



CANBERRA REGION
JOINT ORGANISATION

Board Meeting Agenda and Business Paper

2 June 2023



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MEMBERS	
Bega Valley Shire Council	Mayor Russell Fitzpatrick (Chair) Mr Anthony McMahon
Eurobodalla Shire Council	Mr Warwick Winn Mayor Matthew Hatcher
Goulburn Mulwaree Council	Mayor Peter Walker Mr Aaron Johansson
Hilltops Council	Mayor Margaret Roles Mr Anthony O'Reilly
Queanbeyan-Palerang Regional Council	Mayor Kenrick Winchester Ms Rebecca Ryan
Snowy Monaro Regional Council	Mayor Narelle Davis Mr Peter Bascomb
Snowy Valleys Council	Mayor Ian Chaffey Mr Ken Gouldthorp
Upper Lachlan Shire Council	Mayor Pam Kensit Ms Alex Waldron
Wingecarribee Shire Council	Mr. Viv May (PSM) Ms Lisa Miscamble
Yass Valley Council	Mayor Allan McGrath Mr Chris Berry
ACT Government	Dr David Clapham
Wagga Wagga City Council	Mayor Dallas Tout Mr Peter Thompson
Canberra Airport	Mr Noel McCann
Canberra Region Joint Organisation	Mr Warwick Bennett Ms Suzanne Gearing Ms Hayley Chapman Ms Jennifer Lang
GUESTS	
NSW Government	Anna Wyllie, Regional NSW Emma Watts, Office NSW Cross Border Heidi Stratford, Reconstruction Authority NSW Louise Taylor, Office of Local Government

1. Opening Meeting

The Chairperson, Mayor Russell Fitzpatrick will open the meeting.

2. Welcome & Acknowledgement of Country

The Chairperson, Mayor Russell Fitzpatrick will welcome members and guests and make an acknowledgment of country.

3. Apologies

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

4. Disclosure of Interest

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

5. Notice of Rescission

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

6. Notice of Motions

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

7. Urgent Business

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

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

8. Presentations

Nil

9. Confirmation of Minutes

9.1. Confirmation of Previous Minutes

Author: Warwick Bennett, Chief Executive Officer

Attachments:

1. Minutes of CRJO Board Meeting 24 February 2023
2. Minutes of GMAG Workshop 28 April 2023

RECOMMENDATION

That the CRJO Board Meeting Minutes from 24 February 2023 and the Minutes from the GMAG Workshop 28 April 2023 be confirmed.

10. Chair's Minute

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

11. Reports to Joint Organisation

11.1. Appointment of CRJO Chief Executive

Author: Cr Russell Fitzpatrick, Mayor Bega Valley Shire Council (Chair)

Attachments: Nil

RECOMMENDATION

That:

1. The report from Mayor Fitzpatrick on the recruitment of a Chief Executive be received.
2. The Canberra Region Joint Organisation Board appoint a “Chief Executive Working Party” to undertake the process of recruiting a Chief Executive without the authority of making the final appointment.
3. The Working party to have delegated authority to:
 - Appoint a recruitment specialist to administer the process,
 - Undertake interviews of suitable candidates,
 - Make a recommendation to the 22 September 2023 CRJO Board Meeting on the preferred candidate with the recommended contract conditions and total remuneration package.
4. The Chief Executive Working Party consist of:
 - The Chair of the Board
 - The Deputy Chair of the Board
 - The Chair of GMAG

REPORT

In 2022, the Canberra Region Joint Organisation undertook a recruitment process for the Chief Executive Officer. The outcome of that process was that no suitable permanent candidate was found – and so the Board agreed to appoint Mr Warwick L Bennett on a short-term contract until December 2023. Mr Bennett has indicated that he will not be an applicant.

The Chief Executive of CRJO is employed under the same contract as the General Managers, a five-year maximum contract with the same presumed components, the remuneration components of salary, superannuation and private use of motor vehicle.

The steps would be to appoint a recruitment specialist by calling for Expression of Interest (EOI) including costs from recognised and experienced consultants in the local government sector.

To my knowledge, there are currently four recognised and experienced consultants in the Local Government sector:

- MacArthur's
- Blackadder and Associates
- Local Government Solutions
- Leading Roles Queensland (operating in NSW)

The EOI from the consultants should include recommended total remuneration package.

It is expected for the recruitment process to cost approximately \$25,000, of which, would be funded from CRJO General Operations. The current interim Chief Executive will manage the EOI process.

Pending outcome of the EOI process, it is expected the advertising for the recruitment to be undertaken in July and August, interviews in September and the successful candidate to be appointed by the CRJO Board on 22 September 2023 for the new Chief Executive to commence in November 2023.

This report is recommending the CRJO Board commence the recruitment process and seek a permanent Chief Executive, including the establishment of a working party to administer the process, the appointment of a recruitment specialist by the working party and the final appointment by the CRJO Board at the 22 September 2023 Board meeting.

11.2. CRJO Board Meeting State Government Ministers

Author: Warwick Bennett, Chief Executive Officer

Attachments: 1. Questions to State Government Ministers

RECOMMENDATION

That the CRJO Board Meeting with State Government Ministers report be received.

REPORT

CRJO are currently organising a meeting with a number of Ministers of State Government in Parliament House for Thursday 22 June 2023. The date is yet to be confirmed, but hopefully can be confirmed at the 2 June Board meeting.

The Ministers that we are inviting will be are:

- The Hon Chris Minns - Premier
- The Hon Rose Jackson Minister for Water, Minister for Housing, Minister for Homelessness Minister for Mental Health
- The Hon Stephen Kamper – Minister for Small Business, Minister for Lands and Property, Minister for Multiculturalism and Minister for Sport
- The Hon Jenny Aitchison – Minister for Regional Transport and Roads
- The Hon Ron Hoenig – Minister for Local Government
- The Hon Tara Moriarty – Minister for Agriculture, Minister for Regional NSW, Minister for Western NSW
- The Hon Jihad Dib – Minister for Customer Service and Digital Government, Minister of Emergency Services, Minister for Youth Justice
- The Hon Paul Scully – Minister for Planning and Public Spaces
- The Hon Ryan Park - Minister for Health, Minister for Regional Health
- The Hon Penny Sharpe – Minister for Climate Change, Minister for Energy, Minister for the Environment, Minister for Heritage

We have also invited Mark Speakman, Leader of the Opposition and Wendy Tuckerman, Shadow Minister of Local Government.

Please find attached the list of questions that we will be included in a letter to the appropriate Minister. These questions have been vetted by the General Managers Advisory Group.

11.3. CRJO Operations Update – June 2023

Author: Warwick Bennett, Chief Executive Officer

Attachments: 1. CRJO Operations Update

RECOMMENDATION

That the CRJO Operations Update for June 2023 be received.

REPORT

Attached to this report is the CRJO Operations Update for June 2023. The CRJO continue to work closely with State Government agencies on CRJO Projects as well as other projects that are in the process of being determined. We have a very sustainable financial position and the continued input from GMAG and member Council working parties is very encouraging and supportive.

11.4. Revenue Policy

Author: Warwick Bennett, Chief Executive Officer

Attachments: 1. CRJO Revenue Policy

RECOMMENDATION

That that the Canberra Region Joint Organisation Board endorse the Revenue Policy for 2023/24.

REPORT

The Canberra Region Joint Organisation is governed by the *Local Government Act 1993* and under REG 397 (i) joint organisations must have a statement of their revenue policy for each year.

This policy should include:

- an estimate of income and expenditure
- the types of fees proposed to be charged
- any proposed fees for non-business activities
- statement of any proposed borrowings

That draft policy is attached for your information. The proposed membership fees are included in the revenue policy and is based on a 3.5% increase.

The General Manager Advisory Group have reviewed the policy and recommend to the Board its adoption.

11.5. 2023/2024 & Next Three Years Budget

Author: Warwick Bennett, Chief Executive Officer

Attachments: 1. 2023-24 CRJO Budget and Next Three Years

RECOMMENDATION

That the Canberra Region Joint Organisation Board endorse the 2023/24 and following three years Budget.

REPORT

The following is a summary of the recommended budget for the CRJO Board's for endorsement prior to the beginning of the 2023/24 financial year and the following three years.

1. Consolidated Funds

This cost centre covers all the accumulated operations of the CRJO and the details of each are discussed below. At the end of the 4 forward estimates the surplus and all CRJO activities is estimated \$1.376M.

2. CRJO Operations

This cost centre deals with general operations of the CRJO in terms of management and governance of the organisation, the administration of the Board and GMAG, financial and audit costs, regional procurement function and membership fees. The forward estimates indicate a reduction in salary costs to general operations cost centre as it is proposed that the new Chief Executive appointed this year and a project management focus for at least 50% of their time and thus their salary costs allocated accordingly.

The membership fees are programmed to increase at the same level as the rate peg for most Councils and is estimated at 3%.

The forward estimates estimate at the end of the four-year period a balance of \$1,248,330 which will ensure ongoing financial sustainability of the organisation

3. Internal Audit

The internal audit covers the shared service that the CRJO operates for Snowy Monaro, Goulburn Mulwaree, Upper Lachlan, and Yass Valley Councils. The Internal Audit function also operated within the CRJO. This function is self-funded by the participating Councils and the CRJO costs are covered by the administration and management of this function.

4. Connect Waste Management

The CRJO receives an annual grant from the EPA to coordinate waste management in the region. The activities include education (at a community, school, and social media level), recycling initiatives, household chemical collection as well as the implementation of the waste management strategy (endorsed by the Board in December 2022). This function is fully funded by the grant and contributes thru management fees to the management of the CRJO.

5. Contaminated Lands

The CRJO was funded by the EPA for 5 years to assist Councils with the identification and management of contaminated lands as well as developing on going policy and procedures. This grant and funding by the State Government has now ceased and although there are some accumulated funds still unspent – this will be used in 2023/24 to assist Councils with the implementation of the policies and procedures and also to give advice of new contaminated lands that may be identified. From July 2023 this activity is now the primary responsibility of each Council.

6. Resilience Connect

This program is funded from Regional NSW to implement disaster procedures into the Council practices and IP&R documents. There are also projects being developed and implemented including a robust social media and website awareness initiative, Inclusive Disaster Management across all communities and Emergency Services and a Community Solar and Micro-Grid Development program.

7. Circular Economy

This grant funded program is developing a business case for a waste circular economy. The project is well underway and will be completed in the 2023 calendar year.

8. Connecting Community Resilience

The CRJO received a grant from the Reconstruction Authority to assist other JO's in the State to implement the resilience program and ensure that the resilience program was successful in the implementation of the member Councils IP&R program.

9. Connect Net Zero Emissions

This program funded by the EPA is to ensure that within the CRJO region that the State Government net zero emission policy is implemented throughout Councils processes and actions. This is a program that has enormous benefits to Councils to ensure that this region is focused on that state and federal government direction.

10. Connecting the Region

As we move forward, we are constantly investigating opportunities for future region funding that will benefit our member Councils. The funding for the 2023/24 financial year is assured. We have made an allocation for future years to ensure that the CRJO continues to deliver high quality outcomes that benefit the region. We are confident because of the fabulous relationship we have with State Government and the fact they have acknowledged that we deliver those quality outcomes that we will continue to receive grants for projects. If those grants are not forthcoming then the CRJO will constantly review resources that have been engaged.

GMAG as part of the review of the strategic plan will drive the future needs. We should focus on grant opportunities. Training and development and share services that benefit member Councils

The overall financial position at the end of this four-year period of forward estimates a strong and robust position.

11.6. Financial Statements

Author: Warwick Bennett, Chief Executive Officer

Attachments: 1. CRJO Financial Statement July 2022 – April 2023

RECOMMENDATION

That Board receive the CRJO Finance Report and note the financial position of the Organisation at 30 April 2023.

REPORT

For the year to date ending 30 April 2023, the Canberra Region Joint Organisation (CRJO) achieved an operating surplus of \$1,973k.

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

Program	YTD Income \$000	YTD Expenses \$000	YTD Operating Result \$000	YTD Budget \$000	YTD Variance \$000	Full Year Budget \$000
CRJO Operations	\$758	\$679	\$79	\$89	(\$10)	\$191
JO Capacity Building #2	\$150	\$8	\$142	\$0	\$142	\$0
Recovery & Resilience						
Drought Resilience	\$284	\$368	(\$84)	\$0	(\$84)	\$0
BCRRF - Vulnerable Contaminated Lands	\$73	\$53	\$20	\$0	\$20	\$0
BCRRF - Simtable	\$89	\$57	\$32	\$0	\$32	\$0
BCRRF - Blueprint	(\$36)	\$1	(\$37)	\$0	(\$37)	\$0
BLERF - Economic Recovery	\$819	\$654	\$165	\$545	(\$380)	\$0
DRRF – Disaster Recovery	\$292	\$88	\$204	\$0	\$204	\$0
ECC – Net Zero	\$93	\$18	\$75	\$0	\$75	\$0
Waste Programs						
Regional Support Fund*	\$607	\$386	\$221	\$62	\$159	(\$43)
Contaminated Lands	\$541	\$321	\$220	\$1	\$219	\$0
Circular Economy	\$1,002	\$66	\$936	\$0	\$936	\$0
Total Operating Result	\$4,672	\$2,700	\$1,973	\$697	\$1,276	\$148

Table 1.1

*Includes the following Programs: Regional Waste Education, Household Chemical Clean-Up, CRC Education and Container Deposit Scheme.

The operating surplus of \$1,973 for the year to date is due to:

- CRJO received three new Grants throughout the current financial year. This includes Disaster Risk and Recovery Fund (DRRF), Net Zero Acceleration Fund and Circular Economy (\$1,215k).

- CRJO also received extensions for two of its core Programs including Contaminated Lands (Eastern and Western Clusters) now extended to 31 December 2023 and the EPA Regional Coordination Support Fund, extended for a further five years (\$440k).
- The surplus/deficits of all other Programs simply represent the timing in which the Programs are delivered. Program surpluses at 30 June will be carried forward to the 2023/24 financial year.

Notable variances to budget (YTD):

- As above, unbudgeted grant funding of \$1,215k has been received to date from the Disaster Risk and Recovery Fund (DRRF), Net Zero Acceleration Fund and the Circular Economy.
- The Contaminated Lands Program is favourable to budget by \$220k due to the extension of current Program by six months to 31 December 2023.

Cash Balances

As at 30 April 2023, CRJO holds a cash balance of \$1,470k. Table 1.2 below provides a summary of the distribution of cash across the core Programs.

Programs	Opening Balance 1 Jul 2022 \$000	Cash Receipts \$000	Cash Outgoings \$000	Closing Balance 30 April 2023 \$000
CRJO Operations	\$914	\$638	\$676	\$876
JO Capacity Building #2	\$150	\$0	\$5	\$145
Recovery & Resilience				
Drought Resilience	(\$15)	\$400	\$469	(\$84)
BCRRF - Vulnerable Contaminated Lands	\$28	\$0	\$53	(\$25)
BCRRF - Simtable	\$75	\$0	\$85	(\$10)
BCRRF - Blueprint	(\$6)	\$0	\$91	(\$97)
BLERF - Economic Recovery Fund	\$130	\$695	\$661	\$164
DRRF – Disaster Recovery	\$0	\$291	\$87	\$204
ECC – Net Zero	\$0	\$93	\$18	\$75
Waste Programs				
EPA - Regional Support Fund*	\$267	\$372	\$415	\$224
EPA - Contaminated Lands	\$186	\$185	\$323	\$48
DRNSW - Circular Economy	\$0	\$0	\$50	(\$50)
Total Cash on Hand	\$1,729	\$2,672	\$2,933	\$1,470

Table 1.2

*Includes the following Programs: Regional Waste Education, Household Chemical Clean-Up, CRC Education and Container Deposit Scheme.

Notable business as usual upcoming expenditure:

- GST, PAYG and superannuation payments totalling \$100k will be paid in May 2023.
- \$513k of the cash balance remains in a three-month Term Deposit. This deposit makes up the unrestricted cash balance of the Organisation. The Term Deposit continues to be invested over a rolling three months with interest rates slightly improving.

11.7. External Audit Report

Author: Warwick Bennett, Chief Executive Officer

- Attachments:**
1. General Purpose Financial Statements for year ending 30 June 2022
 2. Letter of Representation
 3. Engagement Closing Report

RECOMMENDATION

That the CRJO Board note the CRJO Financial Statement and Letter of Representation.

REPORT

The CRJO audit for financial year ending 30 June 2022 commenced in August 2022 and finalised in May 2023. Compared to prior audits, the 2021/22 audit presented significant challenges that severely impacted the efficiency of the audit itself and the ability to meet legislative timeframes due to the absence of finalised Financial Statements.

The audit focused on a number of key areas including:

- Impacts of the COVID-19 Pandemic;
- Information Technology General Controls;
- Cyber Security;
- Corporate Governance: Audit, Risk and Improvement Committee (ARIC); and
- Grant Recognition.

In each of the focus areas, with the exception of Grant Recognition, the audit found no reportable matters or resulting misstatements within its Financial Statements.

In regard to Grant Recognition, a review of the accounting treatment of the contract assets and liabilities in compliance with AASB 15 'Revenue from Contracts with Customers' did identify an error in financial years 2019/20 and 2020/21.

The prior period error of \$306k was identified in relation to 10 grants/projects where income received for those grants was recognised in the year in which the income was received, rather than in the year in which the performance obligation/condition of the grant was met. As a result, CRJO undertook a restatement of these prior years to correct the error.

Overall, CRJO finished the year in a strong financial position with a surplus of \$398k and a closing cash balance of \$1,730k. Throughout the year, CRJO successfully managed 21 individual Programs with total Grant Funding of \$3m and has been building on these core Waste and Resilience Programs into 2023.

11.8. State Government Update June 2023

Author: Warwick Bennett, Chief Executive Officer

Attachments: Nil

RECOMMENDATION

That the verbal update from State Government representatives be received.

REPORT

The State Government representatives in attendance will provide a verbal update to the CRJO Board.

12. Confidential Matters

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

13. Close

The Chairperson, Mayor Russell Fitzpatrick will close the meeting.