



ISJO Board Papers

Friday 8 May 2020

9.30 am – 12.30 pm

Via Zoom

Board Papers 8 May 2020

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Board Papers 8 May 2020

1. Welcome & Acknowledgement to Country

Wollongong City Council's Lord Mayor Gordon Bradbery AM to welcome Board and guests; and provide an Acknowledgement to Country.

2. Attendees and apologies

Member Council voting delegates:

Wollongong City
Clr Gordon Bradbery, Chair
Clr David Brown

Shellharbour City
Clr Marianne Saliba, Deputy Chair
Clr John Murray

Kiama Municipal
Clr Mark Honey
Clr Neil Reilly

Shoalhaven City
Clr Amanda Findley
Clr John Wells

Member Council General Managers
Non-voting Delegates
Carey McIntyre, Shellharbour City
Kerry McMurray, Kiama Municipal
Stephen Dunshea, Shoalhaven City
Greg Doyle, Wollongong City

ISJO Affiliates
Paul Knight, Illawarra Local Aboriginal Land
Council

Department of Regional NSW:
Anthony Body, Director Illawarra Shoalhaven
Kirstan Fulton, Deputy Director Illawarra
Shoalhaven

Department Planning, Industry &
Environment (DPIE):
Office of Local Government
Elizabeth Dixon, Council Engagement Manager

ISJO
Leanne Taylor, Chief Executive

Guests
Adam Zarth, CEO Illawarra Business Chamber
Aaron Coutts-Smith, A/Senior Team Leader
Information Delivery, Climate Resilience and Net
Zero Emissions, DPIE

Apologies

3. Presentations & Guests including Parliamentary Members

Parliamentary Members:

Presentation:

Picton Road Advocacy Adam Zarth, CEO, Illawarra Business Chamber

SIERA and State Government's Expectations of ISJO Member Councils Aaron Coutts Smith, DPIE

4. Meeting Opening

4.1 Confirmation of previous minutes

Recommendation that the Board endorse the minutes of the meeting held on 22 February 2020 hosted by Shoalhaven City Council.

4.2 Actions arising from previous minutes

- 4.2.1 IDWA Aerial Spraying – Drone technology has been explored, with planning for a pilot. Shoalhaven City Council have been invited to participate. Community engagement will commence in the next month now that ISJO has engaged [REDACTED] as Communications and Media partners.
 - 4.2.2 ISJO compliance to new Accounting Standards Report from ISJO's financial managers, Kiama Municipal Council have not able to produce this report to date. NSW Audit Office have been advised. For tabling at the June Board meeting.
 - 4.2.3 Regional Arts – refer to Chief Executive Report for more details.
 - 4.2.4 JO Ministerial Advisory Committee re financial sustainability definition – completed.
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4.3 Correspondence

Letter from OLG advising that ISJO was successful in being granted the \$150K JO Capacity Building Fund. (attached)

Letter from Minister Hancock responding to the JO Ministerial Advisory Committee recommendations (attached).

4.4 Consideration of Late Business

The ISJO Constitution allows for the consideration of late business if, at the commencement of the meeting, items are listed for possible discussion at the conclusion of tabled business and if there is general agreement by delegates that it is appropriate to discuss the matters on the day.

Recommendation that any items of late business be noted for later discussion.

4.5 Declaration of Interest

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

5. Reports

5.1 Chair's minute

Recommendation

That the information be received and noted.

Who would have expected that following last summer's bushfire crisis, our region would be hit with flooding rains and now the Coronavirus Pandemic. It has been pleasing to see our member councils working closely together sharing Business Continuity Plans, strategies for timing of council services and facility closures, along with strategies for managing staff during this period of social distancing requirements.

The preoccupation and focus on the COVID 19 crisis coming so soon after other tragic events has taken so much effort and resources from our constituent Councils both on individuals and organisationally. Many Councils have had to revise budgets and review projected expenditure. We seriously need to think through where the ISJO fits into this situation and especially in the post COVID 19 economy and regional dynamics. I'm very concerned about how, with the present and the foreseeable challenging financial situation, we can afford to maintain our operations and to serve the constituent Councils with relevance. We will need to seriously explore options.

The one year postponement in local government elections will allow us to guide our member councils and our JO through this turbulent and ever changing time.

Clr Gordon Bradbery AM
ISJO Chair

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5.2 Department of Regional NSW update

Referred by: Anthony Body, Director Illawarra-Shoalhaven, Department of Regional NSW

Attachments: N/A

Recommendation

That the Board accept and note the report.

NSW Government Update

Department of Regional Government

- On 2 April, the Deputy Premier the Hon. John Barilaro MP announced the establishment of a new Department of Regional NSW (the Department).
- The Department brings together functions from the Department of Planning, Industry and Environment including Department of Primary Industries, Local Land Services, the Mining, Exploration and Geoscience Group, the NSW Resources Regulator and Public Works Advisory & Regional Development to form a central agency.
- The Illawarra-Shoalhaven team, led by Director Anthony Body, has moved into the new Department including its Regional Coordination and Regional Development functions led respectively by Kirstan Fulton and Nigel McKinnon.
- The Department will have an immediate focus on driving the delivery of COVID-19 stimulus and industry recovery packages, and will collaborate across government to help communities. The Department will also provide a more streamlined and holistic response to regional issues such as drought, bushfires and regional youth.

COVID-19

- NSW Economic Stimulus Package
 - On 17 March, the NSW Government announced a \$2.3 billion economic stimulus package in response to COVID-19 to support jobs, healthcare, small business and the community. Further details are provided under ‘Funding Announcements’.
 - Service NSW is operating a 24/7 phone line (13 77 88) to support enquiries.
- Regional Response
 - On 30 April, representatives of state, federal and local government convened to discuss and capture local COVID-19 related information and issues in the Illawarra Shoalhaven.
 - The outcomes of this meeting have been reported to the relevant Department of Premier and Cabinet COVID-19 Working Groups for consideration in future statewide responses.
 - Regional Development team rapidly responded to the request for local manufacturers who can support the COVID response – a fantastic example of the team working rapidly and leveraging their networks to support regional communities, businesses and in this case the whole country.
 - The Department has committed to collate and distribute a regular whole-of-government snapshot on COVID-19 responses and data to assist with flow of key information. General Managers will be included in this distribution list.

Bushfire Recovery

- On 20 April, the Premier announced a \$140 million Bushfire Industry Recovery Package to support forestry, horticulture and agriculture industries impacted by the recent fires.
- The funding will support the recovery and resilience of key industries by funding projects that retain and create jobs, strengthen local supply chains and support a return to production.
- The Southern NSW Bushfire Action Plan is close to being finalised.
- Regional Economic Development Strategy Refresh
 - Boston Consulting Group is reviewing the Regional Economic Development Strategies (REDS) for 4 Functional Economic Regions in Southern NSW due to the recent bushfires. The draft report has been sent to relevant councils for feedback.
- Business Information Webinars
 - Small businesses affected by the devastating summer bushfires can now take part in an online information session to access free advice about support available from the NSW Government. The first webinar was held on 7 April, with over 200 people attending online.
 - Across the state more than 12,000 applications have been approved for the \$10,000 small business grants to help them get back on their feet, including more than 2,000 in the Shoalhaven LGA.
- Laing O'Rourke Residential Clean-Up Contract
 - Laing O'Rourke's residential clean-up is continuing to proceed in line with COVID-19 protocols. The majority of the 4,000 sites are still expected to be cleared by the end of June with a small number to be cleared in July.
 - The escalation process for bushfire clean up disputes is for the relevant stakeholder to email nswbushfirecleanup@laingorourke.com.au with the subject name matter and "escalation request" in the subject line.

Resilience NSW

- On 6 April, the NSW Premier announced the creation of a new NSW Government Executive Agency, Resilience NSW. Mr Shane Fitzsimmons has been appointed as Commissioner.
- Resilience NSW will be responsible for driving disaster preparedness and recovery. The Department of Regional NSW will work very closely with Resilience NSW to deliver outcomes for the regional communities.

Office of Regional Youth

- The Regional Youth Taskforce met on 5 April to discuss the 'Connectivity' priority pillar. Fittingly, the meeting was held online due to COVID-19 protocols.
- The meeting was a great success, with the Taskforce providing frank feedback:
 - directly to Minister Dominello on how to engage young people with the Services NSSW app.
 - on access to regional transport, barriers and suggestions to improve access.
 - on the impact of COVID-19 on education and access to mental health.
- The Office of Regional Youth will now work with the Minister for Regional Youth, the Hon. Bronnie Taylor and the Advocate for Children and Young People to progress actions arising.
- Round 3 of the Stronger Country Communities Fund is now closed. The announcement of successful recipients will occur over the coming months.

Illawarra Shoalhaven Leadership Executive

- The Illawarra Shoalhaven Leadership Executive (ISLE) will meet on 15 May.

- The meeting will focus on reviewing outcomes achieved throughout 2019-20 and forecasting a Statement of Intent for the upcoming financial year.
- Leanne continues to represent ISJO on joint projects with Government, including the Western Sydney Illawarra Shoalhaven Roadmap to Collaboration, the Hydrogen Development Strategy and the Precinct Activation Strategy.

NSW Government Announcements

COVID-19

On 17 March, the NSW Government announced a \$2.3 billion economic stimulus package in response to COVID-19 to support jobs, healthcare, small business and the community. Features of the package include:

- \$1.6 billion in tax cuts and job creation measures
- \$700 million to secure extra resources for hospitals
- \$500 million to bring forward capital works and maintenance
- \$209 million to bush-affected landholders to help cover the cost of repairing fences
- \$82 million to support 260 council-run childcare centres
- \$73 million to boost mental health services
- \$46 million as an equity injection into Forestry Corporation to repair damaged public infrastructure and expand Blowering and Grafton nurseries and begin planting activities in bushfire affected State forests.
- \$25 million to fast-track statewide research and clinical trials to tackle to pandemic and reduce its impact on the community.
- \$25 million for local councils to rebuild and refurbish infrastructure for up to 171 local showgrounds.
- Acceleration of the West Nowra Landfill Expansion, \$19.1 million
- \$14 million into Business Connect to help small and medium businesses
- \$9.5 million to Health to accelerate regional hospital minor projects and maintenance.
- \$9 million to the Stronger Communities Cluster to accelerate minor projects and maintenance on assets such as regional courthouses and correctional facilities.

The NSW Government has also announced a \$395 million package to safeguard council jobs, and local services and infrastructure. The NSW Government acknowledges the significant financial impact of COVID-19 on local government. The announcement of this package brings total NSW Government support for the local government sector to over half a billion dollars. The package includes:

- \$250 million increase in low-cost loans to eligible councils through TCorp
- Up to \$112.5 million to support a Council Job Retention Allowance of \$1,500 per fortnight per employee for up to three months
- \$32.8 million to assist council to meet the 2020/21 Emergency Services Levy

The NSW Government has also made several regulatory changes to ensure council resources can continue to be focused on frontline response efforts, including:

- Allowing councils to delay sending out the first quarterly rates notice for 2020-21 and extend the payment deadline by one month;
- Enabling councils to immediately waive or reduce fees for services such as food premise inspections and footpath usage for COVID-19 affected businesses, without the need to provide

28 days public notice;

- Providing councils with a one-month extension to adopt their 2020-21 operational plans and budgets and submit their 2019-20 audited financial statements and annual reports. Councils will also have an extra month to submit their last quarterly budget review statement for 2019-20;
- Removing the requirement for documents to be made available for inspection at council offices, if the document is published on the council's website or available electronically; and
- Removing the requirement for council notices to be advertised in newspapers and instead allow the relevant notice to be published on the council's website.

Regional Growth Funds

- Work is underway on more than 2,000 Regional Growth Funds (RGF) across the state. Almost \$1.5 billion has been committed through RGF to date.
- COVID-19 protocols may have impacted on the ability of some stakeholders to deliver on funding allocations. The NSW Government acknowledges the cancellation and postponement of local events has added to the challenges experienced by regional NSW on top of drought and bushfires.
- The Grants Management Office (GMO) is working with affected stakeholders to address any issues relating to cancelled or postponed events funded through the Bushfire Community Resilience and Economic Recovery Fund (Phase 1).
- If affected, Councils should contact the GMO to request a variation in project activity, scope or event date.

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5.2 DPIE Office of Local Government Update

Referred by: Elizabeth Dixon, Council Engagement Manager

Attachments: Nil

Recommendation

That the Board accept and note the report.

COVID-19 has presented new and unexpected challenges to all levels of government. The Office of Local Government has been working with Councils to identify emerging issues and address them in a range of ways to ensure that Councils can continue to service their communities. Some of these more prominent tools include a daily bulletin and opportunity for councils to feed issues into the State Emergency Operations Centre via a daily survey.

\$395 million economic stimulus package to safeguard council jobs, services and infrastructure
On 26 April 2020 the NSW Government announced the local government economic stimulus package which included a \$250 million increase in low-cost loans to eligible councils through the State's borrowing facility provided by TCorp to kick-start community infrastructure projects.

This increase brings this low-cost loan facility up to \$1.35 billion for the benefit of councils and their communities. TCorp will also be offering principal and interest payments deferrals on existing council loans upon request for the next six months.

Other measures will include:

- Up to \$112.5 million to support a Council Job Retention Allowance of \$1,500 per fortnight per employee to limit job losses in the NSW local government sector. The allowance will be paid for up to three months to qualifying staff working in the NSW local government sector.
- \$32.8 million to assist councils meet the cost of the FY2020/21 increase in the Emergency Services Levy.
- This package builds on the NSW Government's \$82 million to support 260 council-run childcare centres and \$25 million for local councils to rebuild and refurbish local showgrounds, bringing our total support for the local government sector to over half a billion dollars.

Regulatory changes in response to COVID-19A range of changes have been made to ensure council resources continue to be focused on frontline COVID-19 response efforts and allow councils to provide financial relief to businesses and residents. Regulations have been made under section 747B of the Local Government Act 1993 to temporarily modify the application of the Act in response to the COVID-19 pandemic.

- Allowed councils to delay sending out the first quarterly rates notice for 2020-21 and extended the payment deadline by one month;
- Enabled councils to immediately waive or reduce fees for services such as food premise inspections and footpath usage for COVID-19 affected businesses, without the need to provide 28 days public notice;
- Provided councils with a one-month extension to adopt their 2020-21 operational plans and budgets and submit their 2019-20 audited financial statements and annual reports. Councils will also have an extra month to submit their last quarterly budget review statement for 2019-20;

- Removed the requirement for documents to be made available for inspection at council offices, if the document is published on the council's website or available electronically; and
- Removing the requirement for council notices to be advertised in newspapers and instead allow the relevant notice to be published on the council's website.

Minister Stokes has similarly amended the Environmental Planning and Assessment Regulation to remove the requirement on councils to notify planning processes or applications in local newspapers.

- The changes, effective immediately, recognise that many local newspapers have either closed or moved online.

Council elections postponed to reduce the risk of COVID-19

To provide certainty to councils, communities and potential candidates, the NSW Government has made the decision to postpone the September local government elections in the face of the COVID-19 crisis. The decision to postpone the elections is necessary to ensure the health and safety of voters, NSW Electoral Commission staff and election candidates.

It follows Parliament passing amendments to the Local Government Act to provide the Minister with the power to postpone the elections for 12 months with a possible further extension to 31 December 2021 should the need arise.

It is the Government's intention that these council elections will be held in September 2021.

Current councillors and popularly elected mayors will continue to hold their civic offices until the rescheduled local government elections are held.

Mayoral elections will need to be held for mayors elected by councillors in September 2018 when their two-year terms expire this year. Mayors elected in September 2019 will continue to hold office until September 2021 once the new election date is gazetted.

Electronic council meetings now permitted

Amendments to the Local Government Act now allow councils to meet remotely to reduce the risk of COVID-19 and ensure compliance with the Public Health Order. Until September 2020 councillors can participate in meetings by an audio-visual link instead of attending in person. Council meetings can be held entirely remotely by audio-visual link.

The "stay at home" direction in the PHO operates to limit the ability of councillors and others to leave their homes for the purpose of physically attending council and committee meetings where the council has or can make alternative arrangements for remote attendance by an audio-visual link.

Managing fraud and corruption risks during the COVID-19 pandemic

The risks of opportunistic and systemic fraud and corruption can become more prevalent during periods of significant disruption such as the current COVID-19 pandemic.

Two new resources have been issued to assist Government agencies (including councils) to manage the fraud and corruption risks associated with these changes to their operations:

- the NSW Independent Commission Against Corruption's (ICAC) [Managing corrupt conduct during the COVID-19 outbreak](#), and
- the Australian Cyber Security Centre's Web Conferencing Security.

Councils are encouraged to consider these resources and to make any necessary changes to their operations and internal control framework in response to the guidance provided in them.

Councils can subscribe to the Australian Cyber Security Centre's Stay Smart Online Alert Service for automatic updates on emerging online security threats. Councils can also email Mr Lewis Rangott, Executive Director, Corruption Prevention, ICAC, at lrangott@icac.nsw.gov.au for more information about how to manage fraud and corruption risks.

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5.3 General Managers' Committee report

Referred by: Leanne Taylor, Chief Executive

Attachments: ISJO Staff Financial Delegations

Recommendation

That the Board:

- 1 Receive and note the report.
- 2 Endorse the revised ISJO Staff Delegations

Background

The General Managers' Committee met for two one hour meetings in March and April 2020.

The March meeting focused on two items: ISJO membership fee models; and a revised ISJO Staff Delegations.

ISJO Membership Fee Models: The existing ISJO member fee arrangement was established 2 years ago where it was decided to adopt a one vote one council approach with a flat fee of \$54,000 per council which would be indexed annually by cpi. After that time the Chief Executive's role was advertised with a total remuneration package which was higher than previously paid to the Executive Officer role. That combined with ISJO overheads such as rent, IT support, financial services, insurance, utilities and so on (many of which had been absorbed by Kiama Municipal Council in the Southern Councils Group time) means there is a significant shortfall from the total annual moneys from member council contributions which total \$216,000 pa. Along with the original member fee model, two other models were put forward for consideration. One was similar to the model used for the Southern Councils Group based on rate payer base and geographic area of the LGA; the other was a combination of the existing model combined with a top up based on the second model.

General Managers decided that they weren't able to contribute any further funds to the JO, but were in a position to provide in-kind contributions.

ISJO Staff Delegations: The General Managers reviewed the revised Delegations which provide for greater controls on staff expenditure which is important given the budget constraints. Shoalhaven City Council's Chief Executive Officer arranged for his Internal Audit team to review the document. These delegations are set out in paper 7.3 for Board endorsement.

The April meeting focused on:

ISJO Draft Budget 2020/21 It was noted this was the second year ISJO's budget would be in deficit. General Managers asked for a Board paper setting out operational alternatives, utilizing member council in-kind contributions for the May Board meeting which can be found in Section 6.3.

ISJO's Cross Regional Transport Forum General Managers reviewed the proposed plan for the Forum, approving the Chief Executive to proceed. The Forum was one of the key activities assigned to ISJO to deliver on the Western Sydney Illawarra Shoalhaven Roadmap to Collaboration. More details are set out in Section 6.4.

IDWA Audited Financial Statements General Managers were updated on the final version of the audited IDWA Financial Statements for FY18/19. They are now pending sign off by the NSW Auditor General.

Draft Regional Resource Sharing Strategy General Managers supported the draft document which was developed after consultation with member councils earlier in 2020. The purpose of the Strategy is to enable the secondment of member council staff regionally to meet training requirements, skills gaps and short term requirements such as acting arrangements. This document is now being reviewed by member council Executive after which it will come to the June Board meeting for endorsement.

SEATS Membership General Managers approved the renewal of ISJO SEATS membership for another year.

General Managers were also provided updates on the following regional projects:

- ISJO outsourcing of financial services and payroll
- ISJO outsourcing of communications and media
- Progress on implementing the JO Capability Funds
- Grant applications
- Illawarra Shoalhaven Regional Plan Review
- ATO Reporting
- Transport NSW's Regional Road Repair Program
- Regional Arts

Further information on these items will be provided in the next paper 5.5, Management Report of Chief Executive.

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5.4 Management report of Chief Executive

Referred by: Leanne Taylor, Chief Executive

Attachments: Nil

Recommendation

That the Board:

1. Receive and note the Report.

This reporting period has been a productive time for ISJO, with the following outcomes:

5.4.1 ISJO Staffing Update

ISJO's Chief Operations Officer, [REDACTED] commenced in the role on 23 March 2020. [REDACTED]'s induction has been conducted using a range of technologies such as Zoom meetings.

In order to comply with social distancing measures, all ISJO staff commenced working from home from 24 March 2020. This has been a smooth process, as prior planning meant that all staff have access to ISJO laptops which are connected to ISJO's server stored in the Cloud. Daily Zoom team meetings have helped staff make the transition.

On 8 April 2020, ISJO's Water Sensitive Urban Communities Project Manager [REDACTED] commenced in the two year part time role. [REDACTED] has been seconded from Wollongong City Council for three days a week to undertake the role.

Recruitment of the PT Regional Collaborations Manager role as discussed at the February Board Meeting (using funds drawn from the Establishment Grant) has been put on hold pending future arrangements for the JO given the budgetary constraints. These funds may need to be used to offset the wages of the Chief Executive.

5.4.2 Outsourcing Update

Financial Services and Payroll

ISJO's financial services and payroll were transitioned from Kiama Municipal Council to [REDACTED] on 1 April 2020. In the lead up, considerable work has been undertaken by ISJO and Kiama Council's HR and Finance teams to transfer files, spreadsheets and reports relating to personnel, payroll, ongoing financial management. This has enabled [REDACTED] to set up Xero to manage ISJO's finances and payroll into the future. ISJO Staff have undertaken training on the use of Xero and to date have made the transition well. This change will enable the production of monthly financial reporting.

There remains some additional work to separate ISJO's finances from Kiama Municipal Council – primarily in ISJO's cash reserves which were invested with Council's; and issues related to ATO reporting and payments.

Communications and Media

After a competitive process, [REDACTED] have been selected as ISJO's partner for Communications and Media. The funding for this one year contract has been allocated from the OLG Establishment Grant. The engagement has commenced with an ISJO Communications and Media Strategy being developed, which will then be followed by delivery of media releases, social media campaigns, documentation of regional case studies and quarterly newsletters.

This engagement will assist ISJO in communicating its value proposition to a range of stakeholders including member councils; influencing decision making; community engagement/education and so on.

Human Resources

A Request for Proposal has been called to identify an HR Consultant to develop a simple HR Policy Toolbox and remuneration system for ISJO. The funds for this engagement come from the Joint Organisation Capability Fund.

5.4.3 UCI Grants Legacy Fund

ISJO was advised on 30 March that funding is available for the Illawarra Shoalhaven region where Councils, local businesses and community groups were eligible to apply. The maximum grant funding for any project is \$20,000 and minimum is \$2,000 and needed to be dollar matched in either actual money or in-kind. This information was distributed to member Councils who then distributed the information through their LGA networks.

After seeking clarification that ISJO was eligible to apply, an application for \$20,000 has been submitted to develop a Regional Cycling Prospectus. If successful this funding will need to be matched by ISJO in-kind contributions. ISJO is aware of one other application from Shoalhaven City Council for a bike track in Kangaroo Valley.

5.4.4 Illawarra Shoalhaven Regional Plan Review

ISJO and member councils continue to participate actively in the review process of the Illawarra Shoalhaven Regional Plan. A visioning exercise was held on 10 March where 70 DPIE staff, member council staff, ISJO's Chief Executive and regional stakeholders participated in a facilitated workshop to develop the region's vision and priorities. One of the key priorities identified on the day was Connectivity. See attached for a copy of the outcomes from the Visioning Exercise Report.

The Working Group comprising ISJO and member council staff has been meeting fortnightly, and the Steering Committee chaired by Carey McIntyre monthly.

It is intended that the revised Regional Plan will be a digital plan – while the functionality is still being scoped, it will be interactive. Hard copy collateral will also be available. The timeline for the Review has been adjusted – the draft digital plan is due to the Minister for review and approval by the end of November 2020. The planned Community Engagement has stalled given the Covid-19 Pandemic, but it is planned to use Social Pinpoint to engage

stakeholders.

Sarah Lees and her team have been meeting with member council staff to discuss regionally significant areas in each LGA – which are being called Precincts. Currently 14 precincts have been identified that are regionally significant for employment, housing etc.

Sarah Lees is also scheduled to meet with General Managers at the next meeting in June to provide an update and seek feedback.

5.4.5 Transport NSW's Regional Road Repair Program

ISJO's Chief Executive has been invited by Transport NSW to participate in the above program. The next meeting for Group 1 (comprising Wollongong, Shellharbour, Kiama, Shoalhaven and Wollondilly) is scheduled for 12 May.

5.4.6 Regional Arts

ISJO's Chief Executive met with Create NSW on 18 March to discuss the option of ISJO auspicing regional arts for the south coast. Create NSW are currently in the process of planning a review of the role of Regional Arts Development Officers (RADOs) across Regional NSW which will commence mid-year and take about 6 months to complete. Create NSW appeared very keen to explore the option of working with ISJO but have indicated they need to continue with their review as planned, incorporating Joint Organisations across Regional NSW. They did indicate that they are interested in working with ISJO in conducting a pilot once the review process is complete.

5.4.7 EPA Round 6 Combatting Illegal Dumping: Clean up and Prevention Program Grant Funding

ISJO's Regional Waste team has just been advised that further grant funding of \$36,200 has been granted under Round 6 to continue the work on the Shellharbour Clean-up and Prevention program.

5.4.8 Illawarra Shoalhaven City Deals

This project has now collated all the key development projects across the region, grouping them under themes. Given recent events, a second list of shovel ready projects is now being collated should funding become available.

5.4.9 UOW Research

ISJO has been approached by UOW's Global Challenges team who are keen to undertake a range of research projects on bushfire recovery. They are dedicating 50% of their research budget to this. They are now meeting with Shoalhaven City Council's Economic Development Manager to progress this opportunity.

6. Matters for Strategic Decision Making

6.1 Election of Chair and Deputy Chair

Referred by: Leanne Taylor, Chief Executive

Attachments: Nil

Recommendation

That the Board

1. Note and receive the Report
 2. Email ISJO's Chief Executive your nomination for Chair and Deputy Chair by COB 12 June 2020
-

Background

As detailed in the February Board papers and ISJO Charter, ISJO's Chair and Deputy Chair is elected for a term of 2 years. ISJO's current Chair, Clr Gordon Bradbery's and Deputy Chair Clr Marianne Saliba's terms cease at 30 June 2020.

Current Situation

Previously it had been planned to conduct the voting at the May Board meeting, but given the need to conduct the meeting virtually, the process will be split into two stages. The first stage is nominations; and the second stage will be the actual vote.

Board Delegates are asked to email their nomination for Chair and Deputy Chair to the Chief Executive by COB 12 June 2020 at ltaylor@isjo.org.au. Nominees will then be listed in the Board papers for the June meeting – where a vote will be held at that meeting.

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6.2 ISJO's Strategic Plan 2020-21

Referred by: Leanne Taylor, Chief Executive

Attachments: ISJO's Strategic Plan 2020-21

Recommendation

That the Board:

1. Note and receive the Report
 2. Discuss and approve the draft strategic plan
-

Background

At the time the Illawarra Shoalhaven Joint Organisation was formed in 2018, a consultative process to develop ISJO's Statement of Regional Intent was undertaken. The outcomes of this were reported on in ISJO's Annual Report 2018/19 which can be found on pages 11 – 14 at:

<https://isjo.org.au/assets/Uploads/eab70355fc/ISJO-AnnualReport2019-FINAL-v2.pdf>. Joint

Organisations are responsible for periodic reviews of regional priorities and strategies. Accordingly, in June 2019 ISJO's regional priorities were reviewed by the General Manager's Committee where it was decided to reframe from 5 to 4 priority areas. This was subsequently endorsed by the ISJO Board in June 2019.

Current

A revised strategic plan with the revised regional priorities, incorporating all the Board endorsed ISJO regional strategies, plans and activities for FY 19/20, has been developed and is attached for Board review. The plan sets out high level key activities either being undertaken or planned for during 2020 through to 2021 by regional priority; showing linkages to funding sources.

This plan has been developed to provide the Board with an overview of what is currently being undertaken or planned to be undertaken by ISJO. It will be a useful guide for Board decision making in the following paper 6.3.

There is one area not included in the strategy that the Board may like to consider including – that of regional skills development. Given the focus on ramping up infrastructure projects through stimulus funding to increase local jobs, the opportunity to identify skills development projects to support these is a role the Joint Organisation could also play, but would require funding.

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6.3 CONFIDENTIAL: ISJO FY 20/21 Draft Statement of Revenue Policy and Budget

Referred by: Leanne Taylor, Chief Executive

Attachments: Nil

Recommendation

That the Board:

3. Note and receive the Report
 4. Discuss the recommended options and agree to endorse one
-

This paper is confidential and has been distributed to Board Delegates under separate cover.

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6.4 Western Sydney Illawarra Shoalhaven Cross Regional Transport Forum

Referred by: Leanne Taylor, Chief Executive

Attachments: Nil

Recommendation

That the Board:

1. Note and receive the Report
 2. Discuss and support the proposed plan for the Cross Regional Transport Forum
-

Background

In September 2019, the Western Sydney Illawarra Shoalhaven Roadmap to Collaboration was launched. This document sets out a series of actions to enable the two regions to work more collaboratively, unlocking further capabilities for each region. One of the actions that was assigned to the Illawarra Shoalhaven Joint Organisation is to hold a Cross Regional Transport Forum.

Current Situation

ISJO has been granted funds through OLG's JO Capacity Building Grant to engage a consultant to partner in the delivery of the Forum. Currently procurement for the consultant is underway with the successful proponent scheduled to be offered a contract mid-May.

At this stage the details for the Forum are as follows:

Date for Forum: 9 July 2020 (to be firmed up once Ministers' calendars are confirmed)

Timeframe: 2 – 3 hours depending on run sheet

Delivery of Forum: given social distancing measures, the Forum will be held using an online platform, incorporating guest speakers, presentations, breakout sessions and online methods for participant feedback.

Participants: NSW Ministers for Transport and Roads, and Regional Roads; Senior DPIE representatives (head office and from both regions); General Managers and Mayors from Western Sydney and Illawarra Shoalhaven regions Councils; Transport NSW representatives; regional stakeholders including UOW and other relevant universities, RDA, WSROC, Western City Parklands, NSW Ports, Property Council, UDIA, Destination NSW etc.

Purpose: The Forum will enable representatives from both regions to be updated on transport (both passenger and freight) related strategy that equally impacts both. To date, consultation and feedback has been sought by Transport NSW on an LGA and regional level, but never cross regional. The reason this is important is that in the case of connectivity between both regions for passenger and freight, what may be seen as advantageous for one region may create difficulties for the other downstream.

The proposed run sheet for the Forum is likely to include:

- Ministerial portfolios and potential announcements at the Forum
- Orbital extension update – preferred route, on/off ramp locations
- Fast Rail – Bomaderry to Sydney route
- Transport and Freight strategies under review
- Picton Road/Appin Road capacity and need for duplication
- Maldon/Dombarton (aka) SWIRL research by UOW
- Aerotropolis connectivity

Collaborative Process to Develop the Forum Run Sheet:

ISJO will be holding a Transport Working Group meeting in late May where key representatives from member Councils (ie Economic Development, Infrastructure/Asset Strategy Engineers, Planners), Transport NSW, Ports NSW, RDAI, Property Council, DPIE – Planning and Transport NSW will attend. This working group will play a role in determining the input into the run sheet for the Forum.

What Would Success Look like:

- Equal representation and input from both regions
- Feedback incorporated in finalising transport strategies by Transport NSW
- Potential for a Cross-Regional Advisory Group to be developed for ongoing consultation and advice
- Incorporation of feedback into the review of the Illawarra Shoalhaven Regional Plan that is currently underway
- Effective advocacy ensuring relevant infrastructure projects get funding allocations
- Media coverage – positioning ISJO as a regional leader

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6.5 Covid 19 Responses and Government Funding

Referred by: Leanne Taylor, Chief Executive

Attachments: 1: Summary of Funding – State

2: Summary of Funding - Commonwealth;

3: OLG Stimulus Package Q&As

Recommendation

That the Board:

1. Note and receive the Report
2. Discuss regional needs and make recommendations for ISJO Advocacy

Background

In early 2020 when a new type of coronavirus was identified in Wuhan China, few could have predicted its potential spread internationally nor its impact on the economy. By early March it had become clearer that this new coronavirus Covid-19 was highly contagious and without a vaccine, the health of the global population was at significant risk.

The Commonwealth Government's messaging by mid-March was clear – Australia's population needed to be protected through the closure of our borders, quarantining of international arrivals, social distancing of the population and the closure of public spaces. Our member councils have planned for this, with General Managers working closely together sharing business continuity plans and other documentation, consulting each other on strategies for closures and timeframes, as well as managing various categories of council staff – all with a view to consistency across the region.

Current Situation

In an environment where working from home was not the norm, member councils have quickly responded to enable this through the purchase of additional IT licences, increasing cyber security measures, purchasing new equipment and processing working from home approvals. For outdoor staff, split shifts and changed travel arrangements have facilitated the continuation of employment and service delivery.

The Commonwealth and State have announced a range of funding to support business and the community – see Attachments for a summary. Unfortunately much of this funding was not available to member councils.

In response to this, the State Government announced the COVID-19 Local Government Economic Stimulus Package on 26 April. The funding comes with eligibility conditions: councils will need to have adopted the Splinter Award or a similar instrument; project a 30% reduction in own-source revenue (for the Job Retention Allowance); and for those councils who are members of a Joint Organisation, they are required to support their Joint Organisation for the next 2 years through financial and in-kind contribution.

This funding provides a State Government contribution to councils called the Council Job Retention Allowance that is similar to the Commonwealth's Job Keeper program; relief from paying next financial

year's Emergency Services Levy; access to low interest infrastructure loans from TCorp. See Attachment for a copy of the Office of Local Government's Q&As related to this Local Government Economic Stimulus Package.

At the time of writing this paper feedback from the Illawarra Shoalhaven Leadership Executive Covid-19 meeting from State and Commonwealth Agencies held 30 April is as follows:

- 1 The number of confirmed cases of Covid-19 in the Illawarra Shoalhaven population peaked in late March where there were 12 cases a day recorded.
- 2 84% of the cases reported in the Illawarra Shoalhaven were return international travellers.
- 3 The focus is now on transfer of the virus – an example of this is the hot spot that arose in South Nowra recently where there were 5 reported cases. These 5 cases resulted in the need to trace 50 contacts so that they understood the need for home isolation.
- 4 JobSeeker payments have gone from 600,000 to over 1m and is climbing every day. In the Illawarra Shoalhaven region there has been a 65% increase to date.
- 5 Many regional businesses have registered for JobKeeper which will provide funds for 3-4m employees.
- 6 Under subsidised training from the NSW Smart and Skilled funding, TAFE have had 80,000 enrolments statewide for Term 2. The University of Wollongong has also provided 63 courses online for people to upskill their qualifications.
- 7 While tourism and hospitality industries have been severely impacted by the Pandemic, AusIndustry reports that local manufacturers are continuing well. Some difficulties have been experienced by Defence Industry Primes who have international partners in their supply chain where delays in parts/products have been experiences.
- 8 There have been 22,000 applications from Service NSW for Small Business support in the Illawarra Shoalhaven region. Currently 63% of these have been paid out, with 830 of these being food and beverage businesses.

FOR CONSIDERATION

Member Councils have all reported significant losses in revenue due to Covid-19 related closures of holiday parks, leisure centres, lessee rent relief and rates relief. Greg Doyle has had state-wide conversations with General Managers who are all experiencing issues to do with providing rates relief and has suggested that a regional request be made to the State Government be made for rates relief support.

All member council's infrastructure pipelines have been collated by ISJO and made available to the state government. Further advocacy is required for financial support to fast track some of these. One option is for a regional priority list to be developed. This could be undertaken using the JO Capability Funds set aside for a Regional Advocacy Plan – refer to part 1.3 in the Draft Strategic Plan 20-21 that was attached to section 6.2 of these papers.

7. Matters for Board Endorsement

7.1 Illawarra District Weeds Authority (IDWA) Audited Financial Statements

Referred by: Leanne Taylor, Chief Executive

Attachments: A - IDWA Financial Statements FY 2018-19

B – Audit Office Report on Conduct of the Audit

C – Audit Office Report on Engagement Closing Report

D – Audit Office Report on Independent Auditor's Report

Recommendation

That the Board:

1. Note and receive the Report
-

Background

The NSW Government requires all Joint Organisation Boards in their capacity as governing a local government entity to have all financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements; and the Local Government Act 1993. Joint Organisation Boards are also required to ensure internal control systems to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or not.

Up until 30 March 2020, ISJO's financial services were managed by Kiama Municipal Council's Finance Division in conjunction with ISJO Executive.

In an out of session board resolution on 26 September 2019, the Board gave approval for ISJO's and IDWA's Financial Statements to be available for external audit. The NSW Audit Office engaged Deloitte to undertake the FY 18/19 external audit of both ISJO and the IDWA for a fee of \$6,500.

Current Situation

Attachment A sets out IDWA's Financial Statements for 2018/19; and Attachments B, C and D show the NSW Audit Office Reports on: The Conduct of the Audit; Engagement Closing Report; and the Independent Auditor's Report. The Reports have not found any material issues.

At 30 June 2019 the IDWA had total assets of \$1.0 million and net assets of \$790,142. As part of the IDWA's transition to ISJO on 1 July 2018, \$801,617 of net assets were contributed by Authority held by the Southern Councils Group. The IDWA's assets consist of cash of \$968,681 and infrastructure, property, plant and equipment of \$55,255.

IDWA's net operating result for the year ended 30 June 2019 was \$11,475 (loss). The IDWA's primary income source during the year was from Illawarra council contributions of \$159,463 which contributed to 42% of IDWA's income from continuing operations of \$371,253. It also received \$112,727 from grants. The loss of \$11,475 is the result of a decision made by the IDWA's Management Committee four years ago to supplement weed management programs through drawing down on unrestricted funds annually. Of these unrestricted funds the Management Committee agreed to hold 50% of these for potential legal disputes, and the remaining to be made available to supplement operational works across the Illawarra.

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7.2 Regional Design Bank

Referred by: Leanne Taylor, Chief Executive

Prepared by: Cllr John Wells, Shoalhaven City Council

Attachments: Nil

Recommendation

That the Board:

1. Note and receive the Report.
2. Discuss and endorse the recommendation to investigate the creation of a regional Design Bank

Background

One of the key responsibilities of Council's is to provide infrastructure for their communities. Much if not all of this infrastructure is in built form - public toilets, playgrounds, skate parks and pump tracks, libraries, aquatic and leisure centres, community halls, park furniture and shelters, waste disposal facilities - the list is extensive.

In providing such facilities Council's, typically after community consultation, prepare a design brief, detailed design and specification, quantity survey and cost estimate prior to undergoing a development application / assessment process, and often, a tender process. These processes often involve architect, design, and engineering consultants, but many Councils also retain staff capable of providing these services in-house.

Current Situation

As all Councils are engaged in these processes, it is reasonable to conclude that all Councils are doing the same things on the same asset categories using the same processes. In ISJO's case there are four sets of staff designing toilet blocks of identical functionality with potentially four different design (and potentially cost) outcomes. In the City of Shoalhaven we have around 110 toilet blocks, very few of which are of the same design. The historical insistence on bespoke design is becoming increasingly difficult to justify in times of resource scarcity. Bespoke design also has implications on lifetime maintenance and consumables procurement costs.

Example

In a recent case in point, Council A is starting the journey to develop a new library. Council B had just completed that journey, building a library of a very similar specification. By coincidence, both Councils engaged the same architectural firm, Council A's budget estimate for the building is in the order of \$13 million. Council B's actual cost was in the order of \$7 million. Is there scope for some collaboration here? Does the wheel need to be re-invented? The potential savings are not only evident in dollar terms, but also in time and staff effort.

Conclusion and Recommendation

Such musing has led me to conclude that there may be a case for ISJO to consider the development of a Design Bank which could over time build up a repository of asset designs, specifications, cost estimates and approvals which members and associated councils (if not all LGAs) could access the range of designs purchased or developed by members, There may be some legal considerations to explore such as compensation for copyright or re-use, but that should not be insurmountable and can be transparently stated, for example in tender/contract documentation prior to project commencement.

I would envisage ISJO, and potentially contributing Council's, would be compensated for managing /contributing to the Bank at the time a member Council accesses a design package.

John Wells
28th April 2020

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7.3 ISJO Financial Delegations

Referred by: Leanne Taylor, Chief Executive

Attachments: ISJO Financial Delegations A and B

Recommendation

That the Board:

1. Receive and note the report.
2. Endorse the revised ISJO Financial Delegations

Background

The purpose of this paper is to seek Board endorsement of revised ISJO Operational Delegations.

Current Situation

ISJO's operations are currently managed under a broad set of delegations endorsed and implemented at the establishment of the Joint Organisation in 2017 – see Attachment, Appendix A.

As the Joint Organisation operations have matured while operating in an environment of budget constraints, it is the opinion of the Chief Executive that these delegations do not adequately manage the risk of fraud and corruption due to their ambiguity and lack of detail. Appendix B sets out the proposed delegations which were developed with legislative requirements, financial control, authority and accountability in mind.

The delegations are prescriptive in nature and ensure internal controls are in place to protect employees and for managing risk under a sound financial management approach. If approved, the delegations will be reviewed annually to ensure currency.

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8. Matters for Noting

8.1 Endeavour Energy

Referred by: Leanne Taylor, Chief Executive

Attachments: Endeavour Energy presentation on Bawley Point Renewable Energy Model

Recommendation

That the Board:

1. Receive and note the report.
-

ISJO's Chief Executive represents the four member councils on the Endeavour Energy Peak Customer and Stakeholder Engagement Committee meeting. At its March meeting a pilot renewable energy community model strategy was discussed for Bawley Point –see the Attached for a copy of their presentation.

At the time of joining the Committee, feedback was sought from member councils on any issues they were experiencing with Endeavour Energy's service delivery. The feedback's key issues related to supply meeting demand in some of the Shoalhaven LGA's villages such as Bawley Point, Huskisson and Milton.

In this proposed strategy Endeavour Energy are looking at an alternative method of meeting demand rather than putting in new sub-stations where the community plays a role: through the use of solar panels on private dwellings and community assets; LED streetlights with motion sensors; EV charging points etc and with the energy stored in community batteries. They are also investigating the opportunity for battery storage to be adjacent to telco sites so that during times of bushfire, telecommunications can be maintained.

At this stage the strategy development is still in its early days – funding sources etc are still being sourced, but if it gets up will solve a local problem while at the same time providing a blueprint for other parts of our region.

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9. Late Business item

Referred by

Attachments:

Recommendation

Background

Current Situation

Financial/Resource Implications

10. Next Meeting

The next scheduled meeting for 2020 will be held on Friday 26 June, venue/platform to be determined dependent on social distancing measures in place at the time.

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