



**SNOWY VALLEYS EXTRAORDINARY  
COUNCIL MEETING  
BUSINESS PAPER  
28 JANUARY 2020**

THE MEETING WILL BE HELD AT 2.00PM  
IN THE TUMBARUMBA COUNCIL CHAMBERS

## **Disclosure of Pecuniary Interests at meetings (extract from the Code of Conduct – Section 4)**

**4.28** Councillor or a council committee member who has a pecuniary interest in any matter with which the council is concerned, and who is present at a meeting of the council or committee at which the matter is being considered, must disclose the nature of the interest to the meeting as soon as practicable.

**4.29** The councillor or council committee member must not be present at, or in sight of, the meeting of the council or committee:

(a) at any time during which the matter is being considered or discussed by the council or committee, or

(b) at any time during which the council or committee is voting on any question in relation to the matter.

**4.30** In the case of a meeting of a board of a joint organisation, a voting representative is taken to be present at the meeting for the purposes of clauses 4.28 and 4.29 where they participate in the meeting by telephone or other electronic means.

**4.31** Disclosure made at a meeting of a council or council committee must be recorded in the minutes of the meeting.

## **Disclosure of Political Donations and Gifts**

The *Environmental Planning and Assessment Act 1979* places obligations on Councillors, staff, applicants and any person who makes a public submission, to disclose information relating to political donations and gifts during the environmental plan making or development assessment process.

The fact that political donations or gifts have been made by applicants / proponents of a planning application should not affect whether an application is approved or refused. Political donations or gifts should not be relevant in making a determination. The matter should be determined on its merits. Nor do they provide grounds for challenging the determination of any applications.

For further information, visit [www.planning.nsw.gov.au/donations](http://www.planning.nsw.gov.au/donations)

Furthermore, for each planning decision made at a Council or Committee Meeting, the names of Councillors who supported the decision and those that oppose the decision must be recorded. (*Sec. 375A of the Local Government Act 1993*)

## **Use of mobile phones and the unauthorised recording of meetings (extract from the Code of Meeting Practice – Section 15)**

**15.21** Councillors, council staff and members of the public must ensure that mobile phones are turned to silent during meetings of the council and committees of the council.

**15.22** A person must not live stream or use an audio recorder, video camera, mobile phone or any other device to make a recording of the proceedings of a meeting of the council or a committee of the council without the prior authorisation of the council or the committee.

**15.23** Any person who contravenes or attempts to contravene clause 15.22, may be expelled from the meeting as provided for under section 10(2) of the Act.

**15.24** If any such person, after being notified of a resolution or direction expelling them from the meeting, fails to leave the place where the meeting is being held, a police officer, or any person authorised for the purpose by the council or person presiding, may, by using only such force as is necessary, remove the first-mentioned person from that place and, if necessary, restrain that person from re-entering that place for the remainder of the meeting.

### **Livestreaming of Meetings**

#### **(extract from the Code of Meeting Practice – Section 5)**

This meeting is live streamed on Council's website to allow the community to follow Council debates and decisions without the need to attend meetings in person. Members of the public attending or speaking at a meeting agree to have their image, voice and personal information (including name and address) recorded and publicly broadcast. Snowy Valleys Council does not accept liability for any defamatory remarks or inappropriate comments that are made during the course of a meeting. Any part of the meeting that is held in closed session will not be streamed.

**5.19** All meetings of the council and committees of the council are to be webcast on the council's website.

### **Photography**

Flash photography is not permitted at a meeting of the Council or a Committee of the council without the consent of the General Manager.

### **Public Forum**

#### **(extract from the Code of Meeting Practice – Section 4)**

**4.1** The Council may hold a public forum prior to each Ordinary Council meeting for the purpose of hearing oral submissions on items of business to be considered at the meeting.

**4.2** Public forums are to be chaired by the mayor or their nominee.

Those attending must comply with the terms and conditions of the Code of Meeting Practice which can be viewed on Council's website;

<http://www.snowyvalleys.nsw.gov.au/Council/Governance/Policies>



**Tuesday 28 January 2020**  
**Snowy Valleys Council Chambers**  
**Bridge Street Tumbarumba**  
**2.00pm**

## **EXTRAORDINARY AGENDA**

### **1. ACKNOWLEDGEMENT OF COUNTRY**

*We would like to acknowledge the traditional custodians of this land and pay respects to Elders past and present.*

### **2. APOLOGIES AND LEAVE OF ABSENCE**

### **3. DECLARATIONS OF PECUNIARY INTEREST**

*Pursuant to Section 4 of the Code of Conduct, Councillors are required to declare any direct or indirect pecuniary interest in any matters being considered by Council.*

### **4. NOTICE OF MOTION/NOTICE OF RESCISSION**

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**NOTICE OF MOTION**

Under Clause 3.10 of Councils Code of Meeting Practice, I give notice that the following motion be placed on the Council Agenda for the Extraordinary Meeting of Council, to be held on Tuesday 28 January 2020

**SUBJECT: CLIMATE CHANGE**

Motion - "That Council takes action on climate change"

Councillor	Clr Geoff Pritchard
Signature	.....
Date:	.....
Councillor	
Signature	.....
Date:	.....

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**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.1 ADOPTION OF A SNOWY VALLEYS COUNCIL 2020  
BUSHFIRE RECOVERY PLAN**

**REPORT AUTHOR:** CHIEF EXECUTIVE OFFICER  
**RESPONSIBLE DIRECTOR:** MAYOR

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**EXECUTIVE SUMMARY:**

Multiple fires impacted the Snowy Valleys area early in 2020 and commenced at different localities within the Snowy Valleys Council boundary. The Dunns Road Fire first started from a lightning strike on 29/12/19 and covered the greatest area however the following fires have also had an impact in the area:

- The Green Valley
- The Ournie Creek
- Mary's Hill
- Mount Yungai
- Nine Mile Complex
- Snowy Complex
- Yellow Bog Road

A Section 44 was declared and Council has assisted operations in four distinct areas:

- Support to the RFS
- Support and representation to the EOC
- Council Operations
- Community Recovery

The recovery process will be long and will require a lot of co-ordination. In line with the NSW Recovery Plan we have drafted a Snowy Valleys Council Bushfire Recovery Action Plan for consideration by Council along with the various support structures needed to implement the plan.

**RECOMMENDATION:****THAT COUNCIL:**

1. **Facilitate a community lead recovery process across the Snowy Valleys Council area;**
2. **Adopt the Snowy Valleys Council Bushfire Recovery Action Plan as a basis for moving forward noting that the plan will be in constant renewal as the information and situation evolves;**
3. **Facilitate a Recovery Committee to be Chaired by the Snowy Valleys Council CEO;**
4. **Facilitate the following recovery committees with Community, Councillor and staff representation**
  - a. **Health and Wellbeing**
  - b. **Infrastructure Waste and Environment**
  - c. **Forest Industries**
  - d. **Agriculture and Livestock**
  - e. **Business and Tourism**
  - f. **Communications and Community Engagement**

- g. Council Business**
- h. Donations and Disaster Relief; and**
- i. Community Advisory**

**BACKGROUND:**

The Emergency Operations Centre stood down to Active status on 16 January 2020 and is ready to move to operational status if the need arises. Council has facilitated many recovery actions from the start of the event and is now continuing this as a priority action to support our community.

The Snowy Valleys Council Local Emergency Management Committee met on 8 January and resolved:

*'That the SVC LEMC recommend to the State a [local] recovery committee to assist the community to restore infrastructure and services, empowering locals. The scale and impact is not recoverable at a local level and will require regional, state and federal assistance for recovery.'*

Letters have been sent to the Regional Emergency Management Committee to endorse this position. In the meantime, Council has continued to facilitate a community lead recovery process.

**REPORT:**

Council has formed a recovery committee which has met on two occasions to date with the next meeting scheduled for 29 January 2020. The committee is skills and representative based and the membership includes:

<b>Category</b>	<b>Representative</b>	<b>Organisation</b>
Health and Wellbeing	Denise Garner	Murrumbidgee Health
Agriculture and Livestock	Barney Hyams	Local Land Services
Business	Ken Dale Natalie Randall	Tumbarumba Chamber of Commerce Tumut Regional Chamber of Commerce
Tourism	Matt Lucas	Thrive Riverina
Infrastructure	Roy Humphries	Valmar
Waste	John Stanfield	Valmar
Donations and Disaster Relief	Hannah Speers	Elders
Communications	Dave Eisenhauer	Sounds of the Mountains
Forestry	Phil Clements	Softwoods Working Group
Paper Industry	Kevin Anderson	Visy
Timber Milling Industry	Katie Fowden	Hyne
Horticulture Industry	Angeline Mulder	Costa Berries
Vignerons Industry	Richard Cottam	Tumbarumba Vignerons Association
Orchardists Industry	Pernell Hartley	Batlow Fruit Company
Hydroelectricity Industry	Guy Boardman	Snowy Hydro
Council	James Hayes John Larter Matt Hyde Steve Pinnuck	SVC Mayor SVC Deputy Mayor SVC CEO Greater Hume Shire Council General Manager
Regional Emergency Management Officer	Paul Lloyd	Office of Emergency Management
Recovery Coordinator, Southern NSW	Dick Adams	
Local Recovery Coordinator	To be advised	

Category	Representative	Organisation
	Heidi Stratford	Department Premier and Cabinet
	Bob Noble Stan Wall	NSW Police
	Sgt Brad Palmer	Australian Defence Force
	Dr Joe McGirr MP	Member for Wagga Wagga
	Justin Clancy MP	Member for Albury
	Steph Cooke MP	Member for Cootamundra
	Mike Kelly MP	Member for Eden Monaro

This committee will be the main coordinating group for local recovery and will be able to escalate matters, aim to reduce duplication and conflicts and ensure a level of co-ordination across the region.

### Sub-committees

A number of sub-committees have been established to support action plans for the main areas. Mostly these will have representation and skills base with the exception of the Community Advisory Subgroup which will have geographic representation and include all Councillors. Some communities have been proactive and have established their own community recovery groups which will feed into the process. The subcommittees include:

- Health and Wellbeing
- Forest Industries
- Infrastructure, Waste and Environment
- Agriculture and Livestock
- Business and Tourism
- Communications and Community Engagement
- Council Business
- Donations and Disaster Relief
- Community Advisory Group

Membership of these groups is being established with the exception of the Community Advisory Group who have already been contacted and include:

- Tumut – Donna Martin, Drew James, Col Loche
- Tumbarumba – Jane Lane, Jenny Wilkinson, Ed Lauder
- Batlow – Ray Billing, Steve Horsley
- Talbingo – Regina Roach
- Adelong – Fiona Matthews
- Wondalga – Steve Walsh
- Ellerslie – Matt Pearce
- Jingellic – Mary Hoodless
- Khancoban – Lesley Barlee
- Tooma – Jeff Sheather
- Mayor Hayes
- Deputy Mayor Larter
- Councillors Benjamin, Cross, Ham, Isselmann, Pritchard, and Smit

### LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:

#### Integrated Planning and Reporting Framework: CSP Outcome 2028

Theme 4: Communication and Engagement



**Delivery Outcomes**

4.2 Deliver a communication strategy which ensures the community receives information in a timely and convenient manner

**Operational Actions**

Nil

**SUSTAINABILITY ASSESSMENT:**

The ongoing sustainability of projects will be considered as they are developed such as the whole of life cost of infrastructure. The Federal Government has also indicated that they are interested in co-funding “betterment projects” where rebuilding infrastructure that is more resilient to disasters would be favourable. An example of this might be rebuilding a concrete bridge where a previous wooden bridge was destroyed by the fires.

**Financial and Resources Implications:**

At the time of writing this report the Federal Government had announced a \$1 Million grant to Local Governments impacted by significant fires and although we have not yet seen the contract for this we believe the grant is untied.

The State Government has offered funding and staff will be presented further information on this when representatives of the state visit on Tuesday 21 January 2020.

The Section 44 response has conditions about what can be claimed for these works along with the Disaster Recovery Funding Arrangements.

Council will aim to maximise the funding to ensure the best result for the community.

Typically in these events where industry is also heavily impacted into the future there will be an opportunity for funding of larger scale blue sky type projects to boost employment and the longer term recovery. There are a number of projects sourced mainly from the Snowy Valleys Advocacy Plan that being kept in mind:

- Brindabella Road
- Trails
- Forestry Centre of Excellence
- Forestry Plantings
- Multipurpose Centre
- Country University & Business Centre
- Caravan Park Improvements
- Industrial Estates
- Connectivity – Radio & Mobile Phone
- Tumut Airport
- Town Centre Improvements
- Spatial Planning for Residential Land

**Cost Benefit Analysis:**

As the recovery process develops the cost benefit ratio of any projects will be considered as part of the standard project methodology adopted by Council.

**Policy, Legal and Statutory Implications:**

The recovery process is consistent with the New South Wales and Federal Government Guidelines.

**RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**

N/A

**OPTIONS:**

Council may wish to set up alternative committees that better represent the local area or not establish recovery committees. Council's biggest consideration would be to ensure the recovery process is community led.

**COUNCIL SEAL REQUIRED:**

No

**IMPLEMENTATION/COMMUNICATION:**

Council staff have workshopped the recovery actions with Councillors and Executive. Due to the urgent need the process of formation and meetings has already commenced.

**ATTACHMENTS**

1. Membership SVC 2020 Bushfire Recovery Committee
2. Information on the Sub-committee structure
3. Flowchart on links between committees
4. Draft Snowy Valleys Bushfire Recovery Action Plan January 2020 (under separate cover)

## Membership – SVC Recovery Committee, January 2020

	CATEGORY	NAME	ORGANISATION
1.	<b>Health &amp; Wellbeing</b>	John Larter Denise Garner	SVC, NSW Ambulance Murrumbidgee Health
2.	<b>Agriculture &amp; Livestock</b>	Barney Hyams	Chair, Riverina Local Land Services
3.	<b>Business &amp; Tourism</b>	Ken Dale	President, Tumbarumba CoFC
4.	<b>Business &amp; Tourism</b>	Natalie Randall	President, Tumut CoFC
5.	<b>Business &amp; Tourism</b>	Matt Lucas	Thrive Riverina (Board member)
6.	<b>Infrastructure</b>	Roy Humphries	VALMAR
7.	<b>Waste &amp; Environment</b>	John Stanfield	Manager VALMAR Disability Enterprises
8.	<b>Donations &amp; Disaster Relief</b>	Hannah Speers	Elders, Adelong
9.	<b>Communications &amp; Community Engagement</b>	David Eisenhauer	Sounds of the Mountains
10.	<b>Forestry</b>	Peter Crowe	Softwoods Working Group
11.	<b>Forestry</b>	Phil Clements	Softwoods Working Group
12.	<b>Forestry</b>	Rab Green	AKD
13.	<b>Industry</b>	Kevin Anderson	Visy
14.	<b>Industry</b>	Katie Fowden	Hyne
15.	<b>Industry</b>	Nico Mulder  Angeline Mulder	Costa Berries
16.	<b>Industry</b>	Richard Cottam	Mount Tumbarumba Vineyard
17.	<b>Industry</b>	Pernell Hartley	General Manager, Batlow Fruit Company
18.	<b>Industry</b>	Guy Boardman	Area Manager, Lower Tumut Region, Snowy Hydro
19.	<b>Mayor (Chair)</b>	James Hayes	Snowy Valleys Council
20.	<b>Deputy Mayor (Alternate Chair)</b>	John Larter	Snowy Valleys Council
21.	<b>CEO</b>	Matt Hyde	Snowy Valleys Council
22.	<b>Recovery Coordinator</b>	Phil Stone	Snowy Valleys Council
23.	<b>Optional</b>	Heidi Stratford	Department Premier and Cabinet
24.	<b>Optional</b>	Dick Adams	Recovery Coordinator Southern NSW
25.	<b>Optional</b>	Justin Clancy MP	State Member for Albury
26.	<b>Optional</b>	Joe McGirr MP	State Member for Wagga
27.	<b>Optional</b>	Steph Cooke MP	Member for Cootamundra
28.	<b>Optional</b>	Mike Kelly MP	Federal Member for Eden-Monaro

	CATEGORY	NAME	ORGANISATION
29.	<b>Optional</b>	Paul Lloyd	Regional Emergency Management Officer (REMO)
30.	<b>Optional</b>	Bob Noble	NSW Police
31.	<b>Optional</b>	Stan Wall	NSW Police
32.	<b>Optional</b>	Brad Palmer	Australian Defence Force
33.	<b>Optional</b>	Steve Pinnuck	GM, Greater Hume Shire Council

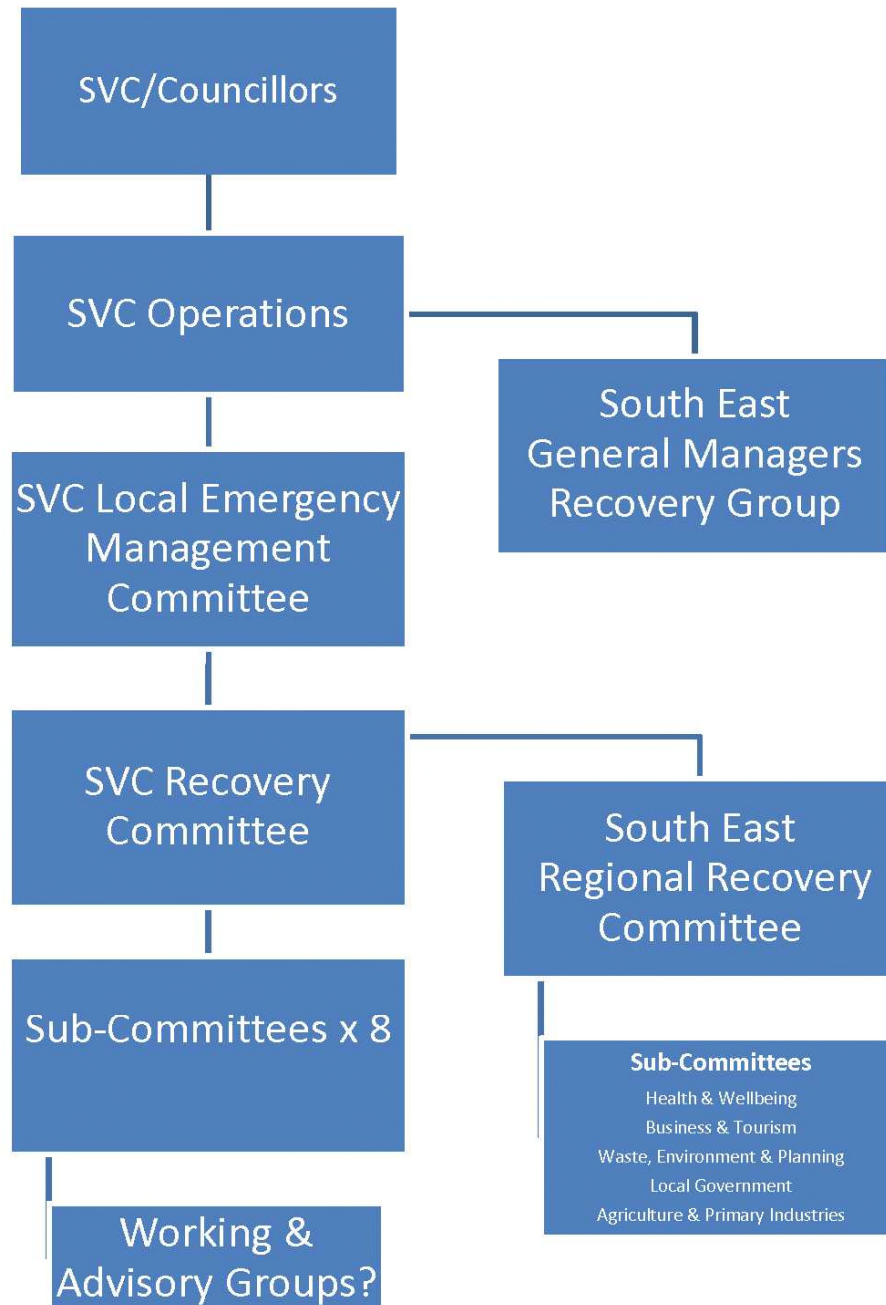


## RECOVERY SUB-COMMITTEES

Category	Councillor Representative/s	Recovery Committee Chair	SVC Officer Support
Health & Wellbeing	Geoff Pritchard	Cr John Larter	Tracy Wiggins Division Manager Community Services
Infrastructure, Waste & Environment	Andrianna Benjamin John Larter	Roy Humphries/John Stanfield	Heinz Kausche Executive Director Infrastructure
Forest Industries	Bruce Wright Geoff Pritchard	Phil Clements	Kylie Bradley Coordinator Economic Development
Agriculture & Livestock	Julia Ham James Hayes	Barney Hyams	Mel Wilkerson Ranger
Business & Tourism	Andrianna Benjamin Julia Ham	Ken Dale/Natalie Randall	Kylie Bradley Coordinator Economic Development
Communications & Community Engagement	Cate Cross Cor Smit	Dave Eisenhower	Trudy Crawford Coordinator Community Development
Council Business As Usual	Executive Leadership Team	CEO	Executive Leadership Team
Donations & Disaster Relief	Margaret Isselmann Cate Cross	Hannah Speers	Susanne Andres Chief Financial Officer
Community Advisory Group	ALL	James Hayes	Shelley Jones Executive Chief of Staff



### RECOVERY COMMITTEES FLOWCHART



State/Federal Politicians - NSW Government - Recovery Specific Agencies



## RECOVERY COMMITTEES FLOWCHART

### SUB-COMMITTEES (9)

Health and Wellbeing

Infrastructure, Waste and Environment

Forest Industries

Agriculture and Livestock

Business and Tourism

Communications and Community Engagement

Council Business as Usual

Donations and Disaster Relief

Community Advisory Group

**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.2 BUSHFIRE RECOVERY – WAIVING OF FEES AND CHARGES**

**REPORT AUTHOR:** CHIEF FINANCIAL OFFICER  
**RESPONSIBLE DIRECTOR:** CHIEF EXECUTIVE OFFICER

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**EXECUTIVE SUMMARY:**

Council support for the bushfire response and recovery process has been considerable. One aspect of this which requires formal Council resolution is the waiving of relevant fees and charges to affected ratepayers and customers.

**RECOMMENDATION:****THAT COUNCIL:**

- 1. Support the waiving of the following fees and charges as outlined in this report for the properties destroyed and/or damaged in the recent fire events:**
  - **Water and Sewer charges;**
  - **Waste fees;**
  - **Development Application, Complying Development and associated fees; and**
  - **Interest on Water charges and General rates instalments.**
- 2. Amend the delegations from Council to the Chief Executive Officer in relation to waiving of the above fees to reflect this change.**
- 3. Note that the Chief Executive Officer will be utilising his authority under the Local Government Act to issue Fire Works Authorisation Certificates for demolition works.**

**BACKGROUND:**

The multiple fires within the SVC areas since late December 2019 resulted in one fatality and a number of injuries. However, the impact on the community included extensive property damage with houses destroyed and damaged; and outbuildings also destroyed and damaged.

A core part of the recovery will be the demolition of damaged buildings and the rebuilding of houses for those people impacted.

In order to minimise, as much as is possible, any financial strain from Council on those impacted by these fires, Council has developed a framework for minimising and waiving fees for water and sewer, Development Applications, Complying Development Certificates and associated expenses, waste management fees and interest charges.

By providing the appropriate delegation to the Chief Executive Officer these waivers can be progressed expeditiously and minimise unnecessary stress on people impacted by these fires.

The intent of all fee and charge waivers is to ensure that Council works to assist residents in maximising their rebuild funds and that the full rebuild sum of the building on their insurance policies is available for their rebuild.

**REPORT:**

The following items will be included in the Chief Executive Officer's considerations under delegation:

**Water and Sewerage****All Properties**

Initially, interest charges will be waived for all SVC properties for late payments for the December water notices until 7 February.

Council will not charge for inspections of fire-damaged septic tanks.

Council will apply a firefighting discount to water rates for quarter 3 where applicable.

**Destroyed Properties**

Properties that have been destroyed will need to be disconnected from water and sewer infrastructure and existing sewer connections will need to be made safe and capped for future re-connection. New taps will need to be installed at the property boundaries with backflow prevention.

Reconnection will occur at the appropriate time with any Council fees incurred for the reconnection to be waived.

Fire impacted customers that had their main residence destroyed will not be charged for water and sewerage services at all in quarter 3 of the financial year with the fees waived.

**Waste Management**

Fees for fire waste at Council transfer stations were waived until Sunday 19 January 2020. There will be no further waste fee waivers given the State has announced to arrange clean-ups and cover clean-up costs.

Fire impacted wheelie bins will be replaced free of charge.

**Development, Planning and Building**

Council will be required to work with NSW Public Works Advisory to support the demolition process. An aspect of this role will be the joint issuing of Fire Works Authority Certificates. The Chief Executive Officer has the authority under the Local Government Act to co-sign these Certificates, however it is appropriate that Council formally note that this role is authority is being enacted.

It is proposed that there will be no Council fees associated with the lodgement of a development application or complying development certificates and other certificates for current owners to rebuild their lost or damaged homes or subsequent inspections.

Council is also advocating State Agencies to waiver of any associated State established Long Service Levy and Planning Reform Fund fees which Council collects on their behalf.

Should a current owner decide to increase the density onsite, ie. from a dwelling to a dual occupancy, Council fees will only apply to the additional dwelling.

Any new owner will be required to meet the required fees.

Council will be recommending that each property owner raise this potential waiver of fees with their insurers to ensure that the intent of this action, which is to ensure that the maximum amount is available from insurance payments for property owners to cover their rebuilding costs from their insurances, is achieved.

**General Rates**

Council's existing hardship provisions continue to apply to all ratepayers.



Initially, the interest-free period will be extended by a month for all SVC properties for late payments for the quarter 3 rates instalment. Further detail will be provided in the future as to rates relief available.

Destroyed properties will be re-classified to the vacant category if applicable. Reclassification of both destroyed and damaged properties will occur in line with applicable legislation and policies and based on advice from external agencies, property inspections and applications from property owners.

### ***Financial and resource considerations***

Funding has been announced by the Premier to assist the recovery process. This will predominantly cover the demolition and waste costs to clean up the destroyed and asbestos affected properties.

There will be additional, unbudgeted costs to Council for the response and recovery activities, some of which may be recoverable and some which will be a key part of Council's role in the recovery process over the next one to two years.

All costs, foregone income and other items will be captured in the recovery process and form part of the ongoing reporting on this incident.

## **LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

### **1. Integrated Planning and Reporting Framework:**

#### **CSP Outcome 2028**

Theme 1: Towns and Villages

#### **Delivery Outcomes**

1.6 Support and partner with other agencies to ensure community safety

## **SUSTAINABILITY ASSESSMENT:**

### **Financial and resources implications:**

Foregone revenue will impact the 2019/2020 budget. Council officers will continue to explore all avenues for recovery funding. Council has received an initial unrestricted grant from the Office of the Prime Minister which will be used on projects and activities that Council deems essential for the recovery and renewal of our communities.

### **Cost benefit Analysis:**

Nil

### **Policy, Legal and Statutory Implications:**

- Hardship Policy
- Planning Policies
- Revenue Policies
- Rating policies

## **RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC**

- Financial risk, loss of income, budget deviation (see financial and resource considerations)

- Reputational risk – Council seen as not supportive of recovery efforts, potential abuse of fee waivers. Risk will be mitigated through effective communication and regular updates to community. Council officers to review all fees and rates waivers.

**OPTIONS:**

Council could maintain fees and/or not provide rates relief.

**COUNCIL SEAL REQUIRED**

No

**IMPLEMENTATION/COMMUNICATION**

In determining these recommendations, internal consultation was undertaken with the executive leadership team and various departments, including the Senior Rates officer.

Council's decision will be communicated internally and externally through existing communication channels.

**ATTACHMENTS**

Nil

**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.3 ROAD TO SUSTAINABILITY PROJECT PLAN**

**REPORT AUTHOR:** EXECUTIVE CHIEF OF STAFF  
**RESPONSIBLE DIRECTOR:** CHIEF EXECUTIVE OFFICER

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**EXECUTIVE SUMMARY:**

This report summarises Council's financial sustainability challenges and options to improve. Some options are being pursued by Council now and will inform its 20/21 Budget, but many key decisions must be made by the new Council following the September 2020 elections. The report also outlines issues Council needs to consider regarding the changes to rating in the former Tumut Shire that must occur with expiry of a Special Rate Variation in June 2020.

The intent of the recommendation is to start a conversation about specific options to improve Council's financial sustainability (including reducing service levels, changes to fees and charges, and a new Special Rate Variation) that will inform scenarios in a revised Long Term Financial Plan to be adopted by Council in June 2020 alongside the 20/21 Budget. The conversation will also help inform Council's decisions about a new rating structure for the former Tumut Shire, which must also be adopted in June 2020.

Having feedback from the community on these options to improve Council's financial sustainability and to establish a new rating structure will enable the newly elected Council to 'hit the ground running' and make the most of the very short timeframe available after the election to make key decisions that will inform the new suite of documents to be prepared under the Integrated Planning and Reporting Framework that will guide its four year term.

**RECOMMENDATION:****THAT COUNCIL:**

- 1. Note the financial sustainability challenges and options to improve the situation as outlined in the report.**
- 2. Receive a further report at its meeting of 20 February 2020, informed by the recent workshop on financial sustainability, including the following documents for approval:**
  - updated Council Improvement Plan (now known as the 'Road to Sustainability Project Plan') identifying actions to improve Council's financial sustainability**
  - Community Engagement Strategy to guide activities relating to a conversation about its 2020/21 Operational Plan and Budget, its rating structure and its financial sustainability generally ahead of the 2020 local government elections**
  - Rates Options Study to assist the current Council to make decisions about a new rating structure following the expiry of the Special Rate Variation from the former Tumut Shire in July 2020, and the newly elected Council to make decisions about a new rating system for the entire local government area from July 2021 and also about its financial sustainability generally.**

**BACKGROUND:****Council's financial sustainability challenge**

Council adopted an updated Resourcing Strategy as part of its updated Integrated Planning and Reporting (IP&R) documents – which included its 2019/20 Budget – in June 2019. The Strategy included an updated Long Term Financial Plan (LTFP), which estimated Council had an underlying operating deficit (excluding items like one-off grants) in its general fund (i.e. excluding water supply and sewerage business units) of around \$1.4M p.a. including the loss of \$0.65M p.a. in revenues when the 10% Special Rate Variation (SRV) applying to properties in the former Tumut Shire expires in July 2020.

The Strategy included a Council Improvement Plan identifying a number of actions that have been pursued in the interim to clarify the situation and improve Council's sustainability. One action was improving the level of detail in budgets. This work then identified that budgets in roads, parks and buildings did not reflect historic expenditure or current service levels.

Council responded by increasing these budgets considerably at its Quarterly Budget Review in November 2019, but also resolved to hold a workshop to consider an updated Council Improvement Plan identifying actions to improve its financial sustainability.

Initial analysis, based on the latest information now available, estimates Council's underlying operating deficit at over \$3.5M p.a. (more than 10% of its \$30M p.a. operating revenues) including the loss of revenues from the SRV.

While this deficit includes 'non-cash' depreciation expenses (which is of concern in relation to long term financial sustainability: it is an indicator of capacity to renew assets as required), Council is also facing a more immediate issue with depletion of its cash reserves. Cash is used up by both operating costs (ongoing activities) and capital works (building or renewing assets). As at 30 June 2019, Council's unrestricted cash reserves were only \$1.6M (well below its policy target of \$2M) and are forecast to drop below \$1M by 30 June 2020 based on the current 2019/20 budget. Without significant corrective action in the 2020/21 budget, Council's unrestricted cash reserves will be completely exhausted.

**Decisions to be made about Council's rating structure**

In its proclamation establishing Snowy Valleys Council and other merged councils in 2016, the NSW government froze the existing rate path for the merged councils for 4 years. This was later extended by a year, moving the deadline for rates harmonisation past the 12 September 2020 elections (although councils can apply to the Minister for Local Government to vary their rates structure earlier).

A Special Rate Variation (SRV) for the former Tumut Shire is due to expire in June 2020 after 15 years. Details are yet to be confirmed with the Office of Local Government, but it is currently understood that Council will need to determine a new rating structure for the former Tumut Shire that reduces its revenues by 10% (around \$0.63M p.a.) and adopt this in Council's Revenue Policy (along with the 2020/21 Operational Plan and Budget) by June 2020. Rates in the former Tumbarumba Shire will remain unchanged until the harmonisation process is undertaken across the Snowy Valleys Council local government area.

Decisions about rating structures are complex and contentious: there are 'winners and losers' in any changes. The issues to be considered are equally relevant to the upcoming decision about a new rating structure for the former Tumut Shire and the later decision about rating in the entire Snowy Valleys Council area. To enable Council to make informed decisions, it is vital that it has clear advice on its options (including impacts on different ratepayers) and feedback from the community about these.

**REPORT:**

Council's financial sustainability challenges have not arisen recently or as a result of any single issue. The extent of the problem has, however, been masked by the significant grant funding received in recent years as well as a lack of visibility in budgets following the merger of the finances of the two former councils.

The current situation Council finds itself in reflects:

- the continuation of longer term trends in the financial performance of the former councils prior to the merger, which were at least to some extent evident as far back as the 2013 financial sustainability reviews undertaken by TCorp;
- a significant reduction in project work on state roads for Roads and Maritime Services (particularly with the completion of the Gocup Road upgrade) and consequent loss of the economies of scale realised by such works;
- additional costs associated with new grant-funded infrastructure (including both depreciation as well as operations and maintenance expenses);
- additional employee costs associated with the merger (e.g. paying staff on a 'current occupant only' basis reflecting salaries of previous positions), although the recent restructure and opportunities taken to make other savings is offsetting this; and
- service level and revenue decisions made by Council (e.g. increasing the level of services provided and/or reducing fees and charges).

The purpose of this report is not to analyse or quantify Council's financial position and trends in detail. This will be the focus of the next update of the Long Term Financial Plan (LTFP), which will be completed alongside the 2020/21 budget (all councils must update their LTFP at least annually as part of the development of the annual Operational Plan). The LTFP will also identify options to improve Council's financial sustainability in several scenarios showing the impacts of these options on its financial performance over time.

The purpose of this report is to begin preparations for the 'Road to Sustainability Project Plan' that will define these options to improve Council's financial sustainability that will be included in the LTFP and also to engage the community about which options they prefer. It is important to incorporate community engagement about the review of Council's rating structure as the two issues are closely related.

These issues will be the subject of a councillor workshop prior to this report being tabled at Council's 28 January meeting. It is recommended that the Project Plan and other supporting documents be finalised for adoption at Council's meeting of 20 February 2020 to then enable the project to progress.

**Options to improve Council's financial sustainability**

There is no 'silver bullet' to address Council's financial sustainability. Rather, Council needs to pursue a range of opportunities that will each help to improve its position, including:

- pursuing efficiency gains and capturing savings to reduce costs
- pursuing commercial opportunities (external revenues from 'private works') to realise economies of scale and generate commercial returns
- reducing service levels for low-value services (e.g. disposal of under-utilised assets)
- increasing fees and charges (adopt a more 'user pays' approach where appropriate)
- applying to the Independent Pricing and Regulatory Tribunal (IPART) for approval to increase rates above the annual 'rate peg' via a Special Rate Variation (SRV).

As noted above, these options need to be considered in scenarios in Council's 2020/21 update of its LTFP, showing the impact on Council's financial performance over time.

While Council's objective may be to minimise immediate impacts on residents and ratepayers (through efficiencies and commercial works), given the size of its operating deficit (at least \$3.5M p.a.), it will be very difficult to become sustainable without an SRV.

### **Enabling the newly elected Council to 'hit the ground running'**

Council is already pursuing efficiency gains and taking opportunities to make savings where possible without impacting service levels (e.g. the recent restructure is estimated to save at least \$500,000, reviewing positions when they become vacant). It is also pursuing a number of commercial opportunities and preparing a strategic business plan for commercial works.

A further issue that Council needs to address in preparing its 2020/21 budget is the depletion of its cash reserves. As noted in the background, without corrective action Council's unrestricted cash reserves will be completely exhausted in the 2020/21 year. The simplest option in the short term is reducing capital works, although there are limitations on this that will need to be considered as the budget is developed.

However, the major decisions about the 'less preferable' options above – reducing service levels, increasing fees and charges and applying for an SRV – need to be made by the new Council after the election as it prepares a new suite of IP&R documents, in particular the Delivery Program and Resourcing Strategy (including LTFFP), for its four-year term. The new Council will also need to make a decision about the rating structure for the entire Snowy Valleys Council local government area.

The key issue – the driver of this report – is that there is not enough time to do this properly after the elections (to be held 12 September 2020) and before the deadline for finalisation of a final draft of the suite of IP&R documents for public exhibition (at the latest, April 2021).

The development of a new suite of IP&R documents is a major exercise, requiring at least four (4) months of focused efforts from Council staff. But this work must be informed by discussions with the new Council regarding their strategic priorities, and councillors need to consider their priorities in the context of Council's limitations (available resources, legislative obligations, etc.). Last but not least, there needs to be adequate time for meaningful community engagement to inform the decisions of councillors and the planning work of staff, and this engagement needs to avoid the busy Christmas (December/January) period.

The option of applying for an SRV to help improve financial sustainability will certainly need to be part of this engagement process about Council's IP&R documents, but it is important to note that explaining the impacts of an SRV will be far more complex than is normally the case because the new Council's first budget will coincide with rate harmonisation across the local government area (the end of the post-merger rate freeze) and it will also be only a year after the changes to rates in the former Tumut Shire as a result of the expiry of the SRV.

A final issue to consider in relation to the 'road to sustainability' and enabling the new Council to 'hit the ground running' is the annual deadlines for SRV applications: councils must notify IPART of their intention to apply for an SRV in late November and then submit an application (including exhibited and adopted IP&R documents) by early February the following year. Given that local government elections are held 12 September 2020 and there is (as noted above) considerable work to be done to prepare the new suite of IP&R documents after this, the next opportunity to apply for an SRV is, realistically, February 2022 (attempting to do so by February 2021 would jeopardise the quality and utility of the new IP&R documents). If the newly elected Council does choose to apply for an SRV, its Delivery Program must clearly articulate the need for and purpose of the SRV, and it must also demonstrate to IPART it has engaged the community about the proposed SRV.

With the above issues in mind, it is recommended that Council undertake a *Rate Options Study* that informs the three upcoming decisions about rating:

- a new rating structure for the former Tumut Shire in 2020/21 that reduces rates by 10% following the expiry of the SRV (to be adopted by June 2020)
- a new rating structure for the entire Snowy Valleys Council local government area that harmonises rates from the former Tumut and Tumbarumba Shires (to be adopted by June 2021) and
- a new rating structure for the Snowy Valleys Council area that includes an SRV, if the new Council chooses to pursue one (to be adopted by June 2022 at the earliest).

As noted above, the issues to consider in relation to the expiry of the SRV for the former Tumut Shire are equally relevant to rate harmonisation across the local government area. Clarifying options for a harmonised rating system also establishes a baseline to quantify the impacts of any SRV. But arguably, if Council is to harmonise rates and apply an SRV on top of this, the real conversation needs to be about the total quantum of rates (including any SRV) paid by different ratepayers and the services Council can afford to deliver within these revenue constraints, also taking account of other actions to improve its sustainability.

This is why it is also recommended that Council prepare a *Community Engagement Strategy* that encompasses a number of issues:

- Council's 2020/21 Operational Plan and Budget
- Council's 2020/21 update of its Long Term Financial Plan, including scenarios to improve its financial sustainability and
- the Rates Options Study covering the three distinct rating structures above.

Whether or not the newly elected Council resolves to pursue an SRV, it will face a major task of strategic planning and community engagement and it will need to exercise considerable civic leadership if it is to set off on the right foot for its four-year term.

This current Council has an opportunity to take action that will lay the groundwork to enable the new Council to hit the ground running. In particular, it will be very helpful if Council has not only defined specific options to improve its sustainability (which it needs to do anyway in the LTFP, to be adopted alongside the budget in June 2020) but also engaged the community to gain feedback on these and options for rate harmonisation. This will mean the new Council can continue the conversation rather than starting it from scratch, allowing more time to engage with the community and to make informed decisions.

### **Draft Road to Sustainability Project Plan**

As noted above, the Road to Sustainability Project Plan is the focus of a councillor workshop prior to this report being considered at Council's meeting of 28 January 2020. This report recommends a final draft of the Plan be tabled at Council's meeting of 20 February 2020.

The table below summarises key milestones and timeframes discussed in the previous section that are expected to be incorporated in the Plan. Actions after the local government elections are indicative only (suggestions for consideration by the newly elected Council).

February 2020	Council endorsement of: <ul style="list-style-type: none"> <li>• Road to Sustainability Project Plan</li> <li>• Community Engagement Strategy for Road to Sustainability Project</li> <li>• Rate Options Study</li> </ul>
February-March 2020	Commence preparation of Council's draft 2020/21 Operational Plan and Budget (with a focus on preserving cash reserves and pursuing efficiencies) and updated Long Term Financial Plan (including options to improve financial sustainability and scenarios showing impacts of these over time)
March-April 2020	Community engagement about: <ul style="list-style-type: none"> <li>• specific options for the new rate structure in the former Tumut Shire</li> </ul>

	<p>(following expiry of the SRV) and rate harmonisation for the entire Snowy Valleys Council local government area</p> <ul style="list-style-type: none"> <li>• specific options to improve Council's financial sustainability (including potential for a new SRV)</li> <li>• Council's 2020/21 Operational Plan and Budget</li> </ul>
Late April 2020	Collation of feedback from community engagement activities and finalisation of draft 2020/21 Operational Plan and Budget (including a Revenue Policy defining a new rate structure for the former Tumut Shire) as well as LTFP. Also, potentially, an updated Rates Options Study documenting feedback from the community and any changes proposed to take account of this.
May 2020	Public exhibition of draft 2020/21 Operational Plan and Budget as well as LTFP (exhibition of LTFP is proposed, but it is not a regulatory requirement)
June 2020	Adoption of 2020/21 Operational Plan and Budget as well as LTFP
July-August 2020	Briefing sessions for councillor candidates including an overview of Council's financial sustainability challenges; options for rates harmonisation and improving financial sustainability as well as feedback from the community on these; process proposed to progress efforts after elections and finalise the new suite of IP&R documents (including Delivery Program and LTFP). This information to be followed up by provision of candidate information packs.
<b>12 Sept. 2020</b>	<b>Local Government Elections</b>
October-November 2020	Induction and strategic planning sessions with the newly elected Council, including seeking their views on: <ul style="list-style-type: none"> <li>• Council's strategic priorities for its four year term</li> <li>• The process to develop the new suite of IP&amp;R documents</li> <li>• Options for improving Council's financial sustainability</li> <li>• Options for rates harmonisation</li> </ul>
November 2020	Council adoption of Community Engagement Strategy for development of new suite of IP&R documents
Dec. 2020-Mar. 2021	Community engagement to inform the development of the new suite of IP&R documents
March-April 2021	Collation of feedback from community engagement activities and preparation of final draft suite of new IP&R documents
May 2021	Public exhibition of final draft suite of new IP&R documents
June 2021	Adoption of new suite of IP&R documents including: <ul style="list-style-type: none"> <li>• Harmonised rating system (in the Revenue Policy)</li> <li>• Details of and justification for an SRV in the Delivery Program (if Council proposes to apply for one – note that at this stage, Council may still have a number of options for SRVs to be further explored)</li> <li>• LTFP analysing scenarios to improve financial sustainability</li> </ul>
July-Nov. 2021	Further community engagement about proposed SRV (if required)
Late Nov. 2021	Council to resolve to notify IPART of its intention to apply for an SRV (if it intends to do so)
Early Feb. 2022	Deadline for application for SRV to IPART including details of community engagement as well as exhibited and adopted IP&R documents
May 2022	IPART notifies Council of its determination regarding SRV application
June 2022	Council adopts final IP&R documents based on IPART determination

### Use of information from the 2018 Service Level Review

Given it is proposed to undertake community engagement about service levels in identifying options to improve Council's financial sustainability, it is important to distinguish between the 2018 Service Level Review Project and the 'Road to Sustainability' Project in this report.



The Service Level Review Project produced valuable in-depth feedback from the Community Sounding Board on all Council services that will be drawn on in this new project. It also defined options to vary service levels via the 'Budget Allocator' tool, enabling participants to see the implications of their choices on Council's budget and provide feedback on their preferences. It also included a Community Survey that identified trends in community satisfaction since the previous survey in 2016. But given the scale of Council's financial sustainability challenges was not then well understood (it was undertaken well before even the 2019 update to the LTFP), there was not a focus on specific options to improve.

The Road to Sustainability Project will seek specific feedback about clearly defined options that 'package up' the hard choices that the newly elected Council will need to choose from in developing its Delivery Program (or come up with an alternative). These are also the options that the current Council will need to utilise in scenarios in its updated LTFP to be adopted in July 2020 alongside its 2020/21 Budget. These clearly defined options are expected to include specific targets for savings from service level cuts (in addition to efficiency gains that do not impact service levels, improvements due to commercial activities, etc.) and specific revenues to be generated from an SRV (or, a number of options for different scales of SRV) together with a clear picture of the impacts of the SRV on different ratepayers across the local government area (that also clarifies the impacts of rates harmonisation and the expiry of the current SRV for the former Tumut Shire).

This level of detailed and specific planning and community engagement will also be essential if Council is to make a successful application to IPART for an SRV.

A final point worth noting is the diversity of opinions expressed via the Service Level Review Project: it needs to be recognised that there will not be a single view expressed by the community via the Road to Sustainability Project either. It will be up to the newly elected Council to exercise significant civic leadership in making decisions it considers to be in the best interests of the whole community over the long term.

## **LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

### **Integrated Planning and Reporting Framework CSP Outcome 2028**

Theme 1: Our Towns and Villages

Theme 4: Communication and Engagement

### **Delivery Outcomes**

1.7 Manage Council's resources in a manner which is equitable and ensures organisational sustainability

4.1 Partner with local communities to create an ongoing culture of engagement to aid Council decision making

4.5 Council demonstrates strong leadership through a governance framework which drives progress towards achieving the community vision

## **FINANCIAL AND RESOURCES IMPLICATIONS:**

This project will be funded from the merger implementation grant.

## **COST BENEFIT ANALYSIS:**

If Council is to make informed decisions about improving its sustainability while also continuing to deliver the services and infrastructure the community needs and wants, it needs to invest in strategic planning and community engagement.

This project will deliver specific options to improve Council's financial sustainability and feedback from the community on these options to enable the current Council to make informed decisions about the options to include in its updated LTFP (to be adopted in June

2020) and to enable the new Council elected in September 2020 to 'hit the ground running' in preparing its new suite of IP&R documents (to be adopted June 2021).

This project will also provide the current and new Councils with the information required to make informed decisions about rating structures, which is very complex and contentious.

### **SUSTAINABILITY ASSESSMENT:**

#### **Financial and organisational sustainability Implications:**

Positive, this project will see Council taking vital steps toward addressing the significant financial challenges identified in the background to this report.

#### **Social, environmental and economic sustainability Implications:**

Positive, this project will assist Council in making decisions about all its services, including those focused on improving social, environmental and economic outcomes. The Rate Options Study will help Council to develop new rating structures that are fair, amongst other things taking account of the ability of all residents and ratepayers to pay. It will also give the community a meaningful opportunity to be a part of this decision-making.

#### **Policy, Legal and Statutory Implications:**

This project will help Council to make decisions to increase the balance of its unrestricted cash reserves, which are currently below the target set by Council in its Financial Reserves Management Policy, and which are forecast to decline further based on the 2019/20 Budget.

This project will help Council to discharge its obligations regarding implementation and review of its IP&R documentation, and to implement the principles for local government set out in the NSW Local Government Act (section 8).

### **RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**

This project will assist the current Council in reducing its financial sustainability risks and consequent risks on its ability to deliver the services and infrastructure the community needs, as well as reputational risks if action is not taken.

This project will also reduce the risks that the newly elected Council will have insufficient time between the election and deadlines for preparation of its new suite of IP&R documents to make a number of key decisions and to meaningfully consult the community about those decisions. By laying the groundwork now, the new Council can 'hit the ground running'.

However, there is a risk that the newly elected Council will not feel ownership of the outputs of the process undertaken prior to the elections. To reduce this risk, it will be important to emphasise that the objective of this project is to define options to harmonise rates and to improve Council's financial sustainability and to gain feedback from the community on these options, *not* to make a final decision on the direction the 'road to sustainability' should take beyond the election. The current Council is simply identifying meaningful scenarios in its updated LTFP to improve its financial sustainability, which it is required to do. The new Council will then have this information as a starting point from which to choose the options it wants to pursue and/or to consider other alternatives to the options identified.

There is also a risk that the community will not feel it has been given a meaningful opportunity to contribute to this process. It will be important to give all members of the community an opportunity to participate in and contribute to the community engagement activities associated with this project, to ensure the feedback received reflects the diversity of views, and to demonstrate that Council has taken this feedback on board in making its decisions (which may, in some cases, mean justifying why it has chosen to take a different direction). Giving the community a meaningful opportunity to participate will also mean that potential candidates for the next Council election will have an opportunity to contribute to the

process prior to the election as an ordinary community member, in addition to attending the proposed briefings specifically for potential candidates, which will then be followed up by the distribution of candidate information packs.

#### **OPTIONS:**

In relation to improving its financial sustainability, Council could choose not to undertake community engagement beyond what is required in relation to its 2020/21 Budget. There is no regulatory requirement to engage the community about updates to the LTFFP. In other words, Council could choose to basically leave this issue to be dealt with by the newly elected Council. However, as highlighted in this report, that would make it very difficult for the incoming Council to complete the significant amount of work required in the very short timeframe it will have available. This is likely to result in delays in progressing actions to improve Council's financial sustainability unless the actions recommended in this report are undertaken to enable the newly elected Council to 'hit the ground running'.

Alternatively, Council could undertake significantly more work prior to the local government election in order to position the newly elected Council to finalise their new suite of IP&R documents by February 2021 and so apply for an SRV in that year. However, this is considered to be an unacceptably short timeframe, and is likely to result in poor ownership of the new IP&R documents by the new Council and insufficient opportunities for community engagement about these important issues after the election. It is likely to result in a far less robust application to IPART, which will risk it being rejected. While delaying the implementation of an SRV is of concern from a liquidity point of view (considering Council's minimal cash reserves) there are ways to manage this in the short term, such as reducing capital works and internal and/or external loans to support Council's general fund operations.

In relation to changes to rating, Council could choose to simply consider options relating to the expiry of the SRV for the former Tumut Shire. However, as noted, the same issues apply to rates harmonisation across the Snowy Valleys Council area. Identifying these and seeking feedback from the community will help the new Council to 'hit the ground running'.

#### **COUNCIL SEAL REQUIRED**

No.

#### **IMPLEMENTATION/COMMUNICATION**

An early concept of this project was considered in a workshop for councillors and senior staff in December 2019 to seek their input and identify any concerns.

The concept has been developed considerably since then, and still needs further discussion prior to the Project Plan being finalised.

The intention is that this will occur at a further workshop prior to the Council meeting when this report is to be tabled. The Project Plan will then be revised again as required prior to a final version being recommended for Council endorsement at its 20 February meeting.

#### **ATTACHMENTS**

Nil.

**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.4 PROPOSAL TO CREATE A NEW LOCAL GOVERNMENT AREA AFFECTING THE AREA OF SNOWY VALLEYS COUNCIL**

**REPORT AUTHOR:** CHIEF EXECUTIVE OFFICER  
**RESPONSIBLE DIRECTOR:** MAYOR

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**EXECUTIVE SUMMARY:**

The Minister has received a proposal to effectively re-establish the former Tumbarumba Shire local government area which would reduce the Snowy Valleys local government area to that of the former Tumut Shire and establish a new local government area with the same boundaries as the former Tumbarumba Shire.

The Minister has determined the proposal to move to the next stage and has written to the Mayor and the writer about this matter and issued a public notice. This stage is to seek representations from Council and the public as to whether the Minister should refer the proposal to the Boundaries Commission.

This report seeks Councils direction on lodgement of a Snowy Valleys Council submission and any content to this submission.

**RECOMMENDATION:****THAT COUNCIL:**

- 1. Receive the report on the Proposal to Create a New Local Government Area affecting the Area of Snowy Valleys Council from the Chief Executive Officer.**
- 2. For the decision of the Elected body.**

**BACKGROUND:**

At the point this report is before Council the process will be towards the end of the public notice period included in point 2 below. The writer has requested information from the State about whether there will be any extension to the timeline due to the impact of the fires in the region during the submission period. At the time of writing the report there was no extension issued. The writer understands there are a number of stages to the process:

1. A proposal by the Minister, Council, or the public with a designated quota may be made. This provision has been satisfied by a proposal lodged by Save Tumbarumba Shire Inc. dated 4 March 2019 (as attached to the Office of Local Government letter ref A684595);
2. If the Minister is satisfied these provisions have been met, she may seek representations from the Council and the electors affected by the proposal as to whether the matter should be referred to the Boundaries Commission. This is the stage currently in progress.
3. Following the close of submission on 31 January 2020, the Minister will then consider the submissions and decide to refer the matter to the Boundaries Commission for examination and report or not refer the matter. This is the next stage controlled by the Minister.

4. If the Minister decides to refer the matter for examination and report, once she receives the report the Minister may recommend to the Governor that the proposal be implemented or decline to implement the proposal. If the Minister decides to implement, she may include modifications suggested in the Boundaries Commission Report and/or other modifications she determines however she cannot include modifications that would constitute a new proposal.

Council has previously considered the matter of Demerge at its December 2018 meeting prior to a compliant proposal being submitted. Council at this time resolved:

“That Council not support a demerger proposal to the NSW Government, and through this resolution, offer the wider community reassurance of continued commitment to developing Snowy Valleys Council into a high performing, sustainable council.”

Given the change in situation with a formal submission meeting the requirements of the legislation, it is now timely Council consider its position in relation to whether the Minister should refer the matter for examination and report to the Boundaries Commission.

#### **REPORT:**

The proposal raises a number of considerations that are important to informing the process.

If the matter is not referred to the Boundaries Commission by the Minister the matter of investigating the proposal to reinstate the former Tumbarumba Shire may be considered over as the current state government has declined to see the matter advanced and this could be interpreted as a clear indication of their position not supporting the proposal.

If the Minister refers the matter and considers the report back from the Commission and makes a decision that too could be seen to be the end of the matter whether it be in support or declining the proposal. The matter would be concluded by the proposal proceeding or remaining the status quo.

If the matter reaches the point of a Boundaries Commission review it is important the community have sufficient information to make an informed decision. For example:

- The submission specifically requests the former Tumbarumba Shire area be reinstated however the Boundaries Commission could recommend and/or the Minister can choose to vary the former boundaries which may have further impact on the Snowy Valleys Community
- The submission specifically requests that this be “without any cost burden on the community”

It is the writers understanding in speaking with the Office of Local Government that should the Minister make the decision to alter the boundaries of the Snowy Valleys Council that there are no current legislated provisions on how this might occur such as:

- Transfer of
  - contractual arrangements,
  - assets,
  - liabilities,
  - records and documents,
  - employees
- Establishment of
  - business and management systems,

- communication technology,
  - regulatory systems
- Authority
  - The transfer process
  - The level of delegation and authorisation required
  - To enter into new contracts
- Representation of
  - Election of Councillors for the continuing Snowy Valleys Council and the newly formed area
  - Communities impacted
  - Continuing organisation
  - New Local Government area
  - State in overseeing the process
- Maintenance
  - business continuity
  - service levels
  - 2020 Bushfires Recovery process
- Risk of
  - legal proceedings – delaying process, costing ratepayers or government
  - reputation
  - Administration during the process and community representation
- Financial costs
  - Demerging - who pays – the community?, which community – only those wanting it? Government?
  - how are the costs recovered
  - how are they managed
  - how are they funded in the interim and longer term
  - what is the opportunity cost
- Recreating the financial position
  - How are matters rolled back from the end position of the former local governments in May 2016
  - How are reserve balances and transactions managed
  - How are the joint funds spent and earned since amalgamation divided between the local governments – geographical?, population based?
- Staff
  - Conditions and entitlements
  - Impact of process on Business as Usual
  - Change Management
  - Recruitment and retention
  - Management of fatigue and stress
  - Maintenance of staff numbers in rural centres

The question arises is it possible for the Boundaries Commission and the Minister to make an informed decision in support of a return to the former boundaries without knowing how these matters might impact on the communities of interest and the matters for consideration listed in the legislation? Should the process reach this stage should these provisions be legislated to ensure the community and the relevant authorities make an informed decision.

**LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:****Integrated Planning and Reporting Framework:  
CSP Outcome 2028**

Theme 4: Communication and Engagement

**Delivery Outcomes**

4.3 Council has sound organisational health and has a culture which promotes action, innovation, accountability and transparency.

**Operational Actions**

Nil

**SUSTAINABILITY ASSESSMENT:**

Should the Minister refer this matter to the Boundaries Commission it will be important to have an analysis of the immediate and longer-term impact on

- Financial Sustainability
- Environmental Sustainability
- Economic Sustainability
- Social Sustainability
- Organisational Sustainability

**Financial And Resources Implications:**

Should the matter be referred to the Boundaries Commission for review the Council will be obligated to participate in the process and provide information for consideration.

The following factors are legislated to be considered by the Commission if the matter is referred:

- financial advantages/disadvantages;
- the community of interest and geographic cohesion;
- existing historical and traditional values in the existing areas and the impact of change on them;
- attitude of residents and ratepayers;
- requirements of the area concerned in relation to elected representation for residents and ratepayers at the local level;
- any impact on council operations and staff,
- any impact on rural communities in the areas concerned; and;
- such other factors as it considers relevant to the provision of efficient and effective local government in the existing and proposed new areas.

The extent and detail of the above matters indicate that this will be an extensive task that will require a reprioritisation of Snowy Valleys Council resources or additional resourcing in order to respond to the commission and the community. There will also be a reputational and operational impact of delaying priorities and projects.

To mitigate this issue the state could provide financial assistance to the Council to ensure business continuity is maintained noting that this position has been instigated at the request of what appears at this stage to be a small proportion of the total Snowy Valleys Council

population as is their legal entitlement under a provision of the state legislation which is outside the control of the local government authority.

### **Cost Benefit Analysis:**

Council may wish to consider the

- Whole of Life Financial Benefits and costs / a Net Present Value Analysis
- Other non-financial costs and benefits (examine Sustainability Assessment for indications). Report on who receives the benefit, what segment of the Region directly benefits, how many rate-payers directly benefit, how does the region as a whole benefit?

These are matters that require a significant investment and Council does not currently have the ability to dedicate resources at this stage in the process.

### **Policy, Legal and Statutory Implications:**

Some of the relevant sections of the *NSW Local Government Act 1993* are included below:

## **Part 1 Areas**

### **Division 1 How are areas constituted and dissolved?**

#### **204 Constitution of areas**

- (1) The Governor may, by proclamation, constitute any part of New South Wales as an area.
- (2) The area is to have the boundaries determined by the Governor by proclamation.
- (3) An area must be a single area of contiguous land.

#### **212 Dissolution of areas**

- (1) The Governor may, by proclamation, dissolve the whole or part of an area.
- (2) The Minister may not recommend the making of a proclamation to dissolve the whole or part of an area until after a public inquiry has been held and the Minister has considered the report made as a consequence of the inquiry.

#### **215 Who may initiate a proposal?**

- (1) A proposal may be made by the Minister or it may be made to the Minister by a council affected by the proposal or by an appropriate minimum number of electors.
- (2) An appropriate minimum number of electors is:
  - (a) if a proposal applies to the whole of an area or the proposal is that part of an area be constituted as a new area—250 of the enrolled electors for the existing area or 10 per cent of them, whichever is the greater, or
  - (b) if a proposal applies only to part of an area—250 of the enrolled electors for that part or 10 per cent of them, whichever is the lesser.



**217 Making of representations**

- (1) Within the period of public notice, representations concerning the proposal may be made to the Minister by a council or elector affected by the proposal.
- (2) The Minister must consider all representations made.

**218 Referral of proposal for examination and report**

- (1) If the Minister decides to continue with the proposal, the Minister must refer it for examination and report to the Boundaries Commission.
- (2) The Minister may recommend to the Governor that the proposal be implemented:
  - (a) with such modifications as arise out of the Boundaries Commission's report, and
  - (b) with such other modifications as the Minister determines, but may not do so if of the opinion that the modifications constitute a new proposal.
- (3) The Minister may decline to recommend to the Governor that the proposal be implemented.

**RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC**

Council may wish to consider the impact of the proposal on risks and the risk mitigation and prevention measures as part of the next stage of the process should it reach this point.

This matter requires a significant investment and Council does not currently have the ability to dedicate resources at this stage in the process.

**OPTIONS:**

The writer has not provided a recommendation to Council as the matter is considered to be a political decision. To assist Council the following 3 options broadly cover the obvious options available to Council:

- 1) That Council decline to lodge a submission to the NSW Minister for Local Government on the Proposal to create a new local government area affecting the area of Snowy Valleys Council. The reasons council has chosen not to lodge a submission include:
  - a) For Councillors to detail if they wish to explain why for the benefit of the Minister to have context.
- 2) That Council lodge a submission to the NSW Minister for Local Government on the Proposal to create a new local government area affecting the area of Snowy Valleys Council in support of referring the matter to the Boundaries Commission to provide an independent report to the Minister under the factors listed in the Local Government Act. The reasons council has chosen to lodge a submission in support of the referral to the Boundaries Commission include:
  - a) For Councillors to detail if they wish to explain why for the benefit of the Minister to have context.
- 3) That Council lodge a submission to the NSW Minister for Local Government on the Proposal to create a new local government area affecting the area of Snowy Valleys Council in support of not referring the matter to the Boundaries Commission. The reasons council has chosen to lodge a submission not in support of the referral to the Boundaries Commission include:

- a) For Councillors to detail if they wish to explain why for the benefit of the Minister to have context.

Councillors may lodge individual submissions and should this differ from the Council submission, Councillors will need to make clear that their individual submission is their personal position.

### **COUNCIL SEAL REQUIRED**

No

### **IMPLEMENTATION/COMMUNICATION**

The Office of Local Government has advised publication of the Notice as follows:

- OLG Website – Monday 9 December 2019 to Friday 31 January 2020
- Tumut & Adelong Times 10/12/19 & 10/1/20
- Tumbarumba Times 11/12/19 & 8/1/20
- Corryong Courier 12/12/19 & 16/1/20
- Daily Telegraph & Sydney Morning Herald 11/12/19

The information is available at the Tumbarumba and Tumut Snowy Valleys Council Service Centres, on our website and information has been posted on social media. Our Elected State members have also advised that they will also be sharing information by various means.

It is the writers understanding that some community groups have also distributed information on the matter.

The State and the Boundaries Commission will consider at each stage how they engage and represent the silent majority of the community and their views on the matter and how the views of the vocal community members who lodge submissions are represented alongside those who do not express their opinions publicly or who are concerned about the impact of expressing their opinions on them personally and their businesses.

### **ATTACHMENTS**

1. Letter from Minister Hancock advising she has determined the proposal will move to the next stage – Ref A680218
2. Public Notice – Proposal to create a new Local Government area affecting the area of Snowy Valleys Council.



**The Hon. Shelley Hancock MP**  
Minister for Local Government

Ref: A680218

Clr James Hayes and Mr Mathew Hyde  
Mayor and General Manager  
Snowy Valleys Council  
76 Capper Street  
TUMUT NSW 2720

By email: [info@svc.nsw.gov.au](mailto:info@svc.nsw.gov.au)

Dear Clr Hayes and Mr Hyde

I am writing to inform you that the Office of Local Government (OLG) has received a proposal pursuant to section 215 of the *Local Government Act 1993* (the Act) from Save Tumbarumba Shire Inc to reinstate the former Tumbarumba Local Government Area as at 11 May 2016.

I have determined that the proposal will proceed to the next stage in the formal assessment process. I have asked OLG to arrange for public notice of the proposal to be given for at least 28 days as required by section 216 of the Act.

If, after considering the representations made in response to the public notification, I determine that the proposal should continue then I will arrange for a copy of the proposal, the representations and other relevant papers to be forwarded separately to the Local Government Boundaries Commission pursuant to section 218 of the Act for examination and report.

At my request, Mr David Rolls from the Office of Local Government is available on (02) 4428 4100 or [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au) should you have any further enquiries.

Yours sincerely

A handwritten signature in blue ink that reads 'Shelley Hancock'.


**The Hon. Shelley Hancock MP**  
Minister for Local Government

26 NOV 2019

GPO Box 5341 Sydney NSW 2001 ■ P: (02) 8574 5400 ■ W: [nsw.gov.au/ministerhancock](http://nsw.gov.au/ministerhancock)

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New South Wales Government

**Local Government Act 1993**

## **Proposal to create a new Local Government area affecting the area of Snowy Valleys Council**

A proposal, made pursuant to section 215(1) of the *Local Government Act 1993*, has been received from the appropriate minimum number of electors of Snowy Valleys Council to create a new local government area, under section 204 of the Act, by excising the new area from the Snowy Valleys local government area.

On 16 May 2016 the former Tumut Shire Council and the former Tumbarumba Shire Council were amalgamated to form Snowy Valleys Council. Effectively, the proposal is to re-establish the area of the former Tumbarumba Shire local government area. It will reduce the local government area of Snowy Valleys Council so that it corresponds to the area of the former Tumut Shire Council.

Information concerning the proposal can be obtained from the website of the Office of Local Government at [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au) from Monday 9 December 2019 until Friday 31 January 2020. That information may also be found at the Snowy Valleys Council's service centres at 76 Capper Street, Tumut and at Bridge Street Tumbarumba during business hours from Monday 9 December 2019 until Friday 31 January 2020.

Within the period of public notice, representations concerning the proposal may be made to the Minister by a council or elector affected by the proposal. If you support or object to the proposal proceeding to the Boundaries Commission then you may make submissions or comments concerning the proposal to the Minister for Local Government, C/- Office of Local Government, Locked Bag 3015, Nowra, NSW 2541 or by email to [olg@olg.nsw.gov.au](mailto:olg@olg.nsw.gov.au).

Any submissions or comments must be lodged by Friday 31 January 2020.

**The Hon Shelley Hancock MP**  
**Minister for Local Government**

For more information please visit: [www.olg.nsw.gov.au](http://www.olg.nsw.gov.au)

BLZ\_SB0892

**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.5 APPOINTMENT OF INDEPENDENT MEMBER TO THE AUDIT, RISK AND IMPROVEMENT COMMITTEE**

**REPORT AUTHOR:** COORDINATOR GOVERNANCE AND RISK  
**RESPONSIBLE DIRECTOR:** EXECUTIVE CHIEF OF STAFF

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**EXECUTIVE SUMMARY:**

The Audit, Risk and Improvement Committee (the Committee) is an independent advisory Committee to Council. The recruitment process for the recommended independent members below took place in accordance with the Committee's Terms of Reference as well as the Internal Audit Guidelines September 2010 (guidelines under section 23A of the Local Government Act).

Section 4 of the Terms of Reference states that Council should appoint committee members in consultation with the Committee.

**RECOMMENDATION:****THAT COUNCIL:**

- 1. Receive the report on the Appointment of Independent Member to the Audit, Risk and Improvement Committee from the Executive Chief of Staff.**
- 2. Appoint Melissa Tooke as an independent member to the Audit, Risk and Improvement Committee until January 2023.**
- 3. Place Carolyn Rosetta-Walsh on an eligibility list for a period of 12 months.**

**BACKGROUND:**

The Audit, Risk and Improvement Committee plays a pivotal role in the governance framework. It provides Council with independent oversight and monitoring of Council's audit processes, including Council's internal controls activities. This oversight includes internal and external reporting, risk management activities, internal and external audit and compliance.

For the Committee to be most effective it is important that it is properly constituted of appropriately qualified independent members.

**REPORT:****Recruitment and Selection of Independent Member**

Chapter 4 of the Internal Audit Guidelines September 2010 states:

*"Committee members and the audit committee chair should be appointed by the Council. This could be done on the recommendation of a committee which has been convened by Council with power to interview and recommend suitable candidates. It is important that the process used is transparent and accountable."*

*"When selecting committee members it is important to ensure that they have appropriate qualifications and experience to fulfil their role. The following qualities are desirable when appointing members:*

*Individuals should have:*

- *Knowledge of local government*
- *Strong communication skills*
- *High levels of personal integrity and ethics*
- *Sufficient time available to devote to their responsibilities as a committee member*
- *High levels of financial literacy and, if possible accounting; financial; legal compliance and/or risk management experience or qualifications.*

*The audit committee as a whole should have:*

- *At least one member with financial qualifications and experience*
- *Skills and experience relevant to discharging its responsibilities, including experience in business, financial and legal compliance, risk management”*

Based on the guidelines given above, the following was the process undertaken by Council to recruit the recommended independent members to the Audit, Risk and Improvement Committee:

A position for an independent committee member was advertised in both the Tumut and Tumbarumba newspapers, online and by direct contact with Governance networks for a three week period finishing on 02 December 2019. There were six complete applications received.

A selection panel was established and consisted of the following:

- Chair of the Committee
- Acting Director Internal Services
- Mayor
  - Note: The Mayor was unable to attend the interviews and was replaced by Councillor Cross, a voting member of the Committee

Selection criteria included:

1. Relevant professional qualifications
2. Relevant professional knowledge and experience
3. Understanding and experience in relation to
  - a. local government
  - b. risk management
  - c. internal and external audit
  - d. fraud control
  - e. financial management
  - f. corporate governance
  - g. business improvement

Shortlisting was conducted with three applicants being selected for the interview process. Interviews were conducted on 11 December 2019 by the selection panel listed above. Selection panel members concluded that both Melissa Tooke and Carolyn Rosetta-Walsh were suitable to act as independent members for the Committee, with Melissa Tooke being the preferred candidate. It is therefore recommended that Melissa Tooke be appointed to the

Committee and Carolyn Rosetta-Walsh be placed on an eligibility list for the coming 12 months if by chance there is a resignation from the Committee.

#### **LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

##### **Integrated Planning and Reporting Framework: CSP Outcome 2028**

Theme 4: Communication and Engagement

##### **Delivery Outcomes**

4.3 Council has sound organisational health and has a culture which promotes action, innovation, accountability and transparency.

#### **SUSTAINABILITY ASSESSMENT:**

	<b>Positive</b>	<b>Negative</b>
Social	Nil	Nil
Environmental	Nil	Nil
Economic	Audit, Risk and Improvement Committees assist Council to strive to ensure there is a risk culture and to improve efficiencies.	Nil
Governance	Selection of the appropriate qualified independent members to the committee are essential to support good governance and high functioning committees.	Nil

#### **Financial and Resources Implications:**

The current remuneration for independent members is \$400 (exc. GST) per meeting inclusive of preparation, attendance, travel time and expenses.

The remuneration for Committee members is covered under the Internal Audit budget and is well placed for 2019/2020.

#### **Costs and Benefits:**

N/A

#### **Policy, Legal and Statutory Implications:**

Councils must take any relevant guidelines issued under section 23A of the *Local Government Act 1993* into consideration before exercising any of its functions. The *Internal Audit Guidelines, September 2010* have been issued under section 23A.

#### **RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC**

Risk Management is an important component of corporate governance. Risk Management is the responsibility of management with oversight by Council and the Audit, Risk and Improvement Committee. A key objective of the Audit, Risk and Improvement Committee is

to ensure that processes and controls are in place to manage all types of risk. Ensuring appropriately qualified and suitable independent members are selected so that the Audit, Risk and Improvement committee can function appropriately.

**OPTIONS:**

Carolyn Rosetta Walsh not be placed on the eligibility list requiring another full recruitment process upon resignation of any independent Committee members.

**COUNCIL SEAL REQUIRED**

No

**COMMUNITY ENGAGEMENT AND COMMUNICATION**

Community engagement and communication not required.

**ATTACHMENTS**

Expression of Interest Audit, Risk & Improvement Committee Independent Member Information Package





**Expression of Interest**  
**Audit, Risk & Improvement Committee**  
**Independent Member Information Package**

**Overview**

Snowy Valleys Council is committed to open and transparent governance that meets community expectations. To enhance its governance framework, Council, in alignment with the Local Government Act, has an Audit Risk & Improvement Committee ('Committee').

This is an advisory committee to Council providing independent assurance, oversight and assistance to Council. Specifically, the responsibility of the Committee is to keep under review the following operational aspects:

- Risk management
- Fraud control framework
- External accountability
- Governance
- Legislative compliance
- Internal audit and external audit
- Financial management
- Information systems and technology
- Any other matters prescribed by the regulations

**Structure & Membership**

The Committee will comprise three (3) independent external members and two (2) councillors. The Chairperson is one of the independent external members. There is currently one (1) vacancy for an independent external member on the Committee. Periods of appointment are generally for 3 years.

**Audit, Risk & Improvement Committee Charter**

The Committee will be required to operate in accordance with the Audit, Risk & Improvement Committee Terms of Reference. The Terms of Reference has been drafted to align with the Local Government Act amendments mandating the Committee.

**Meetings**

A minimum of four (4) and maximum of five (5) meetings will be held annually with the remuneration of \$400 (exc. GST) per meeting inclusive of preparation, attendance, travel time and expenses. Meetings are held in Tumut unless there is a reason to hold the meeting in an alternate location.

Members are expected to come to meetings prepared, having read all documentation distributed for discussion.

**Reporting**

The committee shall report to Council and provide information for the purpose of improving the Council's performance of its functions. Reporting is to be in accordance with the Audit, Risk & Improvement Committee Terms of Reference.

#### **Selection Criteria**

The following criteria will be used when assessing applications:

1. Why you think you are suitable for appointment as an independent member of the Committee
2. Relevant professional qualifications
3. Relevant professional knowledge and experience
4. Understanding and experience in relation to
  - a. local government
  - b. risk management
  - c. internal and external audit
  - d. fraud control
  - e. financial management
  - f. corporate governance
  - g. business improvement

Applications will be assessed with the aim of achieving an overall mix of skills and experience on the Committee.

#### **Induction & Training**

Members will need to attend a Council induction before attendance at the first committee meeting. First meeting to attend will be 5<sup>th</sup> February 2020. Members appointed who have not previously been a member of a Local Government Audit, Risk and Improvement Committee, may be required to attend an external training course by the Institute of Internal Auditors (or other) on Audit Committees.

#### **Role and Responsibilities**

The role and responsibilities of independent external members include:

1. Understanding the legislation & regulatory requirements appropriate to Snowy Valleys Council
2. Attend and actively participate in meetings
3. Work cooperatively with other Committee members, General Manager and all Council officers in achieving the aims of the Committee
4. Provide advice and recommendations to Council and/or the General Manager on items presented to the Committee
5. Action and follow up tasks determined by the Committee.

#### **Obligations and Constraints**

Committee members are required to comply with the following requirements:

- Council's Code of Conduct
- Maintain confidentiality in relation to all discussions and information obtained during or as a result of meetings
- All conflicts of interest are to be declared and recorded in the Minutes and, if necessary, appropriate action may be required if a conflict is declared
- Members shall abide by Council's policies and procedures
- Members must observe Council's Media Policy
- Members must declare Disclosure of Interests declaration when applicable

**5.0 GOVERNANCE AND FINANCIAL REPORTS****5.6 APPOINTMENT OF PUBLIC OFFICER AND RESPONSIBLE ACCOUNTING OFFICER**

**REPORT AUTHOR:** CHIEF EXECUTIVE OFFICER  
**RESPONSIBLE DIRECTOR:** CHIEF EXECUTIVE OFFICER

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**EXECUTIVE SUMMARY:**

In accordance with the *Local Government Act 1993*, the Chief Executive Officer (General Manager) is to designate a member of staff as its:

- a. Public Officer (Section 342)
- b. Responsible Accounting Officer (Local Government (General) Regulation 2005 REG 209)

This report confirms and clarifies existing practice within Council.

**RECOMMENDATION:****THAT COUNCIL:**

1. **Receive the report on Appointment of Public Officer and Responsible Accounting Officer from the Chief Executive Officer**
2. **Approve the Executive Chief of Staff, Shelley Jones appointment as Council's Public Officer**
3. **Approve the Chief Financial Officer, Susanne Andres appointment as the Responsible Accounting Officer.**

**BACKGROUND:**

The *Local Government Act 1993 Section 342* states:

***342 Appointment of the public officer***

- (1) *The general manager is to designate a member of staff as the public officer of the council.*

The *Local Government (General) Regulation 2005 REG 209* states:

***209 Particular responsibilities of the general manager***

*The general manager of a council must ensure that:-*

- (a) *The provisions of the Act, this Regulation and any other written law relating to councils' financial obligations or the keeping of accounts by councils are complied with, and*

- (b) Effective measures are taken to secure the effective, efficient and economical management of financial operations within each division of the council's administration, and*
- (c) Authorising and recording procedures are established to provide effective control over the council's assets, liabilities, revenue and expenditure and secure the accuracy of the accounting records, including a proper division of accounting responsibilities among the council's staff, and*
- (d) Lines of authority and the responsibilities of members of the council's staff for related tasks are clearly defined.*

**REPORT:**

The *Local Government Act 1993 Section 343* describes the functions of the Public Officer as:

**343 Functions of the public officer**

- (1) The public officer:-*
  - may deal with requests from the public concerning the council's affairs*
  - has the responsibility of assisting people to gain access to public documents of the council*
  - may receive submissions made to the council*
  - may accept service of documents on behalf of the council*
  - may represent the council in any legal or other proceedings*
  - has such other functions as may be conferred or imposed on the public officer by the general manager or by or under this Act.*
- (2) The public officer is subject to the direction of the general manager.*

The *Local Government (General) Regulation 2005 REG 202* states:

**202 Responsible Accounting Officer to Maintain System for Budgetary Control**

*The responsible accounting officer of a council must:-*

- (a) establish and maintain a system of budgetary control that will enable the council's actual income and expenditure to be monitored each month and to be compared with the estimate of the council's income and expenditure, and*
- (b) if any instance arises where the actual income or expenditure of the council is materially different from its estimated income or expenditure, report the instance to the next meeting of the council.*

**OPTIONS:**

That the Chief Executive Officer (General Manager) assume the role of Public Officer.

**LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

**Integrated Planning and Reporting Framework:  
CSP Outcome 2028**

Theme 4: Communication and Engagement

**Delivery Outcomes**

4.3 Council has sound organisational health and has a culture which promotes action, innovation, accountability and transparency.

**Operational Actions**

Nil

**SUSTAINABILITY ASSESSMENT:**

Nil

**Financial and Resources Implications:**

Nil

**Cost Benefit Analysis:**

Nil

**Policy, Legal and Statutory Implications:**

Required under the Local Government Act 1993 and Local Government (General) Regulation 2005.

**RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**

Nil

**COUNCIL SEAL REQUIRED**

No

**IMPLEMENTATION/COMMUNICATION:**

Nil

**ATTACHMENTS:**

Nil

**6. MANAGEMENT REPORTS****6.1 FOOD ORGANICS GARDEN ORGANICS (FOGO) OPTIONS AND IMPLEMENTATION**

**REPORT AUTHOR:** WASTE MANAGEMENT & STRATEGY OFFICER  
**RESPONSIBLE DIRECTOR:** EXECUTIVE DIRECTOR INFRASTRUCTURE

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**EXECUTIVE SUMMARY:**

This report seeks the approval of Council to progress the implementation of a food and garden organics (FOGO) service and construction of an organics processing facility along with accepting two grant funding opportunities offered by NSW Environmental Trust (in partnership with Energy, Climate Change & Sustainability Directorate) funded through the waste less, recycle more initiative.

Also included in this report is a summary of the business cases and multi criteria analysis prepared by consultants JustWaste supporting the implementation of the weekly FOGO collection service and the construction of a locally based organics processing facility

The grants offered by the NSW Environmental Trust includes a contribution of \$405,242 for the rollout of the FOGO collection service and \$946,924 for the construction of an organics processing facility.

The total of the grants being offered is \$1,352,166 compared to the total estimated cost to rollout the FOGO service and construction of a processing plant of \$3,237,131, with Council contributing the remaining \$1,884,865 to fund these projects.

It is intended that Councils contribution will be funded through the waste budget.

**RECOMMENDATION:****THAT COUNCIL:**

- 1. Receive this report on the proposed implementation of a food and garden organics (FOGO) collection service and construction of an organics processing facility from the Executive Director Infrastructure.**
- 2. Note the outcomes of the two business cases and multi criteria analysis prepared by consultants JustWaste supporting the implementation of the weekly FOGO collection service and the construction of an organics processing facility.**
- 3. Endorse proceeding to the next stage of delivery for the FOGO collection service and organics processing facility inclusive of the following for further consideration of Council:**
  - a. Project Management Plan**
  - b. Tender/Design Documentation**
  - c. Procurement Plan**
  - d. Updated Cost Plan**
  - e. Risk Assessment for delivery**
  - f. Delivery Program/Confirmation of Milestones**

4. **Accept the grant funding opportunity offered by NSW Environmental Trust funded through the waste less, recycle more initiative of up to \$405,242 for the rollout of the FOGO collection service, noting that the funding arrangements require a contribution from Council of \$888,601**
5. **Accept the grant funding opportunity offered by NSW Environmental Trust funded through the waste less, recycle more initiative of up to \$946,924 for the construction of an organics processing facility, noting that the funding arrangements require a contribution from Council of \$996,364**
6. **Authorise the General Manager and Mayor to execute the Deed of Agreements for the grant funding as described in items 4 and 5 above**
7. **Receive a further report on the implementation of the FOGO collection service and organics processing facility prior to proceeding to the tender and construction stages**

#### **BACKGROUND:**

Councils Zero Waste Strategy recognises zero waste to landfill as a future goal of the community and provides the framework to guide an increase in recycling with a key focus on diversion of waste from landfill.

One of the key actions identified in the strategy is the delivery of a FOGO collection and processing service to improve resource recovery and reduce the amount of waste going to landfill.

The residual waste bin (red lid bin) generally comprises of more than 50% FOGO, which includes food waste such as kitchen scraps, lawn clippings, small branches and garden debris which is mostly disposed to landfill.

The rollout of a new FOGO collection service and processing plant is intended reduce the amount of FOGO that is disposed to landfill by recovering the material and processing it for reuse to make compost.

In preparation for the implementation of a FOGO service the waste fees and charges for 2019/20 were harmonized with the intention of funding the infrastructure and facilities needed to introduce and additional green waste bin and an organics processing facility.

#### **FOGO Kerbside collection service**

JustWaste Consulting were engaged to develop a business case for a food organics and garden organics kerbside collection service, which considered different types of collection systems, to determine the most suitable system for Snowy Valleys Council.

A copy of the business case is attached under separate cover to this report.

The business case gave consideration to the financial, social and environmental benefits of different types of services and recommended the following as the most beneficial option for Council:

- ***introduction of a weekly 240 litre FOGO collection service coupled with a fortnightly 140 litre residual waste with the option of additional residual waste bins for larger households.***

The new service would be available to all residences that are currently serviced within the current kerbside collection areas and will include the provision of kitchen caddies.

Table 1 below shows the financial implications for the ongoing operation of the proposed new service compared to the existing service.

**Table 1 – FOGO Service ongoing collection costs**

<b>Existing kerbside collection service</b> – weekly residual waste bin collection and fortnightly comingled recycling bin collection	\$111.90 per household per year
<b>Proposed new kerbside collection service</b> – new weekly FOGO bin collection, fortnightly residual waste bin collection and fortnightly comingled recycling bin collection	\$138.10 per household per year
<b>Increase per household</b>	<b>\$26.20 per household per year</b>
<b>Total Increase per year</b>	<b>\$159,149</b>

It should be noted that the increase in the collection charges for the new service will be offset by the by reducing the amount of waste going to landfill.

Table 2 below shows the estimated upfront capital cost to rollout the FOGO service.

**Table 2 – FOGO upfront capital cost**

Part time Education Officer	\$20,966
Development of community education strategy, delivery of education campaign along with pre and post bin composition audits.	\$85,943
Equipment and Materials including new green waste bins, kitchen caddies, printed pamphlets and fridge magnets.	\$310,307
Project Management, administration and contingencies. Provision of compostable liners, increased servicing costs, harmonisation of residential bins from 120 litre to 140 litre and purchase of additional collection truck.	\$876,627
<b>Total upfront capital cost</b>	<b>\$1,293,843</b>

### Organics Processing

JustWaste Consulting were also engaged to develop a business case for the processing of food and garden organics collected kerbside and delivered to the transfer stations.

A copy of this business case is also attached to this report under separate cover.

The business case gave consideration to several options for processing organics and recommended the construction of a mobile aerated floor composting facility located at the Tumut Waste Recovery Centre as the most beneficial option for Council.

Table 3 below shows the estimated capital cost to construct the facility.



**Table 3 – Organics Processing Facility Capital Cost**

<b>Construction</b> – including site establishment, site access road, drainage system and leachate dam (ground, surface water management, leachate dam, pumping system), shed, utilities and fencing.	\$1,248,726
<b>Equipment and Materials</b> - mobile aerated floor, trommel screen, wheel loader	\$645,122
<b>Incidentals</b> – project management, administration and contingencies, geotechnical investigations, business case development, odour modelling, environmental impact assessments and Development approvals	\$49,440
<b>Total construction costs</b>	<b>\$1,943,288</b>

The business case prepared by JustWaste also included a 10 year cost analysis for the operation of the composting facility and determined it will operate in surplus after year four and could return a revenue stream to Council of \$3,531,091 over the ten year modelling period.

This is based on 13,181 tonnes of FOGO being diverted from landfill over 10 years and the compost produced being sold to end users for \$55/m<sup>3</sup>.

### Multi Criteria Analysis

JustWaste Consulting also undertook a multi criteria analysis that investigated what benefits and risks may eventuate from different organic disposal and processing options.

Specifically, it assessed environmental, financial and social criteria against each option to determine the best sustainable option for Council.

The analysis confirmed that the proposal for the implementation of a third FOGO (green waste bin) and locally based processing facility as the preferred option for Snowy Valleys Council.

This option scored highest across all three criteria – environmental, financial and social.

The analysis also included a risk assessment which is summarised in table 4 below. A copy of the multi criteria analysis is attached to this report under separate cover.

**Table 4 Risk Assessment**

Description of risk	Risk rating	Mitigation measures	Revised risk rating
<p><b>Budget deviations</b></p> <p>The risk of budget deviations related to the unknown future cost relating to:</p> <ul style="list-style-type: none"> <li>Future regulatory complications will come from the lack of organics diversion from the residual</li> </ul>	<p><b>High</b></p> <p>Major consequences of up to 10% capex budget deviation likely.</p>	<p>The details of home composting and education proposed in this option are within themselves considered a low risk for budget deviation. Capital expenditure is low and as it is a gradual cost the risk of investment foregone is insignificant. Further, the</p>	<p><b>High</b></p> <p>Major consequences of up to 10% capex budget deviation possible.</p>

Description of risk	Risk rating	Mitigation measures	Revised risk rating
<p>stream.</p> <ul style="list-style-type: none"> <li>• Current mismanagement of self-haul green waste.</li> <li>• Landfill price increase/lack of landfill space.</li> </ul>		<p>operational costs of this option are low and will not result in any significant deviations.</p> <p>As this option has the greatest surplus in the 15-year cost analysis there is a budget to address the unknown risks, if and as they occur.</p>	
<p><b>Delivery of project</b></p> <p>The consequence has been considered moderate for not being able to gain 500 participating households per annum or 3,000 in total.</p>	<p><b>Medium</b></p> <p>Moderate consequences possible to occur.</p>	<p>Whilst there is no grant available for this option and education officer is costed in the operational expenses.</p> <p>This role will be dedicated to the task and the budget as counted for the delivery of free bins, free workshops and free information to the community which should be an easy sell.</p>	<p><b>Medium</b></p> <p>Moderate consequences unlikely to occur.</p>
<p><b>Viability of the project</b></p> <p>The project may not deliver the landfill avoidance or diversion that is expected. Whilst participation may increase, the use may dwindle and if poorly managed the project could fail to achieve its targets. Viability of this option relates to the cost of complementary projects needed to address other organics in the residual stream.</p>	<p><b>Medium</b></p> <p>Moderate consequences of up to 5% profit deviation possible to occur.</p>	<p>There is a significant surplus that is generated in this option. Council should develop an action plan for project delivery of other recycling and waste reducing initiatives. The planned actions and cost can then be assessed for viability in conjunction with this option.</p>	<p><b>Low</b></p> <p>Moderate consequences of up to 5% profit will only happen on the rare occasion.</p>
<p><b>Timeline deviation</b></p> <p>There may be a variation in the number of bins able to be delivered into the community over a short or set time.</p>	<p><b>Low</b></p> <p>There is a minor consequence possible to occur.</p>	<p>The employed education officer can rectify a lack of participation with a strategic approach.</p>	<p><b>Low</b></p> <p>There is a minor consequence possible to occur.</p>
<p><b>Community opposition</b></p> <p>This option is not very</p>	<p><b>Medium</b></p> <p>Minor</p>	<p>An education officer has been budgeted for, thus planning delivery of</p>	<p><b>Low</b></p> <p>Minor</p>

Description of risk	Risk rating	Mitigation measures	Revised risk rating
<p>common in the state and nation. It may be that the community is expecting a third bin, especially with raised fees, and the idea of being forced to home compost may come across more as a chore than a service. A section of the community is likely to be physically unable or unwilling to home compost and therefore oppose the option. A section of the community is likely to express the objection that this option will not address organic diversion across the council.</p>	<p>consequences of short term damage is likely to occur.</p>	<p>ongoing information to the community. Through active engagement and messaging it is likely that most people can appreciate a home composting unit and especially the resourcing of education in schools and community groups.</p> <p>As recommended above an action plan for complementary initiatives should be prepared. This could be partially targeted at opposing community members, through for example on-call green waste collections or collaborative community composting operations.</p> <p>The broader community is more likely to be concerned with cost. It will be important to communicate why this option was chosen (low cost) and how a surplus will generate other benefits.</p>	<p>consequences of short term damage is unlikely to occur</p>
<p><b>Failure to comply with political and regulatory directives</b></p> <p>Lack of organic (food and garden) diversion from landfill may be insufficient to meet current and future strategic goals.</p> <p>Current management of self-haul green waste is inappropriate and must be addressed to avoid future environmental non-compliance.</p>	<p><b>High</b></p> <p>Major consequences of significantly damaged reputation with many stakeholders is likely to occur.</p>	<p>If this option was chosen, council must find an alternative disposal and proper processing of green waste.</p>	<p><b>Medium</b></p> <p>Moderate consequences of opposition is possible to occur.</p>

**REPORT:**

Following the preparation of the business cases for the delivery of the FOGO collection service and organics processing facility, applications were made under the Waste Less, Recycle More initiative for funding assistance from the NSW Environmental Trust for the implementation of these two projects.

Council Officers have since received advice from NSW Environmental Trust (in partnership with Energy, Climate Change & Sustainability Directorate) offering two grant funding opportunities, being for both the rollout of the FOGO collection service and the construction of the organics processing facility.

The grant offered by the NSW Environmental Trust for the delivery of the FOGO collection service includes funding of up to \$405,242 for the following items:

- part time education officer
- development of community education strategy
- pre and post rollout bin composition audits
- equipment and materials including green waste bins, kitchen caddies printed pamphlets and fridge magnets

The total cost for the delivery of the FOGO collection service is estimated to be in the order of \$1,293,843 with Council contributing the remaining \$888,601 for the rollout of the service, including the following:

- project management costs administration and contingencies
- provision of compostable liners
- kerbside collection servicing
- additional collection truck - additional collection runs and quantities

The grants offered by the NSW Environmental Trust, also includes a grant of \$946,924 being for the construction of an organics processing facility. The total cost to construct the facility is estimated to be in the order of \$1,943,288 with Council contributing the remaining \$996,364. The facility includes the following items which are 50% grant funded.

- access road
- site establishment
- drainage system and leachate dam (ground, surface water management, leachate dam, pumping system)
- shed
- utilities
- fencing
- Mobile Aerated Floor
- Trommel Screen
- Wheel loader

The following items associated with the construction of the organics processing facility are 100% funded by Council:

- project management, administration and contingencies
- geotechnical Investigation
- business case development with site assessment and composting process design
- odour Unit - odour modelling and studies
- environmental impact assessment assistance for development application

Table 5 and 6 below provide a summary of the grant funding arrangements. A copy of each of the funding agreements are attached to this report under separate cover.

**Table 5 Grant Funding Arrangements – FOGO rollout of collection service**

Description	Council Contribution	Grant Funded	Total
Part time Education Officer		\$20,966	\$20,966
Development of community education strategy, delivery of education campaign along with pre and post bin composition audits.	\$2,385	\$83,558	\$85,943
Equipment and Materials including new green waste bins, kitchen caddies, printed pamphlets and fridge magnets.	\$9,589	\$300,718	\$310,307
Project Management, administration and contingencies. Provision of compostable liners, increased servicing costs, harmonisation of residential bins from 120 litre to 140 litre and purchase of additional collection truck.	\$876,627		\$876,627
<b>Total upfront capital cost</b>	<b>\$888,601</b>	<b>\$405,242</b>	<b>\$1,293,843</b>

**Table 6 – Grant Funding Arrangements - Organics Processing Facility Capital Cost**

Description	Council Contribution	Grant Funded	Total
<b>Construction</b> – including site establishment, site access road, drainage system and leachate dam (ground, surface water management, leachate dam, pumping system), shed, utilities and fencing.	\$624,363	\$624,363	\$1,248,726
<b>Equipment and Materials</b> - mobile aerated floor, trommel screen, wheel loader	\$322,561	\$322,561	\$645,122
<b>Incidentals</b> – project management, administration and contingencies, geotechnical investigations, business case development, odour modelling, environmental impact assessments and Development approvals	\$49,440		\$49,440
<b>Total construction costs</b>	<b>\$996,364</b>	<b>\$946,924</b>	<b>\$1,943,288</b>

The milestones attached to each of the funding agreements are shown in tables 7 and 8 below.

**Table 7 Grant Funding Milestones –rollout of FOGO collection service**

Milestone	Milestone date	Instalment amount \$	Types of evidence of milestone achievement
<b>Milestone 1</b> Signing of Deed of Agreement	31 January 2020	\$202,621	<b>Milestone 1 Report including:</b> <ul style="list-style-type: none"> <li>• Signed Deed of Agreement</li> <li>• Any documentation required as a special condition</li> <li>• Project Measures Report (projections)</li> <li>• Tax invoice to the NSW Environmental Trust for the instalment amount (shown in third column).</li> </ul>
<b>Milestone 2</b> Education and communication plan	30 December 2020	\$81,048	<b>Milestone 2 Report including:</b> <ul style="list-style-type: none"> <li>• Project Measures Report (progress).</li> <li>• Evidence that your Education and Communication plan has been approved by ECCS.</li> <li>• Copies of tax invoices/quotes from bin suppliers and assembly contractors.</li> <li>• Supply 3 quotes for the development and implementation of the education strategy to comply with audit requirements of the program.</li> <li>• Copies of tax invoices/quotes from all other related service providers, suppliers, contractors.</li> <li>• Tax invoice to the NSW Environmental Trust for the instalment amount (shown in third column).</li> </ul>
<b>Milestone 3</b> Implementation report	30 March 2021	\$81,048	<b>Milestone 3 Report including:</b> <ul style="list-style-type: none"> <li>• Project Measures Report (progress).</li> <li>• Evidence of educational materials provided to residents.</li> <li>• Documentation supporting implementation of project (e.g. delivery of bins, start of collections, photos, videos etc.).</li> <li>• Description of service commencement</li> <li>• Copies of tax invoices/quotes from bin suppliers and assembly contractors.</li> <li>• Copies of tax invoices/quotes from all other related service providers, suppliers, contractors.</li> </ul>

Milestone	Milestone date	Instalment amount \$	Types of evidence of milestone achievement
<b>Final Report</b>  Six-month post service commencement (nine months for MUD trials)	30 September 2021	\$40,525	<b>Final Evaluation Report including:</b> <ul style="list-style-type: none"> <li>• Documentation supporting completion of project (e.g. delivery of bins, start of collections, photos, videos etc.).</li> <li>• Case study for projects involving MUDs</li> <li>• Project Measures Report (final).</li> <li>• Copies of tax invoices/quotes from all other related service providers, suppliers, contractors.</li> <li>• Tax invoice to the NSW Environmental Trust for the instalment amount (shown in third column).</li> </ul>
<b>Total funding requested</b>		<b>\$405,242</b>	

**Table 8 Grant Funding Milestones – Organics Processing Facility**

Milestone	Milestone date	Instalment amount \$	Types of evidence of milestone achievement
<b>Milestone 1</b>  Signing of Deed of Agreement	30 January 2020	\$473,462	<b>Milestone 1 Report including the following:</b> <ul style="list-style-type: none"> <li>• Signed Deed of Agreement</li> <li>• Any documents required as a special condition</li> <li>• Project measures report (initial projections)</li> <li>• Tax invoice to the Trust for the instalment amount with GST if appropriate</li> </ul>
<b>Milestone 2</b>  Proof of approvals and ordering equipment	30 September 2020	\$189,384	<b>Milestone 2 Report including the following:</b> <ul style="list-style-type: none"> <li>• Project measures report (progress)</li> <li>• Statement of Expenditure (progress)</li> <li>• Copies of supplier/order documentation (Agreements/Letters of engagement/purchase orders)</li> <li>• Copy of final design and costs</li> <li>• Copies of tax invoices/quotes from service providers, suppliers, contractors</li> <li>• Proof of Net Community Benefit if a BOOT project</li> <li>• Tax invoice to Trust for the instalment amount with GST if appropriate</li> </ul>

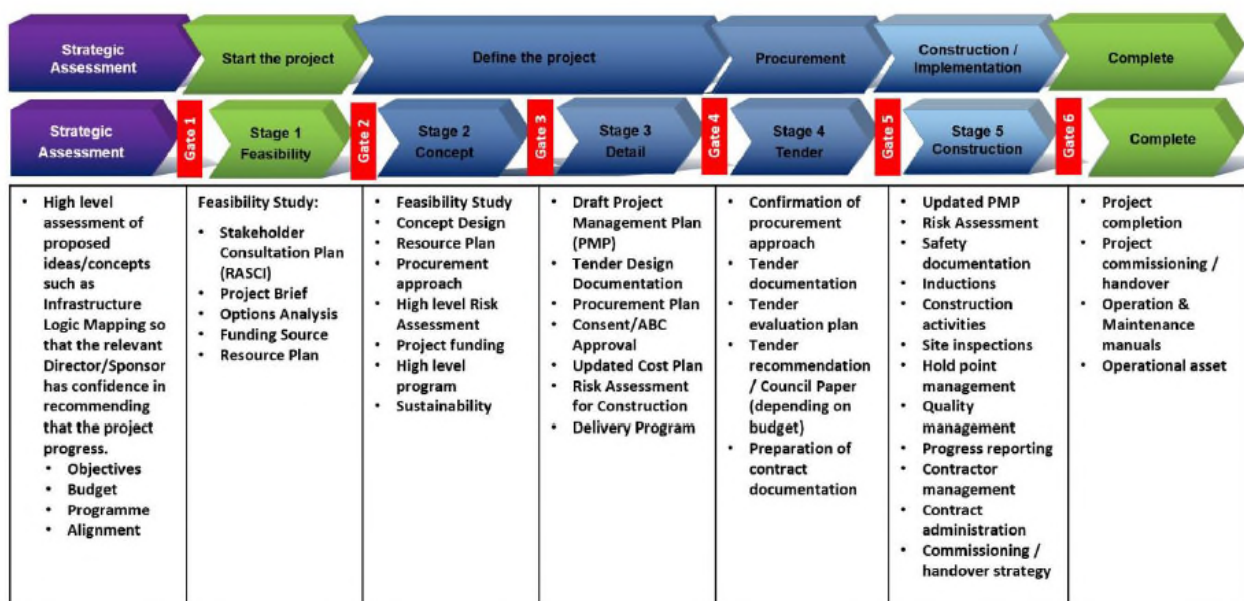
<b>Milestone 3</b> Commissioning	30 December 2020	\$189,384	<b>Milestone 3 Report</b> <i>including the following:</i> <ul style="list-style-type: none"> <li>• Project measures report (progress)</li> <li>• Statement of Expenditure (progress)</li> <li>• Photographs of installed equipment</li> <li>• Site visit by ECCS/Trust</li> <li>• Copies of tax invoices/quotes from service providers, suppliers, contractors</li> <li>• Tax invoice to Trust for the instalment amount with GST if appropriate</li> </ul>
<b>Final Report</b> Project completion and final report	30 August 2021	\$94,694	<b>Final Evaluation Report</b> <i>including the following:</i> <ul style="list-style-type: none"> <li>• Project measures report (final)</li> <li>• Statement of Expenditure (final)</li> <li>• Photographs of operating equipment</li> <li>• Six-month post implementation report</li> <li>• Site visit by ECCS/Trust</li> <li>• Copies of final tax invoices for providers, suppliers, contractors documentation supporting completion of project (e.g. photos, videos, monitoring and evaluation report, media releases, construction certificate)</li> <li>• Tax invoice to Trust for the instalment amount with GST if appropriate</li> </ul>
<b>Total funding requested</b>		<b>\$946,924</b>	

Applying the Project Management Framework to these two projects as shown in figure 1 below, the next stage (stage 3) of their delivery requires for the following documentation to be prepared:

- draft project management plan
- tender/design documentation
- procurement plan
- updated cost plan
- risk assessment for delivery
- delivery program/confirmation of milestones.



**Figure 1: SVC Project Management Framework**



**LINKS TO COMMUNITY STRATEGIC PLAN AND DELIVERY AND OPERATIONAL PLAN:**

**Integrated Planning and Reporting Framework:  
CSP Outcome 2028**

Theme 3: Our Environment

**Delivery Outcomes**

3.2 Promote programs and initiatives which encourage more sustainable living

**Operational Actions**

3.2.1 Facilitate Waste Recycling Program

**SUSTAINABILITY ASSESSMENT:**

	<b>Positive</b>	<b>Negative</b>
Social	Meeting community expectations of responsible environmental management by council. Helping to improve food security through sustainable agricultural productivity.	Reliant on the individual to separate waste into three bins in kitchen and on the kerb.
Environmental	Producing compost that can be used as a soil improver/fertiliser. Reducing greenhouse gas emissions (methane) and associated climate change impacts.  Reducing leachate in landfills caused by rotting food organics.	Nil

	<b>Positive</b>	<b>Negative</b>
	Reducing public health risks of methane gas escaping from landfills.	
Economic	<p>Providing waste services to all areas of our community at an appropriate cost.</p> <p>Building resilience from landfill cost and stimulating a local circular economy.</p> <p>Generating business and employment within council area.</p>	<p>Some serviced areas are cross-subsidised by other locations due to economies of scale.</p> <p>Community perception that some areas are paying extra whilst not receiving the personal benefits.</p>
Governance	Council provides and regulates appropriate waste management systems in line with best practice management and national and state policy.	Minority of customers may not want to be included within a waste service area.

### **Financial and Resources Implications**

The grants offered by the NSW Environmental Trust includes a contribution of \$405,242 for the rollout of the FOGO collection service and \$946,924 for the construction of an organics processing facility.

The total of the grants being offered is \$1,352,166 compared to the total estimated cost to rollout the FOGO service and construction of a processing plant of \$3,237,131, with Council contributing the remaining \$1,884,865 to fund these projects.

It is intended that Councils contribution will be funded through the waste budget.

Tables 7 and 8 contained within this report show the funding breakdowns.

### **Costs and Benefits:**

Nil

### **Policy, Legal and Statutory Implications:**

These projects are a key objective of the SVC Zero Waste Strategy that is linked to state and national waste policies and targets specifically:

- *The National Waste Policy 2018*
- *NSW Waste Avoidance and Resource Recovery Strategy 2014–21*

### **RISK MANAGEMENT – BUSINESS RISK/WHS/PUBLIC:**

Table 4 contained within this report provides a risk assessment undertaken by JustWaste as part of the multi criteria assessment.

There are also a number of potential project delivery risks that will be considered as part of the development of the Project Management Plan and Risk Assessment required to progress this project.

An example of these potential risks includes:

- service implementation delays, cost overruns or poor rollout of service
- low service uptake and unmet community expectations
- additional costs with households switching from home composting to FOGO.

Examples of the risks that can affect the performance of a FOGO service include:

- high levels of bin contamination resulting in rejected loads at the composting facility and/or reduced compost quality
- lack of community awareness and understanding of the FOGO service and how to use it correctly
- nuisance factors (vermin, pests, odour) deterring people from taking up and/or maintaining a FOGO service
- insufficient demand for soil products made from recycled food and garden organics
- resistance to having a FOGO service and having to pay for it from sections of the community e.g. home composters.

**OPTIONS:**

Council may decide to amend the recommendations referred to in this report or not proceed with the next stage of these projects.

**COUNCIL SEAL REQUIRED:**

No

**COMMUNITY ENGAGEMENT AND COMMUNICATION:**

The community and stakeholders were actively engaged in the development of the zero waste strategy and the key target of implementing a FOGO collection service.

The rollout of the FOGO collection service also includes the development and implementation of an approved education and communication plan.

Attachments

1. Business case for FOGO collection in Snowy Valleys Council, May 2019 (under separate cover) Confidential
2. Business Case for Processing Organics Final (Under Separate Cover) Confidential
3. Multi Criteria Analysis of Organics Diversion (Under Separate Cover) Confidential
4. Funding Deed of Agreement Collections – Revised Timelines (Under Separate Cover) Confidential
5. Funding Deed of Agreement Infrastructure – Revised Timelines (Under Separate Cover) Confidential
6. Tumut Waste Transfer Station Concept Plan (Under Separate Cover) Confidential