

AGENDA

NOTICE is hereby given that a meeting of the **BOARD OF NAMOI JOINT ORGANISATION OF COUNCILS TRADING AS NAMOI UNLIMITED** will be held on **MONDAY 31 AUGUST 2020** commencing at 10am to 11am in the Council Chambers at Liverpool Plains Shire Council and via video conference.

PLEASE NOTE: A member workshop will be held after the meeting from 11am to 12.30pm and a separate agenda will be provided to members.

A luncheon will be held after the workshop from 12.30pm to thank Cr Andrew Hope, Mayor Liverpool Plains Shire Council for his contribution to the Joint Organisation.

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Rebel Thomson
Executive Officer
26 August 2020

BUSINESS PAPER

1. WELCOME, ACKNOWLEDGEMENT AND/OR PRAYER

Councillor Andrew Hope, Mayor Liverpool Plains Shire Council will welcome members to Quirindi for the meeting.

MEMBERS		PRESENT	APOLOGY
Cr Jamie Chaffey	Gunnedah Shire Council	✓	
Cr John Coulton	Gwydir Shire Council	✓	
Cr Andrew Hope	Liverpool Plains Shire Council	✓	
Cr Col Murray	Tamworth Regional Council	✓	
Cr Eric Noakes	Walcha Council	✓	
Darren Keegan	NSW Government	✓	
NON-VOTING REPRESENTATIVES			
Eric Groth	Gunnedah Shire Council	✓	
Max Eastcott	Gwydir Shire Council	✓	
Joanne Sangster	Liverpool Plains Shire Council	✓	
Paul Bennett	Tamworth Regional Council	✓	
Anne Modderno	Walcha Council	✓	
Rebel Thomson	Namoi Unlimited	✓	
BY INVITATION			
Jodie Healy	NSW Office of Local Government	✓	

2. APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

Author	Executive Officer
Policy	Code of Meeting Practice
Legal	-
Financial	-
Strategic Link	-
Attachments	-
RECOMMENDATION TO THE BOARD:	THAT, applications for a leave of absence and apologies for the 1 September 2020 meeting are accepted.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	
PURPOSE:	-
BACKGROUND:	-
COMMENTARY:	<p>Applications for a leave of absence for this meeting, have been received from:</p> <ul style="list-style-type: none">• XXXX <p>Apologies for this meeting have been received from:</p> <ul style="list-style-type: none">• XXXX

3. PUBLIC FORUM AND/OR PRESENTATIONS

Nil requested at time of distribution of this Notice of Meeting.

4. CONFIRMATION OF MINUTES - ATTACHMENT A

Author	Executive Officer
Policy	Code of Meeting Practice
Legal	-
Financial	-
Strategic Link	-
Attachments	ATTACHMENT A – Minutes of the previous Board Meeting
RECOMMENDATION TO THE BOARD:	THAT, the minutes of the Board meeting held Tuesday 7 July 2020 are endorsed.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	
PURPOSE:	-
BACKGROUND:	-
COMMENTARY:	-

MINUTES

Minutes of the meeting of the BOARD OF NAMOI JOINT ORGANISATION OF COUNCILS TRADING AS NAMOI UNLIMITED held on TUESDAY 7 JULY 2020 at the Roxy Theatre Bingara and via BlueJeans.

1. WELCOME, ACKNOWLEDGEMENT AND/OR PRAYER

Councillor John Coulton, Mayor Gwydir Shire Council welcomed members to Bingara for the meeting.

MEMBERS		PRESENT	APOLOGY
Cr Jamie Chaffey	Gunnedah Shire Council	✓	
Cr John Coulton	Gwydir Shire Council	✓	
Cr Andrew Hope	Liverpool Plains Shire Council	✓	
Cr Col Murray	Tamworth Regional Council	✓	
Cr Eric Noakes	Walcha Council	✓	
Darren Keegan	NSW Government	✓	
NON-VOTING REPRESENTATIVES			
Eric Groth	Gunnedah Shire Council	✓	
Max Eastcott	Gwydir Shire Council	✓	
Joanne Sangster	Liverpool Plains Shire Council	✓	
Paul Bennett	Tamworth Regional Council	✓	
Anne Modderno	Walcha Council	✓	
Rebel Thomson	Namoi Unlimited	✓	
BY INVITATION			
Jodie Healy	NSW Office of Local Government		✓
The Hon Mark Coulton MP	Member for Parkes, NSW Minister for Regional Health, Regional Communications and Local Government		✓
The Hon Barnaby Joyce MP	Member for New England, NSW	✓	
Cr Catherine Egan Cr Francis Young Cr Tiffany Galvin	Gwydir Shire Council	✓	

2. APOLOGIES AND APPLICATIONS FOR LEAVE OF ABSENCE

MOTION	Not required
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COMMENTARY:	Apologies for the meeting were received from Jodie Healy, OLG. All members were present, and therefore a motion was not required.
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3. ELECTION OF THE CHAIRPERSON

3.1 Appointment of a Returning Officer

MOTION	THAT, I. Paul Bennett, Chair of JOLT is appointed the Returning Officer for a meeting; and II. If voting for the positions is required, a show of hands of members was determined as the method of voting.
--------	--

AMENDED

MOVED: Gwydir Shire Council

SECONDED: Tamworth Regional Council

CARRIED

3.2 Election of the Chairperson

MOTION	THAT, Cr Jamie Chaffey, Mayor Gunnedah Shire Council was elected Chairperson of Namoi Unlimited.
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AMENDED

MOVED: Liverpool Plains Shire Council

SECONDED: Walcha Council

CARRIED

ADDITIONAL COMMENTARY: Councillor Andrew Hope from Liverpool Plains Shire Council nominated Cr Chaffey for the position of Chairperson, the nomination was seconded by Cr Eric Noakes from Walcha Council. Cr Chaffey accepted the nomination.

There being no other candidates nominated, Cr Chaffey was elected, unopposed.

3.3 Election of the Deputy Chairperson

MOTION	THAT, Cr Col Murray, Mayor Tamworth Regional Council was elected Deputy Chairperson of Namoi Unlimited.
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AMENDED

MOVED: Gunnedah Shire Council

SECONDED: Liverpool Plains Shire Council

CARRIED

COMMENTARY: Councillor Jamie Chaffey from Gunnedah Shire Council nominated Cr Col Murray for the position of Deputy Chairperson, the nomination was seconded by Cr Andrew Hope from Liverpool Plains Shire Council. Cr Murray accepted the nomination.

There being no other candidates nominated, Cr Murray was elected, unopposed.

4. PUBLIC FORUM AND/OR PRESENTATIONS

Nil

5. CONFIRMATION OF MINUTES

MOTION	THAT, the minutes of the Board meeting held Tuesday 2 June 2020 are endorsed.
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ENDORSED

MOVED: Liverpool Plains Shire Council

SECONDED: Gwydir Shire Council

CARRIED

6. DISCLOSURES OF INTERESTS

Nil

7. CHAIRPERSON MINUTES

Nil

8. NOTICES OF MOTIONS

Nil

9. NOTICE OF MOTION OF RESCISSION

Nil

10. ADVOCACY AND LEADERSHIP

10.1 Establishing a new Steering Committee and Working Groups

MOTION	THAT, I. A Procurement Working Group of members is established. II. A Human Resources Working Group of members is established. III. An Economic Development Working Group of members is established.
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ENDORSED

MOVED: Tamworth Regional Council

SECONDED: Walcha Council

CARRIED

10.2 Commonwealth Water Innovation Fund

MOTION That, no further action is currently required.

ENDORSED

MOVED: Tamworth Regional Council

SECONDED: Walcha Council

CARRIED

10.3 Additional Briefings from the Board

MOTION THAT, the JO writes to the Federal Minister for Decentralisation as to what areas of what departments could relocate.

ENDORSED

MOVED: Gwydir Shire Council

SECONDED: Tamworth Regional Council

CARRIED

ADDITIONAL COMMENTARY: Gwydir Shire Council expressed a desire to promote the region to people seeking to relocate to the region.

The communications campaign concept is to be referred to JOLT to determine opportunity, directions and commitment.

11. EXECUTIVE OFFICER REPORTS

11.1 Action List

MOTION THAT, the progress against actions identified is NOTED.

ENDORSED

MOVED: Gwydir Shire Council

SECONDED: Walcha Council

CARRIED

11.2 Calendar of Planned Activities

MOTION THAT the calendar of activities is noted.

ENDORSED

MOVED: Tamworth Regional Council

SECONDED: Walcha Council

CARRIED

ADDITIONAL COMMENTARY Councillors are encouraged to talk to their business community about the VendorPanel training to be held on the 28th and 29th July 2020.

12. ADDITIONAL REPORTS PERTAINING TO THE PRINCIPAL FUNCTIONS

12.1 Correspondence

MOTION THAT, correspondence from;

- I. The Hon Kevin Anderson, Member for Tamworth;
- II. The Hon Gladys Berejiklian, Premier of NSW;
- III. The Hon Shelley Hancock, Minister for Local Government; and
- IV. The Hon Michael McCormack, Deputy Prime Minister of Australia

is NOTED.

ENDORSED

MOVED: Gwydir Shire Council

SECONDED: Walcha Council

CARRIED

13. REPORTS FROM DELEGATES

Nil

14. QUESTIONS WITH NOTICE

Nil

15. CLOSED REPORTS

Nil

16. CONCLUSION OF THE MEETING

The meeting closed at 2.22pm.

5. DISCLOSURES OF INTERESTS

In accordance with Council's Code of Meeting Practice and specifically Section 451 of the Local Government Act, 1993 declarations of interest are required by Councillors and designated staff attending the meeting.

MEMBER	ITEM	REPORT	Type of Interest Declared (P, SNP, LSNP, RC)	REASON
STAFF	ITEM	REPORT	Type of Interest Declared (P, SNP, LSNP, RC)	REASON
P – Pecuniary, SNP – Significant Non Pecuniary, LSNP – Less than Significant Non Pecuniary, RC – Remain in Chamber during consideration/discussion of item.				

6. CHAIRPERSON MINUTES

6.1 Notice of Motion – Local Government Conference

Author	Chairperson
Policy	-
Legal	-
Financial	-
Strategic Link	Water for the Future, Connected Transport Infrastructure and Engaged people and skills
Attachments	-

RECOMMENDATION TO THE BOARD:	<p>That, the template to make a motion for the Local Government NSW conference in November is submitted to;</p> <p>I. Seek advocacy from LG NSW for;</p> <ul style="list-style-type: none">▪ A membership contribution to Joint Organisations of Councils from the NSW Government;▪ The NSW Office of Local Government provide a strategy, including a program of activity and subsequent reporting to;<ul style="list-style-type: none">○ Negotiate dedicated allocations within NSW Government programs for Joint Organisations.
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AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To seek the support of members to submit a motion for the Annual Conference.

BACKGROUND: Motions for the Annual Conference for Local Government NSW must be submitted by midnight Monday 28 September 2020.

The criteria for a motion submission are that a motion is;

- Consistent with the objects of the association,
- Relate to Local Government in NSW or Australia,
- Concern or likely to concern Local Government,
- Seek advice or improve governance,
- Is lawful,
- Clearly worded and unambiguous,
- Will benefit the majority of members, and not express a preference for one or several members.

COMMENTARY: Financial sustainability for Joint Organisations is an ongoing challenge and as an initiative that involves the NSW Government, this should be a program/partnership development.

7. NOTICES OF MOTIONS

Nil provided at time of distribution of this Notice of Meeting.

8. NOTICE OF MOTION OF RESCISSION

Nil provided at time of distribution of this Notice of Meeting.

9. STRATEGIC REGIONAL PRIORITIES

9.1 Namoi Supply Chain Project – RLE Project

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	Water for the Future, Connected Transport Infrastructure and Engaged people and skills
Attachments	-

RECOMMENDATION TO THE BOARD:	That, progress is NOTED.
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AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE:	To provide the members with an update on the progress of the Namoi Economic Supply Chain Project with the New England North West Regional Leadership Executive (RLE).
BACKGROUND:	<p>In March 2020, the NSW Government offered assistance to Namoi Unlimited and its members to determine how to progress the vision in the MacroPlan Dimasi – Namoi Economic and Spatial Supply Chain Project.</p> <p>The vehicle to achieve this is the RLE for the New England North West region. The RLE is cross government coordination group made up of senior NSW Government agency staff.</p> <p>The RLE has Regional Priorities of; <i>Recovery, Creating positive and sustained outcomes for Aboriginal people, Supporting our communities and Improving public service delivery.</i></p>
COMMENTARY:	<p>As part of developing any potential response by the RLE and agencies, JOLT had a workshop with NSW Government agencies on the 20 July 2020, three subsequent workshops were held with representatives of planning, transport and economic development to identify the barriers and enablers.</p> <p>An Enabler is described as;</p> <ul style="list-style-type: none">▪ Makes something possible, things to overcome obstacles▪ Clarity around goals, purpose and benefit▪ Trust exists, relationships are formed or forming, there is strong and

effective leadership

- The influential individuals have the ability to contribute and effect collaboration
- There is appropriate governance

A Barrier can be described as;

- An obstacle to change
- There are alternatives
- Effort, time, resources, cost
- Differences in language, culture, responsibilities, actions, interpretations

This information is being finalised and directions will be workshopped with member Councils.

9.2 Namoi Supply Chain Project – Partnership with Future Foods CRC

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	Water for the Future, Connected Transport Infrastructure and Engaged people and skills
Attachments	-
RECOMMENDATION TO THE BOARD:	That, progress is NOTED.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	
PURPOSE:	To provide the members with detail of a potential partnership to progress the Namoi Economic Supply Chain Project.
BACKGROUND:	<p>Namoi Unlimited has been in discussions with Regional NSW about the future of the Namoi Economic Supply Chain Project.</p> <p>Discussions have also been held between with a potential partner in the Future Foods CRC to assist the members with the development of this project.</p>
COMMENTARY:	<p>On the 30 July 2020 the Executive Officer convened a meeting between the Chair and the Deputy Chair with Robbie Sefton from Sefton and Associates and Fiona Simson, President of the National Farmers Federation. Ms Simson had made a presentation to the National Press Club about the future of agriculture and how important agriculture could be to the revitalisation of the Australian economy and regional communities, during and post COVID.</p> <p>The ‘Get Australia Growing’ document makes 35 recommendations, a number of which are supported by Namoi Unlimited through prior advocacy and projects, with the MacroPlan Dimasi report into the Namoi Economic and Spatial Supply Chain project and the subsequent work with the RLE. More specifically the NFF is calling for;</p> <ul style="list-style-type: none"> ▪ 20 new Regional Deals; ▪ Reinvigoration of regional manufacturing; ▪ Slashing red and green tape; ▪ Getting the regions digitally connected; and

- Help to get more people into jobs in Agriculture.

Namoi Unlimited was also introduced to the Future Food Systems CRC which is part of the Commonwealth Governments Collaborative Research Centre Program. CRC's are established to drive collaborations between industry, researchers and the community to improve competitiveness, productivity and sustainability, particularly in areas where Australia's strengths are well recognised.

The Namoi region is one of the most productive regions in Australia, and the supply chains for the development of beef, lamb, chicken and grain is well documented and the opportunity to grow these industries and employment was documented in the MacroPlan Dimasi Report.

Namoi Unlimited has been working with the CRC to assess opportunities for a co-designed solution to the growth and employment opportunity described by the MacroPlan report. This will be workshopped with members at the September meeting.

Namoi Unlimited has also;

- Convened a meeting of business and industry representatives in the region to discuss the opportunity, and broadly business is supportive of a possible project evolving.
- Convened a meeting with Regional NSW to discuss the potential for the NSW Government to provide funding of up to \$2million over four years for this project.
- Convened various meetings with Members of Parliament and Ministers to gauge support for the potential project and to provide ongoing advocacy for the project.

9.3 VendorPanel Implementation

Author	Executive Officer
Policy	Procurement
Legal	NSW Local Government Act
Financial	\$60,000 of the OLG Capacity Building Grant
Strategic Link	Water for the Future, Connected Transport Infrastructure and Engaged people and skills
Attachments	-

RECOMMENDATION TO THE BOARD: That the report is NOTED.

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To provide a report to the members on the implementation of VendorPanel.

BACKGROUND: The VendorPanel project objectives are to;

- Provide a framework around aggregated procurement and purchasing for the five member Councils
- Provide the member Councils with a compliant system
- Promote opportunities for local and regional purchasing and procurement with member Councils.

COMMENTARY: Implementation of VendorPanel across the five member Councils has been completed and training of buyers and suppliers within Councils completed.

93 people attended the supplier training sessions held online, with 68 in the marketplace sessions and 25 in the panel supplier sessions. The majority of people attending these sessions were from Gunnedah, followed by Tamworth, then Liverpool Plains.

The recorded sessions are now available on Council websites.

A meeting of the Procurement Working Group has been convened for September to review the procurement framework previously developed and to set a course for considering aggregated procurement opportunities.

9.4 Financial Sustainability Report – ATTACHMENT B

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	Financial Sustainability
Attachments	ATTACHMENT B

RECOMMENDATION TO THE BOARD: That the report is NOTED.

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE:	To provide the first quarter report for 2020-2021 financial year on progress against the Financial Sustainability Plan.
BACKGROUND:	Members endorsed a Financial Sustainability Plan prior to the commencement of the 2020-2021 financial year, and financial sustainability is a priority in the Annual Business Plan.
COMMENTARY:	A report for members and their member Councils is provided at ATTACHMENT B.

SUMMARY

This report is provided to the members of Namoi Unlimited quarterly, to provide an update on actions to address financial sustainability.

IDENTIFIED INCOME GENERATING BUSINESS UNITS

Procurement and Purchasing

2019-2020 PRIORITIES:

NOTES

Completed
 On-track
 Off-track
 Not Commenced

Establishment of a Procurement Working Group

First meeting of the Procurement Working Group will be held in September 2020.

Implementation of VendorPanel for member Councils and the Joint Organisation

-

Attracting Local and Regional businesses to member Councils

Second campaign to be developed with the Procurement Working Group

2020-2021 PRIORITIES:

Analysis of external contractors to Councils

First meeting of the Procurement Working Group will be held in September 2020.

Creation of a regional business model for the VendorPanel resource sharing project.

Proposal for LGP rebates to be presented at the September meeting.

Application and use of the system locally and regionally.

-

Aggregated Purchasing and Procurement

2020-2021 PRIORITIES:

NOTES


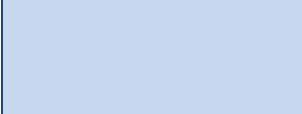


Completed
 On-track
 Off-track
 Not Commenced

Procurement Working Group

First meeting of the Procurement Working Group will be held in September 2020.

Roads and Transport Working Group



Assess aggregated purchasing and procurement opportunities for an estimated \$16million across five Councils for bitumen, road pavement, maintenance, patching and sealing.

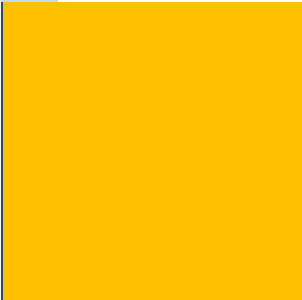
Namoi Water Alliance Waste and Recycling	Referred to the next Working Group meeting. Assess aggregated purchasing and procurement opportunities for an estimated \$5.7million in waste and recycling services.	 
HR JOLT	Referred to the next Working Group meeting. Business Case proposals and considerations at monthly meetings	 

Rebates

2020-2021 PRIORITIES:

NOTES

 **Completed**
 **On-track**
 **Off-track**
 **Not Commenced**

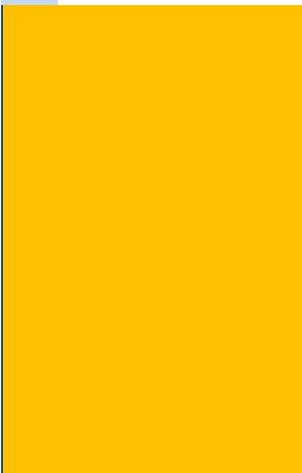


Business Model for VendorPanel	Preliminary discussions with LGP suggest that the collective rebate scheme attracts a higher percentage than the rebates being received from Councils individually. LGP will prepare a proposal for the 2020-2021 financial year for members consideration. Northern Rivers JO use their LGP rebates to pay for the VendorPanel subscription.	
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Training

2020-2021 PRIORITIES:

NOTES

 **Completed**
 **On-track**
 **Off-track**
 **Not Commenced**

Career Pathways for Local Government	Identification of training and recruitment processes for identified target markets; young people, Indigenous and women.	
Campaign activity	‘Your Career is Local’ attraction campaign and resources for Councils. A proposed variation with OLG Capacity Building grant will provide funding for this initiative. Grant application submitted.	
Local Government Training and Capacity Building	Referred to the next Working Group meeting.	 
2021 Local Government Elections	‘Your community is local’ attraction of candidates into Local Government.	
Namoi Water Alliance	Referred to the next Working Group meeting. Gwydir Shire Council identified as an RTO.	

In-kind Contributions, Collaborations and Partnerships

2020-2021

NOTES

 **Completed**

PRIORITIES:

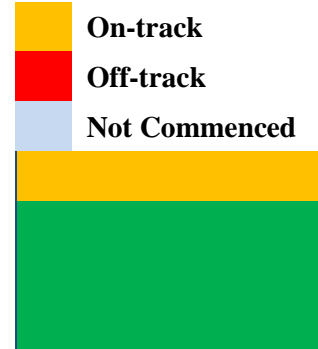
Value Report

Provided every six months.

Delegations and transfers

Tabling, valuing and acknowledging Member Council in-kind contributions

- Tamworth Regional Council – office, ICT, finance functions, HR and payroll



Members Contributions

2020-2021

PRIORITIES:

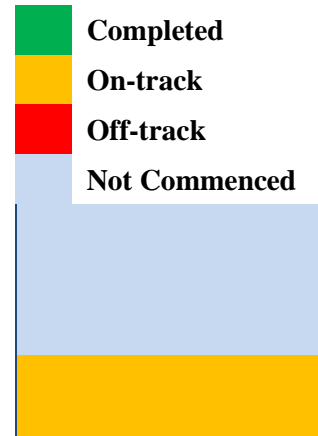
NOTES

Member Contributions

Member Councils agree to contribute sufficient funds to cover the fixed costs relative to the annual administration budget approved by the members.

Future investigations

JOLT is considering opportunities to achieve financial sustainability and profitability.



Project Participation Membership

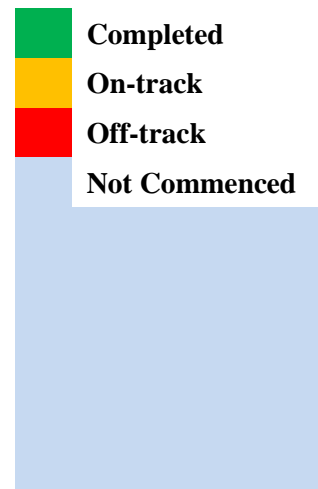
2020-2021

PRIORITIES:

NOTES

Identify businesses and organisations to work with Namoi Unlimited on a project basis making a contribution to the activity being undertaken by the Joint Organisation

Proposal from Kent Woodcock provided examples for business partnerships to be developed as part of projects.



Fee for Service - Outsourcing staff assets

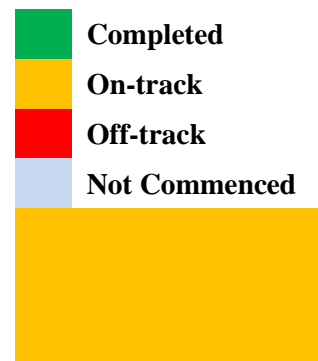
2020-2021

PRIORITIES:

NOTES

Identify and establish the process, parameters and approvals.

Prices have been established for members and non-members.
The use of the EOs time is to be discussed with their Chair of JOLT as it's requested.



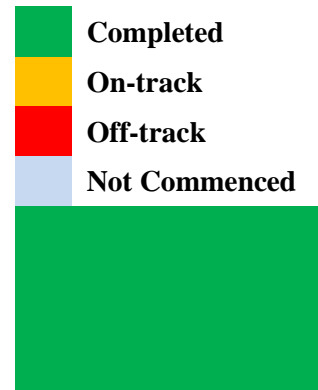
Grants and Funding

**2020-2021
PRIORITIES:**

NOTES

Establish the schedule of fees for services as described in grant or program funding applications.

Prices have been established for members and non-members.



Shared Services

**2020-2021
PRIORITIES:**

NOTES

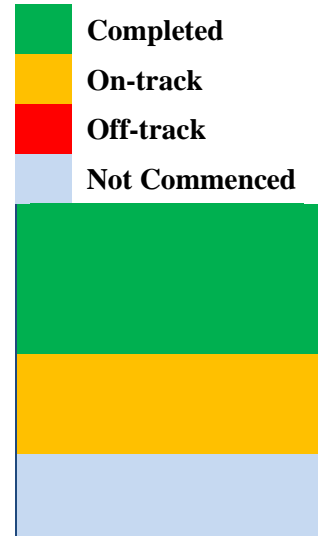
Establishment of a draft investigations assessment and proposal.

Guideline completed

Pilot proposals

Audit and Internal Risk Management Framework
RMCC additional contractual requirements

Assess the proposed process and refine.



10. ADVOCACY AND LEADERSHIP

10.1 ADVOCACY – Inquiry into the integrity, efficacy and value for money of NSW Government grant programs

NSW Joint Organisation’s Submission - **ATTACHMENT C**

Namoi Unlimited Submission - **ATTACHMENT D**

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	Advocacy and Leadership
Attachments	NSW Joint Organisation’s Submission - ATTACHMENT C Namoi Unlimited Submission - ATTACHMENT D

RECOMMENDATION TO THE BOARD:	That the submissions submitted 23 August 2020 are NOTED.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	

PURPOSE: To provide the members with copies of advocacy on their behalf, to the NSW Government inquiry into the integrity, efficacy and value for money of NSW Government grant programs.

BACKGROUND: The NSW Government has tasked its Public Accountability Committee to inquire into and report on the integrity, efficacy and value for money of NSW Government grant programs, and in particular:

- A. the range and availability of funding programs, including but not limited to:
 - I. discretionary grants funds such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants
 - II. local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund,
 - III. arts funding such as the Regional Cultural Fund,
 - IV. sports funding such as the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund,
 - V. jobs for NSW funding, including the review into Jobs for NSW.
- B. the manner in which grants are determined, including:

- I. the oversight of funding determinations,
- II. the transparency of decision making under grants schemes,
- III. the independence of the assessment of projects,
- IV. the role of Members of Parliament in proposing projects for funding,
- V. the scope of Ministers' discretion in determining which projects are approved,
- VI. measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money, and
- VII. any other related matter.

That the Committee report by 31 March 2021.

COMMENTARY:

The submission made by the NSW network of Joint Organisations is provided at ATTACHMENT C.

A copy of the submission submitted by Namoi Unlimited is provided in ATTACHMENT D.

NSW JOINT ORGANISATIONS RESPONSE TO THE
INQUIRY INTO THE INTEGRITY, EFFICACY AND
VALUE FOR MONEY OF NSW GOVERNMENT
GRANT PROGRAMS (THE INQUIRY)

21 AUGUST 2020



21 August 2020

Mr David Shoebridge MLC
Committee Chair
Public Accountability Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

To whom it may concern,

Re: Inquiry into the integrity, efficacy and value for money of NSW Government grant programs (the Inquiry)

The Chairs of the 13 Joint Organisations across regional NSW thank you for the opportunity to make submission to the Inquiry into the integrity, efficacy and value for money of NSW Government grant programs.

We understand the terms of reference to be:

1. That the Public Accountability Committee inquire into and report on the integrity, efficacy and value for money of NSW Government grant programs, and in particular:
 - a. the range and availability of funding programs, including but not limited to:
 - i. discretionary grants funds such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants
 - ii. local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund,
 - iii. arts funding such as the Regional Cultural Fund,
 - iv. sports funding such as the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund,
 - v. jobs for NSW funding, including the review into Jobs for NSW.
 - b. the manner in which grants are determined, including:
 - i. the oversight of funding determinations,



- ii. the transparency of decision making under grants schemes,
 - iii. the independence of the assessment of projects,
 - iv. the role of Members of Parliament in proposing projects for funding,
 - v. the scope of Ministers' discretion in determining which projects are approved,
 - c. measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money, and
 - d. any other related matter.
2. That the Committee report by 31 March 2021.

About the Joint Organisation Chairs' Forum

On 11 May 2018 the NSW Governor General the Hon David Hurley, proclaimed the Local Government Regional Joint Organisations (JOs) under the Local Government Act 1993.

Thirteen JOs were regularised in accordance with the Act and the principal functions of the Organisation are:

- a. to establish strategic regional priorities for the joint organisation area and to establish strategies and plans for delivering those priorities;
- b. to provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities; and
- c. to identify and take up opportunities for inter-governmental cooperation on matters relating to the joint organisation area.

With the enabling of JOs there is an opportunity for regional NSW to do business differently with the State and Federal Governments. To realise this opportunity, all 13 JOs have been engaging through the collaborative approach of the NSW JO Chairs Forum, they have been meeting every quarter since May 2018.

In the first instance, the Forum recognises the critical importance of grant schemes to enable regional initiatives and support of emergent opportunities. The Forum supports grant funding and the frameworks under which monies are allocated and encourages the continued direct support to the Local Government Sector and their communities. Ensuring an adequate and equitable distribution of grant funding through Local Government and Joint Organisation networks is universally supported by this Forum. Further, the Forum acknowledges the role Local Government plays in extending and delivering State Government

"NSW boasts a network of 13 joint organisations to strengthen collaboration and engagement between state and local governments and improve infrastructure and service delivery to regional communities...joint organisations have transformed the way the NSW government and local councils collaborate, plan, set priorities and deliver important projects on a regional scale... the regional bodies are a key mechanism through which the government delivers funding and programs to regional NSW."

Office of Local Government website



priority projects through its regional networks and grass roots connections, specifically its ability to mobilise and deliver programs in times of crisis and during recovery.

Further, the JOs report that the increase in focus on regional NSW with its corollary NSW Government funding is also welcomed.

At the meeting of 6 August the JO Chairs' Forum (the Forum) resolved to lodge a submission to this Inquiry providing feedback on the opportunity for the NSW Government to better leverage JOs in the funding framework. The Forum raises the following points:

1. *The importance of codesign between State and Local Government to outcomes;*
2. *That regions, and the JO's that represent them, do have shared priorities but also have unique priorities and that both should be considered in the design of grant programs.*

Please find responses under each of the Terms of Reference following.

That the Public Accountability Committee inquire into and report on the integrity, efficacy and value for money of NSW Government grant programs, and in particular:

- a. the range and availability of funding programs, including but not limited to:
 - i. discretionary grants funds such as the Premier's Discretionary Fund and the Deputy Premier's Miscellaneous Grants
 - ii. local government funding such as the Stronger Communities Fund and Stronger Country Communities Fund,
 - iii. arts funding such as the Regional Cultural Fund,
 - iv. sports funding such as the Greater Sydney Sports Facility Fund and the Regional Sports Infrastructure Fund
 - v. jobs for NSW funding, including the review into Jobs for NSW

The Forum provides the following feedback using the Stronger Country Communities' Fund and the Safe and Secure Program as examples.

Many funding programs seek to capitalise on the networks and capabilities offered by Joint Organisations as grantees. Through the outcomes of this review, an opportunity exists to work in close concert with JOs to better target regional funding needs and priorities. By co-designing funding frameworks that align closely to regional and State Government priorities and leveraging the extensive local knowledge and networks offered by JOs, the State has the opportunity to ensure truly targeted, efficient and 'value for money' program delivery.

Please find attached a detailed case study on a collaborative catchment-based approach to water planning in NSW leveraging the JO network and incentivised by value to both Local and State Government. This Case Study suggests that by leveraging the role of the JOs to do business differently, benefits include reduced costs and duplication, better embedment and other efficiencies.

A second salient example is Stronger Country Communities Grant. The last round of this grant funding was of great interest to the JOs, it targeted regional communities and its goals dovetailed with many of



the JOs' strategic priorities. However, in order to access the grant JOs were advised that there was no mechanism by which a regional application could be lodged. JOs were required, to lodge an individual application for each LGA in their Region and then become part of the competitive funding process. The obvious outcome of this approach was that the regional project might have received funding approval for some of the JO LGAs and not others, meaning it would become unviable. In addition, the duplication in effort of having to lodge, for some JOs, 10 funding applications for the same project was completely inefficient.

The situation was further exacerbated by the fact that JOs had to compete with their member councils for funding, a situation that did not sit well with many councils. This problem could have been resolved if some of the funding pool had been "ring-fenced" for the delivery of regional projects by JOs. The funding as it currently operates does not encourage councils to collaborate for better outcomes.

If given the opportunity to present to the Inquiry, Joint Organisations will provide further advice including in areas like waste and roads.

- b. the manner in which grants are determined, including:
 - i. the oversight of funding determinations,
 - ii. the transparency of decision making under grants schemes,
 - iii. the independence of the assessment of projects,
 - iv. the role of Members of Parliament in proposing projects for funding,
 - v. the scope of Ministers' discretion in determining which projects are approved

The Forum advises that the current frameworks for funding for regional communities, including those determined by the NSW Treasury Guidelines, are disadvantageous and skewed in favour of metropolitan communities. The use of Benefit Cost Ratio and other similar methodologies that require scale and population to render an appropriate 'benefit' coefficient ultimately ensure that a disproportionate amount of funding will go to high population growth areas in western Sydney. This approach does not take into consideration the strategic importance or relative benefits smaller scale projects or support programs in regional communities. A salient example of this is the proportion of regional funding and program support offered through Destination NSW, which despite various reviews does not provide equitable funding into regional NSW despite the visitor economy being an integral employer and contributor to regional communities

By supporting project funding and delivery through the JOs, Governments have the opportunity to coordinate regional delivery of projects and initiatives that benefit a network of smaller towns and communities, many of whom may not be able to design and deliver impactful projects individually. Given the representative role JOs play across a region they remain an a-political broker able to advocate on behalf of Councils and communities representing all sides of the political spectrum. If given the opportunity, the Forum would like to provide you with more detail in this regard.

It is suggested that better use of JOs in the funding framework will reduce the likelihood of pork barreling based on either a local government areas or State electorate footprints and other outcomes not based on the flawed funding guidance of Treasury.



- c. measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money

All stakeholders recognise that Joint Organisations provide an opportunity for the State to work with recognised and regulated entities that offer confidence for their funding, strategic and collaborative frameworks at the regional level.

Please see recommendations below where in the first instance, the Forum suggests that grants should:

- Allow the time for consultation and codesign with intended recipients on the program's criteria, funding amounts and co-investment;
- Allow time for the grant application process;
- Give consideration to alternatives to Councils having to develop business cases for projects and other unwieldy process – for example leveraging the strategic work undertaken in Councils' Integrated Planning and Reporting Process and the JOs' Statement of Regional Strategic Priority;
- Take advantage of the value JOs can play in the administration of grant funding, and the reduction in duplication from 92 regional Councils to 13 Joint Organisations;
- Include dedicated funding streams for JOs;
- Empower and support JOs to provide critical brokerage and coordinating services for state funding priorities, and leverage local networks to distribute funding and programs throughout the communities they represent
- Recognize that both built infrastructure and services are an important part of community resilience and capabilities and should be supported by government through priority investments and programs

- d. any other related matter.

The overwhelming advantage of Joint Organisations is their stability as prescribed under the Local Government Act. Like Councils, Joint Organisations will always be there where State Departments, Regional Leadership Executives and entities like Regional Development Australia experience machinery of government change to greater or lesser degrees.



While not all JOs are at the same level of maturity, there is an equality of opportunity offered by all JOs to the State from a sustainable network of these entities. There is a greater value to the State of one functional network of JOs than a patchwork of capability and capacity.

There is a significant opportunity for State and Local Governments to work through Joint Organisations on a variety of standardised approaches for example to data, strategy and regional governance to deliver better outcomes for regional communities.

For these opportunities to be realised, State government funding frameworks must recognise the critical role played by JOs as independent brokers, able to coordinate grass roots project delivery aligned to state priorities. JOs are well placed to deliver programs within an impartial and transparent governance framework, and ensure bi-partisan application of agreed funding programs and guidelines, the value of which is indeed recognised in the intent of this inquiry.

State agencies are increasingly realising the value of working with JOs. This includes:

- a. Providing advice on regional priority;
- b. Coordinating Councils as State agencies seek to consult in region;
- c. Providing a forum to reach regional leaders (Mayors and General Managers) or other Council personnel eg planning;
- d. Providing support in navigation of Councils and their communities eg stakeholder support for Regional Water Strategies;
- e. Providing a mechanism to deliver better value from State programs through aggregation eg Bridge Assessments;
- f. Providing representation from a Local Government Perspective at the Regional Leadership Executive;

KEY MESSAGES

- JO's were established by the NSW Government to provide a systematic approach to:
 - Local Government collaboration at a regional scale;
 - intergovernmental collaboration between State and Local Government at a regional scale
- The benefits of JO's are shared between State and Local Government.
- Currently, JO's are funded by Local Government only.
- JO's are not financially sustainable on Local Government funding alone.
- The State can and should contribute to funding of JO's through:
 - Base funding – in recognition of the shared systemic benefit derived by state and local government through the existence of JO's
 - Systemic and systematic state agency funding – specifically in recognition of the experience key portfolio's where there has been an enhanced return on state funding for regional outcomes when working with JO's (as compared with alternative delivery options).



- g. Offering consistent touch points to State agencies as they go through machinery of government changes; for example TNSW;
- h. Enabling efficient monitoring and implementation of State regional plans, for example planning, transport and water; and
- i. Providing sound governance and structural arrangements for hosting staff to support State programs at the regional level eg Contaminated Lands, Biodiversity, Disaster Preparedness.

JO's fulfill a unique niche when it comes to scaling programs to regional outcomes and which consistently offer a more effective and efficient return on State funding of State spend. For example, generally speaking it is unlikely that annual funding for a regional scale technical expert, such as a regional contaminated lands officer, could be split between JO member councils to deliver a consistent outcome of the same quality and quantity across the region. This is because JOs have a deep a deep knowledge of Local Government and through Councils', a deep and abiding knowledge of place.

That systemic and systematic grant funding of JO's aligns with the prescribed statutory function of JO's to drive *intergovernmental collaboration between State and Local Government* and, in turn, aligns the efforts of State and Local Government 'machinery' at the regional scale. The experience of and opportunities for JO's spans multiple portfolios (eg enabling regional adaption, water, energy, biodiversity, economic strategies, human service programs, strategic land use planning etc)

There is a need for the State to support the value of Joint Organisations in two ways:

- a. **Base funding** – recognize, through contributing to base funding in collaboration with local government, the growing role JOs are taking in supporting State priorities and programming and in building alignment between state and local government priorities at the regional level; and
- b. **Systemic and systematic portfolio funding:** Through recognition in the funding framework across all state agencies of the potential the JOs have to:
 - i. *Deliver state agency functions in a regional context:* There is an opportunity for JO's to be funded to house regional staff, in relevant state agency portfolios, which would support delivery of state agency functions and enable JO sustainability; and
 - ii. *Deliver grant funded regional programming:* Deliver programming on behalf of the State that is better value, more efficient and effective through changes to various funding programs.



Recommendations to the Inquiry

1. Review of the assessment criteria and Guidelines for funding under programs administered by NSW Treasury that better reflect the impact and significance of programs and infrastructure on regional communities.
2. Recognize the critical brokerage and coordination role played by JOs in supporting State priorities and programming and in building alignment between state and local government priorities across regions by:
 - i. Working with JOs to co- design and develop regional funding frameworks and programs to ensure they are appropriate and fit-for-purpose for local delivery and implementation; and
 - ii. Providing adequate support for JOs to continue to deliver these functions.

Finally, the Forum appreciates the significant challenges the year 2020 has faced us all. Given the importance of funding that adds value to member Councils and their communities across the 13 JOs in regional NSW Forum stands ready to provide what support it is able.

Please feel free to contact me on 0427 830 910.

Yours sincerely



Cr Rowena Abbey
Chair
NSW JO Chairs Forum



Case Study

A collaborative catchment-based approach to water planning in NSW leveraging the JO network and incentivised by value to both Local and State Government.

Background

The recent drought is a significant event that provides a check on the effectiveness of current water policies. There are still communities facing ground zero with their water resources until significant runoff is received to replenish storages. The current policies on new storages need to be considered along with the priorities for water allocation need to be reviewed in the light of recent experience. The strong views expressed external to the regions make the need for clear regional communication imperative if the past mistakes of marginalisation of regional communities are not to be repeated.

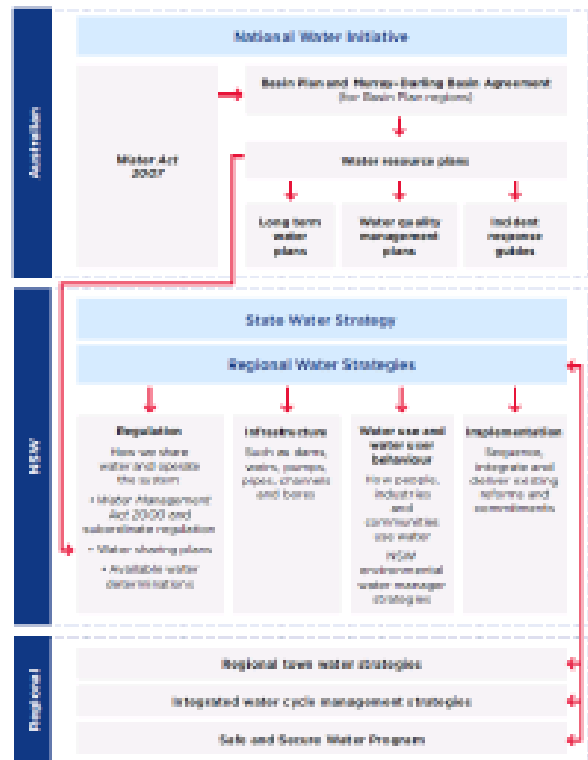
With the advent of Regional Water Strategies and their implementation, there is an opportunity to introduce collaboration required for Cabinet to make confident and informed investment decisions regarding the State's water resource. Done well, this will save money for the State and Local Government while bringing peace of mind throughout regional communities and across all levels of government.

Local Government is best placed to administer the delivery of urban water for regional communities in NSW.

With the advent of Regional Water Strategies and their implementation, there is an opportunity to introduce collaboration required to make confident and informed investment decisions regarding the State's water resource.

The collaboration will save money for the State and Local Government while bringing peace of mind throughout regional communities and across all levels of government.

Figure 6. NSW water policy and planning context



The Safe and Secure Program offers funding to Councils and JOs for IWCMs and Regional Town Water Strategies. Similar work can be identified in both of these strategies as well as in Regional Water Strategies. Analysis of the various strategies shows there is an opportunity, by working collaboratively at the regional level to reduce duplication and leverage existing resources to develop one source of truth. Quite simply, cheaper, smarter and safer.

Currently planning for town water security in regional NSW is happening across two tranches with a third proposed.

- Integrated Water Cycle Management
- Regional Water Strategies
- Regional Town Water Strategies

There is considerable cross-over in the scope of works required to develop each of these plans and significant opportunities for alignment and optimisation of the modelling, data collection and planning for water security solutions that arise from these plans.

The table below provides a comparison of Regional Water Strategies, JO Regional Town Water Strategies and LWU IWCM Plans.

	IWCM	RWS	RTWS
What is it?	Strategic assessment and planning for individual LWU including town water supply and sewerage. Includes consideration of regional options. Key planning framework for strategic town water supply and sewerage service water planning by LWUs.	Long-term strategies to identify and assess water security risks and consider policy, management and infrastructure options to address these risks to ensure the secure supply of water to communities, the environment and Aboriginal cultural values while supporting regional economic prosperity. Key planning framework for water resource management in NSW to set a forward state-wide work program that will form part of the State's Water Strategy.	Strategic assessment of and planning for regional solutions to town water supply and treatment across and/or beyond individual council local water utilities (LWU) boundaries. Informs LWUs' IWCM strategies and regional water strategies on regional town water security considerations.
Proponent	LWUs	NSW Government	JOs (with in-principle agreement by benefiting LWUs)



Geographic Area Covered	It covers individual LWU area of operation.	12 major NSW catchments/regions	Constituent LWUs (across 2 or more LWU boundaries, where value of such a study is evident)
What is the focus?	Assess, plan and manage the short and long-term town water supply and sewage management needs of each urban community within the LWU's area of operation, including identifying and evaluating non-infrastructure and infrastructure options to address water security, water quality and sewage management risks in the LWU's town water supply and sewerage systems.	Assess and plan a regions short and long-term water needs for all water users Better understand current and future water needs of catchment/region to improve resilience and manage risks to water availability and security. Provide public and water users with directions about how long-term water needs can be met through policy, planning and infrastructure options	Assess and plan interconnected urban water supply systems across LWU boundaries for 2 or more LWUs to meet the urban communities short and long-term town water supply needs, including identifying and evaluating regional efficiency measures and across LWU boundaries interconnected infrastructure options to address as a whole the water security risks in each town water supply system
Typical Scope of Work	Individual LWU/local system demand analysis and secure yield analysis, strategic options analysis and solutions identification to address local water security, quality and sewerage service needs/risks in accordance with OPIE Water's 2019 IWCM Checklist. Includes scenario building and Triple Bottom Line (TBL) assessment of options.	Establish metrics for outcomes at regional level. Develop priority options, including options assessment process and determining whether any options need to be accelerated; e.g. for drought response	High level demand assessment and secure yield analysis, including for individual LWUs if needed, to assess regional options and solutions, including regional secure yield and options analysis and consideration of regional water security, supply and treatment opportunities.

Source: TABLE-COMPARISON OF REGIONAL WATER STRATEGIES, JO REGIONAL TOWN WATER STRATEGIES AND LWU IWCM STRATEGIES- DPIE Water – September 2019



The NSW Government is committed to delivering twelve Regional Water Strategies, these strategies will set out a long-term 'roadmap' of actions to:

- Deliver and manage water for local communities
- Enable economic prosperity
- Recognise and protect Aboriginal cultural values and rights
- Protect and enhance the environment
- Affordability - Identify least cost policy and infrastructure options

The NSW Safe and Secure Water Program (SSWP) makes funding available to Joint Organisations to develop Regional Town Water Supply Strategies and the Integrated Water Cycle Management.

Currently the Safe and Secure Program is offering funding of varying percentages to deliver IWCMs to individual Councils where the JOs can aggregate these in a standard joint procurement approach. Regional Town Water Strategies have been offered to JOs funded at 75%.

Regional Town Water Strategies are intended to address broader issues across local water utility boundaries, town water security across the region and potential linkages. The process includes:

- Identify local and regional town water security deficiencies and risks, and identify local and regional options.
- Identify, assess and develop of regional solutions to drinking water treatment, sewage treatment and reuse.
- Assess how regional solutions can be integrated into a council's IWCM strategies.

ADVICE FROM NAMOI JO

A number of Joint Organisations and Regional Organisations of Councils have collaborations of Council Local Water Utility operations and DPIE – Water. In all incidences these are focused and collaborative forums.

Namoi Unlimited convened meetings of Councils, DPIE – Water (LWU) and DPIE – Namoi Regional Water Strategy team to discuss a collaborative approach to data and analysis, demand and yield, security risk and deficiencies, and future water security and infrastructure options.

Namoi Unlimited has been deemed eligible and is making application to the NSW Government's Safe and Secure Water Program for funding for a Regional Town Water Supply Strategy. The Regional Town Water Strategy is expected to fund demand and yield analysis for all towns across the Namoi region. The work will provide options for local and regional infrastructure. This work will be contributed to the draft of the Namoi Regional Water Strategy.

Whilst the quote for the scope of works is currently being finalized, it is estimated to be about \$400,000 across five Councils. The NSW Safe and Secure Water Fund has indicated that they can contribute 75% (\$300,000) of the cost. The demand and yield analysis as well as the identified local and regional infrastructure options by Local Government will be a contribution to the Namoi Regional Water Strategy, the value of this contribution is estimated at \$200,000.

Without the involvement and the push for collaboration by Namoi Unlimited and its members, this saving would not have been identified.



- Regional, catchment based data collection and analysis to inform individual utilities, IWCM strategies, and water security analysis.

Throughout the development of these strategies, there are potential savings and collaboration on:

- Local, regional and catchment data and analysis;
- Water security analysis through demand and yield studies;
- The identification of water security deficiencies and risks.
- The development of local and regional infrastructure solutions.

IWCM is being funded through the Safe and Secure Program to Councils at 25-75% depending on Council size.

Governance arrangements under the Regional Water Strategy

The Regional Water Strategies for the Lachlan and Macquarie are near publication and are the first to be undertaken in regional NSW after the Hunter.

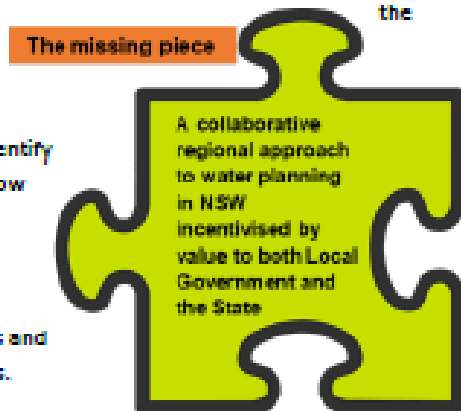
Throughout consultations by DPIE with Central NSW JO member Councils on the Lachlan and Macquarie Regional Water Strategies, Councils have advocated for shared modelling and, most importantly, an implementation plan and collaborative structure to enable delivery of options in the Strategy. It is suggested that this implementation plan with governance arrangements would be similar to the DPIE Planning Regional Plan currently being contemplated by TfNSW. This implementation plan would identify actions in the first two years and then review. Please see below some advice on the Town Water SteerCo which has a useful Terms of Reference that could be readily adapted.

It is predicated on shared data and modelling and a collaborative approach to, for example, ground water studies and would ensure that the Strategies deliver on proposed options.

Town Water SteerCo

The strategic regional water policy framework requires collaboration between multiple government agencies, Councils and Joint Organisations, Local Water Utilities and local and regional stakeholders, including in water reliant industries.

In the Lachlan catchment, the Lachlan Valley Regional Town Water Drought Response Steering Committee has been established to facilitate and guide collaboration between NSW government



agencies, Lachlan Valley Councils, and water reliant industries to develop and execute plans to most effectively utilise available water to support social, economic, cultural and environmental outcomes for communities in the Lachlan Valley LGAs during current drought conditions. The Steering Committee will also support the longer-term development of town water security and quality solutions across the region through the Regional Water Strategy.

The Role of the Steering Committee is to:

- Oversee the development, alignment and execution of plans and strategies to best utilise available water in Lachlan Valley LGAs and across the region in current drought conditions. This is to include the development of plans and strategies for recovery and recommencement of normal river and groundwater operations;
- Ensure plans and strategies consider the challenges and interests of relevant stakeholders, including commercial and industrial users;
- Ensure these plans and strategies are completed and executed in a timely fashion;
- Reconcile differences of opinion between stakeholders, and resolve issues as may arise;
- Align planning and response activities with longer term strategies in line with the Government's strategic objectives; and
- Inform and support activities supporting other communities in the region.

The Steering Committee is seen as a potential vehicle for the delivery of a collaborative catchment-based approach to water planning in NSW leveraging the JO network and incentivised by value to both Local and State Government.

The approach

It is envisaged that the deep dive into urban water would be supported under the governance arrangements described above. Preliminary advice regarding the approach, which can be fleshed out in greater detail should they have merit in the States' eyes are:

- Audit members for their needs where they are at varying stages in the IWCM journey.
- From this audit, develop a "program" approach using tranches of prioritised data sets and other activities in producing IWCMs. For example, a regional approach to secure yield that leverages multiple sources, LGAs and catchments will add value to a group procure and would be required very early in the piece to inform other potential activities.
- Provide direction and oversight of a program manager from within industry in region to provide support. This would preferably work in with the engineering placement calendar offered through universities such as Charles Sturt or Sydney. The intention here is to provide support to two streams of activity at a lower cost than using tier one consultancies to deliver program management:



1. Inhouse IWCM data capture and capacity building where the data sets across the region are “apples with apples” enabling benchmarking. Key outcomes here would be a regional approach to integration of IWCM into the Integrated Planning and Reporting Framework.
2. Procurement of data sets unable to be generated in house which:
 - a. Offer cost savings as an aggregated procure
 - b. Enable a regional data-set and inform potential regional activity to optimise outcomes.
- Institute the support arrangements to optimise the above – e.g. workshops for members, steering committees, project reference groups, procurement support. Ideally these would include representation from State and Local government.
- The deliverables include IWCM for each Council, a regional report providing advice to the State, Councils and the region on challenges and opportunities. Ideally the heads of consideration for this report would be codesigned with the State. Included in this report is advice to inform better future practise.

The value of this approach is:

- An incentive for all Councils to work regionally as they will be funded at 100% - delivering future benefits where water does not recognise LGA boundaries. This will have the added benefit of taking all Councils into the regional approach even if they are well into their IWCM work;
- 30% plus savings on requisite strategic work;
- A reduction in duplication and leveraging of agency/LWU capability for example in hydrogeological studies;
- Trust to enable sharing of information and best practice leading to more nimble responses during drought;
- Sharing of climate change modelling and agreed secure yield modelling on both State and locally owned storages used for human consumption – this has been a critical failure in the current drought;
- Trusted policy advice to various levels of government;
- Facilitation of consultation processes required by the State and Federal governments;
- A rapid communication response during drought including advice to amend regulation and inform regulators;
- One entity to deal with in the development of IWCM and Regional Town Water Strategies;
- Aggregated procure delivers a better value proposition to the State with cost savings at 30%+;
- JO manages staff turnover and other risks;
- Regional learnings inform further action;
- Weaker Councils are taken on the journey and actually deliver outcomes;
- One source of truth; and
- An ongoing multi agency monitoring group for the actions identified in the Regional Water Strategy.



23 August 2020

Mr David Shoebridge MLC
Chairperson
Public Accountability Committee
NSW Parliament
SYDNEY NSW 2000

Dear Mr Shoebridge

On behalf of the member Councils of Namoi Unlimited, below is a submission to the inquiry into the integrity, efficacy and value for money of NSW Government grant programs.

In general if integrity means the quality of being honest, and the application of high moral principles, the identified programs in your inquiry have afforded Councils an opportunity to access funding for community facilities and infrastructure not seen previously, and having dedicated funding programs for regional NSW needs to continue. The focus on regional NSW should remain part of the moral principles or compass of any future NSW Government.

Efficacy is the ability to fulfil a desired intent or result and again, the member Councils of Namoi Unlimited believes in general that these programs have contributed to the development of key community and business infrastructure required to develop economies and support communities.

The requirement for projects to demonstrate value for money as part of their application process, should give your committee comfort that Regional NSW teams have made this assessment according to the guidelines.

More specifically, comments are provided below on the areas of focus in the Committee's Terms of Reference;

▪ **The range and availability of funding programs,**

Whilst in general Councils have been afforded a number of opportunities to apply for funding for a range of infrastructure related programs, funding is dedicated to the building of facilities, and whilst Namoi Unlimited acknowledges that this is critical to jobs and business development if the funding is expended locally, these programs do not assist groups like Joint Organisations develop regional responses and projects.

Namoi Unlimited supports the development of an avenue within these funding programs that enable Joint Organisations to address the key role given to Joint Organisations by the NSW Government, that is strategic regional priorities and the plans to achieve them, inter-governmental relations and leadership.

▪ **The manner in which grants are determined, including: the oversight of funding determinations, the transparency of decision making under grants schemes, the independence of the assessment of projects, the role of Members of Parliament in proposing projects for funding, the scope of Ministers' discretion in determining which projects are approved, measures necessary to ensure the integrity of grants schemes and public confidence in the allocation of public money.**

Namoi Unlimited believes that the timely delivery of Government investment is critical to regional development. There have been examples in our region where announcements have been made, but then contracting and construction has taken a long time to come into play.

Namoi Unlimited believes private enterprise follows government investment closely and must be made in the right place at the right time, therefore a regional approach and support is invaluable to this process.

Not all parts of the NSW Government have embraced the opportunity to work with Joint Organisations and their member Councils which is disappointing. Joint Organisations although they are recognised in the Local Government Act, are not eligible to all funding programs.

In these particular programs where a Local Government Area is provided with an estimated funding allocation, and a Joint Organisation may also be eligible to make an application, this will not occur because the Joint Organisation and Councils are essentially pitted to compete with its own members. The member Councils will prioritise their local projects.

Namoi Unlimited also believes they can fulfil a valuable role for the NSW Government to provide;

- Advice on local and regional priorities
- Coordinating consultation and engagement between project partners
- Aggregating project outcomes and project opportunities delivering better value for money for the NSW Government
- Provide a monitoring and performance program between the grant program and recipients

Namoi Unlimited believes the role of local Members of Parliament in this process is critical because like Local Government, their interest is to progress the development of the State of NSW and their community.

On behalf of the members of Namoi Unlimited, I would like to wish you and your committee our very best in your deliberations, and if you require any further information from our group, please do not hesitate to contact our Executive Officer at info@namoiunlimited.nsw.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jamie Chaffey', written in a cursive style.

Councillor Jamie Chaffey
Chairperson of Namoi Unlimited
Mayor Gunnedah Shire Council

10.2 Additional Briefing Papers – ATTACHMENT E

Author	Executive Officer
Policy	Advocacy and Leadership
Legal	-
Financial	-
Strategic Link	Advocacy and Leadership
Attachments	ATTACHMENT E

RECOMMENDATION TO THE BOARD: THAT, positions of advocacy are developed and submitted for XXXX.

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To provide an opportunity for the members to develop additional proposals for advocacy and leadership to be developed.

BACKGROUND: (to be developed as part of ATTACHMENT E)

COMMENTARY: -

SUBJECT: BRIEFING FROM NAMOI UNLIMITED

RECOMMENDATION

That ...

- Proposed actions

KEY ISSUES

- Urgency

CONSULTATION

FINANCIAL IMPLICATIONS

LEGAL IMPLICATIONS

BACKGROUND

11. EXECUTIVE OFFICER REPORTS

11.1 Action List – ATTACHMENT F

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	STRATEGIC PRIORITY 4: Organisational Growth and Governance
Attachments	ATTACHMENT F
RECOMMENDATION TO THE BOARD:	THAT, the progress against actions identified is NOTED.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	
PURPOSE:	To provide members with a record of Actions determined at previous JOLT and at the Board meetings, and progress towards achieving any outstanding actions from the previous meeting.
BACKGROUND:	-
COMMENTARY:	-

ATTACHMENT F - Action List

Completed
 Underway
 Overdue
 Not yet commenced

Date	Strategic Regional Priority	Resolution	Action	Status
03/12/2019 BOARD	Advocacy and Leadership	Gwydir Shire Council sought a report from the Executive Officer to table a benchmark activity report of Namoi Unlimited activity and value to other Joint Organisations through the publishing of their Annual Performance Reports.	Requests have been made to OLG to provide links to Annual Performance Statements for NSW Joint Organisations. This information is not to be followed up by OLG but referred to the NSW EOs group to deliver.	
JOLT	Engaged People and Skills	Regional Workforce Strategy Bio-diversity Project Officer business case	Proposed for consideration Q3 2020-2021 financial year.	
18/05/2020 JOLT	Organisational Growth and Governance	Proposal to develop a shared service under the proposed new framework for Internal Audit and Risk.	Preliminary assessment is completed, the draft proposal is referred to member Councils for feedback and commitment at the end of July. JOLT discussed that without timeframes and advice from OLG this shared service potentially can not be developed. The item is to be reviewed in March 2021.	

11.2 Calendar of Planned Activities – ATTACHMENT G

Author	Executive Officer/JOLT
Policy	-
Legal	-
Financial	-
Strategic Link	STRATEGIC PRIORITY 4: Organisational Growth and Governance
Attachments	ATTACHMENT G

RECOMMENDATION TO THE BOARD: THAT the calendar of activities is noted.

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To provide members with the opportunity to have visibility over the calendar of activities that the Executive Officer represents members.

BACKGROUND: Providing to members an outline of activities planned by the Joint Organisation.

COMMENTARY: -

ATTACHMENT G – Joint Organisation Planned Activity

Sep	1	Board Meeting	Quirindi
	2	Namoi Water Alliance	Bingara
		NSW Joint Organisations Executive Officers Meeting	Online
	9	Procurement Working Group Meeting	Online
	10	Contaminated Lands Working Group Meeting	Online
	16	Meeting with Minister Anderson on the Namoi Supply Chain Project	Online
	18	New England North West Recovery Task Group Meeting	Online
	21	JOLT	Tamworth/Online
	23	TAFE NSW – Bangamalanha Conference	Online
Oct	6	Board Meeting	Tamworth

12. ADDITIONAL REPORTS PERTAINING TO THE PRINCIPAL FUNCTIONS

12.1 Correspondence – ATTACHMENT H

Author	Executive Officer
Policy	-
Legal	-
Financial	-
Strategic Link	STRATEGIC PRIORITY 4: Organisational Growth and Governance
Attachments	ATTACHMENT H
RECOMMENDATION TO THE BOARD:	THAT, correspondence from <ul style="list-style-type: none">i. The Hon John Barilaro to The Hon Barnaby Joyceii. The Hon Mark Coulton, andiii. The Hon Keith Pitt is NOTED.
AMENDED/ENDORSED	
MOVED:	
SECONDED:	
REJECTED/CARRIED	
PURPOSE:	To provide the Board with copies of correspondence regarding various matters received by Namoi Unlimited.
BACKGROUND:	-
COMMENTARY:	-



The Hon. John Barilaro MP
Deputy Premier
Minister for Regional New South Wales
Minister for Industry and Trade

The Hon. Barnaby Joyce MP
Federal Member for New England
PO Box 963
TAMWORTH NSW 2340

Ref: MF20/1896



Dear Mr ~~Joyce~~ *Barnaby*

BY:

Thank you for your letter of 24 April 2020 regarding NSW Government support to expand intensive livestock production in the Namoi region.

As you have highlighted, there is a fantastic opportunity for all levels of government to work together to unlock agribusiness potential across the Namoi and broader New England North West region. My Department has worked closely with Namoi Unlimited and local councils to develop a vision for world-leading poultry production, and to investigate options to bring this vision to life.

I understand that Namoi Unlimited briefed you on the Supply Chain investigations report which found that the most significant barriers to expansion in agribusiness are caused by land use planning coordination issues. This is now the focus of work underway by my Department and the Department of Planning, Industry and Environment. This approach is consistent with a proposal from Namoi Unlimited that was recently endorsed by the New England North West Regional Leadership Executive.

I have tasked my Department with working with Namoi Unlimited to ensure the NSW Government considers all possibilities arising from these opportunities. In particular, I am keen to ensure that some of the learnings from the Special Activation Precincts program are applied in other strategic locations across regional NSW.

The NSW Government has also recognised the growth opportunities in the Namoi region by investing nearly \$179 million into infrastructure projects to support agribusiness, including road network improvements. I understand that further applications are currently under assessment by my Department.

Thank you again for raising this important matter and for your continued advocacy on behalf of regional NSW.

Yours sincerely


The Hon. John Barilaro MP
Deputy Premier
Minister for Regional New South Wales
Minister for Industry and Trade



SCANNED
02 JUL 2020

THE HON MARK COULTON MP

Minister for Regional Health, Regional Communications and Local Government
Member for Parkes

Ref: MC20-003725

Cr Jamie Chaffey
Mayor, Gunnedah Shire Council
PO Box 555
TAMWORTH NSW 2340

Dear Mayor Chaffey

Thank you for your letter of 26 March 2020 regarding possible recovery projects in your region, and for providing me with the Economic and Spatial Supply Chain Assessment Report (Report). I apologise for the delay in responding.

I appreciate the effort and consideration that the Namoi Unlimited Joint Organisation (Namoi Unlimited) has applied to prepare the Report. As well as demonstrating a clear vision for the Namoi region, it is a very useful map of infrastructure investment opportunities.

I would also like to take this opportunity to acknowledge and thank you and the member councils of Namoi Unlimited for contributing to the Roads of Strategic Importance (ROSI) initiative consultations undertaken by the Department of Infrastructure, Transport, Regional Development and Communications (the Department) in February and March this year.

As you know, I had the pleasure of attending the Toowoomba to Seymour (NSW section) corridor consultation session held in Narrabri on 21 February 2020 with Namoi Unlimited and Moree Plains, Narrabri and Walgett Shire Councils. I understand that Namoi Unlimited met with the Department again on 11 March 2020 in Tamworth to discuss the Tenterfield to Newcastle corridor. In both instances, the significant amount of work undertaken by Namoi Unlimited prior to the consultations to identify productivity and safety priorities helped ensure the success of each meeting.

These constructive consultations are supporting the Australian Government's understanding of freight and transport circumstances in regional areas. The Department is consolidating feedback and assessing project options submitted by councils to determine a prioritised list of investment options for the Australian Government's consideration. Project investment decisions will be made on a case by case basis and will target improvements in road safety, freight access and the efficiency on both corridors.

Parliament House Canberra ACT 2600
Telephone (02) 6277 7495

Thank you again for Namoi Unlimited's participation at the ROSI consultations and for your letter and providing me the Economic and Spatial Supply Chain Assessment Report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Coulton', with a flourish at the end.

Mark Coulton MP

12 JUN 2020



The Hon Keith Pitt MP

Minister for Resources, Water and Northern Australia

Ref: MC20-000631

Councillor Jamie Chaffey
Chairperson of Namoi Unlimited
Mayor, Gunnedah Shire Council
PO Box 555
TAMWORTH NSW 2340

Dear Councillor Chaffey

Thank you for your letter of 16 January 2020 to Senator the Hon. Bridget McKenzie, the then Minister for Agriculture, concerning the Murray-Darling Basin Economic Development Program. Your letter was forwarded to me as I am the minister responsible for the matter you raised. I apologise for the delay in responding.

The Murray-Darling Basin Economic Development Program is an important program that provides support for economic development activities in Basin communities that have been impacted by water recovery under the Basin Plan. It has been a successful program with both rounds of the program to date being oversubscribed. The assessment of applications for Round 2 of the program is nearing completion and I would expect to be able to announce the successful applicants in coming weeks.

I note the issues you have raised about broadening the scope of the program to all communities in the Basin and eligibility of organisations like yours to apply. I will ensure these issues are considered if there are any future rounds of the program.

The Australian Government is committed to supporting communities in the Murray-Darling Basin, particularly during drought, and, if you haven't already done so, I encourage you to explore more federal government grant opportunities on the [GrantConnect](https://www.grants.gov.au) site at [grants.gov.au](https://www.grants.gov.au).

Thank you for writing on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Keith Pitt'.

Keith Pitt

23/7/2020

12.2 Statement of Revenues – ATTACHMENT I

Author	Executive Officer
Policy	-
Legal	-
Financial	-
Strategic Link	STRATEGIC PRIORITY 4: Organisational Growth and Governance
Attachments	ATTACHMENT I

RECOMMENDATION TO THE BOARD: THAT, the amended Statement of Revenues is endorsed.

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To provide advice to the members and update the 2020-2021 Statement of Revenues.

BACKGROUND: As part of deliberations over the Financial Sustainability Plan, fees and charges to members and non-members is to be amended to introduce fees for the Executive Officer.

COMMENTARY: -

REVENUE POLICY 2020-2021

Introduction

This document constitutes the Namoi Joint Organisation of Councils Revenue Policy and is prepared in accordance with section 405 of the Local Government Act 1993 (“the Act”).

The Revenue Policy includes the following statements for the year 2020-2021 financial year:

- an estimate of the Namoi Joint Organisation of Councils income and expenditure;
- each membership and non-voting membership fee;
- types of fees to be charged by the Namoi Joint Organisation of Councils and the amounts of each such fee;
- amounts of external borrowings, the sources from where these are to be borrowed, and the means by which these are to be secured; and
- any other such matters as may be prescribed by the regulations.

The statements in the Revenue Policy with respect to membership and non-voting membership fee include, as required, the following particulars:

- the base amount of the membership and non-voting membership fee;
- the ad valorem amount (the amount in the dollar) membership and non-voting membership fee;
- in the case of project participant fees the estimated amount and principle behind the application of this fee; and
- any expectations agreed by the membership regarding the fees.

Factors influencing Namoi Joint Organisation of Councils revenue and pricing policy

The following factors will influence the Namoi Joint Organisation of Councils revenue and pricing policy.

Community service obligations

A community service obligation arises where a council provides a function or service that has general community benefits beyond those received by direct users.

Councils mainly exist to provide services that are considered to have community importance but are not viable or practical to be provided on a commercial basis.

Councils review their level of Community Service Obligations as they relate to fees and charges.

Where such a community service obligation may exist across the membership of the Councils, the Councils may consider the community service obligation as a group.

Cost recovery

Namoi Joint Organisation of Councils applies the principle of full cost recovery to determine the total cost of services.

The user-pays principle

The User-Pays Principle involves pricing the provision of goods, projects, services and facilities that require the user or the consumer to pay the actual cost of the service provided.

The Namoi Joint Organisation of Councils may apply this pricing policy for the provision of project works and activities to businesses or members of the community.

Corporate overheads

Namoi Joint Organisation of Councils corporate overheads are for governance, employment, administration functions and compliance required to deliver on the Strategic Regional Plan and the annual Business Plan.

Competitive neutrality

Competitive Neutrality is one of the principles of National Competition Policy applied throughout Australia at all levels of Government, including Local Government. Competitive neutrality is based on the concept of a “level playing field” for competitors in a market, be they public or private sector competitors. All Government business organisations should operate without net competitive advantages over businesses as a result of their public ownership.

Where Namoi Joint Organisation of Councils competes in the market place with other private businesses, Namoi Joint Organisation of Councils will do so on the basis that it does not utilise its public position to gain an unfair advantage over private businesses that may be in competition with Namoi Joint Organisation of Councils or the Councils.

Goods and services tax

The Federal Government’s Goods and Services Tax (GST) must be applied to non-exempt fees and charges. The current rate of the GST is 10% and is included in the price paid by the recipient of the service. The GST indicators (GST exempt or not) in the list of fees and charges are subject to change at any time from changes that occur in the GST Act and/or regulations.

Ordinary Membership policy

Each member council is to contribute a monetary payment or equivalent contribution based on the following methodology:

- fixed administration and membership contribution or fee, and any
- variable project and service or delivery fees.

Member councils will be consulted about proposed contributions by:

- Conduct of annual planning, and
- An annual written proposal based on the activity determined in the business planning process.

A member will cease to be a member non-payment of fees.

Ordinary Membership fees are to increase by 2.6% from 2020-2021, which represents the maximum permissible amount as determined by the Independent Pricing and Regulatory Tribunal (IPART) Rate Peg for the year 2020-2021.

Fees for service

Approved fees for service

Section 608 of the Local Government Act 1993 provides that the Namoi Joint Organisation of Councils may charge and recover an approved fee for any service it provides, other than a service provided, or proposed to be provided on an annual basis for which it is authorised or required to make an annual charge under Section 496 or 501 of the Act.

Section 609 of the Act provides that when determining the approved fee, the Namoi Joint Organisation of Councils must take into account the following factors:

- the cost of the Council providing the service;
- the price suggested for that service by any relevant industry body or in any schedule of charges published, from time to time, by the Division of Local Government;
- the importance of the service to the community; and
- any factors specified in the regulations under the Act.

Credit card surcharge

Namoi Joint Organisation of Councils imposes a Credit Card Surcharge on all payments made via credit card in accordance with Reform of Credit Card Schemes in Australia (iv) and Final Reforms and Regulation Impact Statement August 2002.

Private works

Namoi Joint Organisation of Councils may carry out any kind of work that may lawfully be carried out. Private work will be carried out on the basis of a charge representing full cost recovery of the work carried out plus a margin for profit. The profit margin is dependent on and subject to market forces applying at the time. The cost for the Executive Officer will be;

- Members \$120 per hour plus GST
- Non-members \$165.00 per hour plus GST

2020-2021 Income Statement

INCOME	Ex GST	Inc GST	Total Ex GST	Total Inc GST
Membership Fees	\$31,334.00	\$34,467.40	\$156,670.00	\$172,337.00
Namoi Water Alliance	\$5,408.00	\$5,948.80	\$27,040.00	\$29,744.00
Grants (OLG)			\$90,000.00	\$90,000.00
Contaminated Lands (EPA)			\$140,000.00	\$140,000.00
Fee for Service – VendorPanel*			\$50,000.00	\$55,000.00
TOTAL INCOME			\$463,710.00	\$487,081.00

This fee for Services is an estimate of the Councils commitment to VendorPanel. The Annual Licence Fee for Councils is Gwydir Shire \$7,500, Gunnedah \$10,000, Liverpool Plains \$7,500, Tamworth Regional Council \$20,000, Walcha Council \$5,000.

12.3 2019-2020 DRAFT End of Year Financial Statements – ATTACHMENT J

Author	Executive Officer/JOLT
Policy	-
Legal	NSW Local Government Act
Financial	2019-2020 preparation of the End of Year Statement and Audit
Strategic Link	-
Attachments	ATTACHMENT J

RECOMMENDATION TO THE BOARD:	THAT, the draft financial reports for the 2019-2020 are referred to the Auditors for review.
------------------------------	--

AMENDED/ENDORSED

MOVED:

SECONDED:

REJECTED/CARRIED

PURPOSE: To provide a report on the draft End of Year Statement to be provided to the Auditors Forsyth's on behalf of the NSW Audit Office.

BACKGROUND: The draft End Financial Year statements have been prepared by Tamworth Regional Council for the 2019-2020 financial year for the auditors.

COMMENTARY: -

Namoi Joint Organisation
GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

**General Purpose Financial Statements
for the year ended 30 June 2020**

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Overview

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

437 Peel Street
TAMWORTH NSW 2340

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.namoiunlimited.nsw.gov.au

**General Purpose Financial Statements
for the year ended 30 June 2020**

Statement by Members of the Board and Management pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended)

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 – Reduced Disclosure Requirements 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 the JO's operating result and financial position for the year
- accord with JO's accounting and other records.

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

Signed in accordance with a resolution of the Board of JO made on 8 October 2020.

Cr Jamie Chaffey
Chairperson
6 October 2020

Cr Col Murray
Voting Representative Board Member
6 October 2020

Rebel Thomson
Executive Officer
6 October 2020

**Income Statement and Other Comprehensive Income
for the year ended 30 June 2020**

\$	Notes	2020	Period 11/06/18 to 30/06/19
Income from continuing operations			
Member Council contributions	2a	179,736	150,000
User charges and fees	2b	-	22,788
Other revenues	2c	9,032	-
Grants and contributions provided for operating purposes	2d	277,652	467,890
Interest and investment income	3	656	733
Total income from continuing operations		467,076	641,411
Expenses from continuing operations			
Employee benefits and on-costs	4a	215,167	213,372
Administrative expenses	4b	257,570	303,294
Total expenses from continuing operations		472,737	516,666
Operating result from continuing operations		(5,661)	124,745
Gain on transfer of assets from former entities		-	305,064
Net operating result for the year		(5,661)	429,809
Total comprehensive income for the year		(5,661)	429,809

The JO has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Income Statement should be read in conjunction with the accompanying notes.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2020

\$	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	602,226	660,113
Receivables	6	14,956	-
Other	7	26,250	-
Total current assets		<u>643,432</u>	<u>660,113</u>
Non-current assets			
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>643,432</u>	<u>660,113</u>
LIABILITIES			
Current liabilities			
Payables	9	103,093	121,959
Income received in advance	9	-	102,434
Contract liabilities	8	312,355	-
Provisions	10	7,539	-
Total current liabilities		<u>422,987</u>	<u>224,393</u>
Non-current liabilities			
Provisions	10	9,131	5,911
Total non-current liabilities		<u>9,131</u>	<u>5,911</u>
Total liabilities		<u>432,118</u>	<u>230,304</u>
Net assets		<u>211,314</u>	<u>429,809</u>
EQUITY			
Accumulated surplus	11	211,314	429,809
Council equity interest		211,314	429,809
Total equity		<u>211,314</u>	<u>429,809</u>

The JO has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 18 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Statement of Changes in Equity
for the year ended 30 June 2020

\$	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	Other reserves (specify)	Total equity	Accumulated surplus	Other reserves (specify)	Total equity
Opening balance		429,809	-	429,809	-	-	-
Changes due to AASB 1058 and AASB 15 adoption	11	(212,834)	-	(212,834)	-	-	-
Changes due to AASB 16 adoption		-	-	-	-	-	-
Restated opening balance		216,975	-	216,975	-	-	-
Net operating result for the year		(5,661)	-	(5,661)	429,809	-	429,809
Restated net operating result for the period		(5,661)	-	(5,661)	429,809	-	429,809
Total comprehensive income		(5,661)	-	(5,661)	429,809	-	429,809
Equity – balance at end of the reporting period		211,314	-	211,314	429,809	-	429,809

The JO has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the year ended 30 June 2020

\$	2020	Period 11/06/18 to 30/06/18
Cash flows from operating activities		
<i>Receipts:</i>		
Member council contributions	84,745	277,677
User charges and fees	–	25,067
Investment and interest revenue received	656	733
Grants	399,973	470,679
Other	9,032	10,945
<i>Payments:</i>		
Employee benefits and on-costs	(199,831)	(241,398)
Administrative expenses	(352,462)	(389,677)
Net cash provided (or used in) operating activities	<u>(57,887)</u>	<u>154,026</u>
Net increase/(decrease) in cash and cash equivalents	<u>(57,887)</u>	<u>154,026</u>
Plus: cash and cash equivalents – beginning of year	660,113	–
Cash transferred from former entities	–	506,087
Cash and cash equivalents – end of the year	<u>602,226</u>	<u>660,113</u>

The JO has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Notes to the Financial Statements
for the year ended 30 June 2020

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Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Basis of preparation

The financial statements include the results for the financial year ended 30 June 2020 and the comparative period from 11 May 2018 to 30 June 2019.

These financial statements were authorised for issue by the Board of the Joint Organisation on 6/10/2020. 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 – Reduced Disclosure Requirements, the Local Government Act 1993 (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting.

JO is a not-for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

New and amended standards adopted by JO

During the year JO adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on JO's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 11.

(a) Historical cost convention

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

(b) 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

JO 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 10.

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.

**Notes to the Financial Statements
for the year ended 30 June 2020**

Note 1. Basis of preparation (continued)

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.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 2. Revenue from continuing operations

\$	AASB	2020	Period 11/06/18 to 30/06/18
(a) Member Council contributions			
Gunnedah Shire Council	15 (1)	30,540	30,000
Gwydir Shire Council	15 (1)	30,540	30,000
Liverpool Plains Shire Council	15 (1)	30,540	30,000
Tamworth Regional Council	15 (1)	30,540	30,000
Walcha Council	15 (1)	30,540	30,000
Namoi Water Alliance Membership	15 (1)	27,036	-
<u>TOTAL MEMBER COUNCIL CONTRIBUTIONS</u>		<u>179,736</u>	<u>150,000</u>

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) Indicates income recognised under AASB 15 "at a point in time",
15 (2) Indicates income recognised under AASB 15 "over time",
1058 (1) Indicates income recognised under AASB 1058 "at a point in time", while
1058 (2) Indicates income recognised under AASB 1058 "over time".

\$	2020	Period 11/06/18 to 30/06/18
(b) User charges and fees		
China Study Tour Fees	-	22,788
<u>TOTAL USER CHARGES AND FEES</u>	<u>-</u>	<u>22,788</u>

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) Indicates income recognised under AASB 15 "at a point in time",
15 (2) Indicates income recognised under AASB 15 "over time",
1058 (1) Indicates income recognised under AASB 1058 "at a point in time", while
1058 (2) Indicates income recognised under AASB 1058 "over time".

\$	AASB	2020	Period 11/06/18 to 30/06/18
(c) Other revenues			
Other - ATO credit pre 2019	1058 (1)	9,032	-
<u>TOTAL OTHER REVENUE</u>		<u>9,032</u>	<u>-</u>

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) Indicates income recognised under AASB 15 "at a point in time",
15 (2) Indicates income recognised under AASB 15 "over time",
1058 (1) Indicates income recognised under AASB 1058 "at a point in time", while
1058 (2) Indicates income recognised under AASB 1058 "over time".

Operating	Operating	Capital	Capital
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Notes to the Financial Statements
for the year ended 30 June 2020

Note 2. Revenue from continuing operations (continued)

\$	AASB	2020	Period 11/06/18 to 30/06/19	2020	Period 11/06/18 to 30/06/19
(d) Grants					
Joint Organisation Establishment	15 (1)	72,007	300,000	-	-
China - Namoi Engagement Project		-	20,000	-	-
Contaminated Lands Program	15 (2)	38,372	140,000	-	-
New England North West Export Workshop		-	7,890	-	-
Increasing Resilience to Climate Change	15 (2)	144,080	-	-	-
OLG Capacity Building	15 (1)	23,193	-	-	-
Total grants		277,652	467,890	-	-
Grant revenue is attributable to:					
- Commonwealth funding		-	20,000	-	-
- State funding		133,572	447,890	-	-
- Other funding		144,080	-	-	-
		277,652	467,890	-	-

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) Indicates income recognised under AASB 15 "at a point in time",

15 (2) Indicates income recognised under AASB 15 "over time",

1058 (1) Indicates income recognised under AASB 1058 "at a point in time", while

1058 (2) Indicates income recognised under AASB 1058 "over time".

Notes to the Financial Statements
for the year ended 30 June 2020

Note 3. Interest and investment income

\$	2020	Period 11/06/18 to 30/06/18
Interest on financial assets measured at amortised cost		
– Cash and investments	656	733
Total Interest and investment income	656	733

Accounting policy for Income

Accounting policy for Income

Contributions by member councils are accounted for 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:

- equal contributions by all member councils in order to perform the principal functions of delivering on strategic regional priorities, regional leadership and intergovernmental cooperation
- contributions by participating member councils for other functions of enhancing strategic capacity and direct service delivery.

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

Accounting policies for 2020 only

User charges and fees

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Grant revenue

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but include conditions whereby the JO must carry out the project and spend the grant in accordance with the approved plans and in accordance with the Agreement conditions.

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.

Grant income under AASB 1058

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.

Other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

**Notes to the Financial Statements
for the year ended 30 June 2020**

Note 3. Interest and investment income (continued)

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

Accounting policies for 2019 only

Grant revenue – control over grants is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted asset at the date of transfer.

A liability is recognised in respect of grant income that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

User charges and fees are recognised as revenue when the service has been provided.

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

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

Notes to the Financial Statements
for the year ended 30 June 2020

Note 4. Expenses from continuing operations

\$	2020	Period 11/06/18 to 30/06/18
(a) Employee benefits and on-costs		
Salaries and wages	158,722	156,788
Employee leave entitlements (ELE)	25,461	26,203
Superannuation	16,960	18,267
Workers' compensation insurance	4,024	12,114
Total employee costs	215,167	213,372
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>	<u>215,167</u>	<u>213,372</u>
Number of full-time equivalent employees (FTE) at year end	1	1
Number of full-time equivalent employees (FTE) at year end (incl. vacancies)	1	1

\$	2020	Period 11/06/18 to 30/06/18
(b) Administrative expenses		
Contractor and consultancy costs	-	-
- Media and Communications	10,599	24,946
- Namoi Water Alliance	16,325	28,470
- Namoi Water Strategy	-	105,350
- Contaminated Lands	37,701	-
- Increasing Resilience to Climate Change	109,080	-
- Skills Pathways and Promotions	1,320	-
Auditors remuneration ²	6,150	6,000
Subscriptions	29,362	20,000
Training	-	10,934
Travel		
- Chair	4,179	2,044
- Employees	14,705	15,653
- Ningbo delegation	-	3,166
- Trade & Investment - China Study Tour	-	56,200
- Advocacy	8,805	9,841
- Other	647	-
Meetings	1,519	2,621
Other	17,178	18,069
Total administrative expenses	257,570	303,294
<u>TOTAL ADMINISTRATIVE EXPENSES</u>	<u>257,570</u>	<u>303,294</u>
	-	-

2. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services		
Audit and review of financial statements	6,150	6,000

continued on next page ...

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**Notes to the Financial Statements
for the year ended 30 June 2020**

Note 4. Expenses from continuing operations (continued)

Total Auditor-General remuneration	6,150	6,000
Total Auditor remuneration	6,150	6,000

Accounting policy for expenses

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

Note 5(a). Cash and cash equivalents

\$	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	602,226	660,113
Total cash and cash equivalents	602,226	660,113

Accounting policy for cash and cash equivalents

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.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 5(b). Restricted cash, cash equivalents and investments

#	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	602,226	–	660,113	–
attributable to:				
External restrictions	344,563	–	245,598	–
Unrestricted	257,663	–	414,515	–
	602,226	–	660,113	–

Notes to the Financial Statements
for the year ended 30 June 2020

Note 6. Receivables

\$	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
User charges and fees	287	-	-	-
Net GST receivable	14,669	-	-	-
Total	<u>14,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL NET RECEIVABLES</u>	<u>14,956</u>	<u>-</u>	<u>-</u>	<u>-</u>

Accounting policy for receivables

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

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.

Note 7. Inventories and other assets

\$	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Other assets				
Prepayments	26,250	-	-	-
<u>TOTAL OTHER ASSETS</u>	<u>26,250</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 8. Contract assets and liabilities

\$	2020 Current	2020 Non-current
----	-----------------	---------------------

Notes to the Financial Statements
for the year ended 30 June 2020

Note 8. Contract assets and liabilities (continued)

\$	Notes	2020 Current	2020 Non-current
Contract liabilities			
Grants and contributions received in advance:			
Unexpended operating grants (received prior to performance obligation being satisfied)	(f)	312,355	-
Total grants received in advance:		<u>312,355</u>	<u>-</u>
<u>Total contract liabilities</u>		<u>312,355</u>	<u>-</u>

Notes

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

\$	2020 Current	2020 Non-current
Unspent grants held as contract liabilities	312,355	-
Contract liabilities relating to externally restricted assets	312,355	-
Total contract liabilities	<u>312,355</u>	<u>-</u>

Accounting policy for contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, JO presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case JO recognises a receivable.

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

\$	2020 Current	2020 Non-current
----	-----------------	---------------------

Notes to the Financial Statements
for the year ended 30 June 2020

Note 9. Payables and borrowings

\$	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Trade payables – operating expenditure	92,042	–	110,296	–
Accrued expenses:				
– Salaries and wages	4,901	–	–	–
– Other expenditure accruals	6,150	–	6,000	–
ATO – net GST payable	–	–	5,663	–
Total payables	<u>103,093</u>	<u>–</u>	<u>121,959</u>	<u>–</u>
Income received in advance (2019 only)				
Payments received in advance	–	–	102,434	–
Total income received in advance	<u>–</u>	<u>–</u>	<u>102,434</u>	<u>–</u>
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>103,093</u>	<u>–</u>	<u>224,393</u>	<u>–</u>

**Notes to the Financial Statements
for the year ended 30 June 2020**

Note 9. Payables and borrowings (continued)

\$	2020	2019
Financing arrangements		
(f) Unrestricted access was available at balance date to the following lines of credit:		
Credit cards/purchase cards	4,000	4,000
Total financing arrangements	4,000	4,000
– Credit cards/purchase cards	–	–
Total drawn financing arrangements	–	–
Undrawn facilities as at balance date:		
– Credit cards/purchase cards	4,000	4,000
Total undrawn financing arrangements	4,000	4,000

Accounting policy for payables and borrowings

JO measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the JO comprise trade payables and other payables and bank overdraft.

Payables

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

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Provisions

\$	2020		2019	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits				
Annual leave	7,539	-	-	-
Long service leave	-	9,131	-	5,911
Sub-total – aggregate employee benefits	7,539	9,131	-	5,911
TOTAL PROVISIONS	7,539	9,131	-	5,911

(a) Current provisions not anticipated to be settled within the next twelve months

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

(b) Description of and movements in provisions

\$	ELE provisions		
	Annual leave	Long service leave	Total
2020			
At beginning of year	-	5,911	5,911
Additional provisions	13,845	3,207	18,852
Amounts used (payments)	(7,001)	-	(7,001)
Remeasurement effects	895	13	908
Total ELE provisions at end of year	7,539	9,131	16,670
2019			
At beginning of year	-	-	-
Additional provisions	-	-	-
Amounts used (payments)	-	-	-
Remeasurement effects	-	-	-
Other	-	5,911	5,911
Total ELE provisions at end of year	-	5,911	5,911

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick 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 and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 10. Provisions (continued)

Other long-term employee benefit 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 which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council 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.

Notes to the Financial Statements
for the year ended 30 June 2020

**Note 11. Accumulated surplus, revaluation reserves, changes in accounting policies,
changes in accounting estimates and errors**

**Changes in accounting policies due to adoption of new accounting standards
(not-retrospective)**

During the year ended 30 June 2020, the JO has adopted AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-profit Entities and AASB 16 Leases using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 Construction Contracts, AASB 117 Leases, AASB 118 Revenue, AASB 1004 Contributions and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

**Notes to the Financial Statements
for the year ended 30 June 2020**

**Note 11. Accumulated surplus, revaluation reserves, changes in accounting policies,
changes in accounting estimates and errors (continued)**

(ii) AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- JO has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- JO has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

Changes in presentation

In addition to the above changes in accounting policies, the JO has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- Movement of balances between Income received in advance and Contract liabilities.
- Additional line item of contract liabilities has been created.

	Balance at 1 July 2019
\$	
Opening contract balances at 1 July 2019	
Contract liabilities	
– Under AASB 15	<u>212,834</u>
Total Contract liabilities	<u>212,834</u>

Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the JO's financial statements for the year ended 30 June 2020.

Statement of Financial Position

	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassifi- cation	Remeasur- e ment	Carrying amount under previous revenue standards	Notes
\$					
Current assets					
Cash and cash equivalents	602,226	–	–	602,226	
Receivables	14,956	–	–	14,956	
Other	<u>26,250</u>	–	–	<u>26,250</u>	
Total current assets	<u>643,432</u>	<u>–</u>	<u>–</u>	<u>643,432</u>	
Current liabilities					

continued on next page ...

Notes to the Financial Statements
for the year ended 30 June 2020

Note 11. Accumulated surplus, revaluation reserves, changes in accounting policies,
changes in accounting estimates and errors (continued)

\$	Carrying amount per Statement of Financial Position under AA8B 16 and AA8B 1068	Reclassifica- tion	Remeasur-e ment	Carrying amount under previous revenue standards	Notes
Payables	103,093	-	-	103,093	
Income received in advance	-	101,972	-	101,972	(i)
Contract liabilities	312,355	(101,972)	(210,383)	-	(i)
Provisions	7,539	-	-	7,539	
Total current liabilities	422,987	-	(210,383)	212,604	
Non-current liabilities					
Provisions	9,131	-	-	9,131	
Total Non-current liabilities	9,131	-	-	9,131	
Net assets	211,314	-	210,383	421,697	
Equity					
Accumulated surplus	211,314	-	210,383	421,697	(i)
Total Equity	211,314	-	210,383	421,697	

(i) Transfer of part of the contract liability to income received in advance and elimination of contract liability which arises under AA8B 15 for funds received prior to the satisfaction of performance obligations.

Notes to the Financial Statements
for the year ended 30 June 2020

Note 11. Accumulated surplus, revaluation reserves, changes in accounting policies,
changes in accounting estimates and errors (continued)

Income Statement

\$	Income Statement and comprehensive Income under AASB 15 and AASB 1068	Reclassific-ation	Remeasur-e ment	Income Statement and comprehensive Income under previous revenue standards	Notes
<u>Income from continuing operations</u>					
Rates and annual charges	179,736	-	-	179,736	
Other revenues	9,032	-	-	9,032	
Grants and contributions provided for operating purposes	277,652	-	210,382	488,034	(i)
Interest and Investment Income	656	-	-	656	
Total income from continuing operations	467,076	-	210,382	677,458	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	215,167	-	-	215,167	
Materials and contracts	257,570	-	-	257,570	
Total Expenses from continuing operations	472,737	-	-	472,737	
Total Operating result from continuing operations	(5,661)	-	210,382	204,721	
Net operating result for the year	(5,661)	-	210,382	204,721	
Total comprehensive Income	(5,661)	-	210,832	205,171	

(i) Difference in revenue between recognition on receipt under the old standards and as obligations are met under new standards.

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

\$	Original Balance 1 July, 2018	Impact Increase/ (decrease)	Revised Balance 1 July, 2018
Total assets	660,113	-	660,113
Contract liabilities	-	212,834	212,834
Total liabilities	230,304	212,834	443,138
Accumulated surplus	429,809	(212,834)	216,975
Total equity	429,809	(212,834)	216,975

Notes to the Financial Statements for the year ended 30 June 2020

Note 12. Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED

(II) Statewide Limited

The JO is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. The JO's share of the net assets or liabilities reflects the JO's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that the JO will be required to fund or share in respectively.

(III) StateCover Limited

The JO is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically the JO.

The JO has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other guarantees

The JO has provided no other guarantees other than those listed above.

2. Other liabilities

The JO has provided no other liabilities other than those listed above.

Note 13. Financial risk management

Risk management

The Namoi Joint Organisation'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 Tamworth Regional Council finance team under the delegated function as approved by the Namoi Joint Organisation Board.

The fair value of receivables and financial liabilities approximates the carrying amount.

Namoi Joint Organisation

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Related party disclosures

(a) 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 council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

\$	2020	2019
Compensation:		
Short-term benefits	178,523	183,228
Post-employment benefits	18,960	18,267
Termination benefits	-	14,531
Total	195,483	196,026

(b) Other transactions with KMP and their related parties

JO has determined that transactions at arm's length between KMP and JO as part of JO delivering a public service objective (e.g. access to library or JO swimming pool by KMP) will not be disclosed.

Nature of the transaction	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
2020					
Signage	-	-		-	-
2019					
Signage	528	-	30 days	-	-

1 The JO engaged the services of a signage business, a company that is controlled by a member of the KMP of JO.

Other related party transactions is NIL. Council can choose to print NIL lines or make this note not applicable.

continued on next page ...

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Namoi Joint Organisation

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Related party disclosures (continued)

Other related party transactions is NIL. Council can choose to print NIL lines or make this note not applicable.

To print NIL lines, add some N/A text or to EXCLUDE this Note completely, just go to the Home page & choose one of the alternatives for this Note.

Note 15. Events occurring after the reporting date

Namoi Joint Organisation is unaware of any material or significant 'non-adjusting events' that should be disclosed.

**General Purpose Financial Statements
for the year ended 30 June 2020**

Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

General Purpose Financial Statements
for the year ended 30 June 2020

Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

13. REPORTS FROM DELEGATES

13.1 NSW Joint Organisations Chair's Meeting

Author	Chairperson
Policy	-
Legal	-
Financial	-
Strategic Link	Advocacy and Leadership
Attachments	-

RECOMMENDATION TO THE BOARD:	THAT, this report is NOTED.
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AMENDED/ENDORSED	
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MOVED:	
SECONDED:	

REJECTED/CARRIED	
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PURPOSE:	To provide the members with a report from the meeting of the NSW Joint Organisation Chairs on Thursday 6 August 2020.
BACKGROUND:	The Chair's group of NSW Joint Organisations in NSW meets on a quarterly basis to address a prepared agenda. This report is to provide members with a report on any outcomes from that meeting.
COMMENTARY:	<p>The Ministers Advisory Group of which Namoi Unlimited is a member, provided advice to the Minister that Joint Organisations saw value in each organisation developing a Financial Sustainability Plan. To assist Joint Organisations with this task a template has been created and is available as a draft document to this business paper. This template was provided by our Executive Officer, Rebel Thomson.</p> <p>Our work on this document was highly commended at the meeting, and the work of our Executive Officer noted.</p> <p>The Office of Local Government will lead a review into Joint Organisations which is to commence at the end of the year, members are asked to provide any advice to OLG on what areas a Joint Organisation and its activity should be assessed by.</p> <p>Namoi Unlimited also contributed to a urban water briefing paper about the alignment of Regional Water Strategy documents, the Regional Town Water Supply Strategy program and IWCM and the potential for efficiencies.</p> <p>Joint Organisations are also providing details of their highlight projects to this meeting, for a copy of the agenda and business paper contact the Executive Officer.</p>

14. QUESTIONS WITH NOTICE

Nil provided at time of distribution of this Notice of Meeting.

15. CLOSED REPORTS

Nil provided at time of distribution of this Notice of Meeting.

16. CONCLUSION OF THE MEETING