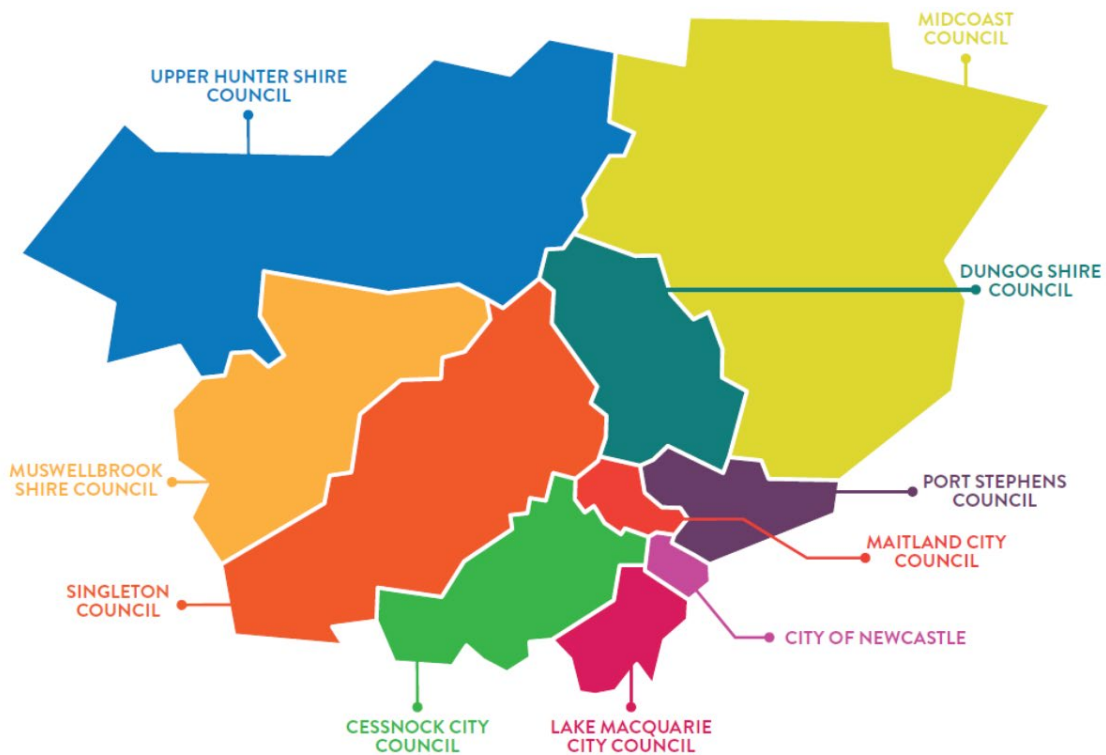


Hunter JO Board Meeting
11.30am, Thursday 11 April 2024
Hunter Warbirds Facility – Walter Pye Avenue, Scone NSW

To join online:

[Click here to join the meeting](#)



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1. Welcome and Apologies

1.1 Acknowledgement of Country

We acknowledge the country and history of the traditional custodians of the lands upon which we meet today. We pay our respects to the Elders past, present and emerging, of our region, and of Australia.

1.2 Conflicts of Interest

Hunter JO Strategic Theme / Advocacy Priority:	Governance and Leadership
Objective(s):	5.1.2 Support effective leadership, decision making and good governance by the Hunter JO Board.
Report Author:	Tim Askew, Director Policy & Programs
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report calls for any conflicts of interest to be declared and noted by the Hunter JO Board.

Recommendations:

- **That any Conflicts of Interest be declared and noted**

Background

The following process was endorsed by the Hunter JO Board at its December 2023 meeting, for declarations of any conflicts:

1. At the start of each meeting, the Chair will call for any conflicts from Board Members
2. If any conflicts are declared within the meeting;
 - a. the Board Member making the declaration will complete the [Hunter JO Conflict of Interest Form](#) within 10 business days of the meeting, for record-keeping (on submission, a copy of the completed form is provided to the Secretariat and the Chair)
 - b. The declaration will be added to the register, included at Annexure A, to be kept as a record for the course of the financial year within which the declaration was made.
3. The Conflict of Interest Register will be noted at each meeting of the Hunter JO Board

For any Gifts or Benefits received by any Board Members or Staff in their role with the Hunter JO, the following form should be completed: [Gifts & Benefits Disclosure Form](#)

The Gifts & Benefits Register will be reviewed and noted annually by the Board, following the end of financial year.

Discussion:

If discussion is required for any conflicts of interest declared, the Chair will lead this discussion.

Financial / Resourcing Implications: N/A

Next steps: N/A

Appendices* / Attachments**:

- Appendix 1.2-A: Hunter JO Conflict of Interest Register

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Appendix 1.2-A: Hunter JO Conflict of Interest Register

The Chair asks for any potential Conflicts of Interest to be declared from members of the Board.

That, if any potential conflicts are declared, the interest be included in the below Register at Appendix A, and the Director in question complete the Hunter JO Conflict of Interest Declaration form to submit to the Secretariat.

Name of Board Member	Description of interest	Has the Board been notified?	Date of disclosure	Steps taken by Board for dealing with the conflict	Board Member actions to address the conflict

2. Election for the Hunter JO Chairperson

Hunter JO Strategic Theme:	Governance and Leadership
Objective(s):	5.1.2 Support effective leadership, decision making and good governance by the Hunter JO Board
Report Author:	Steve Wilson, Director Hunter JO
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

Recommendations:

That the Hunter JO Board:

1. **Accept nominations for the position of Chairperson.**
2. **That in the event of there being more than one nominee, the Hunter JO Board determine by resolution, the method by which the election be conducted being: preferential ballot, ordinary ballot or open voting.**
3. **That the Returning Officer conduct the election for the position of Chairperson.**
4. **That the elected Chairperson hold office until the NSW Local Government elections on Saturday, 14 September 2024**

Background:

Cr Sue Moore, the current Hunter JO Chairperson, was elected on 10th February 2022, to “*hold office for a two-year period through to February 2024*”. Changes to the timing of the previous NSW Local Government election and condensed term duration, mean that the election cycle for the Hunter JO Chairperson is currently out of sync with that of the broader NSW Local Government election cycle.

This will be rectified when the new Hunter JO Board elects a new Chair and Deputy Chair at its first meeting after the 2024 NSW Local Government elections, for which subsequent elections for both roles will then occur on a two-yearly cycle. In the meantime, it means that an election is required to fill the Chairperson role until the NSW Local Government elections on Saturday, 14 September 2024. Cr Jay Suvaal, the current Hunter JO Deputy Chairperson was elected on 9th June, however no end date for that for that term was established. As such, no election for the role of Deputy Chairperson is currently required.

The election will be conducted by the Returning Officer (Director Hunter JO), as per the *Local Government (General) Regulation 2021*.

Discussion:

As per the Hunter JO Code of Conduct it is required that the election of the Chairperson be the first item of business within the meeting. The following is taken from the Code of Conduct:

5.3. If no chairperson is present at a meeting of the board at the time designated for the holding of the meeting, the first business of the meeting must be the election of a chairperson to preside at the meeting.

5.4. The election of a chairperson must be conducted:

- a) by the executive officer or, in their absence, an employee of the board designated by the executive officer to conduct the election, or*
- b) by the person who called the meeting or a person acting on their behalf if neither the executive officer nor a designated employee is present at the meeting, or if there is no executive officer or designated employee.*

5.5. *If, at an election of a chairperson, two (2) or more candidates receive the same number of votes and no other candidate receives a greater number of votes, the chairperson is to be the candidate whose name is chosen by lot.*

5.6. *For the purposes of clause 5.5, the person conducting the election must:*

- c) arrange for the names of the candidates who have equal numbers of votes to be written on similar slips, and*
- d) then fold the slips so as to prevent the names from being seen, mix the slips and draw one of the slips at random. 5.7. The candidate whose name is on the drawn slip is the candidate who is to be the chairperson.*

5.8. *Any election conducted under clause 5.3, and the outcome of the vote, are to be recorded in the minutes of the meeting.*

The Nomination Form for Chairperson elections was circulated to all Board Members on 15 March 2024, along with the process that the election will follow, which has also been included below:

Election Process within the Meeting

- 1. In the absence of a Chairperson, the returning officer assumes the Chair at the start of the first board meeting and announces that the first item of business is to elect a Chairperson*
- 2. The returning officer will then read out the names of the nominees, and will again seek confirmation that the nominee has accepted the nomination*
- 3. If only one voting representative has been nominated for the position of Chairperson, the nominee is elected*
- 4. If more than one candidate is nominated, the voting representatives must determine by resolution the method of voting for the position of Chairperson (i.e. open voting or secret ballot). In the event of a hybrid meeting format (ie, some attendees in person and some virtual), we will need the co-operation of board members on the voting method. Essentially, unless each mayor is present in the room, the only way to conduct the election is using open voting (a secret ballot must be done in person and would mean those attending virtually would forego their vote).*
- 5. Using open voting, the candidate with the most votes is elected Chairperson. However, if there are two or three candidates with an equal number of votes, the candidate elected will be chosen by lot (i.e. the names are written on slits of paper, folded, mixed, and one is drawn at random by the returning officer)*

Financial / Resourcing Implications:

Nil

Next steps:

1. The elected Chairperson will hold office until the NSW Local Government elections on Saturday, 14 September 2024.
2. Elections for both the Hunter JO Chair and Deputy Chair roles, for two-year terms, will be held at the first meeting of the new Hunter JO Board following the elections.

Appendices* / Attachments:**

Attachment 2-1. Nominations received for the position of Chairperson (as of 4 April 2024)

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

3. Minutes of Previous Meeting

3.1 Minutes of Meeting 15 February 2024

Hunter JO Board Meeting Minutes

Thursday 15 February 2024

Singleton Council, 12-14 Queen Street, Singleton NSW 2330

Voting Directors Present

Cr Jay Suvaal	Cessnock City Council
Cr John Connors	Dungog Shire Council
Cr Kay Fraser	Lake Macquarie City Council
Cr Philip Penfold	Maitland City Council
Cr Claire Pontin	MidCoast Council
Cr Steve Reynolds	Muswellbrook Shire Council
Cr Ryan Palmer	Port Stephens Council
Cr Sue Moore	Singleton Shire Council (Chair)
Cr Maurice Collison	Upper Hunter Shire Council

Non-Voting Directors Present

Ken Liddell	General Manager, Cessnock City Council
Gareth Curtis	General Manager, Dungog Shire Council
Morven Cameron	CEO, Lake Macquarie City Council
Jeff Smith	General Manager, Maitland City Council
Adrian Panuccio	General Manager, MidCoast Council
Jeremy Bath	CEO, City of Newcastle
Derek Finnegan	General Manager, Muswellbrook Shire Council
Tim Crosdale	General Manager, Port Stephens Council
Jason Linnane	General Manager, Singleton Council
Greg McDonald	General Manager, Upper Hunter Shire Council
Shaun O'Sullivan	Director Regional Coordination & Delivery, – Hunter New England, Regional NSW

Apologies

Cr Nuatali Nelmes	City of Newcastle
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Staff in attendance

Steve Wilson	Director Hunter JO
Tim Askew	Director of Programs, Hunter JO
Louisa Bulley	Executive Officer (Secretariat)
Lisa Lord	Chief Operating Officer (Arrow)

The formal meeting opened at 1.00pm

Item 1 Welcome and Apologies

1.1 Acknowledgements of Country

The Chair opened the meeting and welcomed the Board with an Acknowledgement of Country.

1.2 Conflict of Interest

The Chair called for any conflicts of interest to be registered by members of the Board.

Recommendation: *That any Conflicts of Interest be declared and noted.*

NB: *The recommendation was not formally carried. To be considered at 11th April 2024 Board Meeting.*

Item 2 Minutes of Previous Meeting

2.1 Minutes of Meeting 14 December 2023

The minutes of meeting 14 December 2023 were taken as read.

Item 3 Confirmation of Minutes & Business Arising from Minutes

Resolved: *That the minutes of the Hunter JO Board Meeting held on 14 December 2023 be received and noted.*

Moved: *Cr Jay Suvaal, Seconded: Cr Ryan Palmer, Carried.*

Item 4 Hunter JO Risk Register & Reporting

Recommendation:

- *That the Hunter JO Board note the Hunter JO Risk Register.*
- *That the Hunter JO Board identify any new risks for inclusion on the Risk Register*

NB: *The recommendation was not formally carried. To be considered at 11th April 2024 Board Meeting.*

Item 5 Presentations

Nil.

Item 6 Correspondence

Recommendation:

- *That the correspondence be received and noted.*
- *In response to the correspondence from City of Newcastle, that the Hunter JO host a Hunter Region Ministerial Roundtable that:*
 - *Broadens the list of Ministerial invitations to include the Hon. Tara Moriarty, MLC Minister for Agriculture and Minister for Regional New South Wales, and other Ministers holding portfolios that link directly to the Hunter JOs core advocacy priorities is delivered in place of an existing scheduled Hunter JO Board meeting.*

NB: *The recommendation was not formally carried. To be considered at 11th April 2024 Board Meeting.*

Item 7 Items for the Hunter JO Board – For Decision

7.1 Planning for 2024 ALGA National General Assembly

Steve Wilson Director Policy and Programs, Hunter JO spoke to this report and sought endorsement from the Board for the recommendation.

Resolved:

That the Hunter JO Board confirm interest in the Hunter JO team:

- *Commencing planning to convene meetings of Federal Members and Local Government Councillors during the 2024 Annual General Assembly between 2-4 July 2024*
- *Coordinating a process to develop a list of shared regional motions to be put forward on behalf of the ten Member Councils by the closing date.*

Moved: *Cr Steve Reynolds, Seconded: Cr Jay Suvaal, Carried.*

7.2 Hunter JO Funding and Grant Opportunities

Steve Wilson Director Policy and Programs, Hunter JO spoke to this report and sought endorsement from the Board for the recommendation.

Resolved:

That the Board

- *Note the update provided on the status of previously endorsed funding applications.*
- *Endorse the Hunter JO seeking Letters of Support from each member Council to support the Round 2 DRF Final Proposal being prepared.*

Moved: *Cr Clare Pontin, Seconded: Cr Steve Reynolds, Carried.*

Item 8 Items for the Hunter JO Board: For Noting

8.1 Hunter JO Financial Report

The report was taken as read and noted.

Resolved:

- That the Income Statement for period ending December 2023 be received and noted.
- That the summary of Credit Card expenditure for Hunter JO for Q1 and Q2 of the 2023-24FY be received and noted.
- That the Board note that the Member Contributions for the 2024-25FY, for both the Hunter JO and Environment Program will be calculated and presented to the Board at the April 2024 meeting.

Moved: Cr Jay Suvaal, **Seconded:** Cr Steve Reynolds, **Carried.**

8.2 Hunter JO Program Status Report

The report was taken as read and noted.

Resolved: That the report be received and noted.

Moved: Cr John Connors, **Seconded:** Cr Jay Suvaal, **Carried.**

8.3 Hunter JO Program 6-Monthly Program Report

The report was taken as read and noted.

Resolved: That the report be received and noted.

Moved: Cr John Connors, **Seconded:** Cr Claire Pontin, **Carried.**

8.4 Regional NSW Standing Update

The report was taken as read and noted.

Recommendation: That the Board note the Department of Regional NSW update.

NB: The recommendation was not formally carried. To be considered at 11th April 2024 Board Meeting.

Item 9 Matters Raised by Members

Nil.

Item 10 General Business

The Chair, Cr Sue Moore noted that it was the last meeting for Louisa Bulley, Hunter JO Executive Officer. The Chair thanked Louisa for her considerable work in supporting the Board and wished her all the best in the future.

Meeting closed 1.50pm.

Recommendations:

1. That the minutes of the Hunter JO Board Meeting held on 15 February 2024 be received and noted.
2. That the following recommendations from the 15th February 2024 meeting be formally endorsed and/or noted:
 - That any Conflicts of Interest be declared and noted.
 - That the Hunter JO Board note the Hunter JO Risk Register.
 - That the correspondence be received and noted.
 - In response to the correspondence from City of Newcastle, that the Hunter JO host a Hunter Region Ministerial Roundtable that:
 - Broadens the list of Ministerial invitations to include the Hon. Tara Moriarty, MLC Minister for Agriculture and Minister for Regional New South Wales, and other Ministers holding portfolios that link directly to the Hunter JOs core advocacy priorities is delivered in place of an existing scheduled Hunter JO Board meeting.
 - That the Board note the Department of Regional NSW update.

4. Confirmation of Minutes & Business Arising from Minutes

4.1 Hunter JO Board Action Register

I.D	Action	Mtg Date		Due	Notes
HJO-19-013	That a discussion of Audit, Risk and Improvement Committees be added to the agenda for the HJO for discussion at a later date.	29 Aug 2019	In progress	Revised Due date: April 2024 Revised Due date: March 2021 Revised Status: On Hold (no update since March 21)	<p>April 2024: Refer Agenda Item 8.4 “Comparison of Joint Organisation and Regional Organisation of Council Models” for discussion and recommendations regarding approach to ARIC.</p> <p>Feb 2024: Hunter JO Workshop for February 2024 to focus on ARIC issue.</p> <p>Aug 2023: With the final draft of the guidelines now provided by OLG (while still in draft), GMAC have asked that an update be provided to the Hunter JO Board at its October 2023 Meeting.</p> <p>Mar 2021: GMAC have discussed and indicated to put on hold until the framework is finalised and provided from OLG.</p> <p>GMAC 25 March 2021 meeting resolution is as follows: That no further investigation of shared resourcing of ARICs be completed until the OLG Framework has been finalised, and at that point only if member councils’ express interest in sharing resources (if this option is allowed within the Framework).</p>
HJO-23-017	<ol style="list-style-type: none"> That the Hunter JO Board request the Director Hunter JO and Chair of GMAC to support the Chair of the Hunter JO in making the necessary enquiries with the Department of Regional NSW and, if the Hunter JO Chair determines appropriate, the Minister, regarding the Hunter JO have direct representation on the Expert Panel, in position rather than in person. That the Director Hunter JO and Chair of GMAC report back to the Hunter JO Board on these enquiries. 	10 Aug 23	Completed	14 Dec 23	<p>April 2024. Meeting confirmed between The Hon Courtney Houssos and Chair Hunter JO for 8th May 2024, providing the potential to further discuss this request.</p> <p>Feb 24: Response received from The Hon Courtney Houssos included in Meeting Correspondence.</p> <p>Dec 23: Letters to the Hon Tara Moriarty MLC, Minister for Regional NSW and the Hon Courtney Houssos MLC, Minister for Natural Resources included in Correspondence. Reply pending.</p>
HJO-23-018	<ol style="list-style-type: none"> That GMAC be asked to report to the next meeting of the JO on the feasibility of transferring all staff engaged 	10 Aug 23	In progress	April 2024	<p>April 2024. Recommendations regarding the transfer of staff included in Confidential Agenda Item 8.3 “Feasibility of transferring Policy & Programs staff from Arrow to the Hunter JO”. Correspondence received from the OLG (refer</p>

I.D	Action	Mtg Date		Due	Notes
	<p>in the regional policy and program delivery unit from Arrow to the JO.</p> <p>2. That as an interim measure pending a consideration of the report anticipated in 1 above and advice from the Minister for Local Government (3 below), the circumstances set forth in confidential annexure 'A' to this recommendation be considered as extenuating circumstances pursuant to s.55(3)(i) of the Local Government Act.</p> <p>3. That a copy of this recommendation (including confidential annexure 'A') be forwarded to the OLG referencing our earlier meetings and correspondence and seeking concurrence to the action now taken and requesting advice on the current position with respect to the request to the Minister as to the possible breach(s) of s.55 of the Local Government Act.</p> <p>4. In accordance with Section 10A (2)(a) Local Government Act 1993 Annexure A remain confidential as deals with 'personnel matters concerning particular individuals (other than councillors)'</p>				<p>Correspondence) acknowledging process being undertaken by the Hunter JO and seeking further information.</p> <p>Feb 2024: No response yet received from Office of Local Government from Hunter JO correspondence sent September 2023.</p> <p>December 2023: Report provided at Item 7.1</p>
HJO-23-023	That the Hunter JO write to the Minister for Tourism, Destination NSW, and Supercars 500, supporting maintaining a Supercars event in the Hunter Region. Noting the decision for City of Newcastle not to hold the event and the expiration of the contract with Destination NSW and Supercars 500.	14 Dec 23	Complete	April 2024	<p>April 2024: Reply from Destination NSW included in correspondence.</p> <p>Feb 2024: Correspondence sent.</p>
HJO-24-001	That the Hunter JO host a Hunter Region Ministerial Roundtable that broadens the list of Ministerial invitations to include the Hon. Tara Moriarty, MLC Minister for Agriculture and Minister for Regional New South Wales, and other Ministers holding portfolios that link directly to the Hunter JOs core advocacy priorities is delivered in place of an existing scheduled Hunter JO Board meeting.	15 Feb 24	In progress	August 2024	<p>April 2024: No action to date. Recommendation to be formally endorsed during 11th April 2024 Board meeting. Initial planning / focus to be incorporated within Board workshop session on "Strategic Advocacy Planning".</p>
HJO-24-002	That the Hunter JO team:	15 Feb 24	In progress	June 2024	<p>April 2024:</p> <ul style="list-style-type: none"> Four priority regional motions approved via circular resolution.

I.D	Action	Mtg Date		Due	Notes
	<ul style="list-style-type: none"> Commences planning to convene meetings of Federal Members and Local Government Councillors during the 2024 Annual General Assembly between 2-4 July 2024. Coordinating a process to develop a list of shared regional motions to be put forward on behalf of the ten Member Councils 				<ul style="list-style-type: none"> Member Councils have been invited (via the General Managers) to nominate interest in administratively lodging one or more of the priority motions on behalf of region. Initial meeting invitations sent to target Ministers. 11th April Board workshop session to explore the nature and focus of further collaborative activities to be undertaken while in Canberra.
HJO-24-003	That the Hunter JO seek Letters of Support from each member Council to support the Round 2 DRF Final Proposal being prepared.	15 Feb 24	Complete	15 March 2024	April 2024. Letters of support provided by all Member Councils.

Recommendation:

- That the status of actions included in the Register be noted.

5. Hunter JO Risk Register & Reporting

Hunter JO Strategic Theme / Advocacy Priority:	Governance & Leadership
Objective(s):	5.1.1 Demonstrate a high standard of transparency and accountability through Hunter JO Board involvement and timely reporting practices.
Report Author:	Bonnie Gradwell, Administration and Events Officer
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report provides, for noting, a copy of the Hunter JO Risk Register, and asks that the Board raise any additional risks for noting within the meeting, to be added to the register.

Recommendations:

1. That the Hunter JO Board note the Hunter JO Risk Register
2. That the Hunter JO Board identify any new risks for inclusion on the Risk Register

Background:

The Hunter JO audit for the 2022-23 financial year identified the need to regularly review and report to the Board the status of new and ongoing risks identified in the Hunter JO Risk Register.

Discussion:

The risks included in the register (refer Attachment 5-1) have been identified by the Director Hunter JO, Director of Programs and Arrow Chief Operating Officer, as well as through the Hunter JO Audit processes.

The process for maintaining the risk register includes:

1. The Risk Register is reviewed monthly between the Director Hunter JO, Director of Programs and Arrow Chief Operating Officer, to identify any new risks, and evaluate and update those already on the register.
2. The Register is also brought for review monthly to a meeting of the Hunter JO Policy & Programs Team.
3. The Register is reported to each meeting of the Hunter JO Board, with an invitation for any new risks to be identified within the meeting for inclusion on the register.
4. An overall review of the Governance & Risk Framework is also undertaken annually in line with the Hunter JO Governance & Compliance Calendar.

Financial / Resourcing Implications:

Review and reporting of the Risk Register is undertaken within existing Hunter JO & Arrow (COO) staff resources.

Next steps:

Appendices* / Attachments**:

- Appendix 5-A: Hunter JO Compliance Checklist 2023-24FY
- Attachment 5-1: Hunter JO Risk Register (Refer to confidential attachments)
- Attachment 5-2: Hunter JO Board Forward Planner & Governance Calendar 2023-25


*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Appendix 5-A: Compliance Checklist: 2023-23FY

Item	Company	Category	Frequency	Responsible	Approval	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Hunter Joint Organisation Audit (Auditor-General)	HUNTER JO	Legislative Compliance	Annual	COO Arrow	Director Hunter JO	☑	☑										
Hunter JO Annual General Meeting & presentation of audited accounts	HUNTER JO	Legislative Compliance	Annual	Director Hunter JO	Hunter JO Board				☑								
Lodgement of Audited Financial Statements to OLG	HUNTER JO	Legislative Compliance	Annual	Director Hunter JO	Hunter JO Board				☑								
Submission of Hunter JO Annual Performance Statement to OLG	HUNTER JO	Legislative Compliance	Annual	Director Hunter JO	Hunter JO Board					☑							
Hunter JO Pecuniary Interest Declaration Form to be sent to Mayors for completion (as well as CEO/Director)	HUNTER JO	Legislative Compliance	Annual	Director Hunter JO	Hunter JO Board			☑									X
Hunter Joint Organisation Audit (Auditor-General)	HUNTER JO	Legislative Compliance	Annual	COO Arrow	Director Hunter JO	☑	☑										
Tabling of Hunter JO Pecuniary Declarations at Hunter JO Board Meeting	HUNTER JO	Legislative Compliance	Annual	Director Hunter JO	Hunter JO Board				☑								

Key:

 **Green – Completed**

 **Orange – Due date/to be completed by**

 **Red – Not completed on schedule**

6. Presentations

Nil presentations planned for meeting.

7. Correspondence

Hunter JO Strategic Theme / Advocacy Priority:	Governance & Leadership
Objective(s):	5.3.1 Facilitate Intergovernmental collaboration to identify and take up opportunities that align with our strategic regional priorities, Advocacy Framework and Priorities Document and Hunter JO Board and Subcommittees.
Report Author:	Bonnie Gradwell, Administration and Events Officer
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report provides an update on correspondence sent and received in relation to the Hunter Joint Organisation Board.

Recommendation:

- **That the correspondence be received and noted.**

Background: N/A

Discussion: N/A

Financial / Resourcing Implications: N/A

Next steps: N/A

Appendices* / Attachments:**

Correspondence Sent:

- Attachment 7-1: Correspondence to Brett Whitworth re: Procurement Issue, 28 March 2024

Letters of Support for Funding Applications

Funding Program	Letters provided to:
Disaster Ready Fund	<ul style="list-style-type: none">• Illawarra Shoalhaven Joint Organisation• Canberra Regional Joint Organisation• Riverina and Murry Joint Organisation• Central NSW Joint Organisation• Mid North Coast Joint Organisation• Far North West Joint Organisation• Gender & Disaster Australia
Regional Precincts & Partnership Program	<ul style="list-style-type: none">• The University of Newcastle

Correspondence Received:

- Attachment 7-2: Correspondence from Brett Whitworth re: Matters relating to Hunter JO and Arrow, 15 February 2024

- Attachment 7-3: Correspondence from Destination NSW re: Maintaining Supercars, 28 February 2024
- Attachment 7-4: Correspondence from Office of Minister Houssos re: confirming meeting date, 28 February 2024
- Attachment 7-5: Correspondence from NSW Audit Office re: Hunter JO Final Management Letter, 11 March 2024 (Refer to confidential attachments)
- Attachment 7-6: Correspondence from Brett Whitworth re: Hunter JO procurement arrangements with Arrow, 12 March 2024

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

8. Items for the Hunter JO Board: For Decision

8.1 Closure of the Meeting (Confidential Session)

In accordance with section 11.1 of the Hunter JO Code of Meeting Practice and section 10A(2) of the *NSW Local Government Act 1993*, it is proposed to close the meeting to the public for discussion of Agenda Items 8.2, 8.3 and 8.4 (refer Confidential Papers). These items incorporate discussion of personnel matters (other than voting representatives).

Recommendation:

- **That the meeting be closed to the public for discussion of Agenda Items 8.2, 8.3 and 8.4.**

8.2 Hunter JO Leadership and Governance Review (Confidential)

Refer to Confidential Papers.

8.3 Transfer of Policy & Programs staff from Arrow to the Hunter JO (Confidential)

Refer to Confidential Papers.

8.4 Comparison of Joint Organisation and Regional Organisation of Councils Models (Confidential)

Refer to Confidential Papers.

8.5 Reopening the Meeting to the Public

No further items are recommended for consideration in closed session.

Recommendation:

- **That the meeting be reopened to the public**
- **That the open meeting be advised of any decisions occurring during the closed meeting session.**

Hunter JO Strategic Theme / Advocacy Priority:	Governance & Leadership
Objective(s):	5.1.3 Ensure the long-term financial sustainability of the Hunter JO, including sound financial decisions that are consistent with our risk management framework.
Report Author:	Lisa Lord, Chief Operations Officer (Arrow)
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report provides, for endorsement, the member contributions for the Hunter JO and Environment Program for 2024-2025.

Recommendation:

- **That the Board endorse the Member Contributions for the Hunter JO and Environment Program for the 2024/25 Financial Year.**

Background:

As resolved by the Hunter JO Board at the 13th February 2020 board meeting, the contributions for member councils to fund the Hunter JO are determined as follows:

1. Member contributions comprised of a fixed contribution of \$25,000 per member council and a variable fee contribution using a hybrid model of 50% determined by population and 50% determined by rate base.

For the past two years, each year's contribution has been increased annually, based on the council's applicable rate peg.

Discussion: N/A

Financial / Resourcing Implications:Member Contributions – Hunter JO

A summary of member council contributions to the Hunter JO is included below:

Members	RATE PEG INCREASE		
	Total Contribution 24/25	Total Contribution 23/24	Rate Peg 24/25
Cessnock	53,881.46	50,901.37	5.3%
Dungog	32,286.60	30,933.87	4.5%
Lake Macquarie	113,955.56	107,783.57	5.6%
Maitland	68,653.17	66,401.08	5.0%
MidCoast	71,630.85	67,980.49	5.2%
Muswellbrook	36,581.25	34,976.56	4.5%
Newcastle	110,189.96	104,687.00	5.2%
Port Stephens	56,363.06	54,456.38	4.8%
Singleton	39,924.29	37,381.54	5.7%
Upper Hunter	33,900.16	32,291.24	4.5%
Total Member Councils Fees	617,366.35	587,793.10	5.0%

The following assumptions underpinning the contribution are as follows:

2. Member Rates increased by applicable council rate peg, as published by IPART November 21, 2023
3. Variable Fees for population based on ABS report published April 20, 2023
4. Variable Fees for rate base, based on Council Audited Financial Statements 2023.
 - o *Where Financial Statements were not available, an average of the past two years was used.*

The % increase does not directly reflect the rate peg % increase, as the variable fee (based on population and rate base) changes from year to year, affecting the total paid by each council.

Environment Program Contributions

A summary of member council contributions to the Environment Program is included below:

Participating Council	24/25	23/24
Cessnock	35,753.00	34,344.86
Dungog	17,013.25	16,343.18
Lake Macquarie	35,753.00	34,344.86
Mid Coast	35,753.00	34,344.86
Maitland	35,753.00	34,344.86
Newcastle	35,753.00	34,344.86
Port Stephens	35,753.00	34,344.86
Singleton	24,303.53	23,346.33
Upper Hunter	21,873.07	21,011.59
Muswellbrook	19,443.71	18,677.92
Central Coast	35,753.00	34,344.86
TOTAL	\$ 332,905	\$ 319,793

The following assumptions underpinning the contribution are as follows:

- Member contributions increased by December 2023 CPI of 4.1%.

Next steps:

To apply member council contributions to 2024/2025 Budget.

Appendices* / Attachments:** N/A

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Hunter JO Strategic Theme / Advocacy Priority:	All Strategic Plan themes
Objective(s):	<p>5.3 We build strong collaborative partnerships and encourage innovation</p> <p>5.3.1 Facilitate intergovernmental collaboration to identify and take up opportunities that align with our strategic themes, advocacy priorities and Hunter JO Board and Subcommittees.</p> <p>5.3.3 Build regional capacity and expertise in Councils through the development of program resources, provision of technical support and expertise, and facilitation of collaborative knowledge sharing forums.</p>
Report Author:	Tim Askew, Director of Programs, Hunter JO
Responsible Manager:	Tim Askew, Director of Programs, Hunter JO

Executive Summary:

This paper provides an update on the status of previously submitted funding applications endorsed by the Board and seeks endorsement of new funding proposals recently submitted.

<p>Recommendations:</p> <p>That the Board</p> <ol style="list-style-type: none"> Endorse the new funding application submitted to the Local Government Waste Solutions Fund (ie Circular Procurement Phase 2) Note the status update on previously approved funding applications
--

Background:

Grant funding is a key source of revenue for the Hunter JO, underpinning the delivery of a range of capacity building, business case assessment and strategic planning projects and initiatives that contribute directly to implementation of both the Hunter JO Strategic Plan 2032 and the Board’s core Advocacy Priorities.

Discussion:

New Funding Applications for Board Approval

Status	Grant	Amount
<p>Advice pending</p> <ul style="list-style-type: none"> Application submitted 15 March 2024 	<p>Funding Program: Local Government Waste Solutions Fund</p> <p><i>Project: Circular Procurement for Local Government Phase 2</i></p> <p>This project would continue the circular economy work on procurement systems and processes to assist our member councils procure more circular products and assist suppliers in meeting our specification requirements</p>	<p>\$349,413 (over 2 years)</p>

Status of Board Approved Grant Applications

Status	Grant	Amount
<p>Advice pending</p> <ul style="list-style-type: none"> • First round EOI successful • Full application submitted 20 March 2024 	<p>Funding Program: Australian Government’s Disaster Ready Fund</p> <p><i>Project: “Getting Local Government Disaster Ready – Disaster Resilience Capacity Building for the Hunter and Central Coast”</i></p> <p>This project will build resilience capacity and capability within 11 Hunter and Central Coast councils by supporting development of local and regional Disaster Adaptation Plans, embedding resilience into councils’ IP&R framework, facilitating a regional resilience network, and supporting community engagement.</p>	<p>\$851,271 (over 3 years)</p>
<p>Advice pending</p> <ul style="list-style-type: none"> • Proposal to extend program submitted. 	<p>Funding Program: Joint Organisations Net Zero Acceleration (JONZA)</p> <p><i>Project: 12-month extension of employment of Hunter Net Zero Coordinator</i></p> <p>This funding would continue employment of the Regional Net Zero Coordinator, to continue providing regional coordination of net zero projects across the Hunter Joint Organisation Member Councils.</p>	<p>Approx \$155,000 (1 year)</p>

Financial / Resourcing Implications

If successful, funding from these projects will contribute directly to the objectives and strategic directions included in the Hunter JO Strategic Plan 2032.

Next steps: N/A

Appendices* / Attachments:** N/A

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Hunter JO Strategic Theme / Advocacy Priority:	Governance and Leadership
Objective(s):	Support effective leadership, decision making and good governance by the Hunter JO Board.
Report Author:	Steve Wilson, Director Hunter JO
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report seeks to provide the Board with an assessment of the cumulative costs increases and shared impacts across the Member Councils of the annual financial audit process managed by the NSW Audit Office.

Recommendation:

- **That the Board write to the newly appointed NSW Auditor General Mr Bola Oyetunji, seeking a meeting to discuss the concerns and dissatisfaction across the Hunter JO Member Councils around the increasing financial and resource imposition of the annual audit process on Councils, and the focus and manner in which the audits are increasingly being conducted by the NSW Audit Office.**

Background:

In 2016 the *Local Government Act 1993* expanded the Auditor-General's mandate to include financial and performance auditing of local councils and council entities. Since that time the NSW Audit Office has been responsible for directly undertaking or managing consultants (engaged by the Audit Office) to complete the annual audits of Councils. Prior to this, Councils appointed their own auditors from the private consulting sector.

An analysis of the direct financial costs incurred by the Hunter JO Member Councils since 2017/16 has identified significant increases in annual costs over that time, including a substantial stepwise increase in 2022/23. Additionally, changes to the process and manner in which the audits are now conducted by the Audit Office, has further and significantly increased the internal staff capacity required within Councils to support the annual audit process.

Discussion:

Direct increase in annual audit costs

An analysis of the direct financial costs of the annual audits across the Hunter JO Member Councils is included in Appendix 8.8-A. This identifies:

- The cumulative cost across the Councils of completing the annual financial audit has increased from \$827,341 in 2017/18 to \$1,541,906 in 2022/23 – a total combined increase of \$714, 565 over six years.
- This represents a cumulative 73.7% increase in audit fees being incurred by the Councils, including a stepwise increase of 53.4% in the 2022/23 financial year. In comparison, this far exceeds the cumulative rate peg increase of 10.6% that has been applied to Councils over the same period.

Process and manner in which the audits are conducted.

At a broad level, the following concerns have also been identified by Councils in respect to the way the audits are being conducted by the NSW Audit Office, and the impacts these changes are increasingly having on the capacity and potentially reputation of Councils.

1. The NSW Audit Office has taken an approach to governance that is far more detailed and resource intensive than previously applied by the commercial sector. The duration of the audit program has increased substantially but the materiality of outcomes is much lower.

2. Significant increases in the level of information being requested of Councils. This includes documents and information that has never previously been requested despite being in the financial statements for many years.
3. Matters previously not identified as a management risk suddenly being identified as a high-risk issues, despite no significant change having occurred from previous years in regard to their management.
4. Councils having to allocate and in some cases employ more internal resources to be able to reach a satisfactory conclusion to the audit.
5. The local government sector received greater value from the audit process previously, when the commercial audit firms were able to partner with councils, allowing issues to be raised early and resolved within a reasonable outcome. In contrast, under audits conducted by the NSW Audit Office:
 - a. Documents and information continue to be requested for an extended period, even beyond the date agreed for the completion of the audit.
 - b. There are multiple layers of feedback and corrections, which result in multiple revisions and corrections, often on the same thing. Feedback is often provided very late by the auditor, but an immediate turnaround is requested.
 - c. Ongoing threat of qualification and timing pressure from the auditor.
 - d. The auditor routinely missing key deliverables, placing increased pressure on Council to be able to enact any change prior to the next audit period.
 - e. New information being requested late in the process, even though never raised previously in discussions relating to those matters.
6. Under the Audit Office process, little advice or collaboration occurs. The Audit Office does not engage in discussion about the interpretation of any matters until a position is submitted, which often takes considerable work.
7. No capacity to negotiate increased costs arising from overruns in the audit process by the auditor.
8. There appears to be minimal communication between the NSW Audit Office and the Office of Local Government, who are the two government bodies with the most influence on local government financial reporting.
9. Auditing staff not being appropriately experienced / qualified to understand and complete the complexity of a Council audit.

State-wide implications

It should be noted that the issues included in this report are not being experienced by the Hunter JO member councils alone. Engagement with the broader NSW Joint Organisation Network and LGNSW confirms that these issues are being experienced by Councils across NSW. As well as documenting and communicating the specific concerns of the Hunter JO Member Councils to the newly appointed NSW Auditor General, it is recommended that we continue to engage with the NSW JO Network and LGNSW to advocate for improvement on a coordinated statewide basis.

Financial / Resourcing Implications:

Nil - writing to the NSW Auditor General will be undertaken within existing Hunter JO staff resources.

Next steps:

1. Draft and forward correspondence to the newly appointed NSW Auditor General.

Appendices* / Attachments:**

- Appendix 8.8-A. Cumulative impact of the increasing costs of financial audits across the Hunter JO Member Councils

*Appendices are included directly following the report and inform the validity of the report

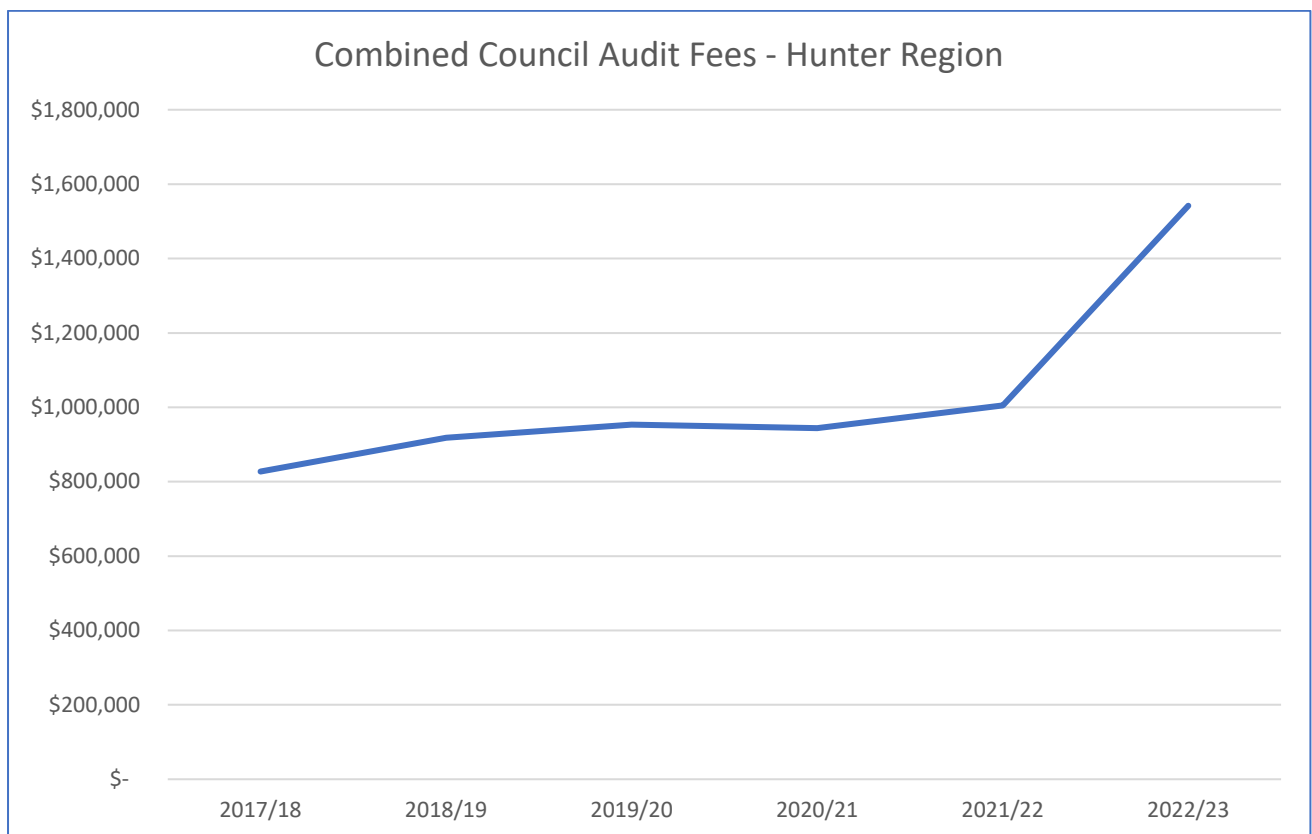
**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Appendix 8.8-A. Cumulative impact of the increasing costs of financial audits across the Hunter JO Member Councils

Figure 1. Combined Council Annual Audit Fees

Council	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
MidCoast	\$185,000	\$283,000	\$195,000	\$216,700	\$217,200	\$225,000
Port Stephens	\$76,000	\$82,000	\$98,900	\$80,800	\$87,150	\$100,505
City of Newcastle	\$119,000	\$126,500	\$148,600	\$134,250	\$138,100	\$200,000
Lake Macquarie	\$86,903	\$89,000	\$110,125	\$96,650	\$106,300	\$300,301
Cessnock	\$39,000	\$48,000	\$56,000	\$52,000	\$58,000	\$106,000
Maitland	\$67,058	\$68,000	\$78,700	\$74,150	\$84,900	\$109,600
Singleton	\$75,700	\$77,200	\$88,500	\$84,050	\$92,000	\$105,300
Dungog	\$36,000	\$43,200	\$47,000	\$55,000	\$60,000	\$110,000
Muswellbrook	\$78,230	\$53,600	\$72,218	\$91,082	\$82,465	\$200,000
Upper Hunter	\$64,450	\$47,500	\$58,000	\$59,700	\$79,200	\$85,200
TOTAL	\$827,341	\$918,000	\$953,043	\$944,382	\$1,005,315	\$1,541,906
Annual % change		11.0%	3.8%	-0.9%	6.5%	53.4%
Annual rate peg % increase		2.3%	2.7%	2.6%	2.0%	1.0%

Figure 2. Increase in combined Council Audit Fees



9. Items for the Hunter JO Board: For Noting

9.1 Hunter JO Financial Report

Hunter JO Strategic Theme / Advocacy Priority:	Governance & Leadership
Objective(s):	5.1.3 Ensure the long-term financial sustainability of the Hunter JO, including sound financial decisions that are consistent with our risk management framework.
Report Author:	Lisa Lord, Chief Operations Officer (Arrow)
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report provides, for noting, the year-to-date financial statements for the Hunter Joint Organisation.

Recommendations:

1. That the Income Statement for period ending February 2024 be received and noted.
2. That the summary of Credit Card expenditure for Hunter for Q1 and Q2 of the 2023-24FY be received and noted.

Background: N/A

Discussion:

Income Statement Summary

SUMMARY	ACTUAL	ACTUAL	FORECAST	YTD	YTD	ANNUAL	FORECAST
INCOME STATEMENT HIGHLIGHTS	Current Month	YTD	YTD	VARIANCE	PRIOR YEAR	BUDGET	BUDGET
HJO GROUP							
HUNTER COUNCILS INCORPORATED	(5,140)	1,009	6,721	(5,712)	64,795	8,073	8,073
HUNTER JOINT ORGANISATION	(15,116)	(56,271)	(80,052)	23,781	15,063	4,955	4,424
TOTAL NET PROFIT / (LOSS) - OPERATIONS	(20,256)	(55,261)	(73,330)	18,069	79,858	13,028	12,497
HJO Subsidy	-	-	-	-	-	-	-
Extraordinary Expenses	44,759	(94,259)	(98,971)	4,712	-	(49,500)	(98,971)
TOTAL GROUP NET PROFIT / (LOSS)	24,503	(149,520)	(172,301)	22,781	79,858	(36,472)	(86,474)

Hunter JO Year-to-Date (YTD) Net Loss stands at (\$56,271), currently exceeding budget expectations by 30% (\$80,052). The primary factor influencing this YTD financial outcome is the leave provision adjustment following the redundancy of Executive Officer.

Year-to-Date Net Results for Hunter Councils Incorporated (HCI) are lagging behind budget projections. This is primarily attributed to necessary repairs and maintenance, and a change to our billing period by electricity provider causing timing issues in the budget.

Balance Sheet Summary

SUMMARY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	HJO GROUP TOTAL
BALANCE SHEET HIGHLIGHTS			
ASSETS			
Cash	23,355	90,300	113,655
Trade Debtors	29,502	655,242	684,743
Property, Plant & Equipment	1,565,883	22,065	1,587,948
Intercompany Loans	(609,675)	(633,883)	(1,243,558)
Other	6,740	5,188	11,928
	1,015,805	138,910	1,154,715
LIABILITIES			
Trade Creditors	14,021	122,310	136,330
Employee Leave Entitlements	-	-	-
Unspent Grant Funding	-	-	-
Intercompany Loans	226,000	-	226,000
Other	6,218	241,633	247,850
	246,238	363,942	610,181
NET ASSETS	769,567	(225,032)	544,534
	1	-	
BALANCE SHEET METRICS			
Working Capital	59,597	750,729	810,326
Current Ratio [Target >1.5]	2.9:1	2.1:1	2.1:1
Liabilities to Assets %	24%	262%	53%
Cash Ratio [Target >1]	1.2:1	0.2:1	0.3:1

Cashflow Summary

SUMMARY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	HJO GROUP TOTAL
CASHFLOW HIGHLIGHTS			
OPENING BALANCE - CASH ON HAND	9,166	17,666	26,832
Net Cash - Operating	14,189	(30,358)	(16,169)
Net Cash - Investing	-	30,992	30,992
Net Cash - Financing	-	72,000	72,000
Cash - Net Increase / (Decrease)	14,189	72,634	86,823
CLOSING BALANCE - CASH ON HAND	23,355	90,300	113,655
Plus Trade Debtors / Creditors	15,481	532,932	548,413
AVAILABLE WORKING CAPITAL (CASH)	38,836	623,231	662,067
LESS RESTRICTED FUNDS			
Employee Leave Entitlements	-	-	-
Unspent Grant Funds	-	-	-
UNRESTRICTED FUNDS	38,836	623,231	662,067

For a more detailed breakdown of the Income Statement, Balance Sheet, and Cash Flow by company, please refer to the attached documents accompanying this report.

A copy of Credit Card Expenditure for the Hunter JO since 1 July 2023 has been included at Attachment 9.1-2 for noting. This is to provide greater visibility of all expenditure, as an outcome of the Hunter JO Audit 2022-23 (see Risk Register Item R22-036).

Interim audit process for the HJO have commenced on 4th April 2024.

Appendices* / Attachments:**

- Attachment 9.1-1: Hunter JO Financial Reports Feb 2024
- Attachment 9.1-2: Hunter JO Credit Card Report YTD Feb24 (Refer to confidential attachments)

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Hunter JO Strategic Theme / Advocacy Priority:	Governance and Leadership
Objective(s):	5.1.1 Demonstrate a high standard of transparency and accountability through Hunter JO Board involvement in timely reporting practices. 5.1.3 Ensure the long term financial sustainability of the Hunter JO, including sound financial decisions that are consistent with our risk management framework
Report Author:	Steve Wilson, Director Hunter JO
Responsible Manager:	Steve Wilson, Director Hunter JO

Executive Summary:

This report provides a copy of the 2023/24 Audit Plan that has been provided by the NSW Audit Office.

Recommendation:
<ul style="list-style-type: none"> • That the report be received and noted.

Background:

The Hunter JO is required to prepare annual audited financial statements, a process which is externally managed by the Audit Office of NSW. Prosperity Partners have been engaged by the Audit Office (as they were last year) to undertake the 2023/24 Hunter JO Audit.

Discussion:

Nil

Financial / Resourcing Implications:

The Hunter JO has no ability to influence the annual cost of its financial audit, given that the selection and appointment of the external auditor is managed entirely by the Audit Office of NSW. It is estimated that the 2023/24 audit will cost the Hunter JO \$29,100, which represents a continuing increase on previous years (refer following table).

Table: Increasing annual audit fees – Hunter JO

Financial Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Auditor		RSM	RSM	RSM *	Prosperity	Prosperity **
Audit Costs	15,000	15,000	15,150	16,000	27,700	29,085
Annual %		0.0%	1.0%	5.6%	73.1%	5.0%
Increase from RSM to Prosperity						81.8%

*Additional charge \$20,000 for further work not included in above

**Estimate only

Next steps:

Hunter JO Board Agenda 11 April 2024

The Director Hunter JO (Steve Wilson) and Arrow Chief Operating Officer (Lisa Lord) will work directly with Prosperity Advisors and the NSW Audit Office to implement the Audit Plan.

Appendices* / Attachments:**

- Attachment 9.2-1: 2023/24 Hunter JO Audit Plan (Refer to confidential attachments)

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Hunter JO Strategic Theme / Advocacy Priority:	Relevant to all four strategic themes
Objective(s):	5.3.3 Build regional capacity and expertise in Councils through the development of program resources, provision of technical support and expertise, and facilitation of collaborative knowledge-sharing forums.
Report Author:	Tim Askew, Director of Programs, Hunter JO
Responsible Manager:	Tim Askew, Director of Programs, Hunter JO

Executive Summary:

The Program Status Report provides the Board with an “at-a-glance” overview of the range of operational projects currently being delivered by the Hunter JO.

Recommendation:

- That the status report be received and noted.

Background:

Key information provided by the report includes:

1. Alignment of each project to the strategic themes included in the Hunter JO Strategic Plan 2
2. Project name
3. Source of project funding
4. Status of project delivery in relation to project schedule, resourcing and scope
5. Scheduled delivery date.
6. A brief update where any impacts on project schedule, resourcing and scope are being experienced.

Discussion: N/A

Financial / Resourcing Implications: N/A

Next steps: N/A

Appendices* / Attachments:**

- Appendix 9.3-A: Program Status Update Report

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

Appendix 9.3-A: Program Status Update Report

Strategic Themes	Project	Funding	Schedule	Resourcing	Scope	Delivery Date	Updates by Exception
CONNECTIVITY							
	Cycle Tourism Strategy (Shiraz to Shore)	Grant	On Track	On Track	On Track	31 March 2024	
	Airports Strategy (Freight and Logistics)	Grant	Completed	Completed	Completed	31 March 2024	
RESILIENCE							
	Disaster Risk Reduction	Grant	On Track	On Track	On Track	30 June 2024	
	Simtables for Community Empowerment	Grant	Completed	Completed	Completed	1 June 2023	
JOBS AND A GROWING ECONOMY							
	Circular Economy Ecosystem	Grant	On Track	On Track	On Track	30 June 2024	
	Hospitality Circularity Project	Grant	On Track	On Track	On Track	31 March 2026	
	Circular Precincts and Futures Hub	Grant	On Track	On Track	On Track	31 March 2024	
	Hunter Circular Knowledge Hub	Grant	On Track	On Track	On Track	31 December 2024	
	Hunter Global Tourism	Grant	On Track	On Track	On Track	31 March 2024	
	Priority Infrastructure List (Stage 2)	Hunter JO	On Track	On Track	On Track	30 June 2025	
LIVEABILITY							
	Accelerating Event Economies	Grant	On Track	On Track	Moderate Impact	30 June 2024	Extended 6 months to spend remaining funds on tourism marketing campaign
	Illegal Dumping Program	Grant	On Track	On Track	On Track	31 March 2027	
	Landfill Emissions Data Project	Grant	Moderate Impact	On Track	On Track	30 October 2024	Schedule extended to allow more time to work on standardised emissions calculator for local government
	Community Recycling Centres	Grant	Moderate Impact	On Track	On Track	30 June 2024	Schedule delayed as NSW EPA has not paid the next grant instalment. The program will not recommence until the Hunter JO is paid
	Net Zero Acceleration	Grant	On Track	On Track	On Track	30 June 2024	
	Contaminated Land Program	Grant	On Track	On Track	On Track	31 March 2024	

Hunter JO Strategic Theme / Advocacy Priority:	5. Governance and Leadership
Objective(s):	5.3.1 Facilitate Intergovernmental collaboration to identify and take up opportunities that align with our strategic regional priorities, Advocacy Framework and priorities Document and Hunter JO Board and Subcommittees
Report Author:	Shaun O’Sullivan, Director Hunter New England, Regional Coordination & Delivery, Department of Regional NSW
Responsible Manager:	N/A

Executive Summary:

To provide an update on the Department of Regional NSW including the Future Jobs and Investment Authorities, Regional Leadership Executive, and key points from the Destination Australia Conference 2024.

Recommendation:

- **That the Board note the Department of Regional NSW update.**

Background:

Future Jobs and Investment Authorities

Two Future Jobs and Investment roundtables are being held in the regions over the next couple of weeks with the Illawarra being held on the last week of March, and in the North-West in early April. These roundtables will inform the establishment of the Future Jobs and Investment Authorities.

An internal Future Jobs and Investment Authority (FJIA) has been set up to support the establishment of the Authorities. This team is being led by Rob Little, Director FJIA and Ian Smith, Executive Director, Office of Regional Economic Development.

Regional Leadership Executive (RLE)

The next Hunter Central Coast RLE meeting will be held on Thursday 23 May 2024. Part of the meeting will focus on changes to the Regional Coordination & Delivery team including support for regional Ministers and the delivery of government’s regional priorities.

No meeting was held in February 2024.

Destination Australia Conference 2024

The Destination Australia Conference 2024 was held on 13 March. Whilst markets in Australia have not reached pre-pandemic levels (81% in December 2023), Tourism Australia is confident it’s [Come and Say G'day Campaign - Ruby the Roo](#); a multiyear global campaign launched in October 2022, will continue to attract international visitors.

China and the US are our largest markets, with India and Japan recognised as the top two emerging markets. Senator, The Hon Don Farrell, Minister for Trade and Tourism was mentioned as integral in opening the China market again to our wine industry, an important driver for our region.

The biggest set of challenges we face in Australia for international visitation is time, distance and cost (conversion is hard, even though Australia as a destination is attractive). These challenges have been exacerbated by the cost of living, airline challenges, increasing competition, and a price-driven destination landscape.

Key points for consideration in terms of attracting international visitors to the region:

- Emergence of agritourism
- Integration of aboriginal cultural tourism for authenticity and connectedness
- Tapping business events by providing regional opportunities particularly as the Western Sydney Airport draws visitors, VFR, and business travellers.
- An awareness of long-term partnerships being developed and fostered e.g. Tourism Australia and airlines working with state and regional agencies offshore, including collective marketing efforts.

Discussion: N/A

Financial / Resourcing Implications: N/A

Next steps: N/A

Appendices* / Attachments:** N/A

*Appendices are included directly following the report and inform the validity of the report

**Attachments are included at the end of the Board Pack to provide supplementary information and context.

10. Matters Raised by Members

Nil.


11. General Business

Nil.

Hunter JO Board Attachments 11 April 2024:

- Attachment 2-1: Nominations received for the position of Chairperson
- Attachment 5-2: Hunter JO Board Forward Planner & Governance Calendar 2023-24
- Attachment 7-1: Correspondence to Brett Whitworth re: Procurement Issue, 28 March 2024
- Attachment 7-2: Correspondence from Brett Whitworth re: Matters relating to Hunter JO and Arrow, 15 February 2024
- Attachment 7-3: Correspondence from Destination NSW re: Maintaining Supercars, 28 February 2024
- Attachment 7-4: Correspondence from Office of Minister Houssos re: Confirming meeting date, 28 February 2024
- Attachment 7-6: Correspondence from Brett Whitworth re: Hunter JO procurement arrangements with Arrow, 12 March 2024
- Attachment 9.1-1: Hunter JO Financial Reports Feb 2024

Attachment 2-1: Nominations received for the position of Chairperson

 HUNTER JOINT Organisation: Nomination for the position of Chairperson

4 Springfield Avenue, PO Box 1137
Tennant NSW 2323, G1 4978 4040
www.hunterjo.com.au

This nomination is to be delivered or sent to the Returning Officer (Steve Wilson, Director Hunter JO), this can be done via email to steve.w@hunterjo.com.au prior to the meeting on 11th April 2024 at which the election shall take place.

We, as voting representatives of the Hunter Joint Organisation nominate:

Cr Sue Moore (name of nominee) as a candidate for the Office of Chairperson of the Hunter Joint Organisation.

Cr Jay Suvaal Mayor of Cessnock Date 11-3-24
Cr Steve Reynolds Mayor of Miswellbrook Date 16-3-24
Cr Nuatali Helms Mayor of Newcastle Date 16-3-24

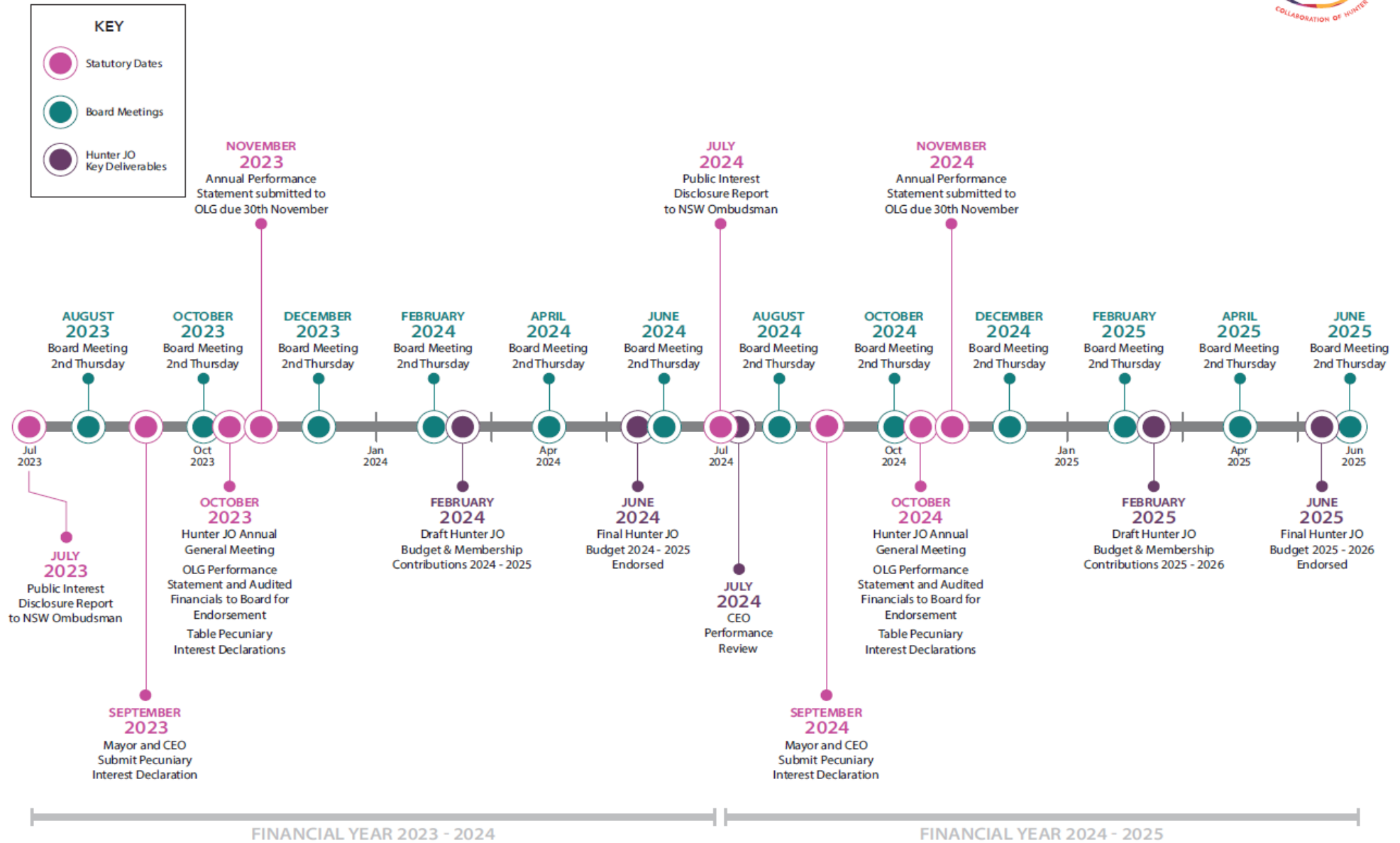
I, Cr Sue Moore (name of nominee) accept nomination as a candidate for the Office of Chairperson of the Hunter Joint Organisation.

Signature of nominee SP Moore Date 20-3-24

Note: This nomination is to be made by two or more Mayors of Member Councils of the Hunter Joint Organisation (one of whom may be the nominee) and is not valid unless the nominee has indicated consent, in writing, to be nominated.



HUNTER JO BOARD FORWARD PLANNER & GOVERNANCE CALENDAR





4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

28 March 2024

Mr Brett Whitworth
Deputy Secretary
Office of Local Government
Department of Planning, Housing and Infrastructure
Locked Bag 3015, NOWRA NSW 2541

Via email: brett.whitworth@olg.nsw.gov.au

Dear Brett

RE: Hunter Joint Organisation procurement arrangements with Arrow Collaborative Services

Thank you for your recent correspondence acknowledging the Hunter JO's efforts in addressing the concerns raised by your Office regarding the procurement arrangements between the Hunter JO and Arrow Collaborative Services.

As you are aware, the Hunter JO has been undertaking a comprehensive review of its leadership, organisational structure and staffing arrangements, in which the concerns raised by OLG have been extensively considered. Arising from this review, the Hunter JO Board will be making several key decisions on future arrangements at its 11th April 2024 meeting, after which I look forward to providing you with an update.

In the meantime, in response to your request for further information to clarify any historic issues, please see the following:

1. *A copy of the current Service Level Agreement between Arrow Collaborative Services Ltd (Arrow), Hunter Joint Organisation (HJO), Hunter Councils Legal Services Limited and Hunter Councils Incorporated.*

Please find a copy attached, noting that the Service Level Agreement commenced prior to the name change from Strategic Services Australia (SSA) to Arrow Collaborative Services (i.e SSA and Arrow are the same entity).

2. *Signed copies of all agreements between HJO and Arrow for the administration of grants and all other projects in the period from the establishment of the HJO to the present date.*

The attached Service Level Agreement (refer above point) governs the administration arrangements between the Hunter JO and Arrow for the delivery of all individual projects delivered by Arrow for the Hunter JO.

It should be noted that in addition to the Service Level Agreement, every grant funded project delivered by the Hunter JO / Arrow is governed by a specific agreement with the agency providing the funds. This includes regular and stringent progress reporting to the funding authority on the



4 Sandringham Avenue, PO Box 3137,
Thornton NSW 2323. 02 4978 4040
www.hunterjo.com.au

status of delivery, including detailed financial reporting. The delivery of individual projects is also audited under the two separate annual financial audits completed for the Hunter JO (by the NSW Audit Office) and for Arrow (private industry consultant).

3. Evidence of the current corporate structure of both Arrow and Hunter JO including staff

Please find attached the following documents to assist with understanding the relationship between the corporate entities and the accompanying staffing structure:

- (i) Hunter JO and Arrow Board Induction Package, proving information on:
 - History and foundations of the current organisational arrangements
 - Role and purpose of each organisation
 - Entity structure
 - Operating structure and leadership team
 - Corporate structure and financial relationships
- (ii) Team structure chart showing functional relationship between Hunter JO Policy & Programs Team (employed within Arrow) and staff employed within the Hunter JO (i.e. CEO and Executive Officer). NB this represents the historic period that is the focus of your inquiry.

4. Annual financial statements and audit reports from Arrow for the last two years

In line with the outcomes of previous meetings and communications, the Arrow Chief Operating Officer and Chair of the Arrow Board seek to engage directly with yourself and other relevant OLG staff via a meeting to provide these documents. This will ensure that the appropriate context and clarity to the various organisational relationships and financial statements can be provided prior to their review by OLG staff. If you could please provide details for the appropriate OLG staff representative to assist, we will contact them directly to arrange a meeting.

Please don't hesitate to contact me should you have any further queries or to discuss.

Yours Sincerely

Steve Wilson
Director
Hunter Joint Organisation

HUNTERJO.COM.AU



Attachment 7-2: Correspondence from Brett Whitworth re: Matters relating to Hunter JO and Arrow, 15 February 2024

From: [Brett Whitworth](#)
To: [Morven Cameron](#); [Steve Wilson](#)
Subject: Matters relating to Hunter JO and Arrow
Date: Thursday, 15 February 2024 12:41:05 PM
Attachments: [image001.png](#)

Dear Morven Steve

I apologise that the Office of Local Government has not yet responded to the various letters of Clr Moore and Mr Wilson. We will be finalising our response shortly.

However, I would like to provide the following preliminary views to both the JO and Arrow for your meeting today:

1. The remedial actions taken by Hunter JO in relation to the mechanisms for grants and expenditure by Arrow is much appreciated and addresses concerns going forward.
2. The assurances from Arrow that its member councils have not breached the Tendering Guidelines is much appreciated.
3. As discussed, there was an offer to give OLG an understanding of the accounts and audit of Arrow, which we would appreciate receiving.

While we appreciate the JO taking responsibility to self-report the breach and the assurances taken to address the breaches of the tendering requirements of the Local Government Act in the past, we will still be writing to ensure that both Arrow and Hunter JO can provide the documentary evidence of your actions to address the issues moving forward.

Finally I note the Minister for Local Government cannot retrospectively authorise an exemption to the tendering provisions of the Local Government Act, the Minister can choose not to take action if there is a breach.

I will contact you again if there are further issues to discuss, but look forward to receiving any further correspondence the JO believes is necessary.

Regards

Brett

Brett Whitworth
Deputy Secretary
Local Government

Office of Local Government
Department of Planning, Housing and Infrastructure
T 02 9274 6532 | M 0437 868 167 | E Brett.Whitworth@olg.nsw.gov.au
Locked Bag 3015, NOWRA NSW 2541

www.olg.nsw.gov.au

OFFICIAL



28 February 2024

Cr Sue Moore
Chair, Hunter Joint Organisation
Mayor, Singleton Council
4 Sandringham Avenue, PO Box 3137
Thornton NSW 2323

By email: louisab@hunterjo.com.au

Dear Sue,

Re: Hunter Region maintaining Supercars 500 event

Thank you for your recent correspondence addressed to the Minister for Jobs and Tourism confirming the Hunter Joint Organisation's support for hosting a Supercars 500 Event in the Hunter Region. The support of the region's ten mayors of Cessnock City Council's aim to retain a Supercars event in the Region is acknowledged and appreciated. Your input is appreciated as all parties assess the potential of staging such an event in the region.

Destination New South Wales recognises the significant economic, strategic, and social benefits that Supercars Championship events brings to NSW. Our ongoing support of Bathurst 1000 and Sydney SuperNight as well as our investment to secure the upcoming Bathurst 500 as the season opener of the 2024 Supercars Championship highlights our commitment to securing major sporting events that enhance our state's profile as a major events destination.

Thank you once again for your engagement and support on this matter. We look forward to continuing our long-standing relationship with Supercars Australia.

If you have any questions or wish to discuss this further, please don't hesitate to contact me via email at steve.cox@dnsw.com.au or Julie Turpie, General Manager, Events on 0407 138 817 or via email at julie.turpie@dnsw.com.au.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Steve Cox".

Steve Cox
Chief Executive Officer

OFFICIAL

Attachment 7-4: Correspondence from Office of Minister Houssos re: Confirming meeting date, 28 February 2024

From: [Houssos Office Email](#)
To: [Steve Wilson](#)
Subject: FW: MEETING REQUEST: Correspondence from Hunter JO re: Hunter Region Priorities for Future Jobs & Investment Authority REF 2024-0067
Date: Wednesday, 28 February 2024 7:10:32 PM
Attachments: [image001.png](#)
[20240122_Corresp to Minister Houssos re Future Jobs & Investment Authorities.pdf](#)

Dear Mr Wilson,

Thank you for your meeting request to Hon Courtney Houssos MLC, Minister for Finance, Minister for Domestic Manufacturing and Government Procurement and Minister for Natural Resources on behalf of Councilor Sue Moore, Chair of Hunter Joint Organisation and Mayor, Singleton Council.

Minster Houssos has availability to meet with the Hunter Joint Organisation on Wednesday 8th May 2024 at 1:30pm – 2pm at our office at Parliament House or via teams.

Please advise if this time is suitable.

Kind regards,

Naomi Cronan

EA & Office Manager

Office of the Hon Courtney Houssos MLC

Minister for Finance

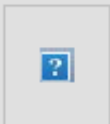
Minister for Domestic Manufacturing and Government Procurement

Minister for Natural Resources

52 Martin Place

Sydney NSW 2000

P: 02 7225 6160



I acknowledge the traditional custodians of the land and pay respects to Elders past and present. I also acknowledge all the Aboriginal and Torres Strait Islander staff working with NSW Government at this time.

Please consider the environment before printing this email.

From: NSW Government <webforms@customerservice.nsw.gov.au>

Sent: Monday, January 22, 2024 2:23 PM

To: Houssos Office Email <office@houssos.minister.nsw.gov.au>

Subject: Correspondence from Hunter JO re: Hunter Region Priorities for Future Jobs & Investment Authority



Title	Miss
First name	Louisa
Last name	Bulley
Phone	0413891320
Email	louisab@hunterjo.com.au
State	NSW
Postcode	2322
Subject	Correspondence from Hunter JO re: Hunter Region Priorities for Future Jobs & Investment Authority
This is relating to	Finance
Type of enquiry	Invitation
Message	<p>Dear Minister Houssos,</p> <p>Please find attached correspondence from the Hunter Joint Organisation regarding the Hunter Region's priorities for the Future Jobs & Investment Authorities.</p> <p>Kind Regards, Louisa Bulley</p> <p>Note: this correspondence has also been cc:ed to Hon Penny Sharpe, and all Hunter Region Members of State Parliament.</p>
I would like a response	Yes
Privacy Collection Notice	NSW government Privacy Statement: Agreed

Department of Planning, Housing and Infrastructure -
Office of Local Government



Ref:A879331
Contact: Chris Rowe
Phone: 02 4428 4162

Mr Steve Wilson
Director
Hunter Joint Organisation
PO Box 3137
THORNTON NSW 2323

Via email: steve@hunterjo.com.au

CONFIDENTIAL

Re Hunter Joint Organisation procurement arrangements with Arrow Collaborative Services

Dear Mr Wilson

I refer to previous meetings with Hunter Joint Organisation of Councils (Hunter JO) representatives and to previous correspondence about issues attaching to the arrangements between Hunter JO and Arrow Collaborative Services (Arrow).

I acknowledge that Hunter JO has taken the initiative in recognising and self-reporting this breach. I have also been advised that Hunter JO has subsequently taken a number of steps to rectify the situation, including putting in place new governance and financial mechanisms, to ensure the situation does not recur.

In order to satisfy OLG's concerns regarding the breach, regarding the history and what has taken place to remedy the situation, would you kindly provide the following information and/or documents. I note the provision of the information will assist OLG and consider whether further action is necessary, or whether the acknowledgment of the previous breaches and identification of rectification actions is sufficient. I note that there is no mechanisms for the Minister to "approve" retrospectively, the breaches.

1. A copy of the current Service Level Agreement between Arrow Collaborative Services Ltd (Arrow), Hunter Joint Organisation (HJO), Hunter Councils Legal Services Limited and Hunter Councils Incorporated.
2. Signed copies of all agreements between HJO and Arrow for the administration grants and other projects in the period from the establishment of HJO to the present date.

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www.olg.nsw.gov.au

Department of Planning, Housing and Infrastructure -
Office of Local Government



3. Evidence of the current corporate structure of both HJO and Arrow including staff.
4. Annual financial statements and audit reports from Arrow for the last two years.

I understand the scope of the information requested. To that end, I would be grateful to receive it within 21 days of the date of this letter please.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Brett Whitworth".

12 March 2024

Brett Whitworth
Deputy Secretary
Office of Local Government

HUNTER JOINT ORGANISATION										
FEBRUARY 24	CURRENT MONTH		YEAR TO DATE			APPROVED	FORECAST			
HJO P&L	ACTUAL	FORECAST BUDGET	ACTUAL	FORECAST BUDGET	VARIANCE %	PY	ANNUAL BUDGET	ANNUAL BUDGET	VARIANCE %	VARIANCE COMMENTARY
REVENUE										
Membership Subscriptions	48,983	48,983	391,864	391,867	0%	376,464	587,800	587,800	-	
Grant Funding	170,737	-	1,480,253	2,451,754	-40%	1,438,761	4,307,599	4,307,599	0%	
Management Fees	-	-	-	-	-	-	-	-	-	
Training Revenue	-	-	-	-	-	-	-	-	-	
Consultancy Fees	-	-	-	-	-	-	-	-	-	
Rent & Overheads	-	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	129,644	129,644	0%	187,318	76,601	129,644	-41%	
Legal Fees	-	-	-	-	-	-	-	-	-	
Client Fees	-	-	-	-	-	-	-	-	-	
Arrow Contribution	12,499	12,500	99,992	100,000	0%	370,400	150,000	150,000	0%	
Revenue - Total	232,219	61,483	2,101,753	3,073,265		2,372,943	5,122,001	5,175,043		
COST OF SALES										
Cost of Sales	171,570	833	1,495,285	2,458,421	-39%	1,438,761	4,317,599	4,317,599	0%	
Direct Labour	-	-	-	-	-	-	-	-	-	
GROSS PROFIT / (LOSS)	60,649	60,650	606,467	614,844	-1%	934,182	804,402	857,444		
<i>Gross Margin</i>	<i>26%</i>	<i>99%</i>	<i>29%</i>	<i>20%</i>		<i>39%</i>	<i>16%</i>	<i>17%</i>		
EXPENSES										
General & Administration	16,230	16,640	130,465	135,122	-3%	122,203	205,634	205,334	0%	
Occupancy Costs	1,269	1,269	10,154	10,154	0%	31,749	15,231	15,231	0%	
Depreciation	775	845	9,421	10,314	-9%	14,799	14,029	11,500	22%	
Information Technology	1,833	1,355	12,639	10,837	17%	3,314	16,255	14,215	14%	
Overhead Labour	(8,834)	8,629	240,536	260,164	-8%	361,922	261,723	271,295	-4%	
Employee Costs	1,000	66	1,187	2,109	-44%	3,952	2,099	2,325	-10%	
Travel & Accommodation	164	300	3,527	3,768	-6%	7,960	4,968	4,968	0%	
Motor Vehicle	440	1,379	8,654	11,568	-25%	15,176	12,468	11,568	8%	
Overhead Expenses - Total	12,877	30,483	416,583	444,036	-6%	561,075	532,407	536,436		
NET PROFIT / (LOSS) - OPERATIONS	47,772	30,167	189,885	170,808	11%	373,107	271,995	321,009		
<i>Net Profit Margin</i>	<i>21%</i>	<i>49%</i>	<i>9%</i>	<i>6%</i>		<i>16%</i>	<i>5%</i>	<i>6%</i>		
OTHER INCOME / (EXPENSES)										
OTHER INCOME										
Profit / Loss on sale of asset	-	-	(6,862)	(6,862)	0%	-	-	(74)	-100%	
Interest	-	-	-	-	-	-	-	-	-	
OTHER EXPENSES										
HJO Contributions	-	-	-	-	-	-	-	-	-	
Other	(18,128)	(18,128)	(145,035)	(145,027)	0%	(358,044)	(217,540)	(217,540)	0%	
EXTRAORDINARY EXPENSES										
Other - Extraordinary	-	-	-	-	-	-	-	-	-	
Redundancy	(44,759)	(49,471)	(94,259)	(98,971)	-5%	-	(49,500)	(98,971)	-50%	
Other Income / (Expenses) - Total	(62,887)	(67,599)	(246,156)	(250,860)		(358,044)	(267,040)	(316,585)		
NET PROFIT / (LOSS) BEFORE TAX	(15,116)	(37,433)	(56,271)	(80,052)	-30%	15,063	4,955	4,424		
EBITDA - NET PROFIT	(14,340)	(36,587)	(46,850)	(69,738)	-33%	29,862	18,984	15,924		
<i>EBITDA Margin</i>	<i>-6%</i>	<i>-60%</i>	<i>-2%</i>	<i>-2%</i>		<i>1%</i>	<i>0%</i>	<i>0%</i>		



HUNTER COUNCILS INCORPORATED

FEBRUARY 24		CURRENT MONTH		YEAR TO DATE			APPROVED	FORECAST		
HCI P&L	ACTUAL	BUDGET	ACTUAL	BUDGET	VARIANCE %	PY	ANNUAL BUDGET	ANNUAL BUDGET	VARIANCE %	VARIANCE COMMENTARY
REVENUE										
Membership Subscriptions	-	-	-	-	-	-	-	-	-	
Grant Funding	-	-	-	-	-	-	-	-	-	
Management Fees	-	-	-	-	-	-	-	-	-	
Training Revenue	-	-	-	-	-	-	-	-	-	
Consultancy Fees	-	-	-	-	-	-	-	-	-	
Rent & Overheads	15,498	15,498	127,233	127,233	0%	150,846	189,224	189,224	0%	
Miscellaneous	-	-	-	-	-	-	-	-	-	
Legal Fees	-	-	-	-	-	-	-	-	-	
Client Fees	-	-	-	-	-	-	-	-	-	
Arrow Contribution	-	-	-	-	-	-	-	-	-	
Revenue - Total	15,498	15,498	127,233	127,233	0%	150,846	189,224	189,224		
COST OF SALES										
Cost of Sales	-	-	-	-	-	-	-	-	-	
Direct Labour	-	-	-	-	-	-	-	-	-	
GROSS PROFIT / (LOSS)	15,498	15,498	127,233	127,233	0%	150,846	189,224	189,224		
<i>Gross Margin</i>	100%	100%	100%	100%		100%	100%	100%		
EXPENSES										
General & Administration	4,752	4,470	38,921	35,761		32,415	53,642	53,642	0%	
Occupancy Costs	12,078	6,330	56,907	54,605		25,544	82,290	82,290	0%	Timing related issues with Electricity periods and required Air Conditioner R&M
Depreciation	3,807	3,768	30,396	30,145		28,092	45,218	45,218	0%	
Information Technology	-	-	-	-		-	-	-	-	
Overhead Labour	-	-	-	-		-	-	-	-	
Employee Costs	-	-	-	-		-	-	-	-	
Travel & Accommodation	-	-	-	-		-	-	-	-	
Motor Vehicle	-	-	-	-		-	-	-	-	
Overhead Expenses - Total	20,637	14,568	126,224	120,512		86,051	181,150	181,150		
NET PROFIT / (LOSS) - OPERATIONS	(5,140)	929	1,009	6,721	-85%	64,795	8,073	8,073		
<i>Net Profit Margin</i>	-33%	6%	1%	5%		43%	4%	4%		
OTHER INCOME / (EXPENSES)										
OTHER INCOME										
Profit / Loss on sale of asset	-	-	-	-		-	-	-	-	
Interest	-	-	-	-		-	-	-	-	
OTHER EXPENSES										
HJO Contributions	-	-	-	-		-	-	-	-	
Other	-	-	-	-		-	-	-	-	
EXTRAORDINARY EXPENSES										
Other - Extraordinary	-	-	-	-		-	-	-	-	
Redundancy	-	-	-	-		-	-	-	-	
Other Income / (Expenses) - Total	-	-	-	-		-	-	-		
NET PROFIT / (LOSS) BEFORE TAX	(5,140)	929	1,009	6,721	-85%	64,795	8,073	8,073		
EBITDA - NET PROFIT	(1,332)	4,697	31,405	36,867		92,887	53,292	53,292		
<i>EBITDA Margin</i>	-9%	30%	25%	29%		62%	28%	28%		

HUNTER JOINT ORGANISATION



HJO BS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
CURRENT ASSETS												
Cash & Cash Equivalents	356,931	467,660	337,921	411,525	181,021	175,271	157,248	90,300	-	-	-	-
Receivables	1,019,714	406,194	780,916	285,811	408,210	408,210	607,772	655,242	-	-	-	-
Prepayments	6,021	4,733	3,498	7,398	6,583	5,694	4,804	5,187	-	-	-	-
Other Receivables	1	1	1	1	1	1	1	1	-	-	-	-
	1,382,667	878,589	1,122,337	704,735	595,816	589,176	769,826	750,729	-	-	-	-
NON CURRENT ASSETS												
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-	-
Computers	1,153	1,109	1,065	1,022	978	934	890	847	-	-	-	-
Fixtures and Fittings	-	-	-	-	-	-	-	-	-	-	-	-
Building Improvements	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	63,878	62,074	60,270	24,145	23,413	22,681	21,950	21,218	-	-	-	-
ROU	-	-	-	-	-	-	-	-	-	-	-	-
Other Non Current Asset	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Loans - Asset	(697,153)	(266,812)	(622,936)	(253,914)	(381,647)	(388,094)	(575,962)	(633,883)	-	-	-	-
	(632,122)	(203,629)	(561,601)	(228,747)	(357,256)	(364,479)	(553,122)	(611,819)	-	-	-	-
TOTAL ASSETS	750,545	674,960	560,736	475,987	238,560	224,697	216,704	138,910	-	-	-	-
CURRENT LIABILITIES												
Payables	80,980	119,277	66,773	60,808	70,923	91,225	104,280	122,310	-	-	-	-
Accruals	37,112	4,944	(2,649)	(7,442)	(6,035)	(4,628)	(3,221)	(1,814)	-	-	-	-
Intercompany Loans - Liability	-	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Employee Payables	39,976	16,801	111,851	94,305	(608)	1,587	8,579	4,616	-	-	-	-
Other Payables	3,428	2,576	2,662	881	777	2,007	578	426	-	-	-	-
GST	90,367	86,609	113,930	112,431	(1,120)	2,791	19,252	23,719	-	-	-	-
Employee Entitlements	62,786	67,170	17,781	18,029	17,203	17,818	15,788	-	-	-	-	-
Unearned Income	557,567	508,584	459,601	410,618	361,635	312,652	263,669	214,686	-	-	-	-
Unspent Grant Funding	-	-	-	-	-	-	-	-	-	-	-	-
	872,216	805,961	769,949	689,630	442,775	423,452	408,926	363,942	-	-	-	-
NON CURRENT LIABILITIES												
Term Debt	-	-	-	-	-	-	-	-	-	-	-	-
Employee Entitlements - non current	42,479	43,517	16,721	16,938	17,154	17,370	17,695	-	-	-	-	-
Lease Liability	-	-	-	-	-	-	-	-	-	-	-	-
	42,479	43,517	16,721	16,938	17,154	17,370	17,695	-	-	-	-	-
TOTAL LIABILITIES	914,695	849,477	786,670	706,568	459,929	440,822	426,620	363,942	-	-	-	-
NET ASSETS	(164,150)	(174,518)	(225,934)	(230,581)	(221,369)	(216,126)	(209,917)	(225,032)	-	-	-	-
EQUITY												
Retained Earnings	(168,761)	(168,761)	(168,761)	(168,761)	(168,761)	(168,761)	(168,761)	(168,761)	-	-	-	-
Current Year Earnings	4,612	(5,756)	(57,173)	(61,819)	(52,607)	(47,364)	(41,155)	(56,271)	-	-	-	-
TOTAL EQUITY	(164,150)	(174,518)	(225,934)	(230,581)	(221,369)	(216,126)	(209,917)	(225,032)	-	-	-	-

HUNTER COUNCILS INCORPORATED

HCI BS	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
CURRENT ASSETS												
Cash & Cash Equivalents	2,730	4,703	18,401	18,604	689	6,430	16,970	23,355	-	-	-	-
Receivables	34,200	28,428	23,441	20,244	35,895	39,092	32,699	29,502	-	-	-	-
Prepayments	16,502	16,851	15,165	13,480	11,795	10,110	8,425	6,740	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-	-	-
	53,431	49,982	57,007	52,329	48,380	55,633	58,093	59,597	-	-	-	-
NON CURRENT ASSETS												
Buildings	848,660	845,733	842,805	846,858	843,911	840,965	838,018	835,071	-	-	-	-
Land	351,302	351,302	351,302	351,302	351,302	351,302	351,302	351,302	-	-	-	-
Computers	-	-	-	-	-	-	-	-	-	-	-	-
Fixtures and Fittings	6,690	6,649	6,608	6,566	6,428	8,544	8,483	8,423	-	-	-	-
Building Improvements	376,685	375,885	375,086	374,286	373,486	372,686	371,887	371,087	-	-	-	-
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
ROU	28,798	28,798	28,798	28,798	28,798	-	-	-	-	-	-	-
Other Non Current Asset	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany Loans - Asset	(608,189)	(608,189)	(609,675)	(609,675)	(609,675)	(609,675)	(609,675)	(609,675)	-	-	-	-
	1,003,947	1,000,178	994,924	998,136	994,251	963,822	960,015	956,207	-	-	-	-
TOTAL ASSETS	1,057,378	1,050,160	1,051,931	1,050,464	1,042,631	1,019,455	1,018,108	1,015,804	-	-	-	-
CURRENT LIABILITIES												
Payables	20,499	15,043	14,063	10,905	5,931	17,184	11,342	14,021	-	-	-	-
Accruals	8,078	8,078	8,078	8,078	8,078	7,459	7,459	7,459	-	-	-	-
Intercompany Loans - Liability	226,000	226,000	226,000	226,000	226,000	226,000	226,000	226,000	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-	-	-
Employee Payables	-	-	-	-	-	-	-	-	-	-	-	-
Other Payables	625	1,250	1,875	2,500	3,125	(3,913)	(3,288)	(2,663)	-	-	-	-
GST	5,238	1,766	2,775	2,827	793	874	1,890	1,422	-	-	-	-
Employee Entitlements	-	-	-	-	-	-	-	-	-	-	-	-
Unearned Income	-	-	-	-	-	-	-	-	-	-	-	-
Unspent Grant Funding	-	-	-	-	-	-	-	-	-	-	-	-
	260,440	252,137	252,790	250,310	243,926	247,603	243,402	246,238	-	-	-	-
NON CURRENT LIABILITIES												
Term Debt	-	-	-	-	-	-	-	-	-	-	-	-
Employee Entitlements - non current	-	-	-	-	-	-	-	-	-	-	-	-
Lease Liability	26,894	26,894	26,894	26,894	26,894	-	-	-	-	-	-	-
	26,894	26,894	26,894	26,894	26,894	-	-	-	-	-	-	-
TOTAL LIABILITIES	287,334	279,031	279,684	277,204	270,820	247,603	243,402	246,238	-	-	-	-
NET ASSETS	770,045	771,129	772,247	773,260	771,811	771,852	774,705	769,566	-	-	-	-
EQUITY												
Retained Earnings	767,670	767,670	767,670	767,670	767,670	768,556	768,556	768,556	-	-	-	-
Current Year Earnings	2,374	3,458	4,576	5,590	4,140	3,295	6,149	1,009	-	-	-	-
TOTAL EQUITY	770,045	771,129	772,247	773,260	771,811	771,852	774,705	769,566	-	-	-	-

HUNTER JOINT ORGANISATION



HJO CASHFLOW	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
CASH FROM OPERATING ACTIVITIES													
Cash inflows from													
Trade debtors	351,414	653,135	492,211	498,225	163,888	67,020	-	127,341	-	-	-	-	2,353,235
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	351,414	653,135	492,211	498,225	163,888	67,020	-	127,341	-	-	-	-	2,353,235
Cash outflows to													
Trade Creditors	(11,142)	(18,918)	(83,631)	(47,363)	(9,098)	(2,147)	(8,664)	(7,972)	-	-	-	-	(188,935)
Employee Expenses	(21,006)	(31,697)	(112,585)	(29,654)	(7,352)	(7,352)	(9,359)	(60,221)	-	-	-	-	(279,226)
Funding Disbursements	-	(497,773)	(409,485)	(378,605)	(165,008)	(61,020)	-	(115,765)	-	-	-	-	(1,627,656)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	(46,009)	(16,249)	-	(212,362)	(2,824)	-	(10,332)	-	-	-	-	(287,776)
	(32,148)	(594,398)	(621,950)	(455,621)	(393,819)	(73,343)	(18,022)	(194,290)	-	-	-	-	(2,383,592)
Net cash from/(used)	319,266	58,738	(129,739)	42,604	(229,932)	(6,323)	(18,022)	(66,949)	-	-	-	-	4,736,827
CASH FROM INVESTING ACTIVITIES													
Cash inflows from													
Proceeds from sale of P&E	-	-	-	31,000	-	-	-	-	-	-	-	-	31,000
Other	-	(8)	-	-	-	-	-	-	-	-	-	-	(8)
	-	(8)	-	31,000	-	-	-	-	-	-	-	-	30,992
Cash outflows to													
Purchase of CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-
Repay / (new loans) - Premium Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from/(used)	-	(8)	-	31,000	-	-	-	-	-	-	-	-	30,992
CASH FROM FINANCING ACTIVITIES													
Cash inflows from													
Intercompany (incoming)	20,000	52,000	-	-	-	-	-	-	-	-	-	-	72,000
Other - Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
	20,000	52,000	-	-	-	-	-	-	-	-	-	-	72,000
Cash outflows to													
Intercompany (outgoing)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from/(used)	20,000	52,000	-	-	-	-	-	-	-	-	-	-	72,000
Movement in cash													
Cash at the beginning of the period	17,666	356,931	467,660	337,921	411,525	181,593	175,271	157,248	90,300	90,300	90,300	90,300	17,666
Net increase/(decrease) in cash	339,266	110,729	(129,739)	73,604	(229,932)	(6,323)	(18,022)	(66,949)	-	-	-	-	72,634
CASH AT THE END OF THE PERIOD	356,931	467,660	337,921	411,525	181,593	175,271	157,248	90,300	90,300	90,300	90,300	90,300	90,300

HUNTER COUNCILS INCORPORATED

HCI CASHFLOW	JUL	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
CASH FROM OPERATING ACTIVITIES													
Cash inflows from													
Trade debtors	-	22,819	22,034	20,244	1,396	13,850	23,441	20,244	-	-	-	-	124,030
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	22,819	22,034	20,244	1,396	13,850	23,441	20,244	-	-	-	-	124,030
Cash outflows to													
Trade Creditors	(6,274)	(21,008)	(8,336)	(20,041)	(14,929)	(9,711)	(12,542)	(13,340)	-	-	-	-	(106,181)
Employee Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	(2,781)	-	-	(879)	-	-	-	-	(3,660)
	(6,274)	(21,008)	(8,336)	(20,041)	(17,710)	(9,711)	(12,542)	(14,219)	-	-	-	-	(109,841)
Net cash from/(used)	(6,274)	1,811	13,698	203	(16,314)	4,140	10,900	6,025	-	-	-	-	233,870
CASH FROM INVESTING ACTIVITIES													
Cash inflows from													
Proceeds from sale of P&E	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows to													
Purchase of CAPEX	-	-	-	-	-	-	-	-	-	-	-	-	-
Repay / (new loans) - Premium Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from/(used)	-	-	-	-	-	-	-	-	-	-	-	-	-
CASH FROM FINANCING ACTIVITIES													
Cash inflows from													
Intercompany (incoming)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash outflows to													
Intercompany (outgoing)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other - Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-
Net cash from/(used)	-	-	-	-	-	-	-	-	-	-	-	-	-
Movement in cash													
Cash at the beginning of the period	9,166	2,892	4,703	18,401	18,604	2,290	6,430	17,330	23,355	23,355	23,355	23,355	9,166
Net increase/(decrease) in cash	(6,274)	1,811	13,698	203	(16,314)	4,140	10,900	6,025	-	-	-	-	14,189
CASH AT THE END OF THE PERIOD	2,892	4,703	18,401	18,604	2,290	6,430	17,330	23,355	23,355	23,355	23,355	23,355	23,355

