists of a policy position and key messages which are used to inform submissions, media, ministerial and other meetings.

This report seeks the Board's endorsement of the Plan.

Legislative Policy and Risk Considerations

Related risks from the Strategic Plan include:

5 – Balancing different interests of members and stakeholders

28 – ensuring services are relevant to all members, and providing value for money

35 – managing members' expectations

Policy Development

Please find attached a Draft Energy Advocacy Plan to support the region's net zero aspirations, which has been reviewed by GMAC and the Regional Energy Group.

The Plan consists of a policy position and key messages. These are used to inform submissions, media, ministerial and other meetings.

Summary of Plan

Our communities tell us they want Central NSW to be a vibrant, growing and welcoming place of seasonal landscapes that is recognised across the nation for its agricultural heart. To sustain this vibrancy and grow our region, we must address the challenge of climate change. This includes both reducing climate impacts within the region while also adapting to the effects of a changing climate.

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Research tells us that agriculture will be particularly impacted by a changing climate with increased temperatures leading to drought, fire and more regular extreme flooding. These in turn will affect our food production, economy and broader community health.

Building on the work and reputation of Centroc, the CNSWJO will work collaboratively with relevant State, Federal and other government agencies to accelerate the transition towards net zero carbon for our Councils and communities. This work will occur where value to the communities of Central NSW is greatest and align with the NSW Government's stated goal of a 50% reduction in emissions by 2030 (based on a 2005 baseline).

Based on the principles of subsidiarisation, decentralization and place-based planning, this advocacy will consider the electoral cycle, the likelihood of change, the need for urgency and demonstrated leadership in region.

Advocacy will be achieved through the following critical actions:

- Empowering communities by providing access to their own data; removing barriers including regulation that inhibit net zero aspirations; increasing their influence over plans at other levels of government that affect them; and delivering a level of investment in net zero technologies that is comparable to the cities.
- Less sectoralisation, restructuring and centralisation of state agencies.
- Enabling collaborative intergovernmental structures in regional NSW to deliver the regional plans in energy and net zero carbon where Local Government has a seat at the table.
- Recognising the value of a healthy network of Joint Organisations which enable the State's net zero aspirations through funding.
- Planning and prioritisation frameworks to align the aspirations of communities with those of the State and Federal Government using a regional footprint.
- Optimising the Regional Plan for Central NSW; and
- Other emerging issues as they become apparent, recognising the constant churn and change in the bureaucracy in NSW.

It is anticipated that the messaging and policy position of this Advocacy Plan will be progressed by:

- Supporting regional strategic and technical groups in providing deep knowledge and support to advocacy, prioritisation, and intergovernmental collaboration.
- Developing policy with other regions.
- Providing submissions to government.
- Meeting with State and Federal representatives; increasing Intergovernmental collaboration.

Key Messages

A summary of the key messages for the NSW Government are:

- **Collaboration for Growth** - Central NSW has a unified voice with a clear vision. The region is seeking to collaborate with all levels of government, industry and the community to achieve sustainable regional development with net zero emissions that leads to jobs and population growth.
- **Regional Empowerment** - Regional communities should be empowered to become more independent and resilient
- **Climate Leadership** - Local Government in NSW should be enabled to play a leadership role in delivering net zero emissions
- **Energy Transformation** - This region is looking to transform the way that we do business with State and Federal Governments and their associated agencies

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- **Listening to the Regions** - NSW Government programs are essential to accelerate the State's energy transition, but the needs of the regions must be included if their impact is to be maximized.
- **The need for reform of public lighting and laying a foundation for smart communities** - there are some significant and growing challenges with how public lighting is managed in NSW and the implications for the future of our smart communities.
- **Digital Connectivity** - Digital connectivity is critical to the livability and economic prosperity of the regions
- **The Importance of Accurate Regional Data** - Actual and accurate regional data must be included in planning models and shared with the regions if existing distribution network constraints are to be resolved rather than perpetuated.
- **Regional Planning** - One size does **not** fit all

A summary of the key messages for the region are:

- **Carbon Commitment** - To avoid catastrophic* climate change, the region needs to move urgently to a 50% reduction in carbon emissions by 2030 in line with the NSW Government's net zero commitment.
- **Net Zero** - A commitment to net zero means rapid decarbonization for our regional economy. The best way to achieve this is to stop using fossil fuels and source energy from cleaner renewable sources.
- **Stakeholders** - Our key stakeholders want effective action from government. Local Government is willing to play its part but needs support at a State and Federal level.
- **Our Region** - With its strong reliance on agriculture and mining and limited health infrastructure, the Central West remains particularly susceptible to the effects of climate change, in particular drought, extreme heat and bushfires.
- **The Low Carbon Opportunity** - The low carbon transition is accelerating and the Central West is well placed to benefit from increased investment, innovation and jobs.
- **Our Partners** - Collaboration with government, industry and academia remains central to the success of our energy and low carbon strategy.

Value for Members

A strategic approach to energy advocacy enables greater cohesion in messaging in relation to reform and funding opportunities for members.

Financial Implications

Nil at this time.

Attachment/s:

18. CNSWJO Regional Energy Advocacy Plan

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Priority Three: Regional Transport and Infrastructure**k. Transport update including working with TfNSW and the (Central NSW ITG)**

Regional Strategic Priorities	3.1 Transport connectivity planning 3.2 Infrastructure planning
Portfolio Mayor	Cr Ken Keith, OAM
Sponsoring General Manager	Kent Boyd

Report by Jenny Bennett, 15 November 2021

Recommendation/s
<p>That the Board note the Regional Transport update and</p> <ol style="list-style-type: none"> 1. note that Minister Stokes has been invited to update the Board on both the Central West and Orana Regional Transport Plan and the Central West and Orana Regional Plan which previous timelines have shown are due in early November; 2. note that advice has been circulated regarding progress on Blayney Demondrille; 3. note the collaboration with TfNSW with the wider Joint Organisation network; 4. note the update on the new Central NSW Integrated Transport Group (CNSW ITG) Lead by TfNSW; and 5. endorse the Terms of Reference for the CNSW ITG.

Precis

This report provides an update on activity in region seeking better transport outcomes in line with the CNSWJO Strategic plan.

The region has successfully negotiated to have TfNSW administer Regional Strategic Transport Group. This both reduces resourcing of the JO and enables stronger engagement with TfNSW. The first meeting of the reconstituted group was 9 November and very well attended.

The report also provides advice on

- the status of the Central West and Orana Regional Transport Plan;
- an invitation to Minister Stokes to attend this meeting; and
- broader collaboration across the state between JOs and TfNSW.

Reason for this report

This report provides an update on various matters to do with regional transport and seeks endorsement of the Terms of Reference for the Central NSW Integrated Transport Group.

Legislative Policy and Risk Considerations**Central NSW Integrated Transport Group (CNSW ITG) Lead by TfNSW**

In consultation with Transport for NSW Director of Regional Community Partnering

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Community & Place Regional and Outer Metro the first meeting of the Central NSW Integrated Transport Group (CNSW ITG) took place on Monday 8 November 2021. Please find attached related documentation.

The CNSWITG has replaced the Regional Strategic Transport Group and will be led by TfNSW. The aim of this group is to move into an action focused model building on the information sharing relationship developed through the Regional Strategic Transport Group.

It is expected that all previous attendees of the Strategic Group will be invited, the first meeting will include an election of Chair and agreement on the terms of reference (TOR) and updates from all attendees. Please see attached the minute and Terms of reference where the Board are asked to provide feedback and endorse the Central NSW Integrated Transport Group (CNSW ITG) TOR.

Invitees include:

Attendees	
Jenny Bennett	Central NSW JO Executive Officer
Cr Ken Keith, OAM	Parkes Shire Council, Mayor
Kent Boyd	Parkes Shire Council General Manager
Ben Howard	Parkes Shire Council – Director Works & Services
Phyllis Miller, OAM	Forbes Shire Council Mayor
Cr Bill West	Cowra Shire Council, Mayor
Darren Sturgiss	Bathurst Regional Council, Director of Engineering
Grant Baker	Blayney Shire Council, Director Infrastructure Services
Ian Greenham	Orange City Council – Director of Technical Services
Carlie Ryan	Penrith City Council – City Strategy Manager
Alistair Lunn	TfNSW Regional Director West
Holly Davies	TfNSW Director Regional Community Partner
Damien Pfeiffer	TfNSW Development Services, Director Development Services
Josh Parkin	TfNSW A/Planning & Programs, Director Planning West
John Zannes	TfNSW Project Manager, Inland Rail Freight
Elisha Bailey	Dept of Inf Inland Rail Div.
Eleanor Falkiner	ARTC/Inland Rail – Stakeholder Engagement Lead
Heath Martin	ARTC/Inland Rail – Stakeholder Engagement Manager NSW
Tim Collins	DPIE Senior Planning Officer, Western Local and Regional
Cathy Milfull	Regional NSW/ACT Roads, Inf.Investment Div. Director
Alvaro Marques	Regional NSW – A/Deputy Director Regional Development
Wayne Sunderland	Regional Development Australia Central West Direct

Central West and Orana Regional Transport Plan

Members may recall a presentation by TfNSW on the Central West and Orana Regional Transport Plan (the Plan) December 4 2020. At the time feedback was that consultation had been and the plan was near ready for public exhibition. Concern was expressed at the time that elected representatives had not been afforded an opportunity to review the document or meaningfully provide input. Members were invited to provide and feedback to TfNSW.

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According to TfNSW the Plan should be on exhibition in November 2021. At the time of writing advice has been provided that both the Plan, and the Central West and Orana Regional Plan are with the Minister. Accordingly Minister Stokes has been invited to the Board meeting.

Collaboration between the broader Joint Organisation Network and TfNSW

At a workshop with Joint Organisation Executive Officers 29 October, TfNSW offered to support a strategic approach between the JO network and TfNSW. The purpose of this strategic effort would be to explore the value proposition to both the State and Councils of collaboration between TfNSW and the JOs. This should be progressed before December 2021.

Attachment/s:

19. Central NSW Integrated Transport Group (CNSW ITG) Agenda
20. Central NSW Integrated Transport Group (CNSW ITG) Minutes 9 November 2021
21. Central NSW Integrated Transport Group (CNSW ITG) Terms of Reference

Priority Four: Regional Water Security**I. Water Update**

Regional Strategic Priorities	4.1 Regional water network planning and best practice skills development
Portfolio Chairman	Cr David Somerville
Sponsoring General Manager/s	Gavin Rhodes, Kent Boyd, David Sherley

Report by Meredith Macpherson, 12 November 2021

Recommendation/s
That the Board note the Regional Water report and 1. advocate for the role of Town Water Commissioner to be made permanent with a structure that enables authentic engagement with communities, particularly elected representatives.

Precis

This report provides an update on strategic work underway by the NSW Government with the CNSWJO through the Regional and State Water Strategies and the Town Water Risk Reduction Program. Information is provided on advocacy on economic modelling and regional governance and structural arrangements to ensure town water security including alignment with local level planning by members Council's LWUs.

Advice is also provided on the latest media on the Wyangala Dam project.

Reason for the Report

This report is for information on engagement with the State Government on strategic work with implications for Local Water Utilities notably the Town Water Risk Reduction Program and the status of the Lachlan and Macquarie Regional Water Strategies. It provides updates on operational projects underway by the Water Utilities Alliance.

Legislative Policy and Risk Considerations**Town Water Risk Reduction Program**

JO engagement with the Town Water Risk Reduction Program (TWRRP) continues to be a major focus for work in the water portfolio currently. This two-year Program aims to work with the town water sector to identify long-term solutions to improve outcomes and service delivery and reduce risks for Local Water Utilities. To recap, the proposed high-level areas of focus for the Program are:

- Improve the regulatory and support framework.
- Encourage greater collaboration.
- Facilitate greater State Government support.
- Review of skills shortages.
- Investigate alternative funding models.

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The Stakeholder Advisory Panel (SAP), of which Mayor Bill West is a member representing LGNSW and the CNSWJO EO is a proxy to Namoi JO representing JOs, has met monthly since February 2021 to guide and ‘sense check’ the program roll-out.

In the context of the work by the TWRRP and strategic work through the State and Regional Water Strategies, the NSW Government has advised that there is no intention to take ownership and management of LWUs away from Local Government in regional NSW. We need to remain vigilant on this front, particularly with a change to the State Government leadership team.

Notable is news from New Zealand that the National Government is taking over responsibility for water supply and sewerage services from local government.

[https://www.dia.govt.nz/diawebsite.nsf/Files/three-waters-reform-programme-2021/\\$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/three-waters-reform-programme-2021/$file/transforming-the-system-for-delivering-three-waters-services-the-case-for-change-and-summary-of-proposals-30-june-2021.pdf)

A summary of work by the TWRRP against the program focus areas and advice regarding engagement by the CNSWJO in the program is provided below.

Latest Update

1. Roadmap to an improved regulatory framework for local water utilities

DPIE sought feedback from the sector on a Draft roadmap to an improved regulatory framework for local water utilities in August-September.

The final Roadmap, released on 3 November, focuses on improvements to the regulatory framework for local water utilities. It also seeks to address recommendations by the NSW Auditor-General on support by DPIE for town water infrastructure in regional NSW by identifying opportunities for improvements to the department’s advisory and support role and the coordination of strategic planning across all levels of government.

For the NSW Auditor-General’s report:

<https://www.audit.nsw.gov.au/our-work/reports/support-for-regional-town-water-infrastructure>

The Roadmap:

- Outlines agreed objectives and the department’s regulatory objectives, functions and principles.
- Contains actions to design an improved regulatory framework and approach that is more outcomes-focused, risk-based, proportionate, transparent and accountable. There is particular focus on the department’s regulation of utility strategic planning, technical assessments and approvals, the regulation of incident and emergency management and monitoring of performance.
- Sets out how DPIE will continue to collaborate with the sector on regulatory options and improvements, including through working groups that bring together the diverse experience and knowledge of the sector.

For the Roadmap: [website](#).

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2. Working Groups

Working groups have been announced that will collaborate with DPIE as they deliver the Roadmap:

- **Working Group 1 - Strategic Planning** - will work on setting outcomes focussed requirements for service levels, performance standards, *Integrated Water Cycle Management*, financial planning and price monitoring.
- **Working Group 2 - Technical Assessment and Approvals** - will collaborate to design an improved approach for Section 60 approvals.

3. Pilot Projects

Several pilot programs will soon be launched under the Town Water Risk Reduction program. The pilots aim to improve town water and sewerage service strategic planning and address key risks, including skills and training shortages, water quality, asset management and dam safety.

JO Engagement in the TWRRP

The JO continues to work closely with the TWRRP team. Engagement across the various tranches of work can be summarised as follows:

- **Skills and Training Focus Group**– JO is a member - meeting every couple of weeks.
- **Working Group 1- Strategic Planning** – JO is a member – meeting every couple of weeks.
- **Roadmap to an improved regulatory framework**- JO submitted a survey on 4 September providing feedback informed by members. A copy is available on request.
- **Encouraging regional collaboration and state government support**- the JO EO attended an online workshop that discussed:
 - what LWU roles and functions are suitable for collaboration and state government support
 - where such collaboration and support should be targeted, and
 - barriers to LWUs collaborating and accessing state government support.

Other opportunities to work with the TWRRP team on regional collaboration have been offered by the JO including:

- participation in a review of the current version of the CNSWJO Water Utilities Alliance Strategic Plan through a risk based lens.
- participation in the asset management work underway by the JO with the formation of a Regional Asset Management Working Party as resolved by the Board.

Members of the TWRRP team attended the first meeting of the Regional Asset Management Working Party as observers.

- **Integrated Water Cycle Management Planning – Expressions of Interest to Pilot the co-design of components of the framework**- the JO was successful in a proposal to co-design a regional approach to IWCM development that will seek to optimise the Regional Water Strategies for local level planning and consider alignment with the IP&R requirements.

Several meetings have been held with the TWRRP team to prepare a Background Paper for workshops to be held on 16 November and 8 December. Thank you to Cr Mark Kellam,

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Deputy Mayor, Oberon Shire Council for agreeing to participate. A copy of the Agenda and Background Paper are provided as attachments.

The JO staff and members of the Water Utilities Alliance Executive continue to have regular formal and informal discussions with members of TWRRP team. The team are very receptive and working hard on a huge and complex task within a short timeframe.

Opportunities to optimise work already underway by the JO and Water Utilities Alliance continue to be sought. Further advice will be provided as this evolves.

TWRRP resources for more information:

Website: [Town Water Risk Reduction Program](#)

Minutes and presentations: [Stakeholder Advisory Panel webpage](#).

Monthly newsletters have been issued to Local Water Utilities since April.

You can email your thoughts to DPIE Water here at any time: regional.town.water@dpie.nsw.gov.au.

NSW State Water Strategy

The NSW State Water Strategy released on 16 September addresses key challenges and opportunities for water management and service delivery across the state. It sets the long-term direction for the NSW water sector providing the overarching vision for the 12 regional and 2 metropolitan place-based water strategies.

The Strategy acknowledges that water availability in NSW has always been highly variable and that extremes of wet and dry may become more pronounced and extreme events more frequent. It also recognises that water management needs to be done differently requiring a better understanding of future climate conditions and the implications for the supply of water for human needs, industry and the environment. It acknowledges that a coordinated and unified approach to how we manage, plan for and use water informed by a need to do more with less is needed.

High level approaches to doing more with less include to:

- Drive changes in water use and behaviour to make NSW more water efficient and ensure water is supporting the highest value uses
- Improve capacity across NSW to cope with climate variability and change
- Invest in appropriate and affordable infrastructure.

Seven strategic priorities focused on meeting core objective based on the NSW Water Management Act 2000 have been developed. These are as follows:

- 1. Build community confidence and capacity through engagement, transparency and accountability**
- 2. Recognise First Nations/Aboriginal People's rights and values and increase access to and ownership of water for cultural and economic purposes**
- 3. Improve river, floodplain and aquifer ecosystem health, and system connectivity**
- 4. Increase resilience to changes in water availability (variability and climate change)**
- 5. Support economic growth and resilient industries within a capped system**
- 6. Support resilient, prosperous and liveable cities and towns**
- 7. Enable a future focused, capable and innovative water sector**

Under these priorities are more than 40 actions focused on improving the security, reliability, quality and resilience of the state's water resources.

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Priorities 5 and 6 are the most relevant to LG LWUs. Notable also is Action 6.6 **a new state-wide Water Efficiency Framework and Program**. The State Government has confirmed that funding will be available for water efficiency initiatives. The Water Utilities Alliance is well placed for a regional application with a program of work that could be rolled out in the water loss management area optimising the excellent work done through a Sydney University Engineering student placement in 2021. This work has already attracted interest from DPIE for potential state-wide application. Discussions with DPIE on this are continuing through the JOEO network.

Details of priorities and sub-actions and analysis of their implications for Local Government LWUs are provided in Briefing Note No. 10 included as an attachment.

<https://dpi.e.nsw.gov.au/water/plans-and-programs/nsw-water-strategy>

Regional Water Strategies

Work on the Upper Macquarie and Lachlan Regional Water Strategies is ongoing. Positive is that with delays to the finalisation of these Strategies DPIE are now consulting with Councils and the JO on challenges for town water supplies and the identification of options to be included in the next consultation paper for public exhibition in early 2022. The engagement is broadly as follows:

1. **Use the latest climate information to provide the best available assessment of long-term water security risk** - DPIE will consult with councils to make sure the model has a good representation of current town water systems and demand projections, and present results of the water security risk prepared using the model (the “base case”). The intention is to develop a method so this information can be used to inform local level planning processes.
2. **Assess the options** - DPIE will add into the model the proposed options to simulate how they would change the base case water security risk and impact other water users and river flows. Specific options and combinations of options that prove to be effective will be subjected to cost benefit analysis and environmental analysis.

Responding to concerns raised by the JO, at a meeting on 12 October attended by JO Board members and Council staff, the DPIE team discussed the cost benefit methodology and the costing factors developed by Marsden Jacobs. Member’s will recall concerns that town water was undervalued in the methodology.

It was apparent from this meeting that the economic model used to short list options in the Strategies will be run without testing the assumptions that it is based on (see 2 above). Follow up correspondence was sent to DPIE expressing our disappointment. Correspondence was also sent to the Department of Planning regarding concerns with the NSW Treasury Common Planning Assumptions used to inform modelling. A copy of this correspondence is provided as an attachment.

Meeting with Dr Jim Bentley, Deputy Secretary, DPIE Water

The matters detailed above were discussed with Jim Bentley, Deputy Secretary, DPIE Water at a zoom meeting on 3 November.

Also discussed was the co-ordination of actions from the State and Regional Water Strategies with local level planning being done by Councils through their IWCMs and by other silos within DPIE in the region. Briefing Notes for the meeting with Jim Bentley were circulated and are available on request.

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The JO continues to advocate that the Implementation and Governance Plan for the Regional Water Strategies must be co-designed with Local Government to ensure these place-based Strategies are delivered in place and not from Macquarie street for the place. This continues to be one of the greatest risks to town water supplies.

Following the meeting on 3 November, Jim Bentley has agreed as follows:

Actions from meeting:

1. Agreed to work with JO on the design of the governance structures that might best drive implementation of the Regional Water Strategies by state and local government
2. Agreed to meet with JO about the economic modelling used for the Regional Water Strategies (noting specific concerns about an assumption used by Marsden Jacobs)

Areas of focus and report backs to a future meeting:

- Proposed review of alternative funding arrangements for local water utilities and review of the pricing aspects of the Best Practice Guidelines
- Update on efforts for better coordination amongst water co-regulators at the Leadership level (Jim) and at the officer level (coregulator action in the Roadmap to new approach to regulation of local water utilities)
- Update on working with Regional NSW on more effective water management to address perceived constraints to economics growth in key regional towns – like Parkes
- Update on Town Water Risk Reduction pilot project about sub regional strategy to link RWS with LWU level plans
- Update on water efficiency program.

This is all very positive. Updates will be provided as this work is progressed.

Drought Management and Preparedness

Concerns have been expressed within the region that now it has rained the State Government's inter-agency committees seem to have been disbanded. The concern is that while the State Government's suite of strategies including the Future Ready Regions and State Water Strategies have been released, the Regional Water Strategies are a long way from being finalised. While good news has been the integration of town water supplies into these, the reality is that the Government processes to implement the finally agreed options to secure town water supplies means that they could be a decade or more away.

At the October GMAC meeting, it was resolved that the Town Water Commissioner role previously filled by the cross-border Commissioner, James McTavish, be made permanent. Clearly there is a need for on-going drought coordination and a structure that enables authentic engagement with communities, particularly elected representatives.

Pumped Hydro Funding Application by Central Tablelands Water

As resolved by the Board at its August meeting, the JO assisted Central Tablelands Water (CTW) with its funding application to the Pumped Hydro Recoverable Grants Program to support the "Lake Rowlands Pumped Hydro" project. The application Eligibility Assessment stage has now been completed. On 1 October CTW were advised that their application has been found to be eligible for Program funding and has now progressed to the Merit and Portfolio Assessment stage of the process which is expected to run until the end of November 2021.

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Water Infrastructure Projects

It was resolved at the August Board meeting to seek advice from DPIE on innovative water security projects in NSW and their enablement.

Subsequently DPIE have launched a new tool to access information about water infrastructure projects across NSW. The water projects map will make it easier to find out about initiatives that are either completed, committed to, or being investigated as part of the NSW Water Strategy.

https://water.dpie.nsw.gov.au/plans-and-programs/nsw-water-strategy/projects?_hsmi=165621082&_hsenc=p2ANqtz-8iJklwuKs6PKcd71ZtjKidQpI2Aa7A6U8Up0zPWF9LZ1mB2RbqgaC6HISgbgZAfjROt-oAIS5IQ_VGEWkITICzykfdirt_C4OMAazKpAhS_s3bNdg

Wyangala Dam Project

The NSW Government has submitted its response to the report by the NSW Legislative Council Portfolio Committee No. 7 - Planning and Environment entitled 'Rationale for, and impacts of, new dams and other water infrastructure in NSW Part 1'. Part 1 focusses specifically on the Wyangala Dam wall raising project.

In summary the response says that:

The NSW Government recognises that raising the Wyangala Dam wall is not without impact. An important part of the project will be to undertake a comprehensive Environmental Impact Statement process. This will play a critical role in identifying, evaluating and proposing measures to mitigate the environmental, social, and economic impacts of the project.

Further, rigorous assessments of the costs, benefits and financial impacts of the project, as well as an analysis of the water yield benefits, are currently being undertaken as part of developing the Final Business Case. All material issues raised by the committee will be evaluated and incorporated in the Final Business Case and the Environmental Impact Statement.

Details of the Government response to the Committee's recommendations is provided in Briefing Note no. 10 provided as an attachment.

Media on the Wyangala Dam Project

As resolved at the August Board meeting the opportunity for a joint media release was sought through both Minister Pavey and the Deputy Premier. Both approved the media release, but it was ultimately released under the JOs logo.

Subsequently the JO has been working with Lachlan Valley Water (LVW) to support a targeted media campaign over recent weeks. This included a well timed media release developed by Bruce Reynolds who has been contracted by LVW with interviews with Lachlan Valley Mayors, Cr Medcalf, Cr West and Cr Miller. This media release was issued on 4 November following an article that appeared in The Australian on the same day under the headline, 'Perrottet to bail out of water projects'.

Advice from Water Infrastructure NSW and local members of parliament is that the project is still subject to the completion of a business case currently underway.

The following media was released later in the day refuting the story in The Australian.

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https://www.abc.net.au/news/2021-11-04/nsw-premier-shrugs-off-questions-over-future-of-dam-projects/100593756?utm_campaign=abc_news_web&utm_content=mail&utm_medium=content_s_hared&utm_source=abc_news_web

Michael McCormack issued a media release on 4 November critical of any suggested delays to raising the dam wall. See link: [WYANGALA DAM DECISION DISAPPOINTING — Michael McCormack](#)

Copies of the Media Releases are attached.

For the latest advice on the Wyangala Dam wall raising project - <https://water.dpie.nsw.gov.au/water-infrastructure-nsw/dam-projects/wyangala-dam>

In light of the current flooding in the Lachlan Valley, on 17 November Minister Melinda Pavey issued the following statement:

Despite the impact of covid lockdowns, the Government is committed to completing the Final Business Case and Environmental Impact Statement as quickly as possible.

These are required before any construction can commence.

Following a meeting with the Lachlan Airspace Reference Panel on 17 November, on 18 November, Stef Cooke, Member for Cootamundra, issued social media advising of a Notice of Motion on the Wyangala Dam Wall Raising that on 19 November she will move that in the House:

1. *Notes the impact of flooding on communities of the Lachlan Valley in Central West New South Wales.*
2. *Acknowledges the need for improved water security and flood mitigation infrastructure for regional communities.*
3. *Recognises the critical importance of the NSW Government's Wyangala Dam Wall Raising project for communities of the Lachlan Valley in Central West New South Wales.*

Financial implications

Nil

Attachment:

22. Briefing Note No. 10
23. TWRRP -Pilot Project – Regional Approach to IWCM – Workshop Background Paper
24. Correspondence to Ms Shagofta Ali, Regional Water Strategy – modelling
25. Correspondence to Angelique Parr, Department of Planning- NSW Treasury Common Planning Assumptions
26. Media Release –Wyangala Dam Overflows

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9. Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority

Regional Strategic Priorities	1.1 Governance arrangements enable inter-council co-operation
Portfolio Mayor	Cr John Medcalf, OAM
Sponsoring General Manager/s	Mr B Byrnes and Mr G Tory

Report by Jenny Bennett, 10 November 2021

Recommendation/s
<p>That the Board note the Report to the Central NSW JO Strategic Plan and Statement of Regional Strategic Priority and</p> <ol style="list-style-type: none"> 1. endorse the following submissions: <ol style="list-style-type: none"> i. The Central NSW Joint Organisation response for Essential Energy to prepare for the NSW/ACT/TAS/NT Electricity Distributors Consultation Paper 1: Service Classification; ii. The Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021; iii. Transport for NSW (Transport) on the (REF) and Concept Design for the proposed Medlow Bath Upgrade; iv. The Department of Planning Industry and Environment on the Regional Housing Taskforce; v. The Committee on Community Services inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW; and vi. The Local Government Tendering Regulation Review 2. note the advice on progress of Stage One and Stage Two of the Office of Local Government (OLG) Capacity Building Program Fund including progress on the Community Strategic Plan project with the Regional Leadership Executive; 3. note that the Building Better Regions Fund Round 5 application was unsuccessful and seek a variation for \$50K of Round One of the OLG Capacity Building Program to go to supporting marketing for the region and the forward Statement of Strategic Regional priorities of the incoming Board; 4. note stage 2 funding projects were approved by the OLG; and 5. note advice on the Central West and Orana Regional Plan Review.

Reason for this report

The Central NSW JO approved its Strategic Plan (the Plan) and Statement of Regional Strategic Priority on 2 May 2019, the Board resolved to extend the plans timeframe due to Covid impacting the election cycle. Four priorities were identified for action. This report provides advice on progress on the Plan. Reports requiring more detailed advice to inform decision making are provided separately. These reports would include those reporting on challenges and opportunities identified as the Plan is delivered. Advice on progress of past resolve can be found in Matters in Progress.

This report provides separate advice on:

- the progress of the JOs more broadly including advice on the review of JOs being undertaken by the OLG;
- progress of the OLG Capacity Building fund both Rounds One and Two including
 - the CSP project;
 - collaborating with DPIE to accelerate the region's net zero aspirations; and
 - the visitor economy promotion project;

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- various submissions that have been lodged;
- skills
- the transition of the CNSWJO managed Regional Strategic Transport group to the TfNSW managed Regional Integrated Transport Group; and
- the Central West and Orana Regional Plan review; and

Please find the quarterly update on actions identified in the CNSWJO Strategic Plan and Statement of Regional Strategic Priority as an attachment.

Legislative Policy and Risk Considerations

Regarding risk, risks are reviewed each quarter please request the Risk Register. There are six Very High Risks identified of 37 risks overall. These six Very High Risks are below .

Risk #	Risk category	Risk	Risk Owner	Consequence	Inherent risks			Controls	Residual risks		
					Likelihood	Consequence	Rating		Likelihood	Consequence	Rating
17	Political	NSW Government underfunding JOs, heavy requirements for JO to deliver	Board	Unable to continue to operate JO	Likely	Severe	Very High	Early engagement with NSW Government about funding needs. Business case approach to determining funding level.	Likely	Severe	Very High
18	Political	Miss opportunity to see how collaborations could work effectively	Board	Opportunity to engage differently with the NSW and Federal Government on how they want to engage may compromise the effectiveness of the JO. Use the process as a means to refresh engagement and understand stakeholder business better.	Likely	Major	Very High	Communications Plan in place. Specific program to determine how stakeholder WANT to be engaged and to learn about their strategies in order to see how they align with the JO's objectives.	Likely	Severe	Very High
31	Performance	Long term viability and financial sustainability	Board	JO can't get sufficient funding to be able to meet liabilities.	Possible	Severe	Very High	Work with other JOs and relevant State agencies on a sustainable funding framework for the JO network and advocate as necessary.	Possible	Major	Very High
33	Performance	Allowing more cost shifting	Board	JO becomes a vehicle for the NSW Government to dictate via legislation more duties	Possible	Severe	Very High	Board considers all requests to undertake additional tasks and assesses against a business case	Possible	Severe	Very High

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								that shows costs and value for money considerations before agreeing to take on extra duties/responsibilities			
34	Performance	Privatisation of Water utilities – is it just another step on that process?	Board	Water Utilities Alliance is used by NSW Government to take over or to privatised water services compromising skills in member councils and revenue streams.	Possible	Severe	Very High	Board ensures relationships with NSW Government is developed to enable frank conversations on the transfer of any assets.	Possible	Severe	Very High
35	Member management	Managing members expectations, member is a "child" of the members	Board	Members become dissatisfied with services or the role being taken by the JO.	Possible	Major	Very High	Board ensures it is aware of the members' satisfaction levels. Member involvement in development of the Strategic Plan and the services and projects approval processes for JO to deliver.	Possible	Major	Very High

The risk to the JO from network sustainability as outlined in Risks 17 and 18 is now happening and will have greater impact despite the mitigations in place. Arguably there is not much more this JO can do to mitigate the risk and it is noteworthy that the Chairs of JOs Forum is tackling the issue.

ARTD consulting has been engaged to complete review the JO model. Their report is overdue at the time of writing. Recent advice is that the review is with the Minister. The JO Chairs' Forum has requested it be provided to JOs before the end of this term. A verbal update can be provided to the meeting.

Please find attached associated minutes and agendas from recent meetings.

The growing regulatory burden, patchiness of JO capacity and lack of State funding for core business is likely to significantly impact the sustainability of the broader network. Central NSW continues to put up business cases for funding, provide advice on the value proposition of JOs to State entities and work with other JOs to provide support for their sustainability. This work is very slow and showing some limited positive responses. Please find advice in the report to the incoming Board on suggested actions in this regard.

Regarding 34, the risk perceived by members of an asset strip of water utilities has been exacerbated by the drought as the State stepped in to try and support Councils. Every effort is being undertaken to work with the State in a positive manner reflecting the capacity and capability of members working collaboratively in the Water Utilities' Alliance. Please find advice on water provided separately.

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Regarding risk 35 relating to member management, the policy of the Joint Organisation is that it is a creature of its members. Where the Communication Plan identifies a series of tactics including holding a Summit in the near future, members are welcome to seek presentations or other engagement with the JO Executive Officer.

Regional Submissions

Members have forwarded requests for the JO to lodge submissions as follows where all advice provided is within existing policy.

Please see the JO website for all submissions lodged to date.

In this quarter there were responses made to the:

- Central NSW Joint Organisation response for Essential Energy to prepare for the NSW/ACT/TAS/NT Electricity Distributors Consultation Paper 1: Service Classification

In summary the distributors are starting a conversation with the Australian Energy Regulator around the potential to source income by leveraging the “real estate” potential of streetlights. In response to what could become a serious barrier to Councils’ smart aspirations it is recommended that advice be developed around optimal ownership and management arrangements for street lighting assets.

- Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021

This is in line with members’ requests asking for support to be provided to the LGNSW campaign. CNSWJO is also seeking opportunities to update our Local Members.

- Transport for NSW (Transport) on the (REF) and Concept Design for the proposed Medlow Bath Upgrade;
- DPIE on the Regional Housing Taskforce;
- Committee on Community Services inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW;
- Local Government Tendering Regulation Review;

This regulatory review is about enabling technology that has been in use for over a decade. Feedback provided was informed by legal advice to the BPAP project.

Local Jobs and Skills Taskforce expression of interest and other skills related matters

Local Jobs and Skills Taskforce (The Taskforce)

The Board at its August meeting resolved to nominate the JO Executive Officer as a representative on the Local Jobs and Skills Taskforce

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Taskforces will play a central role in connecting, coordinating, and leveraging existing programs, and aligning efforts on the ground to ensure that collaboration is maximised, duplication is minimised, and outcomes are achieved as part of the Local Jobs Program.

Taskforce membership will be up to a maximum of 10 members (in each Employment Region), where the focus will be on ensuring a diversity of representatives from key stakeholder groups within the Employment Region, including State Government, Local Government, employers, the training sector, employment services providers and the community services sectors. As such, it is expected that Taskforces will generally comprise of one representative from each of these key stakeholder group in line with local needs.

On 7 September CNSWJO was notified that this region's nomination to the Central West Local Jobs Taskforce was successful. The first Central West Taskforce meeting was held Wednesday 22 September. For more information visit the site and media [Central West - Department of Education, Skills and Employment, Australian Government \(dese.gov.au\)](https://www.dese.gov.au/central-west-department-of-education-skills-and-employment)

Currently the Taskforce is developing its Strategic Plan and developing subcommittees. CNSWJO has been asked to Chair a Local Government and Infrastructure Subcommittee. Please request all associated documentation.

It is noteworthy that this group only work with those registered for unemployment benefit. Given the low rates of employment in region, this may not make a material change to the skills shortage. Please see attached the Local Jobs and Skills Taskforce Operational Handbook.

As advised in previous reports, the Regional Leadership Executive is also supporting collaboration on skills. At the time of writing a strategy is under development. CNSWJO staff were provided an opportunity to provide feedback to an early draft. Further advice will be provided in due course where the RLE is undergoing a review of its processes.

Finally, of interest to members is the WRI Region Shapers Report. This document has been provided to Council EDOs and provides advice that there will be 64,000 jobs in the Central West and Orana region over the next 5 years as a result of construction only. Follow-up is being undertaken with WRI on the potential of this 64,000 jobs number to be expressed per Lga. Advocacy is being undertaken at every opportunity for various State agency strategic processes (water, planning and transport, for example) to recognise the tension between such a significant number of jobs for construction and population growth for the region – that being 6000 persons for the same time period.

OLG Stage 1 Funding

Where both the energy and procurement components of Round 1 have been expended, unfortunately, CNSWJO was notified early October that the Federal BBRF CBD grant applied for, with the support of RDACW, was unsuccessful. Advice from the Department is that the project was about land use planning, was business as usual and therefore could not be funded. For more detail on this project please request past reports.

This has a financial impact of returning \$50K to the tourism budget and needing to seek a variation to the OLG for the CBD project. GMAC gave consideration to various options and discussion has been ongoing in region.

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Based on feedback and the current opportunities in region it is suggested that the Board seek a variation of the \$50K with \$25K to go to building on the marketing campaign “The Long Long Weekend” and \$25K to development of the Statement of Strategic Regional Priorities.

The projects are suggested as they both add value to the existing program and relieve JO staff while not adding anything extra to the agenda – which anticipates being very busy empanelling the new Board.

“The Long Long Weekend”

Currently in market the “Long Long Weekend” has developed collateral and promotes the concepts of lingering longer in region to explore further, spend more and avoid the traffic on a Sunday afternoon. Where the first round of funding has been fully accounted for in a series of publications and a social media push (see advice below), it is recommended that a further \$25K be expended on PR support given the significant amount of response this campaign is receiving. Please see more detail in the OLG Stage 2 funding advice below. This aligns with the Board position of seeking to maximize the potential of Covid and where travellers are actively looking for ideas and booking holidays.

Development of the Statement of Strategic Regional Priorities

Under the Local Government Act, the incoming Board is required to develop its Statement of Strategic Regional Priorities. It is recommended that the forward process include funding towards updated data and the consultation process including the Summit discussed elsewhere in this business paper. This would support strategic work undertaken in house.

OLG Stage 2 funding Project Plan Milestone Report

The approved OLG Stage 2 funding Project Plan has milestone reporting based on GMAC and Board business papers.

The suggested projects approved by the August Board were lodged at the end of August to OLG. The projects were approved by OLG 29 September 2021. Please see attached the full Project Plan.

The four projects being funded by the OLG are in energy, Community Strategic Planning (CSP), a tourism campaign and wastewater training. Please request past reports in this regard.

Progress is as follows:

1. Please see the Energy Reports elsewhere in this agenda for progress on the broader DPIE collaborative project. Funds are used to match DPIE funding or fill gaps as the project continues. Funding of \$8,350 of the \$70,000 for this has been expended from the OLG funds. This has been to support CTW in its application for a feasibility study for its pumped hydro project and develop policy and forward planning for the broader program. The pumped hydro application was successful in progressing to the next round. Please find in a separate report advice on policy and forward programming.
2. Members will recall there was an opportunity available to work with Gerry Collins of the Regional Leadership Executive in State agency support for CSP. Please request any previous background advice.

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An online workshop was arranged and held 30 September. Please find attached the outcomes paper. The following actions were agreed and are being progressed:

- Councils will identify their data requirements and which State agencies they are most interested in speaking to in relation to their CSP development and advise the JO within the coming week.
- Dept of Regional NSW will start liaising with relevant State agencies.
- JO will commence planning a State/Local Government Summit to enable information exchange to respond to the workshop outcomes. The event is to be held 3 December 2021.

A steering committee of Brad Byrnes, Paul Devery and Rachelle Robb is progressing the project.

Funding of \$2,400 ex GST has been expended on this project to date to procure consulting support.

3. The \$35,000 spend on a marketing campaign for the region has been designed under the messaging “The Long Long Weekend.” The campaign seeks to support visitors staying longer to avoid transport congestion while spending more time in region. The campaign was released via Visit Central NSW socials on 28 October 2021 with the one combined video and then each LGA video to follow in timings provided by Gabrielle Brewer / PR Consultant.

Tourism Managers are invited to post their own videos when they like from the 28th and are encouraged to share and post each other’s videos. Please find following the link for - 1 x combined and 10 x LGA videos, plus content for youtube and social stills.

<https://www.dropbox.com/sh/x1fpo7964o1rxas/AADMGjkBqRQDKv5AD62sTIqya?dl=0>

At the time of writing, media release via Urban List is going into market to suggest visitors over summer explore the waterways of the region and targets a shark free alternative to coastal beaches. Please request more advice and all associated documentation where this project has oversight by the Tourism Managers in the region with support of the PR consultancy. An invoice from Andrew Barnes/Geagle Productions for \$8670 inc GST for filming in region to support the campaign has been paid. This is in line with the budget.

4. Conversations with DPIE Water have been held on potential collaboration with this funding. This has come to nothing to date. Scoping work on this project will be undertaken in due course if a State partner cannot be found.

Central West and Orana Regional Plan Review

The EO and Chair of the Planners’ group, as members of the Steering Committee for the CWORP Review to 2041, have been afforded an opportunity to provide feedback to the draft. Substantial feedback has been provided where timeframes have been very tight. Advice is being prepared for the Board on feedback including the need to develop a consultation plan at the beginning of the process that includes better engagement with Local Government, particularly at the senior and elected level. This was the same advice provide to the last process.

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On a positive note, the DPIE have commissioned WRI to produce a report on potential job impacts in region to inform the CWORP. DPIE have shared this document which includes both the demography in the “common planning assumptions” and advice on workforce needs in the region. In the CWORP region 64,000 jobs will be required just for the construction task where the common planning assumption suggest growth in population of 6000 persons. DPIE have been asked to address the tension between these two numbers in the final version for public exhibition.

The recent meeting of the Planners’ Group 11 November saw presentations from the DPIE on support for the Local Aboriginal Land Councils, demography and population and the Central West and Orana Regional Plan (the Plan). Please request the notes from the meeting.

Advice provided is that the CWORP 2041 is due for public exhibition imminently. The Planners expressed concerns regarding the time frames for the exhibition of the Plan give both the Local Government election 4 December 2021 and the Christmas period.

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Spend, Cost Savings and Funding

The following tables have been updated to reflect the spend, cost savings and grant funding through the Joint Organisation for the 2020/2021. The statistics are updated on a quarterly basis and are reported for the current financial year. Cumulative spend and cost savings for previous financial years are available on request.

Due to the implementation of a contract management system for the JO, figures for the July to September 2021 quarter have been delayed and will be reported in due course.

Spend

The following table reflects the spend by each member council under the various JO contracts for the 20/21 financial year.

SPEND	Water Utilities Alliance Contracts	HR Contracts	WHS contracts	IT contracts	Supply contracts	Roads/Transport contracts	Energy contracts	RDOCS contracts	Other contracts	Training	Total
Bathurst	\$11,200	\$78,237	\$5,939	\$0	\$1,072,914	\$0	\$2,683,431	\$24,046	\$0	\$23,952	\$3,899,719
Blayney	\$0	\$7,177	\$0	\$0	\$470,855	\$0	\$308,036	\$5,107	\$0	\$10,530	\$801,706
Cabonne	\$25,679	\$27,829	\$20,013	\$0	\$1,156,578	\$0	\$468,524	\$1,223	\$0	\$31,378	\$1,731,224
Central Tablelands Water	\$6,800	\$583	\$0	\$0	\$0	\$0	\$313,196	\$145	\$0	\$0	\$320,724
Cowra	\$585,694	\$32,096	\$24,278	\$0	\$728,262	\$0	\$697,601	\$1,273	\$0	\$28,510	\$2,097,714
Forbes	\$448,564	\$26,493	\$7,400	\$0	\$767,251	\$0	\$815,237	\$6,983	\$0	\$25,350	\$2,097,277
Lachlan	\$273,551	\$28,997	\$0	\$0	\$804,987	\$0	\$774,203	\$878	\$0	\$28,124	\$1,910,739
Oberon	\$0	\$16,402	\$0	\$0	\$567,292	\$0	\$230,899	\$12,381	\$0	\$6,320	\$833,294
Orange	\$645,452	\$110,603	\$20,043	\$0	\$744,058	\$0	\$3,263,584	\$16,560	\$0	\$22,920	\$4,823,220
Parkes	\$24,299	\$14,180	\$27,900	\$0	\$874,410	\$0	\$1,628,548	\$1,389	\$0	\$17,458	\$2,588,183
Weddin	\$29,631	\$583	\$1,020	\$0	\$424,735	\$0	\$119,076	\$405	\$0	\$0	\$575,449
Total	\$2,050,869	\$343,181	\$106,593	\$0	\$7,611,341	\$0	\$11,302,334	\$70,389	\$0	\$194,542	\$21,679,250

Savings

The following table shows the savings achieved by member councils through aggregated procurement and programming. An explanation of the meaning of each column has been reported previously and is available on request. The table reflects savings in the 20/21 financial year.

The cost to members is calculated on a percentage of each CNSWJO staff member and their corresponding workload on procurement and contract management. This figure is updated quarterly in line with the cost savings.

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SAVINGS	Water Utilities Alliance Contracts	HR Contracts	WHS contracts	IT contracts	Supply contracts	Roads/ Transport contracts	Energy contracts	RDOCS contracts	Other contracts	Training	Legal advice re Procurement	Participation in regional procurement	Total
Bathurst	\$0	\$40,913	\$1,048	\$0	\$25,384	\$0	\$413,466	\$1,046	\$0	\$9,606	\$2,000	\$27,000	\$520,462
Blayney	\$0	\$7,316	\$0	\$0	\$26,039	\$0	\$51,824	\$0	\$0	\$0	\$2,000	\$22,000	\$109,179
Cabonne	\$0	\$12,826	\$20	\$0	\$39,711	\$0	\$56,917	\$644	\$0	\$6,726	\$2,000	\$31,000	\$149,844
Central Tablelands Water	\$0	\$103	\$0	\$0	\$0	\$0	\$13,700	\$973	\$0	\$0	\$0	\$10,000	\$24,775
Cowra	\$0	\$18,114	\$1,676	\$0	\$48,323	\$0	\$114,353	\$594	\$0	\$12,577	\$2,000	\$26,000	\$223,636
Forbes	\$0	\$15,901	\$0	\$0	\$42,214	\$0	\$98,198	\$808	\$0	\$1,821	\$2,000	\$19,000	\$179,942
Lachlan	\$0	\$26,846	\$0	\$0	\$44,962	\$0	\$88,963	\$989	\$0	\$3,977	\$2,000	\$26,000	\$193,737
Oberon	\$0	\$17,227	\$0	\$0	\$12,587	\$0	\$34,172	\$0	\$0	\$0	\$2,000	\$30,000	\$97,332
Orange	\$0	\$68,877	\$3,537	\$0	\$33,878	\$0	\$491,769	\$1,012	\$0	\$23	\$2,000	\$15,000	\$616,095
Parkes	\$0	\$1,402	\$0	\$0	\$43,570	\$0	\$180,478	\$478	\$0	\$4,059	\$2,000	\$18,000	\$249,987
Weddin	\$0	\$103	\$0	\$0	\$25,397	\$0	\$33,063	\$1,091	\$0	\$0	\$2,000	\$16,000	\$77,653
Sub Total	\$0	\$209,629	\$6,281	\$0	\$342,066	\$0	\$1,576,900	\$8,979	\$0	\$38,788	\$20,000	\$240,000	\$2,442,643
												Cost to members	\$245,600
												Total	\$2,197,043

Funding

The funding table shown below shows the grant or other funding received by councils where a regional approach has been taken to the application or program for the 20/21 FY. The breakdown of categories has been reported previously and is available upon request.

GRANT FUNDING - 20/21 FY	Water Utilities Alliance	Training	IT	Supply	Roads/ Transport	Energy	RDOCS	Tourism	Other	Total
Bathurst	\$0	\$19,900	\$0	\$0	\$0	\$49,303	\$0	\$0	\$15,000	\$84,203
Blayney	\$0	\$11,550	\$0	\$0	\$0	\$25,136	\$0	\$0	\$15,000	\$51,686
Cabonne	\$0	\$49,846	\$0	\$0	\$0	\$37,436	\$0	\$0	\$15,000	\$102,282
Central Tablelands Water	\$0	\$0	\$0	\$0	\$0	\$25,636	\$0	\$0	\$0	\$25,636
Cowra	\$0	\$33,236	\$0	\$0	\$0	\$24,081	\$0	\$0	\$15,000	\$72,317
Forbes	\$0	\$36,686	\$0	\$0	\$0	\$28,636	\$0	\$0	\$15,000	\$80,322
Lachlan	\$0	\$44,540	\$0	\$0	\$0	\$36,636	\$0	\$0	\$15,000	\$96,176
Oberon	\$0	\$7,700	\$0	\$0	\$0	\$29,716	\$0	\$0	\$15,000	\$52,416
Orange	\$0	\$23,800	\$0	\$0	\$0	\$28,636	\$0	\$0	\$15,000	\$67,436
Parkes	\$0	\$21,678	\$0	\$0	\$0	\$28,636	\$0	\$0	\$15,000	\$65,314
Weddin	\$0	\$0	\$0	\$0	\$0	\$23,716	\$0	\$0	\$15,000	\$38,716
Total	\$0	\$248,936	\$0	\$0	\$0	\$337,570	\$0	\$0	\$150,000	\$736,506

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Value for members

Please see below the value to members for this financial year and a summary of the previous years.

VALUE FOR MEMBERS 2020/2021	FY 2019/2020	FY 2020/2021	FYTD 2021/2022	ACTIVITIES TO DATE FOR YEAR 1 JULY 2021 - 30 JUNE 2022
SUBMISSIONS	20	23	8	<ol style="list-style-type: none"> 1. Central NSW Joint Organisation response for Essential Energy to prepare for the NSW/ACT/TAS/NT Electricity Distributors Consultation Paper 1: Service Classification 2. Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021 3. Transport for NSW (Transport) on the (REF) and Concept Design for the proposed Medlow Bath Upgrade; 4. DPIE on the Regional Housing Taskforce; and 5. Committee on Community Services inquiry into and report on options to improve access 6. to existing and alternate accommodation in order to help address the social housing shortage in NSW 7. Local Government Tendering Regulation Review
PLANS, STRATEGIES AND COLLATERAL	26	12	2	<ol style="list-style-type: none"> 1. As at 12 October 2021, 2719 contractors have successfully completed the online WHS induction (this number also includes the historical data that has also been uploaded).
GRANTS SEEKING	3	3	0	
GRANT FUNDING RECEIVED	\$215 k	\$736 k	0	
COMPLIANCE	13	9	6	<ol style="list-style-type: none"> 1. 300821 – OLG stage 2 Building and Capacity Funding Action Plan 2. 301021 -2021 Annual Report of Government Information (Public Access) Act to Minister Harwin and Ms Tydd Information Commissioner 3. 301021-2021 Annual Report of obligations under the Public interest Disclosures to Minister Dominello
DATA	6	3	0	
MEDIA INCLUDING SOCIAL MEDIA	13	18	8	<p>Social Media Followers as at 11 November 2021:</p> <p>Facebook – 578</p> <p>Twitter – 941</p> <p>Instagram (CNSWT) – 5,831</p> <p>CNSWT Facebook – 15,122</p> <ol style="list-style-type: none"> 1. 070921 – Country Stays with a Twist – Dream and Plan (prepared by Gabrielle Brewer) 2. 140921 - Central NSW JO backs progress connecting the two Wests 3. 240921 – NSW Government common planning assumptions are beyond a bad joke. 4. 061021 - Time for a steady hand 5. 011021 – Secret Watering Holes of the West (prepared by Gabrielle Brewer) 6. 121021 – New tourism campaign “Get Chris to Cowra” hopes to attract Hollywood star (prepared by Gabrielle Brewer & Glenn Daley/Cowra Tourism Corporation) 7. 281021 – New campaign for a “Long, Long Weekend” to Central NSW (prepared by Gabrielle Brewer)
COST SAVINGS	\$1.87 m	\$2.2 m		2021/22 figures have not yet been calculated.
REPRESENTATION	147	159	108	<ol style="list-style-type: none"> 1. 160821- JO EO fortnightly meeting 2. 180821 - Regional Housing Taskforce - Central West Roundtable 1 3. 190821 – DPIE Skills and Training Meeting 4. 200821- New Water Efficiency Program workshop

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				<ol style="list-style-type: none"> 5. 230821 – Transport Technical Committee 6. 230821- JO EO fortnightly meeting 7. 260821- CWUA meeting 8. 260821 – Tourism Group Meeting 9. 270821 -Meeting with NSW JOs re Collaboration Opportunities with the TWRRP 10. 300821 - JO EO fortnightly meeting 11. 310821- EPA Meeting with Joint Organisations (JO) 12. 300821 - JO EO fortnightly meeting 13. 310821 - EPA Meeting with Joint Organisations 14. 020921- Upper Macquarie town water security 15. 060921-Western Sydney Leadership Dialogue's digital event with the Hon. Andrew Constance MP 16. 070921 – Training, Learning & Development Group Meeting 17. 080921 -Asset Valuation Project Steering Committee 18. 090921Water Directorate Executive Committee meeting 138 19. 100921 - Lachlan Regional Water Strategy 20. 130921 - JO EO fortnightly meeting 21. 140921-LGNSW Update on Opposition to Infrastructure Contributions Reforms 22. 170921 -TWRRP CNSWJO IWCM Pilot Next Steps 23. 270921 - JO EO fortnightly meeting 24. 220921 - Local Jobs and Skills Central West Taskforce 25. 230921-Skills and Training focus group- Town Water Risk Reduction Program 26. 240921 - Fortnightly status meeting Central West Consolidation Centre - Inland Rail Interface Improvement Program 27. 280921 - Electric Destination Charging Grants - Expert Reference Group - Meeting 1 28. 290921 -Parkes SAP Skills Working Group 29. 300921 - Progressing the CSP project 30. 300921 - Mr. Palmer Senior, Policy Advisor to Minister Kean 31. 011021 - CWO Regional Plan Review with DPIE 32. 051021 – Energy Group Meeting 33. 061021 – Training, Learning & Development Group Meeting 34. 071021 - DNCO quarterly meeting - full region 35. 081021 - TWRRP - IWCM/IP&R integration project - consultation (workshop B) 36. 111021 – JO EO ARI subcommittee 37. 111021 - JO EO fortnightly meeting 38. 121021-ILM Workshop - Inland Rail Interface Improvement Program - Central West Consolidation Centre Proposal 39. 121021 - Options assessment methodology - regional water strategies 40. 131021 - Regional Asset Management Working Party Meeting No. 1 41. 131021 - Southern Lights family meeting 42. 141021 - CSP Steering Committee 43. 141021 - CNSWJO Tourism Group Meeting 44. 141021 - CNSWJO Water Utilities Alliance 45. 151021 - Inception meeting for aggregated electricity procurement with Presync 46. 011121 – WHS/Risk Management Group Meeting 47. 041121 – NSW JO Chairs Forum 48. 081121- CNSW ITG – Integrated Transport Group 49. 081121 – JO EO fortnightly network 50. 091121 – Attended the DNOC Board meeting - Cowra 51. 101121- Planners Group meeting
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<p>OPPORTUNITIES COUNCILS HAVE BEEN AFFORDED INCLUDING PR</p>	<p>35</p>	<p>102</p>	<p>37</p>	<p>52. 231121 - Lachlan RWS workshop No 3</p> <ol style="list-style-type: none"> 221121 - CNSWJO Smart Metering and Digitalisation Information Session 060921 - EV charging stations funding applications discussion 300921 - CSP project workshop with Regional NSW and Karen Legge Consulting Tourism Australia have included Condobolin's Skyfest event in their Essentials newsletter – published every Wednesday and provides updates on Tourism Australia's campaigns, Australian tourism industry news & events as well as industry opportunities and new destination and product news. Tourism Australia – Gabrielle met with the PR/Communications team of six at Tourism Australia to brief them on travel news and ideas for Central NSW and discuss ways we can work together and they featured Skyfest (since cancelled) in their <i>Essentials</i> newsletter which was picked up by the Western Advocate. https://www.westernadvocate.com.au/story/7348218/the-arts-upcoming-condo-event-is-reaching-for-the-sky/?src=rss Escape in the Sunday Telegraph and News Ltd across Australia have featured Orange's Nashdale Lane in a '10 best winery stays in Australia and NZ story' https://www.escape.com.au/destinations/australia/hot-list-celeste-mitchell-finds-the-10-best-winery-stays-in-australia-and-nz/news-story/acd25b878cbbd801656f83df93d00724 Explore Travel - across the 14 regional papers in the ACM Media group - did a feature on the effects of the lockdown on regional travel and included Central NSW in top things to do Orange's Country Food Trails and Balloon Joy Flights in Canowindra - https://www.exploretravel.com.au/experience/give-us-a-break-and-we'll-give-you-one-regional-nsw-feels-the-effects-of-sydneys-lockdown/ Explore in Illawarra Mercury - 'Give us a break and we'll give you one' fabulous hero image of Ballooning over Canowindra Explore in Canberra Times - 'Give us a break and we'll give you one' fabulous hero image of Ballooning over Canowindra Australian Financial Review Life & Leisure - we assisted Destination NSW with accommodation ideas for this story and visit with Fiona Carruthers which featured Wilga Station in Bathurst and The Old Chemist in Millthorpe Interesting story on the popularity of the Central West for a tree-change – see links below: <ul style="list-style-type: none"> Orange, Dubbo, Bathurst head Central West's list of tree-changer hot spots Western Advocate Bathurst, NSW Orange heads Central West's list of tree-changer hot spots Central Western Daily Orange, NSW Forbes a popular destination for tree changers Forbes Advocate Forbes, NSW Escape.com.au - '16 luxury farm stays around Australia' features Wilga Station's Farmers Hut in Bathurst - 16 luxury farm stays around Australia escape.com.au The Urban List - Bathurst's Wilga Station is featured as one of the most romantic getaways in NSW for when lockdown ends- https://www.theurbanlist.com/sydney/a-list/romantic-getaways-nsw
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Reports

				<p>14. Escape ran a COVER feature story on Sunday on Australia's best farm-stays which featured Bathurst's Wilga Station in all its editions across Australia, included as below:</p> <ul style="list-style-type: none"> ○ Escape Sunday Telegraph (Sydney and NSW) – readership 401,000 - 'Farmer wants an upgrade' features Wilga Station with an image (clip attached) ○ Escape, The Mercury (Tasmania) – readership 84,000 - 'Farmer wants an upgrade' features Wilga Station with an image (clip attached) ○ Escape, Adelaide Advertiser (South Australia) – readership 110,000 – 'Farmer wants an upgrade' features Wilga Station with an image (clip attached) ○ Escape, Sunday Mail (Brisbane and QLD) – readership 794,000 – 'Farmer wants an upgrade' features Wilga Station with an image <p>15. The region's bushranger history in Bathurst and Canowindra along with Craig Lawlers Blind Freddie's Bush Rangers' Tours was featured in national The Weekend Australian as a result of John Borthwick's trip earlier this year</p> <p>16. The Weekend Australian Travel & Indulgence – 'Crime Scenes, Revisit bushranger haunts at these historic sites across the land'. It is also online at www.theaustralian.com.au – for subscribers only</p> <p>17. Wilga Station near Bathurst and Orange continues to gain media attention for its off-grid and small luxe offerings</p> <ul style="list-style-type: none"> • Australian Financial Review Life and Leisure – 'A true mini-break – the yearning to get off-grid has intensified – if only for the weekend – has intensified' • The Weekend Australian Travel & Indulgence – 'Over the Moon, Country NSW stays with style' includes Oberon's Hickory Moon, Wilga Station in Bathurst and Canowindra's Montrose House. <p>18. www.theaustralian.com.au - 'Where to beat a rural retreat, A while ago, country accommodation often amounted to a room at the pub or motel. Things have changed.' By John Borthwick. https://www.theaustralian.com.au/travel/rural-retreats-near-bathurst-oberon-and-canowindra/news-story/52956ad1e2a3e6bb65c5b8aaa01f1903 John was a guest of our media visits program in January this year</p> <p>19. Adventures All Around - Grenfell Silos is featured on a road trip story- https://adventuresallaround.com/nsw-silo-art-road-trip-itinerary-travel-tips/</p> <p>20. Travel Mall News - https://www.travelmallnews.com/tourism/watering-holes-of-the-central-west-nsw/</p> <p>21. Media visits – the editor of Traveller at the Sydney Morning Herald/TheAge/Traveller.com.au has approved a few Central NSW stories and a 5-day famil with writer Rob McFarland is being booked and arranged for 27-31 October. The angle is 'regional glamour' focused on the best places to stay and dine in the region.</p> <p>22. Out and About with Kids prompted '9 awesome family adventures in Central NSW' in its E-DM newsletter issued on 30 September as part of its road-trip planning feature - https://www.outandaboutwithkids.com.au/9-awesome-family-adventures-in-central-nsw/</p> <p>23. Travlifestyle blog has featured 'Accommodation with a twist' - https://travlifestyle.com/country-new-south-wales-road-trip/</p>
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Reports

				<p>24. Wellbeing Magazine – are featuring Orange as a cycling destination in the Feb 2022 issue (Linda Moon writing)</p> <p>25. The Sydney Morning Herald, Traveller – we are hosting a 5-day media faml with travel writer Rob McFarland Wed 27 -Sun 31 Oct for stories on 'regional glamour', luxe places to stay with add on experiences, fine-dining, and places to cool down. He is visiting Orange, Forbes, Bathurst, Oberon and Cabonne.</p> <p>26. 'Long, Long Weekend' new videography content – this content campaign with 10 new lga videos and stills will be launched this week</p> <p>27. The Sydney Morning Herald and The Age 'Good Weekend' – congratulations to Wilga Station for being included in the annual '52 Weekends Away' feature across Fairfax which goes to NSW, VIC and WA! This is a highly selective process and it was so wonderful to see a full-page picture story.</p> <p>28. Traveller.com.au – '52 Weekends Away: NSW and the ACT's best getaways for 2021'- 52 Weekends Away: NSW and the ACT's best getaways for 2021 (traveller.com.au)</p> <ul style="list-style-type: none"> • WA Today – 'Where to for domestic travel post-lockdown?' Good Weekend's 52 Weekends Away: Where to for Australia's domestic travel post-lockdown? (watoday.com.au) • New Z - 52 Weekends Away: NSW and the ACT's best getaways for 2021 – NewZ
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Reporting to the Strategic Business Plan

Please find attached an update on progress on the Strategic Business Plan adopted 22 May.

Attachment/s:

27. 5 Year Procurement Plan
28. 4 November 2021 NSW JO Chairs Agenda and meeting notes 4 November 2021
29. Submission - Central NSW Joint Organisation response for Essential Energy to prepare for the NSW/ACT/TAS/NT Electricity Distributors Consultation Paper 1: Service Classification
30. Submission - Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021
31. Submission - Transport for NSW (Transport) on the (REF) and Concept Design for the proposed Medlow Bath Upgrade;
32. Submission - DPIE on the Regional Housing Taskforce;
33. Submission - Committee on Community Services inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW
34. Submission - Local Government Tendering Regulation Review
35. 30 August 2021 Project Plan to OLG
36. Local Jobs and Skills Taskforce Operational Handbook

Reports