



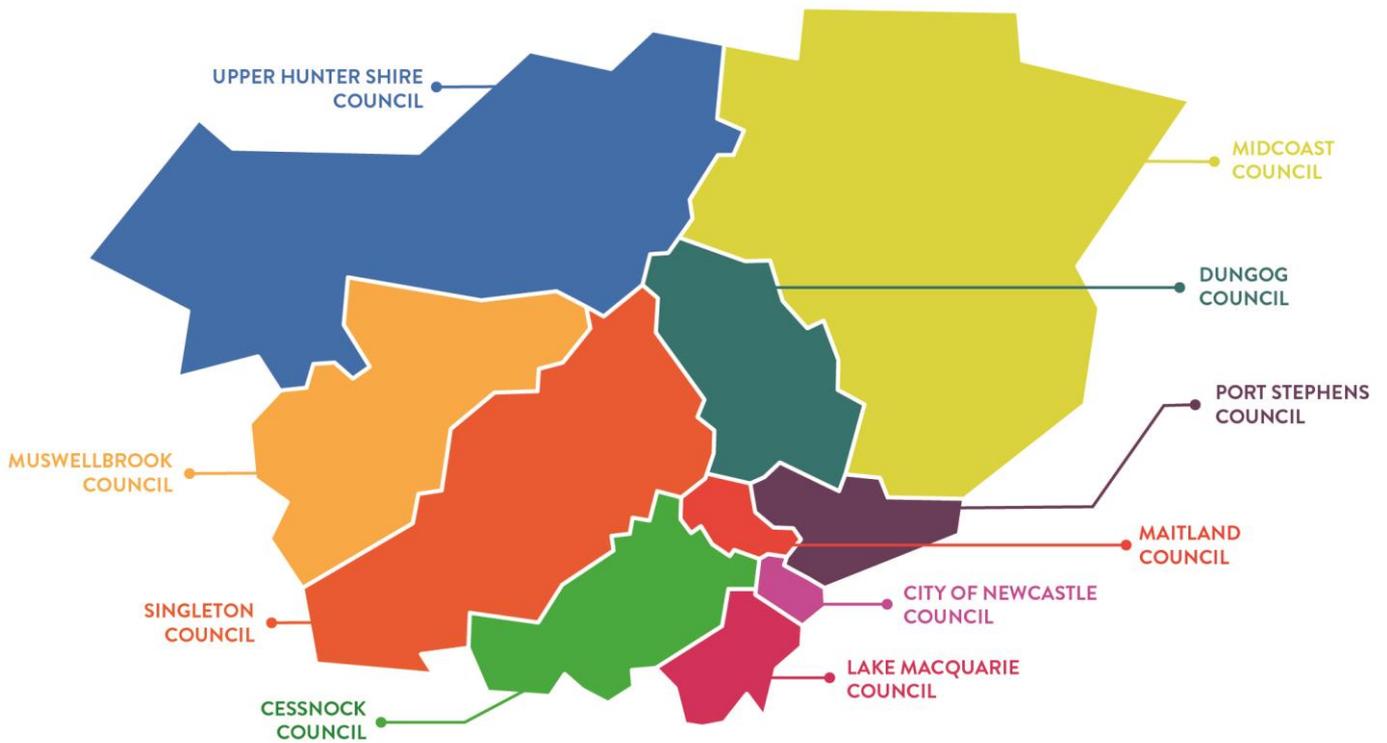
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FOLLOW OUR PROGRESS  

Hunter Joint Organisation Board- Annual General Meeting

1:00pm, Wednesday 1 December 2021



Microsoft Teams Link:

[Click here to join the meeting](#)

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1. Welcome and Apologies

1.1 Acknowledgement of Country

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

2. Adoption of the Minutes of the Previous Annual General Meeting

Hunter Joint Organisation Board

Annual General Meeting Minutes

Thursday 26 November 2020

Hunter JO Boardroom, 4 Sandringham Avenue, Thornton NSW (Video Conference)

Voting Directors Present

Cr Bob Pynsent,	Cessnock City Council
Cr John Connors,	Dungog Shire Council
Cr Sue Moore,	Singleton Shire Council
Cr Maurice Collison,	Upper Hunter Shire Council
Cr Loretta Baker,	Maitland City Council
Cr Nuatali Nelmes,	Newcastle City Council
Cr Kay Fraser,	Lake Macquarie City Council
Cr David West,	MidCoast Council
Cr Ryan Palmer,	Port Stephens Council

Non-Voting Members Present

Kristian Enevoldson,	General Manager, Upper Hunter Shire Council
Gareth Curtis,	General Manager, Dungog Shire Council
Jeremy Bath,	CEO, Newcastle City Council
David Evans,	General Manager, Maitland City Council
Jason Linnane,	General Manager, Singleton Council
Morven Cameron,	CEO, Lake Macquarie City Council
Lotta Jackson	General Manager, Cessnock City Council
Adrian Panuccio,	General Manager, MidCoast Council
Wayne Wallis,	General Manager, Port Stephens Council
Alison McGaffin	Director, Hunter & Central Coast, Regional NSW (DPIE)

Apologies

Cr Martin Rush,	Muswellbrook Shire Council
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Fiona Plesman, General Manager, Muswellbrook Shire Council

Staff in attendance

Joe James, CEO, Hunter Joint Organisation

Graham Dean, Manager Finance & Administration, Strategic Services Australia

Steve Wilson, Director, Environment Division, Strategic Services Australia

Louisa Bulley, Executive Assistant to the CEO (Secretariat)

Meeting opened at 2.33pm

Item 1 Welcomes and Apologies

1.1 Acknowledgment of Country

The Chair welcomed the Directors to the meeting, and noted the apologies.

Resolved:

- ***That the apologies be noted.***
Moved: Kay Fraser

Seconded: Sue Moore

Carried.

Item 2 Adoption of Minutes from the Previous Meeting

The minutes of the previous meeting were noted.

Resolved:

- ***That the minutes of the previous Annual General Meeting of 14 November 2019 be endorsed and adopted by the Board***

Moved: Kay Fraser

Seconded: Sue Moore

Carried.

Item 3 Business Arising from Previous Minutes

Nil.

Item 4 Nomination of Chairperson

As per the Local Government Act 1993, Section 400V(2), the appointment of the Chair of the Hunter Joint Organisation is for a period of two years and is therefore still filled by Cr Bob Pynsent as of June 2020.

Item 5 Nomination of Vice Chairperson

The Secretariat Louisa Bulley acted as returning officer with Kay Fraser being nominated by Bob Pynsent and David West for the position of Vice Chairperson. Kay Fraser accepted the nomination. No other nominations being received, Louisa Bulley declared Kay Fraser as Vice Chairperson.

Item 6 Hunter JO Annual Performance Statement 2019-20

The report was taken as read.

Resolved:

- ***THAT the Hunter JO Annual Performance Report 2019-20 be endorsed for delivery to the Office of Local Government***
- ***That the Hunter JO Annual Performance Statement 2019-20 be endorsed for publication on the Hunter JO Website***
- ***That the Hunter JO Annual Performance Statement 2019-20 be circulated to councillors of all member councils***

Moved: John Connors

Seconded: Sue Moore

Carried.

Item 7 Financial Reports

6.1 Hunter Joint Organisation Annual Audited Accounts 2019-20 and Management Representation Letter

Cameron Hume of RSM Australia provided a verbal update on the audit report.

Resolved:

- **THAT the annual audited accounts be accepted**

Moved: Sue Moore

Seconded: Loretta Baker

Carried.

6.2 Appointment of Auditors

As per the Local Government Act 1993, Division 3, Section 422, the NSW Auditor General's Office will act as the auditor for the Joint Organisation.

Resolved:

- **THAT the auditors be appointed by the NSW Auditor General's Office**

Moved: Wayne Bedggood

Seconded: Loretta Baker

Carried.

Item 7. General Business

Nil matters raised.

Meeting closed 3.13 pm

Recommendation:

- **That the minutes of the previous Annual General Meeting of 26 November 2020 be endorsed and adopted by the Board**

3. Matters Arising from Previous Minutes

4. Nomination of Chairperson

As per the Local Government Act 1993, Section 400V(2), the appointment of the Chair of the Hunter Joint Organisation is for a period of two years and is therefore still filled by Cr Bob Pynsent as of June 2020.

5. Financial Reports

5.1 Hunter Joint Organisation Annual Audited Accounts 2020-21 and Management Representation Letter

Please refer to the below:

- *Attachment 1: Draft Independent Audit Report for Hunter Joint Organisation (to be provided upon receipt by Audit Office of signed financial statements)*
- *Attachment 2: Report on the Conduct of the Audit 2021*
- *Attachment 3: Draft Financial Statements – Hunter Joint Organisation Audited Accounts 2020-21*
- *Attachment 4: Engagement Closing Report*
- *Attachment 5: Auditor Final Management Letter (to be provided upon receipt by Audit Office of signed financial statements)*
- *Attachment 6: Hunter JO Representation Letter*

Recommendation:

- **THAT the annual audited accounts be accepted**

5.2 Appointment of Auditors 2021-22

As per the Local Government Act 1993, Division 3, Section 422, the NSW Auditor General's Office will act as the auditor for the Joint Organisation.

Recommendation:

- **THAT the auditors be appointed by the NSW Auditor General's Office**

6. General Business

6.1 Tabling of Public Interest Disclosures 2020-21

Public Interest Disclosures have been requested from all voting Board Members, as well as the CEO ahead of the Annual General Meeting.

Recommendation:

- **That the Public Interest Declarations for the Hunter JO Board Members for the 2020-21 financial year be tabled and noted.**

6.2 Hunter JO Annual Performance Statement 2020-2021

Report Author: Louisa Bulley, Executive Officer

Responsible Officer: Joe James, CEO

As per the OLG Calendar of Compliance and Reporting Requirements, the submission of the Annual Performance Statement 2020-21 for the Hunter JO is due for submission to OLG on 30 November 2021, and for publication on the Hunter JO Website by the end of December 2021.

The draft Hunter JO Annual Performance Statement 2020-21 has been included at Attachment 7 for review.

The Annual Performance Statement 2020-21 addresses the progress that the Hunter JO has made against its Strategic Regional Priorities. In line with last year's report, the 2020-21 Annual Performance Statement has been designed to not only update our stakeholders on progress against the Hunter JO's strategic priorities, but to act as a key communication resource to both internal and external stakeholders.

Similar to a council's Annual Report, this document can be used beyond meeting its legislative requirement, and can help to educate on what the Hunter JO is, what it does, and what it aspires to do in the future. Imagery from all ten LGAs has been incorporated into the document to showcase the region.

A placeholder for the Hunter JO audited financials has been included within the document, pending their endorsement by the Hunter JO Board.

RECOMMENDATION:

- **THAT the Hunter JO Annual Performance Report 2020-21 be endorsed for delivery to the Office of Local Government**
- **That the Hunter JO Annual Performance Statement 2020-21 be endorsed for publication on the Hunter JO Website**
- **That the Hunter JO Annual Performance Statement 2020-21 be circulated to councillors of all member councils following the first meeting of the Hunter JO in 2022**

Report Author: Louisa Bulley, Executive Officer

Responsible Officer: Joe James, CEO

Following the Local Government elections, to be held on Saturday 4 December 2021, there will be a casual vacancy for the position of Chairperson due to Cr Bob Pynsent's retirement as Mayor of Cessnock. It is anticipated that polls will be declared for councils with popularly-elected Mayors in the week beginning Monday 20 December, with those member councils with Council-elected Mayors holding their first meetings in January to elect their Mayors.

As the first Hunter JO Board Meeting of 2022 is planned for Thursday 10 February, we are proposing to hold an extraordinary meeting in late January. We will use this extraordinary meeting to welcome the incoming Board, including introducing new Directors, and to hold Chairperson elections.

During this period of vacancy for the position of Chairperson, it is proposed that a delegation of authority be instituted until the incoming Board is able to meet and hold their Chairperson election in late January.

This would delegate authority to the CEO for any urgent business of the Hunter JO, but with any major decisions either delayed until the first meeting of the Hunter JO Board in January, or in extreme cases, in consultation with the Board via circular resolution. There is no intention for this delegation to be used except in maintaining the regular business of the Hunter JO and its project delivery.

The General Managers Advisory Committee, at their meeting of Thursday 24 November 2021, supported the following recommendation being brought to the Hunter JO Board on this matter.

Recommendation:

- **The General Manager Advisory Committee recommends that:**
 - **The Hunter JO Board delegate to the Chief Executive Officer, Joe James, authority to carry out business of the Hunter JO following the Local Government Elections on 4 December 2021, until the first meeting of the new Hunter JO Board when the election of the new Chair will be held**
 - **That this delegation to the Chief Executive Officer only be exercised in maintaining the regular business of the Hunter JO and its project delivery**



Mr Joe James
Chief Executive
Hunter Joint Organisation
PO Box 42
RAYMOND TERRACE NSW 2324

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: D2125487/1859

30 November 2021

Dear Mr James

Report on the Conduct of the Audit for the year ended 30 June 2021 Hunter Joint Organisation

I have audited the general-purpose financial statements (GPFS) of the Hunter Joint Organisation (the Joint Organisation) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Joint Organisation's GPFS.

This Report on the Conduct of the Audit (the Report) for the Joint Organisation for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit observation during my audit of the Joint Organisation's financial statements. This observation was addressed as part of my audit.

Non-compliance with the procurement regulations under the Local Government Act 1993

Since its establishment the Hunter Joint Organisation (HJO) has been engaging Arrow Collaborative Services Limited (Arrow), to deliver entirely all of the HJO's grant programs funded by State and Local Governments.

In doing so, HJO has not complied with the requirements of Circular 09-39 Tendering Guidelines for NSW Local Government (Procurement Regulations) issued by the Office of Local Government within the Department of Planning, Industry and Environment under section 23A of the Local Government Act 1993. Procurement activities in Local Government are governed by strict considerations of probity, transparency and accountability, as they involve expenditure of public funds for public purposes.

PERFORMANCE

Net result

The Joint Organisation's net result for the year ended 30 June 2021 was a deficit of \$159,163.

The Joint Organisation's primary income source during the year was from operating grants of \$1,771,544 which contributed to over 60 per cent of the Joint Organisation's income from continuing operations of \$2,926,269. The Joint Organisation also received \$552,500 of income from member council contributions.

The Joint Organisation's total operating expenses from continuing operations for the year ended 30 June 2021 was \$3,085,432 which primarily consisted of project expenses of \$2,513,434, employee benefits and on-costs of \$314,355 and administration expenses of \$245,877.

Financial position

At 30 June 2021, the Joint Organisation had total assets of \$634,189 and net assets of \$116,777. The Joint Organisation's main assets consist of cash and cash equivalents of \$595,420 and infrastructure, property, plant and equipment of \$30,699.

OTHER MATTERS

Legislative compliance

My audit procedures identified instances of non-compliance with the procurement regulations under the Local Government Act 193, as explained above.

The Joint Organisation's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

Furqan Yousuf
Delegate of the Auditor-General for New South Wales

cc: Clr Bob Pynsent, Chairperson, Hunter Joint Organisation



General purpose financial statements for the year ended 30 June 2021

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

Hunter Joint Organisation
59 Bonville Avenue
Thornton NSW 2322

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.hunterjo.com.au



Statement by Members of the Board and Management

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

The attached general purpose financial statements have been prepared in accordance with:

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder
- the Australian Accounting Standards – Simplified Disclosures and other pronouncements of the Australian Accounting Standards Board
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting.

To the best of my knowledge and belief, these statements:

- present fairly Hunter Joint Organisation’s operating result and financial position for the period
- accord with Hunter Joint Organisation’s accounting and other records.

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

Signed in accordance with a resolution of the Board of the Hunter Joint Organisation made on 30 November 2021.

Cr Bob Pynsent

Chairperson

Date:

Cr Loretta Baker

**Voting Representative Board
Member**

Date:

Joe James

Chief Executive Officer

Date:



Statement of Income and Accumulated Surplus

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Income			
Member council contributions	B1-1	552,500	164,869
Grants provided for operating purposes	B1-2	1,771,544	1,736,367
Interest and investment income	B1-3	594	2,902
Other Income	B1-4	601,631	100,000
Total Income		2,926,269	2,004,138
Expenses			
Employee benefits and on-costs		314,355	308,378
Administrative expenses	B2-1	245,877	179,519
Depreciation	C1-3	11,766	11,766
Project expenses		2,513,434	1,677,859
Total expenses		3,085,432	2,177,522
Net operating result for the year		(159,163)	(173,384)
Net result for the year		(159,163)	(173,384)
Accumulated surplus at 1 July		275,940	449,324
Restatement of accumulated surplus for changes in accounting policy			
Restatement of accumulated surplus for corrections in prior period errors			
Accumulated surplus as at 30 June		116,777	275,940

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



Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and Cash equivalents	C1-1	595,420	269,397
Receivables	C1-2	7,320	118,635
Other		750	750
Total Current Assets		603,490	388,782
Non-Current Assets			
Property, plant and equipment	C1-3	30,699	42,465
Total Non-Current Assets		30,699	42,465
Total Assets		634,189	431,247
LIABILITIES			
Current Liabilities			
Payables	C2-1	108,226	125,282
Borrowings	C2-2	345,764	1,353
Employee benefit provisions	C2-3	53,132	25,691
Total Current Liabilities		507,122	152,326
Non-Current Liabilities			
Employee benefit provisions Provisions	C2-3	10,290	2,981
Total Non-Current Liabilities		10,290	2,981
Total Liabilities		517,412	155,307
Net Assets		116,777	275,940
EQUITY			
Accumulated Surplus		116,777	275,940
Total Equity		116,777	275,940

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



Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Cash flows from operating activities			
Receipts:			
Contributions from member councils		607,750	164,869
Grants		1,526,437	1,268,662
Interest received		20	7,499
Other		683,751	683,392
Payments:			
Employees and suppliers		(2,491,935)	(2,130,459)
Net cash flows from operating activities		<u>326,023</u>	<u>(6,037)</u>
Cash flows from financing activities			
Receipts:			
Credit Card facility			6,000
Net cash flows from financing activities		<u>0</u>	<u>6,000</u>
Net change in cash and cash equivalents		<u>326,023</u>	<u>(37)</u>
Cash and cash equivalents at beginning of year		<u>269,397</u>	<u>269,434</u>
Cash and cash equivalents at end of year	C1-1	<u><u>595,420</u></u>	<u><u>269,397</u></u>

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



Notes to the Financial Statements

Notes to the year ended to 30 June 2021

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DRAFT

A. About the Joint Organisation and these financial statements

A1: Basis of preparation

These financial statements were authorised for issue by the Board of the Joint Organisation on 1/12/21. The Board has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Local Government Act 1993 (NSW) and Regulations, and the Joint Organisation Code of Accounting Practice and Financial Reporting. HJO is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest dollar.

(a) New and amended standards adopted by HJO

The Hunter Joint Organisation has early adopted AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, the adoption of this standard has not affected the reported financial position or performance of the Hunter Joint Organisation, however certain disclosures have been added, amended or omitted.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the JO's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the JO and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

HJO makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- Employee benefit provisions – refer Note C2-3

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

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B. Financial Performance

B1 Sources of Income

B1-1 Member Council contributions

	2021	2020
	\$	\$
Cessnock City Council	47,190	20,000
Dungog Shire Council	28,516	9,517
Lake Macquarie City Council	104,666	20,000
Maitland City Council	58,195	20,000
Midcoast City Council	64,864	20,000
Newcastle City Council	98,143	20,000
Muswellbrook Shire Council	32,899	10,877
Port Stephens Council	51,717	20,000
Singleton Council	35,240	13,596
Upper Hunter Shire Council	31,070	10,877
Total member council contributions	552,500	164,867

Accounting policy for income

Contributions by Member Councils are recognised as revenue at the point in time when the amount to be paid for the period has been determined and communicated to councils. The contribution may be in the form of a cash payment or non-monetary contribution (which is recorded at its fair value).

The methodology for determining the contribution is:

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

B1-2 Grants

	Operating	
	2021	2020
	\$	\$
OLG Joint Organisation establishment / capacity building funding	150,000	150,000
Waste Action, Recycle	485,488	431,892
Contaminated Land Program	140,000	179,400
Small Business promotion	396,348	418,570
Litter prevention and reduction	0	21,100
Hunter Transition Foundation		150,000
CRIP & Resilience programs	210,000	265,435
Film Festival	0	35,640
DPC Funding	0	81,428
Cruise Hunter	10,000	0
Upper Hunter CRC Education	47,849	0
OEM Disaster preparedness	13,300	0
Coastal Engagement	96,000	0
Simtables	210,000	0
Other	12,559	0
Total grants	1,771,544	1,733,465
Comprising:		
Commonwealth funding		
State funding	1,352,637	1,441,492
Other funding	418,907	291,973
	1,771,544	1,733,465
Timing of revenue recognition		
Grants recognised over time		
Grants recognised at a point in time	1,771,544	1,733,465
Total grants	1,771,544	1,733,465

Other Funding is made up additional contributions from Hunter councils for the following projects;

Small Business promotion	396,348
Cruise Hunter	10,000
Other	12,559

Accounting policy

Grants - enforceable agreement with sufficiently specific performance obligations

Grant revenue arising from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods of costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under the JO's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the JO.

Other grants

Assets (e.g. cash) received from other grants are recognised at fair value when the asset is received. The JO considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received

B1-3 Interest and investment income

	2021	2020
	\$	\$
Interest on financial assets measured at amorised cost	594	2,902
Total interest and investment income	594	2,902

Accounting policy for expenses

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

B1-4 Other income

	2021	2020
	\$	\$
Admin Fees	600,004	100,000
Other	1,627	
Total other income	601,631	100,000

Accounting policy

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

B2 Costs of providing services

B2-1 Administrative Expenses

	2021	2020
	\$	\$
Finance & Administrative Services	90,900	61,704
Remuneration of Auditors	15,000	11,080
IT Expenses	17,540	5,703
Board Meeting Expenses	13,216	14,815
Motor Vehicle Expenses	9,207	9,456
Office Space rent & outgoings	53,448	33,084
Insurance	9,294	7,734
Travel & Accommodation	8,417	10,782
Other	28,855	25,161
Total Administrative Expenses	245,877	179,519

Accounting policy

Employee benefit expenses

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

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Administrative expenses

Administrative expenses are recorded on an accruals basis as the Hunter Joint Organisation receives the goods or services.

Project Expenses for the year ended were \$2,513,434.



C. Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and on hand	595,420	269,397
	<u>595,420</u>	<u>269,397</u>
Restricted cash and cash equivalents		
Unrestricted	595,420	269,397
	<u>595,420</u>	<u>269,397</u>
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	595,420	269,397
Balance as per Statement of Cash Flows	<u>595,420</u>	<u>269,397</u>

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.



C1-2 Receivables

	2021	2020
	\$	\$
Receivables from member councils	3,840	8,030
Grant receivables	3,300	110,605
Trade Receivables	180	-
Total	7,320	118,635
Less: Provision for impairment:	-	-
Net Receivables	7,320	118,635

Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

The JO applies the simplified approach for receivables in providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, debtors have been grouped based on shared credit risk characteristics and the days past due.



C1-3 Property, plant and equipment

	As at 1 July 2020			Movements During the Period			As at 30 June 2021		
	Gross carrying amount	Acc. Depn and Impairment	Net Carrying amount	Additions	Disposals	Depn and impairment	Gross carrying amount	Acc. Depn and Impairment	Net Carrying amount
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Office Equipment	1,876	(724)	1,152	0	0	(626)	1,876	(1,350)	526
Furniture & Fittings	0	0	0	0	0	0	0	0	0
Vehicles	55,703	(14,390)	41,313	0	0	(11,141)	55,703	(25,531)	30,172
Other	0	0	0	0	0	0	0	0	0
Totals	57,579	(15,114)	42,465	0	0	(11,767)	57,579	(26,881)	30,698

Accounting policy

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the JO and the cost of the item can be measured reliably. All other repairs and maintenance are expensed during the year in which they are incurred.

When property, plant and equipment are acquired by the JO for significantly less than fair value, the assets are initially recognised at their fair value at acquisition date. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

The useful life of Office equipment is determined as five years and Vehicles as three years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.



C2 Liabilities of the Joint Organisation

C2-1 Payables

	2021	2020
	\$	\$
Trade Payables	15,447	51,619
Accrued Expenses	25,747	25,756
Other Payables	67,032	47,907
Total Payables	108,226	125,282

Accounting Policy

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

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



C2-2 Borrowings

	2021	2020
	\$	\$
Borrowings		
Loan - Arrow Collaborative Services	345,764	-
Credit Cards	0	1,353
Total Borrowings	345,764	1,353

Financial Arrangements

Total facilities

The amount of total financing facilities available to the JO at the reporting date is:

Bank overdraft facility

Corporate credit cards

6,000	6,000
6,000	6,000

Drawn Facilities

The amount of total financing facilities available to the JO at the reporting date is:

Bank overdraft facility

Corporate credit cards

0	1,353
0	1,353

Undrawn Facilities

The amount of total financing facilities available to the JO at the reporting date is:

Bank overdraft facility

Corporate credit cards

6,000	4,647
6,000	4,647

Accounting Policy

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



C2-3 Employee benefits

	2021		2020	
	Current \$	Non-current \$	Current \$	Non-current \$
Annual leave	53,132	-	25,691	-
Long-service leave	-	10,290	-	2,981
Total employee benefit provisions	53,132	10,290	25,691	2,981
Current employment provisions not expected to be settled within the next 12 months	Nil	n/a	Nil	n/a

Accounting policy

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits and annual leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period, and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits, and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses that will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the JO does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.



D. Risks and accounting uncertainties

D1 Financial risk management

Risk management

The Hunter Joint Organisation activities expose it to a variety of financial risks, including credit risk, liquidity risk, and interest rate risk. Financial risk management is carried out by the finance team under policies approved by the Hunter Joint Organisation Board.

The fair value of receivables approximates the carrying amount.

E. People and relationships

E1 Related party disclosures

E1-1 Key management personnel

Key management personnel (KMP) of the Hunter Joint Organisation are those persons having the authority and responsibility for planning, directing and controlling the activities of the Hunter Joint Organisation, directly or indirectly.

The aggregate amount of KMP compensation included in employee expenses is \$146,456

E1-2 Other related parties



Type of related party:	Nature of transactions	Amount of the transactions during the period	Outstanding balances, including commitments at period end	Terms and Conditions	Provisions for doubtful debts	Expense recognised during the period relating bad or doubtful debts
2021		\$	\$		\$	\$
Arrow Collaborative Services Local government owned entity	Loan to SSA - balance as at 30/6/21		345,764	Net 30 days	-	-
	Interest Received	594		Net 30 days	-	-
	Rent and Admin fees paid	124,845		Net 30 days	-	-
	Grant Funds obtained and transferred to related party to undertake grant functions	1,712,384		n/a		
	Admin fees received	195,531		Net 30 days	-	-
	IT costs incurred	7,000		Net 30 days	-	-
	Professional fees paid	4,922				
	Project Contributions	600,004		Net 30 days	-	-
Hunter Councils Incorporated Local government owned entity	Rent paid	36,048		Net 30 days	-	-
Lake Macquarie City Council	Subscriptions	104,666		Net 30 days	-	-
	Project Funding	52,741		Net 30 days	-	-
Newcastle City Council	Subscriptions	98,143	3,480	Net 30 days	-	-
	Project Funding	70,218		Net 30 days	-	-



Port Stephens Council	Subscriptions	51,717		Net 30 days	-	-
	Project Funding	57,547		Net 30 days	-	-
Mid Coast Council	Subscriptions	64,864		Net 30 days	-	-
	Project Funding	30,540		Net 30 days	-	-
Upper Hunter Shire Council	Subscriptions	31,070		Net 30 days	-	-
	Project Funding	23,965		Net 30 days	-	-
Singleton Council	Subscriptions	35,240		Net 30 days	-	-
	Project Funding	20,761		Net 30 days	-	-
Dungog Shire Council	Subscriptions	28,516	360	Net 30 days	-	-
	Project Funding	14,533		Net 30 days	-	-
Muswellbrook Shire Council	Subscriptions	32,899		Net 30 days	-	-
	Project Funding	34,758		Net 30 days	-	-
Cessnock City Council	Subscriptions	47,190		Net 30 days	-	-
	Project Funding	49,193		Net 30 days	-	-
Maitland City Council	Subscriptions	58,195		Net 30 days	-	-
	Project Funding	45,260		Net 30 days	-	-



Type of related party:	Nature of transactions	Amount of the transactions during the period	Outstanding balances, including commitments at period end	Terms and Conditions	Provisions for doubtful debts	Expense recognised during the period relating bad or doubtful debts
2020		\$	\$		\$	\$
Strategic Services Australia Local government owned entity	Loan to SSA - balance as at 30/6/20	-	-	Net 30 days	-	-
	Interest Received	2,902	-	Net 30 days	-	-
	Rent paid	21,084	-	Net 30 days	-	-
	Grant Funds obtained and transferred to related party to undertake grant functions	923,629	-	n/a	-	-
	Admin Fees paid	93,229	-		-	-
	Admin fees received	199,256	-	Net 30 days	-	-
	IT costs incurred	1,824	-	Net 30 days	-	-
	Project Contributions	100,000	-	Net 30 days	-	-
Hunter Councils Incorporated Local government owned entity	Rent paid	12,000	-	Net 30 days	-	-
Lake Macquarie City Council	Subscriptions	20,000	4,400	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-
Newcastle City Council	Subscriptions	20,000	4,400	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-



Port Stephens Council	Subscriptions	20,000	4,400	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-
Mid Coast Council	Subscriptions	20,000	4,400	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-
Upper Hunter Shire Council	Subscriptions	10,877	3,300	Net 30 days	-	-
	Project Funding	3,000		Net 30 days	-	-
Singleton Council	Subscriptions	13,596	-	Net 30 days	-	-
	Project Funding	3,300		Net 30 days	-	-
Dungog Shire Council	Subscriptions	9,517	2,640	Net 30 days	-	-
	Project Funding	2,400		Net 30 days	-	-
Muswellbrook Shire Council	Subscriptions	10,877	-	Net 30 days	-	-
	Project Funding	2,700		Net 30 days	-	-
Cessnock City Council	Subscriptions	20,000	4,400	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-
Maitland City Council	Subscriptions	20,000	-	Net 30 days	-	-
	Project Funding	4,000		Net 30 days	-	-



E2 Other relationships

E2-1 Audit Fees

	2021	2020
Auditors of the JO - NSW Auditor-General	\$	\$
Audit of financial statements	15,000	11,080
Total fees paid or payable to the Auditor- General	15,000	11,080

F. Other matters

F1. Commitments

There are no commitments and contingencies noted at reporting date.

F2. Events occurring after reporting date Guidance note 55

There have been no significant events subsequent to reporting date.

F3. Changes from prior year

There have been no changes in accounting policies, errors or changes in accounting estimates during the year.

Mr Joe James
Chief Executive
Hunter Joint Organisation
PO Box 42
RAYMOND TERRACE NSW 2324

Contact: Furqan Yousuf
Phone no: 02 9275 7470
Our ref: D2125486/1859

29 November 2021

Dear Mr James

**Engagement Closing Report
for the year ended 30 June 2021
Hunter Joint Organisation**

We have audited the Hunter Joint Organisation's (the Joint Organisation) general purpose financial statements (GPFS).

Attached is the Engagement Closing Report, which details findings relevant to you in your role as one of those charged with governance. This report gives you and the Chairperson the opportunity to assess the audit findings, before the representation letter and the Statement by Members of the Board and Management, required for the GPFS under section 413(2)(c) of the *Local Government Act 1993* (the LG Act), are signed.

This report is not intended for publication or distribution to persons other than those described above.

If you need more information about the audit, please contact me on 02 9275 7470 or our Audit Service Provider (Mr Cameron Hume, Partner, RSM Australia Partners) on 02 8226 4802.

Yours sincerely



Furqan Yousuf
Delegate of the Auditor-General of New South Wales

cc: Clr Bob Pynsent, Chairperson, Hunter Joint Organisation

Engagement Closing Report

Audit for the year ended 30 June 2021

Hunter Joint Organisation



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1. INTRODUCTION

We have audited the Hunter Joint Organisation’s (the Joint Organisation) general purpose financial statements (GPFS).

This report informs the Chief Executive and Chairperson of audit findings relevant to their responsibilities and oversight of the Joint Organisation’s financial statements. We will inform you if significant new matters are found while finalising the audit.

An audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify all matters of governance interest, nor is it conducted to express an opinion on the effectiveness of internal control. Matters of governance interest identified during the audit are included in this report.

2. AUDIT OVERVIEW

The table below provides an overview of findings identified during the audit of the Joint Organisation.

Impact assessment		
	High	Matters identified which had a high impact on the financial statements and/or audit.
	Moderate	Matters identified which had a moderate impact on the financial statements and/or audit.
	Low	No matters or matters identified which had a low impact on the financial statements and/or audit.

Section	Outcome	Reference
Audit outcome:		
GPFS	Unqualified opinion	 3.1
Response to key issues and audit risks	Matters partially addressed	 4.1
Misstatements	Misstatements noted	 4.2
Compliance with legislative requirements	Matters noted	 4.3

3. AUDIT OUTCOME AND REPORTS

3.1 Audit outcome

We are likely to express an unmodified opinion on the GPFS.

The Independent Auditor’s Report will be signed after the outstanding matters listed below are completed and the signed financial statements and management representation letter is received.

The following matters are outstanding at the date of this report:

Outstanding item	Action required	Responsibility
Subsequent events update	Management and the audit team to assess potential impacts on the financial statements of significant transactions and events after year-end, up to the date the financial statements are signed	Management and audit team
Finalisation of quality review procedures	The audit team’s quality review procedures will continue until the date of signing	Audit team

‘Other Information’ section

The Joint Organisation’s Annual Performance Statement will include information in addition to the financial statements and Independent Auditor’s Report. For the purposes of our audit this is considered ‘other information’. Auditing Standards require us to consider whether the other information is materially consistent with the financial statements and the knowledge we obtained during the audit. Where matters are identified, we are required to disclose them in the Independent Auditor’s Report.

3.2 Report on the Conduct of the Audit

We will issue the Report on the Conduct of the Audit required by section 417(3) of the *Local Government Act 1993* at the same time as the Independent Auditor’s Report. The Report on the Conduct of the Audit will incorporate comments we consider appropriate, based on the audit of the Joint Organisation’s financial statements.

We plan on reporting the following high risk management letter point in the Report on the Conduct of the Audit:

- Non-compliance with the tendering requirements under the *Local Government Act 1993*.

3.3 Auditor-General’s Report to Parliament

The 2021 Auditor-General’s Report to Parliament will incorporate the results of the audit.

3.4 Management Letter

A Management Letter from the final phase of my audit will be sent to you during December 2021. The following audit findings assessed as high-risk will be reported in the Management Letter. The Management Letter will be issued once formal management responses have been received.

Risk assessment, Issue and Management Response

Non-compliance with the tendering requirements under the *Local Government Act 1993*

Since its establishment the Hunter Joint Organisation (HJO) has been engaging Arrow Collaborative Services Limited (Arrow) [formerly known as Strategic Services Australia Limited], to deliver entirely all of the HJO’s grant programs funded by State and Local Governments.

In doing so, HJO has not complied with the requirements of section 55 of the *Local Government Act 1993* (LG Act). The LG Act requires HJO to invite tenders before entering into any contract above the estimated expenditure amount of \$250,000.

During the financial year 30 June 2021, HJO transferred the following amounts to Arrow to deliver a number of grant contracts and other projects:

Disbursement category	000’s
Project funding disbursement	\$1,152
Grant disbursements (approx. \$100k was the return of unspent grants to the grantor)	\$660
SSA Funding Environment	\$630
	\$2,442

Procurement activities in Local Government are governed by strict considerations of probity, transparency and accountability, as they involve expenditure of public funds for public purposes.

Management Response:

For at least 15 years, the councils in the Hunter region have operated a group/enterprise of related bodies corporate, being entities:

- controlled by the same councils
- with consistent voting power of each council between entities
- with a common CEO

Risk assessment, Issue and Management Response

- with purpose and functions largely mirroring the current purpose and functions of the Hunter Joint Organisation (HJO) and Arrow.

For at least 15 years, the Regional Policy and Programs Division (a division of Arrow), and its predecessor units, have fundamentally provided the same support for the HJO (and its predecessor entities), and its CEO. While previous services covered a more limited portfolio of policy areas, the outsourced functions have largely remained the same:

- Management of the membership network and governance of key committees operated by the HJO
- Management of key external stakeholder networks and participation in external committees on behalf of the HJO
- Drafting and lodging application for grants
- Program management of grant and non-grant related projects
- Reporting of grant and non-grant related projects to the board of HJO and, of grant projects, to grantors
- Advocacy of behalf of local government (including written submissions)
- Communications including media management.

The current relationship is documented in a Service Level Agreement between HJO and Arrow.

A common and consistent procurement approach, documented in an enterprise wide policy, exists between HJO and Arrow. The policy is, within management's understanding, consistent with the Local Government Act and Local Government Tendering Guidelines.

There has been no fundamental change in this relationship, other than the creation of HJO as a statutory entity (as opposed to its previous guise as an Incorporated Association), in recent years.

Since the advent of HJO as a statutory entity (1 July 2018), HJO has been required to be separately audited by the Office of the Auditor General. The current auditor for Arrow and its wholly owned operating entities is DFK Crosbie.

Since the change in HJO auditor, this is the first time this issue has been raised.

Management's discussion with the Office of Auditor General suggests that its principal concerns are that:

1. The services provided to HJO by its related entity, Arrow, have not themselves been the subject of a tender (and, therefore, are not compliant with Section 55 of the Local Government Act); and
2. By virtue of the fact that Arrow and HJO have different auditors, the auditor for the HJO cannot satisfy itself of Arrow's compliance with local government tendering regulations where it is conducting services on behalf of HJO.

Management would suggest that the best way to resolve these concerns is for it to prepare a report for the Board, recommending that the Board pass a resolution as follows:

1. Pursuant to section 55(3)(i) of the Local Government Act, that a satisfactory result will not be achieved by inviting tenders where a tender would neither represent value for money for the HJO, nor a fair process for invited tenderers given:
 - (a) such a tenderer would be competing against Arrow, as a related entity of the HJO, that has built specific organisational competency and capability over many years, and
 - (b) comparison of market rates and Arrow cost base for providing these services.
2. That the service level agreement with Arrow be amended to explicitly include that:
 - (a) Arrow must follow the tendering/procurement policies of HJO; and
 - (b) Arrow report to HJO on Arrow's compliance with the tendering/procurement policies.

This resolution would ensure compliance with Section 55 by HJO and also provide the auditor the means to satisfy itself of Arrow's compliance with local government tendering regulations where it is conducting services on behalf of HJO.

4. AUDIT FINDINGS

4.1 Response to key issues and audit risks

The Annual Engagement Plan sent on 10 February 2021, identified key issues affecting the Joint Organisation and how the audit team planned to respond to them. The results of the audit work are detailed below.

Issue or risk	Audit outcome
Impact of COVID-19 pandemic	
<p>The COVID-19 pandemic and its consequential impact has affected the way the Joint Organisation delivers its services.</p> <p>This may have a flow on impact to the way the audit is conducted.</p> <p>A documented assessment of the continuing impact and response to the COVID-19 pandemic by the Joint Organisation will be required.</p>	<p>Management analysed and documented their assessment of the impact of COVID 19 on their financial statements as at 30 June 2021.</p> <p>We did not identify any material issues with management’s assessment.</p>
Quality and timeliness of financial reporting	
<p>Quality and timeliness of financial reporting is key for sound financial management, public accountability and effective decision making. Absence of an effective project plan for year-end financial reporting can result in delays, errors, poor quality and increased audit costs.</p>	<p>The Joint Organisation provided draft financial statements for audit review after the commencement of final audit fieldwork.</p> <p>Management can further improve the quality and timeliness of financial reporting by</p> <ul style="list-style-type: none"> • assessing the impact of material, complex and one-off significant transactions • documenting significant judgements and assumptions used to prepare financial statements • regularly reconciling key accounts and clearing reconciling items.
Information Technology General Controls	
<p>Australian Auditing Standards require the auditor to understand the Joint Organisation's control activities and obtain an understanding of how it has responded to risks arising from Information Technology (IT).</p>	<p>The audit team reviewed the Joint Organisation’s IT control environment over its finance system. We noted there are no IT policies and procedures in place, such as:</p> <ul style="list-style-type: none"> • IT strategic plan • IT policies and procedures over: <ul style="list-style-type: none"> • IT security (physical security, cyber security and access control) • Change management • Backup, storage and retrieval • Business continuity plan • Disaster recovery plan. <p>This matter will be reported in our final management letter.</p>

4.2 Misstatements

Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance.

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Joint Organisation's financial reporting framework. Misstatements can arise from error or fraud. Misstatements that resulted from failures in internal controls and / or systemic deficiencies will be reported in the Management Letter.

Appendix lists and explains the nature and impact of the misstatements contained in the GPFS. Table one reports significant corrected misstatements and disclosure deficiencies.

Based on our evaluation, none of the misstatements reported are due to fraud.

4.3 Compliance with legislative requirements

The Annual Engagement Plan and Terms of Engagement explain that audit procedures are targeted specifically towards forming an opinion on the Joint Organisation's financial statements. This includes testing whether the Joint Organisation has complied with legislative requirements that may materially impact the financial statements.

The matter below is reported in this context. The significant audit finding below will be reported in the Report on the Conduct of the Audit and the Management Letter.

- Non-compliance with the tendering requirements under the *Local Government Act 1993*.

For details, refer to section 3.4 of this report.

5. THE AUDIT PROCESS

5.1 Management co-operation

We appreciated the co-operation and help received from the Joint Organisation's staff, in particular the finance staff.

5.2 Next year's audit

An efficient audit relies on:

- regular and open communications between the audit team and management
- management responding promptly to the audit team's questions and documentation requests
- timely preparation of the financial statements and resolution of financial reporting issues
- management implementing appropriate quality controls over financial statement preparation
- conducting revaluations of property, plant and equipment before year-end in order to identify and resolve potential issues in a timely manner.

Your comments about the audit process are welcomed.

APPENDIX– GENERAL PURPOSE FINANCIAL STATEMENTS

Table one: Uncorrected monetary misstatements and disclosure deficiencies

The following uncorrected monetary misstatements were identified and discussed with management. Management believes the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the GPFS as a whole. We agree with management's determination and do not consider the uncorrected misstatements significant enough to modify the opinion in the Independent Auditor's Report. Management is required to attach the schedules of uncorrected misstatements to the Representation Letter. The misstatements were discussed with Ms Lisa Lord on 3 November 2021.

Description	Assets	Liabilities	Net result for the period	Other comprehensive income
	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
Effect of correction	\$	\$	\$	\$
Projected misstatements				
Cut-off error relating to unrecorded liabilities due to unprocessed FY21 invoices as at year end	-	(39,722)	39,722	-
Subtotal	-	(39,722)	39,722	-
Total impact of corrected misstatements	-	(39,722)	39,722	-

Uncorrected disclosure deficiencies

We did not detect any reportable uncorrected disclosure deficiencies that remain uncorrected in the GPFS.

Table two: Effect of misstatements on the reported net operating result

To fully understand the current year's financial result, those charged with governance should consider the impact of misstatements from previous years corrected in the current period and current period errors that remain uncorrected.

This table illustrates the effect of misstatements that have not been corrected in the period in which they occurred.

Description and effect	Net operating result
	(Increase)/ decrease
	\$'
Net operating result as reported	(159,163)
Current year misstatements that have not been corrected	(39,722)
Adjusted current year net operating result	198,885

OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

OUR PURPOSE

To help parliament hold government accountable for its use of public resources.



ABN 19 949 536 343

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FOLLOW OUR PROGRESS  

Furqan Yousuf
Audit Leader, Financial Audit
Audit Office of New South Wales
GPO Box 12
SYDNEY NSW 2001

Date: 29 November 2021

Dear Furqan,

RE: Audit Representation Letter - Hunter Joint Organisation

We provide this Representation Letter in connection with your audit of the financial statements of Hunter Joint Organisation (the Joint Organisation) for the year ended 30 June 2021 so you can express an opinion on whether the financial statements give a true and fair view in accordance with:

- the *Local Government Act 1993* (the LG Act)
- the Australian Accounting Standards – Simplified Disclosures
- the Joint Organisations Supplement to the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (the Code).

We acknowledge our responsibility for keeping proper accounts and records and preparing the financial statements. We approved the financial statements on 29 November 2021 and confirm they are free of material misstatements, including omissions.

We confirm, to the best of our knowledge and belief, having made the enquiries we considered necessary to appropriately inform ourselves, the following representations made to you during your audit.

GENERAL

We believe, in all material respects, the financial statements present a view that is consistent with our understanding of the Joint Organisation's financial position as at 30 June 2021, and its financial performance for the year then ended.

We have fulfilled our responsibilities, as set out in the in the Annual Engagement Plan dated 10 February 2021 and the [Terms of Engagement](#), for preparing the financial statements in accordance with Australian Accounting Standards – Simplified Disclosures, the LG Act, the Code.

We confirm the financial statements are fairly presented in accordance with these requirements.

We confirm there have been no deficiencies in financial reporting practices and changes to accounting policies, including voluntary changes not arising from the initial adoption of an Accounting Standard or an Office of Local Government (OLG) within the Department of Planning, Industry and Environment mandate, are properly disclosed in the financial statements.



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FOLLOW OUR PROGRESS  

ACCOUNTING RECORDS AND TRANSACTIONS

We have given you:

- all financial records and related data, other information, explanations and help necessary to conduct the audit
- information on all government financial assistance received by the Joint Organisation due to the impact of COVID-19 or other crises (including natural disasters)
- information on all the Joint Organisation fees that have been reduced or waived due to the impact of COVID-19
- information on rent holidays or concessions granted to lessees of Joint Organisation property due to COVID-19
- information on rent holidays or concessions received by the Joint Organisation as lessee due to COVID-19
- minutes of all meetings (e.g., Board, Audit, Risk and Improvement Committee or other management meetings)
- all legal issues and legal opinions that may be relevant to the financial statements
- information about all deficiencies in internal control of which we are aware
- information about all changes in procedures and controls arising as a result of COVID-19 or other crises (including natural disasters)
- all relevant information on the impact of COVID-19 or other crises (including natural disasters) on the Joint Organisation
- additional information you have requested from us for the audit
- unrestricted access to all people in the Joint Organisation from whom you determined it necessary to obtain audit evidence from.

All transactions have been recorded in the accounting records and are reflected in the financial statements, including all 'off-balance sheet' agreements or instruments.

We have examined all actions taken by the Joint Organisation in response to COVID-19 or other crises (including natural disasters) and ensured that these are appropriately reflected in the financial statements.

For financial records and related data provided electronically to the audit team, we confirm:

- the information has been obtained directly from our accounting systems, and is complete and unaltered
- scanned information is complete and unaltered from the original source document
- we have put processes and controls in place to ensure that information that has been converted in a form that can be provided remotely (such as email) is complete and accurate.



ABN 19 949 536 343

59 Bonville Avenue | PO Box 3137 | Thornton NSW 2322
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FOLLOW OUR PROGRESS  

COMPLIANCE WITH LEGISLATION AND OTHER REQUIREMENTS

We have reviewed legislation we are required to comply with, contracts agreements and licensing conditions to detect breaches or possible breaches which may impact the financial statements.

We have no knowledge of any breaches or possible breaches of legislation, contracts, agreements or licensing conditions, the effects of which should be considered when preparing the financial statements.

With respect to our operations during the year, we have complied with all:

- cabinet and other government directives [including Ministerial orders issued under the LG Act]
- OLG guidelines, circulars and financial reporting requirements
- contractual agreements where non-compliance could materially affect the financial statements
- directions, regulation and requirements imposed by relevant regulatory bodies.

There has been no communication to / from regulatory authorities or OLG concerning:

- breaches of or non-compliance with legislation, licensing conditions or other requirements
- deficiencies in financial reporting practices that could have a material effect on the financial statements.

We have notified you of:

- the existence of all entities approved by the Minister under Section 358 of the LG Act
- all transactions or arrangements capable of being regarded as 'private sector funded infrastructure', or outsourcing of significant areas of activity
- all Ministerial orders issued under the LG Act.

All operations and activities undertaken are specifically allowed by the LG Act and the Joint Organisation's enabling proclamation.

We have notified you of all:

- new programs that the Joint Organisation has or will implement as a result of COVID-19 or other crises (including natural disasters)
- existing operations or programs that the Joint Organisation will permanently cease as a result of COVID-19 or other crises (including natural disasters).

INTERNAL CONTROLS

We have established and maintained adequate internal controls to:

- prepare reliable financial statements
- maintain adequate financial records
- apply appropriate accounting policies
- record all material transactions in accounting records underlying the financial statements
- ensure there is appropriate oversight of emergency procurement and new suppliers added to the supplier masterfile



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- minimise the risk electronic signatures are inappropriately applied
- ensure security settings for remote connections and secure individual access mechanisms are in place and operating effectively
- monitor and detect unauthorised computer access to the network
- appropriately manage new programs implemented as a result of COVID-19 or other crises (including natural disasters)
- provide oversight of staff working remotely
- minimise the theft of the Joint Organisation's assets
- minimise the risk of fraud and errors
- detect fraud and errors should they occur
- minimise the risk of significant breaches of legislation and other mandatory requirements and detect breaches if they occur.

We have no known deficiencies in internal controls.

FRAUD AND ERROR

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

We have disclosed to you our assessment of the risk the financial statements may be materially misstated because of fraud.

We have no knowledge of any fraud or suspected fraud affecting the Joint Organisation involving:

- management
- employees who have significant roles in internal control
- others where the fraud could materially affect the financial statements.

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Joint Organisation's financial statements communicated to us by employees, former employees, analysts, regulators or others.

Fraud includes misstatements resulting from fraudulent financial reporting and misstatements resulting from the misappropriation of assets.

LITIGATION AND CLAIMS

We confirm all known actual or possible litigation and claims that should be considered when preparing the financial statements have been disclosed to you. The effects of these events have been accounted for and disclosed in accordance with the applicable financial reporting framework.

We have provided to you all information regarding material outstanding legal matters.



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SERVICE ORGANISATIONS

We have:

- no knowledge of any fraud, non-compliance with legislation or uncorrected misstatements attributable to the service organisation's management or employees that materially affect the financial statements
- advised you of the impact of COVID-19 or other crises (including natural disasters) on our shared service arrangements including the impact on our service organisations.

FINANCIAL STATEMENTS

Classification of assets and liabilities

We have no plans or intentions that may materially affect the carrying values or classification of assets or liabilities.

Impairment of trade and lease receivables and contract assets

We have reviewed the Joint Organisation's methodology for determining expected credit losses for trade and lease receivables, and contract assets and we confirm:

- the impairment estimate is based on the best available information about past events, current conditions and forecasts of economic conditions at the reporting date
- the impairment of trade and lease receivables, and contract assets is sufficient to cover the expected credit losses from possible default events
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty for determining expected credit losses for trade and lease receivables, and contract assets
- we have written off all debts where we have no reasonable prospects of recovering any further cashflows.

Inventories

The Joint Organisation has no obsolete or excess inventory. Inventory is stated at an amount that does not exceed the lower of cost or net realisable value.

We have no plans to abandon product lines or other plans or intentions that will result in excess or obsolete inventory.

Other current assets

We expect to realise all other current assets for at least the amounts they are stated at in the financial statements.

Non-current assets



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The Joint Organisation has satisfactory title of all assets. There are no liens or encumbrances on assets, nor has any asset been pledged as collateral.

We depreciate physical assets and amortise intangibles on a systematic basis over their useful lives. Useful lives are adjusted for all material items of infrastructure, property, plant and equipment and intangibles such as software, that are or are becoming technically, functionally or commercially obsolete, or have been abandoned or are otherwise unusable.

We have:

- reviewed depreciation and amortisation rates against estimated asset usage and useful lives considering the impact of COVID-19 or other crises (including natural disasters)
- recognised and disclosed in the financial statements the most recent assessment of the useful lives
- provided you with the basis of all relevant assumptions in depreciation models.

We have considered the impact of COVID-19 or other crises (including natural disasters) on the carrying amount of each physical non-current asset and we confirm that at the end of the reporting period:

- the carrying value of each physical non-current asset does not materially differ from its fair value
- significant fair value assumptions, including those with high estimation uncertainty, are reasonable
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty in determining the fair value of non-current assets.

When conducting our annual assessment of the impairment of assets, including intangibles, right of use assets and cash generating units (CGUs), we confirm:

- the requirements of AASB 136 'Impairment of Assets' have been considered
- the impact of COVID-19 or other crises (including natural disasters) have been considered
- where recoverable amount has been calculated using discounted cash flows, the assumptions and discount rates used reflect current market conditions
- no asset or CGU's carrying amount exceeds its recoverable amount.

We have communicated to you all indicators of impairment and where these exist we have conducted an appropriate impairment assessment of the relevant asset or CGU.

Liabilities

We have recognised all liabilities including those arising under derivative financial instruments in the financial statements.

Provisions, contingent assets and contingent liabilities

We have properly recorded and/or disclosed in the financial statements:



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- arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
- agreements or options to repurchase assets previously sold
- material or contingent liabilities or assets including those arising under derivative financial instruments.
- insurance recoveries as a result of COVID-19 or other crises (including natural disasters).

Post-employment benefits

All post-employment benefits have been identified and properly accounted for and all events impacting the post-employment benefit plans have been brought to the actuary's attention.

For defined benefit plans:

- the actuarial assumptions underlying the valuation of the plan:
 - accord with the Joint Organisation's best estimate of future events and are consistent with our knowledge of the business
 - have been updated to reflect current economic conditions
- the actuary's calculations have been based on complete and up to date member information
- the amounts included in the financial statements derived from the work of the actuary are in accordance with the requirements of AASB 119 'Employee Benefits'
- the financial statements disclose the significant changes to assumptions and estimates including any estimation uncertainty in the assumptions used.

Commitments

We have properly recorded and / or disclosed losses arising from the fulfilment of, or inability to fulfil any sale, purchase or lease commitment in the financial statements.

We have disclosed all material commitments for plant and equipment, and purchases of other non-current assets, such as investments or intangibles, in the financial statements.

Contracts

We have reviewed our contracts for the impact of COVID-19 or other crises (including natural disasters) to assess:

- the impact of force majeure provisions
- whether any contracts have become onerous and requiring a provision to be recognised in the financial statements
- the impact of contract renegotiations or modifications on the financial statements.

We confirm:

- where a contract is onerous, a provision has been recognised in the financial statements



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- any contract modifications have been reflected in the financial statements in accordance with the relevant accounting standard.

Related Party Transactions

We have appropriately accounted for and disclosed related party relationships and transactions, in accordance with the requirements of Australian Accounting Standards and confirm that:

- material related party transactions and their related balances, including receivables, payables, sales, purchases, loans, transfers, leases, commitments, indemnities and guarantees (written or oral) have been properly recorded and disclosed in the financial statements
- we have identified the Joint Organisation's key management personnel (KMP) and, where appropriate, disclosed all compensation paid or payable (including non-monetary compensation) to them for the period.

We have disclosed to you the identity of the Joint Organisation's related parties, [and its controlled and / or related entities] as defined in AASB 124 'Related Party Disclosures'. These include the Joint Organisation's KMP and their related parties, including their close family members and their controlled and jointly controlled entities.

We have disclosed to you the relationships, transactions and balances between KMPs and their related parties and the Joint Organisation [and its controlled and / or related entities] of which we are aware that may be either qualitatively or quantitatively material.

We have made available to you details and records of:

- agreements or transactions between KMP and their related parties and the Joint Organisation
- equity interests or directorships held by KMP and their related parties in other entities, which are party to any agreements or transactions with the Joint Organisation
- external accounting or legal advice received on these agreements, transactions or interests.

Environmental issues

We have considered whether environmental matters could materially impact the financial statements and conclude we are not aware of:

- any material liabilities or contingencies arising from environmental matters, including those resulting from illegal or possibly illegal acts
- environmental matters that may result in material impairment of assets.

Where we are aware of matters referred to in the points above, we have disclosed all related facts to you.

Uncorrected accounting misstatements

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the financial statements. We conclude the effects of



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the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

We have also considered the impact of uncorrected misstatements from previous periods and conclude the aggregate of these is immaterial to the previous and current financial statements.

Insurance

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks including the impact of COVID-19 or other crises (including natural disasters) are adequately covered by insurance.

Accounting estimates

We confirm the methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

We confirm the disclosures related to accounting estimates are complete and appropriate.

Fair value measurements and disclosures

Where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is, in the opinion of the Board, the fair value.

We confirm the significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Joint Organisation.

We confirm the measurement methods, including related assumptions, used by management in determining fair values within the applicable financial reporting framework are appropriate and have been consistently applied. We have considered:

- possible credit value adjustments and debit value adjustments for the credit risk of counterparties
- the impact of the current economic conditions and the impact of COVID-19 or other crises (including natural disasters)
- non-performance risk including, but not limited to, the Joint Organisation's own credit risk
- the impact of embedded derivatives.

We confirm the fair value disclosures in the financial statements are complete, appropriate and disclose details of estimation uncertainties.

Going concern

We have considered the impact of COVID-19 or other crises (including natural disasters) on the Joint Organisation and confirm the going concern basis is appropriate for the financial statements.

We have given you our plans for future action, including our assessment of the feasibility of these plans.



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After balance date events

No events have occurred between the end of the reporting period and the date of this letter that require adjustment to, or disclosure in, the financial statements.

Electronic presentation of the audited financial statements and audit report

With respect to publication of the financial statements on our website, we:

- acknowledge we are responsible for the electronic presentation of the financial statements on our website
- will ensure the electronic version of the audited financial statements and the Independent Auditor's Report on our website are identical to the final signed hard copy of the audited financial statements and the Independent Auditor's Report
- will clearly differentiate between audited and unaudited information in the construction of our website as we understand the risk of potential misrepresentation between unaudited and audited information in the absence of appropriate controls
- have assessed the controls over the security and integrity of the data on our website and adequate procedures are in place to ensure the integrity of the published information
- will ensure that where the Independent Auditor's Report is published on our website, the related financial statements are also published in full.

Impairment of financial assets

We have recognised an allowance for all expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss (FVPL).

At the reporting date we have recognised a loss allowance based on:

- 12-month ECL for debt financial assets not held at FVPL (other than trade receivables) where there has been no significant increase in credit risk since initial recognition
- lifetime ECL for trade receivables, and other debt financial instruments not held at FVPL where there has been a significant increase in credit risk since initial recognition.

We confirm:

- the impairment estimate is based on the best available information about past events, current conditions and forecasts of economic conditions at the reporting date
- the impairment is sufficient to cover the ECLs from possible default events
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty for determining ECLs
- we have written off all debts where we have no reasonable prospects of recovering any further cashflows.



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Financial instruments

We have provided you with:

- appropriate explanations for all reclassifications of financial instruments during the year, in accordance with the requirements of Australian Accounting Standards
- details of any changes in the Joint Organisation's business model for financial assets under AASB 9 'Financial Instruments'
- all financial guarantees issued by the Joint Organisation.

OTHER

Other Information included in the Joint Organisation's Annual Performance Statement

We have informed you of all documents we expect to issue that may comprise 'other information' (financial and non-financial, excluding the financial statements and auditor's report) in our Annual Performance Statement.

We have provided you with the other information included in our Annual Performance Statement. We confirm it is consistent with the financial statements and does not contain any material misstatements.

Other information

We understand your examination of the financial statements was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the entity taken as a whole, and your tests of the financial records and other auditing procedures were limited to those you considered necessary for that purpose.



Joe James
Chief Executive Officer



Lisa Lord
Head of Finance & Administration



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Appendix A – Uncorrected Misstatements

Description	Assets	Liabilities	Net result for the period	Other comprehensive income
Effect of correction	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
	\$	\$	\$	\$
Projected misstatements				
<i>Cut-off error relating to unrecorded liabilities due to unprocessed FY21 invoices as at year end</i>	-	(39,722)	39,722	-
Subtotal	-	(39,722)	39,722	-
Total impact of corrected misstatements	-	(39,722)	39,722	-





HUNTER JOINT ORGANISATION
ANNUAL PERFORMANCE STATEMENT
2020 - 2021



Acknowledgement of Country

The Hunter Joint Organisation acknowledges the country and history of the traditional custodians of the lands upon which we work and live. We pay our respects to the Elders past, present and emerging, of our region, and of Australia.

Contact details for Hunter Joint Organisation

If you have any feedback or questions on our Annual Performance Statement please contact us with any enquiries.

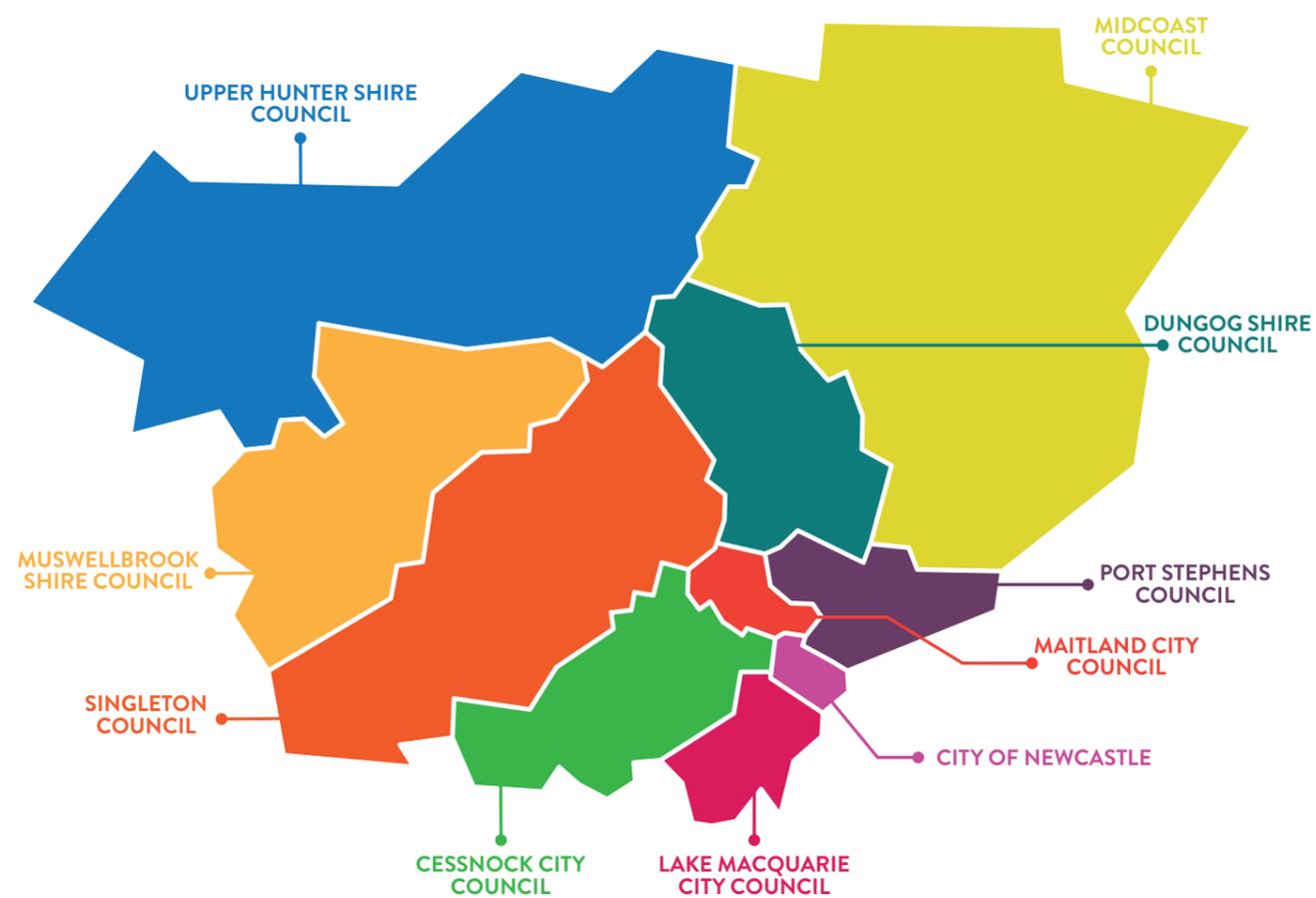
Email your feedback or questions to:
admin@hunterjo.com.au

Write to us at:
Hunter JO
PO Box 3137,
Thornton NSW 2322

Speak to our Administration Officer on:
4978 4040

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PART 1

Hunter JO Summary

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Who We Are / Our Region

The Hunter Joint Organisation is a collaborative body that brings together the ten councils in the region to provide a united and local voice for our communities. As the hub for local intergovernmental collaboration, our statutory mandate includes identifying key regional strategic priorities, advocating for these priorities, and building collaborations around these priorities with other levels of government, industry and community.

The Hunter JO also has a number of Sub-Committees, that focus on specific priorities in the region. These consist of:

- Greater Newcastle Metropolitan Plan Sub-Committee
- Circular Economy Sub-Committee
- Regional Economic Transition Sub-Committee

Collaboration across the Hunter region is the cornerstone of the Hunter JO. The connection and coordination between our member councils has grown and developed since the 1950s, when local government combined their efforts in the best interests of their communities to respond to floods across the region.

With a Board made up of twenty regional leaders who dedicate contributions and influence, the opportunities and support for the Hunter JO is significant. Consisting of communities located around the Manning and Hunter River Valleys, the Hunter JO is responsible to over 750,000 people – growing to at least 863,000 by 2041. We have the largest share of both regional population and regional employment, and are located in the State's fastest growing corridor – from the northern edge of Sydney to Newcastle. The Hunter boasts a diverse natural environment, and one of the fastest growing regional economies in Australia.

Our communities are also diverse; encompassing coastal hamlets, historic villages, growing suburbs, country towns, regional centres, and an emerging global city. Our region has been home to many generations of the Awabakal, Biripi, Darkinjung, Geawegal, Wonarua and Worimi people, with over ten Local Aboriginal Land Councils spanning the region.

The Hunter JO is a leading JO in New South Wales for a great many reasons, mostly because it invites true collaboration from its Member Councils in a consistent and regular way. Where the vision and goal is clear, the responsibility and work required across different entities is much more easily shared, and the possibility of great outcomes is highly attainable.

The Member Councils of the Hunter JO comprise:

Cessnock City Council • Dungog Shire Council
 Lake Macquarie City Council • Maitland City Council
 MidCoast Council • Muswellbrook Shire Council • City of Newcastle
 Port Stephens Council • Singleton Council
 Upper Hunter Shire Council

Our Six Key Areas

At its first formal meeting on Thursday 28 June 2018, The Hunter JO adopted its Strategic Plan for the region. This document has helped to guide the operations of the Hunter JO by identifying strategic priorities for the region, structured around six key areas;



Our **communities** stay inclusive, proud and safe and celebrate diversity



Our enviable **environment** is protected for future generations and our resources are used efficiently



Our **economy** is multifaceted, resilient and is Australia's leading regional economy



Our **people and products** move across the region easily on integrated and accessible transport networks



Our **educational facilities** support and encourage our young people and foster lifelong learning and encourage our young people



Our people have access to the full range of **health care** fostering active and healthy communities

Our Main Focus

In all that it delivers the Hunter JO is focused on:

- Research and analysis to ensure evidence-based planning and advocacy
- Knowledge and learning to the benefit of all Member Councils
- Collaborative foresight and direction for regional priorities and outcomes.
- Joint action on areas where a real difference can be achieved for the region
- Uniting to create a strong voice and enabling advocacy for the needs and interests of the region.

The core operations of the Hunter JO are funded by our ten member councils and by the affiliated commercial business units which offer shared services to Local Government. The projects of the organisation are also made possible by state and commonwealth grant funding.

Our Values



Collaboration

Through true collaboration we are able to achieve great outcomes for the Hunter region. As a relationship-focused organisation we come from a place of listening and inclusion to create win-win opportunities and further develop strong foundations for our regional community.



Connection

We believe in creating deep connections with our Hunter Region, Member Councils and broader community. When we all feel a sense of deep connection to one another's success we can offer and deliver our best support and service.



Trust

We know trust to be the currency of interactions, and through communication and clear understanding we in turn build deeper levels of trust. Our consistent delivery of results to our Member Councils and region ensures our community can continue to place faith, hope and trust in the Hunter Joint Organisation.



Leadership

The Hunter JO is responsible for providing leadership and advocacy on strategic regional priorities. We inspire, connect, collaborate and lead via the development of trusting relationships.



Cr Bob Pynsent
Mayor of Cessnock
Chair of the Hunter JO

“Our continued collaboration will be key to ensuring the unique, local and united voice of our communities are heard, and that decisions are made that benefit the region.”

A word from the Chair

This Annual Performance Statement outlines the Hunter JO's organisational performance in the 2020/2021 financial year. It is my great pleasure to be presenting this report as the performance of the Hunter JO over the past 12 months is really a reflection of the leadership and strength of our region, demonstrating the collective impact of collaboration in local government. We are well and truly recognised as the hub for intergovernmental collaboration and have created connections and action across a range of key regional issues and programs.

Over the last 12 months we have consistently delivered genuine and sustained collaboration with a range of agencies and committees, member councils and industries across identified strategic priorities for the Hunter region. Since our establishment as a Joint Organisation in 2018, we have been building local government capacity to provide leadership at a regional level.

The increasing level of collaborative place based leadership provided by the region's councils through the Joint Organisation, is key to addressing the leadership gap between State and Local Government that exists at a regional level. Our continued collaboration will be key to ensuring the unique, local and united voice of our communities are heard, and that decisions are made that benefit the region.

Intergovernmental collaboration enables action that is larger than our individual capacity and over the last year the Hunter JO has significantly increased and embedded itself as an advocate for our region. As part of our advocacy activity we engaged with Transport for NSW (TfNSW) to improve outcomes for the region and enhance local government integration into transport planning and delivery. This involved collaborating with multiple organisations within our Transport for NSW Hunter Reference Group to engage relevant state government ministers.

We have also continued to support local government leadership at a regional level by delivering in a collaborative way across many program areas. This includes Contaminated Land Management, Waste Education and Resource Recovery, Circular Economy, and Environmental Resilience.

I thank my fellow Mayors for all of their contributions, not only in the last 12 months, but across the years that we have been committed to true collaboration. Our Hunter JO Board has driven key advocacy and delivered a wide range of projects and programs for our region. I also thank the General Managers of our ten councils for their contribution to the Hunter JO through our Board and as members of our General Managers Advisory Committee.

The incoming year is already shaping up to bring many new opportunities to increase local government capacity and continue advocacy and collaborative activity. As my last year as Chair of the Hunter JO and Mayor of Cessnock, it has been a time of reflection and recognition of the great work being delivered for our region as a whole. Within three years, the Hunter JO has achieved many positive outcomes for the region and in the last 12 months received national recognition from the Cities Power Partnership and the Planet Ark Foundation: but the journey is only just beginning.



A word from the CEO

The Hunter JO's focus for the 2020/2021 financial year has been on the importance of the role of local government and collaborative local action. The past 12 months have seen a new Hunter JO funding and delivery model, endorsed by our Board last year, come to fruition with establishment of the Regional Policy and Programs Division.

In its first year of operation this new model has attracted \$1.58 million in new grant funding for Member Councils' programs being led through the Hunter JO. This includes Integrated Planning and Reporting (IP&R) Resilience, Act Now for Adaptation: Coastal Wise Communities, Simtables for Community Empowerment, and Accelerating Events Economies (A2E).

Collaboration is hard to do, but our Member Councils have consistently demonstrated the significance of their collective impact in ensuring our communities are enabled to determine their own future. The past 12 months have seen numerous challenges for our region through the ongoing impacts of the COVID-19 pandemic; however, the Hunter JO has continued to deliver outcomes through the region by adapting to different ways of collaborating.

The capacity and capability of the organisation has seen significant growth and the creation of new roles in order to deliver across multiple program areas. This has allowed us to increase our engagement and outcomes for the region and within our Member Councils, as well as increasing collaboration with partner organisations and multiple levels of government.

We have begun development on the Hunter JO's Strategic Plan 2022-2026 by identifying Council priorities at a Strategy Day in May 2021. This led to the identification of four Regional Priority Themes: Connectivity, Resilience, Jobs and a Growing Economy, and Liveability. The importance of our Member Councils collaborating on our regional priorities ensures that there is a shared view about what is important for our region.

The Hunter JO has continued our advocacy around economic diversification and evolution through our Hunter 2050 program. It was identified that there is a funding shortfall for the evolution of the regional economy given the global shift in demand for coal over the long term and, as a result, the Hunter JO has engaged a consultant to scope out and structure the Hunter Venture Fund.

We have begun to develop resources to assist councils in embedding joint objectives in their IP&R documents, including within the Climate Resilience space. This aligns with the Hunter JO's participation in the Climate Council's Cities Power Partnership (CPP); the Hunter was the first region in Australia to collectively join this initiative. This shows the importance of a collaborative mindset to shared challenges.

Our Member Councils coming together as a united voice to approach the simultaneous challenges of changing global energy markets and climate change impacts, ensures that local government is represented at a decision-making level. We are also nationally recognised as leaders within the Circular Economy space as a result of the circular economy projects we are working on and the engagement of numerous facilitators groups and subcommittees.

I am truly proud of what the Hunter JO has been able to achieve and deliver for the region as whole over the 2020/2021 financial year. All levels of our organisation, including Mayors, General Managers, Council staff and internal staff, have continuously shown their commitment to our mission of providing "a united and local voice for our communities". Local leadership and action has consistently enabled positive outcomes in our region.



Joe James
Chief Executive Officer

"Collaboration is hard to do, but our Member Councils have consistently demonstrated the significance of their collective impact in ensuring our communities are enabled to determine their own future."



Delivery Highlights 2020 - 2021



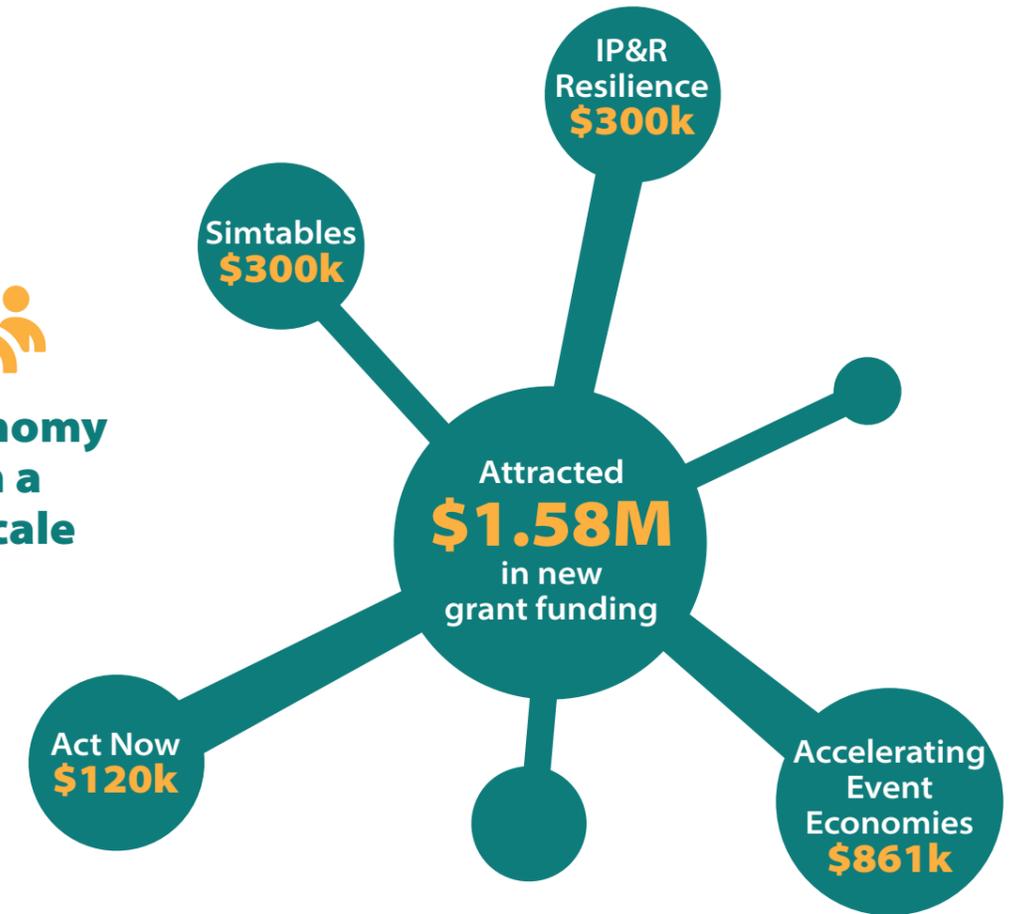
Peak Bodies Collaboration
Local Government Infrastructure
Stimulus Funding



Regional Contaminated Land Program
Supporting and building Council capacity



Circular Economy Leader on a Regional Scale




First time regional delivery of **Community Recycling Centres Education**



Hunter 2050
Advocacy for Economic Evolution



Hunter Region first nationally to have all Councils committed as **Cities Power Partnership Members**



Partnering for Growth
Leading advocacy on transport planning and delivery reform



Circular Economy Roadmap



IP&R Climate Change Package
Supporting Councils to embed Climate Change into their IP&R Framework



Genuine and Sustained Collaboration
with a range of agencies and committees



Small Acts Big Change
The digital strategy reached over 500,000 people and had over 1 million views



Strategic Planning Draft Themes Identified
for Strategic Plan 2022 - 2026



New HJO Funding and Program Delivery Model Implemented



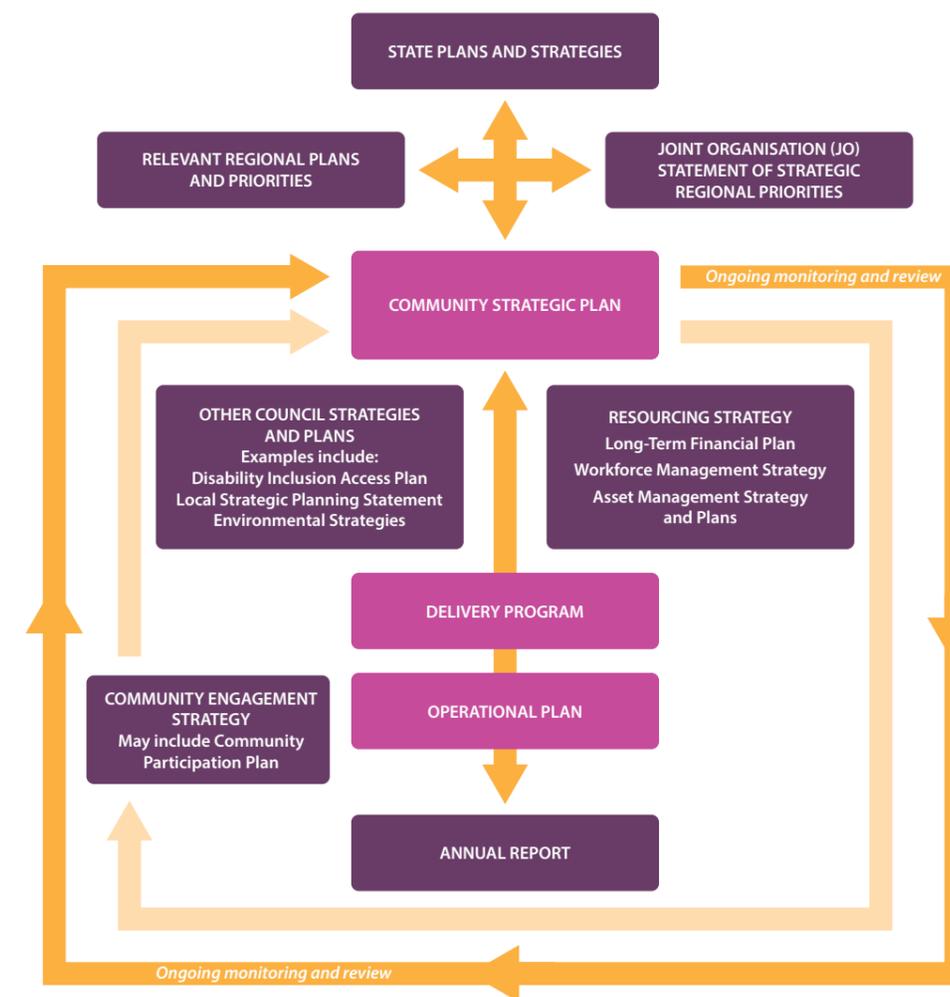
Strategic Planning and Integrated Planning & Reporting

Framework and our relationship to our member councils

The Local Government Act 1993 requires Councils to be consistent with the Local Government Integrated Planning and Reporting (IP&R) Framework, which aims to ensure a more sustainable Local Government sector. This requires Councils take a long-term view and consider social, economic and environmental aspects and the needs of the current and future generations when making decisions.

On Thursday 8 October 2020 the Hunter JO board endorsed the development of the new Hunter JO Strategic Plan 2022-2026 to align with Councils IP&R framework. This will strengthen the linkages between the Hunter JO and its member councils and provide better support to our councils.

Joint Organisations (JOs) now have a streamlined planning and reporting framework under the 'Local Government (General) Regulation 2021' and 'Integrated Planning and Reporting Guidelines for local councils in NSW'. JOs are required to develop a Statement of Strategic Regional Priorities (SSRP) which sets out a vision for the region and provides an overview of the actions required to deliver the vision. The SSRP should draw from the Community Strategic Plans (CSP's) of member councils, regional-level plans and other state strategic documents to clearly identify the highest regional priorities.





Hunter JO Strategic Plan 2022 - 2026 - Under development

The Hunter JO's Statement of Strategic Regional Priorities (SSRP) is called the Hunter JO Strategic Plan 2022-2026. The plan is currently under development and one of the engagement techniques with the Hunter JO Board Included a Strategy Day held on the 21 May 2021. There was also pre-workshop preparation carried out with each Councils General Manager and Mayor to Identify the Councils list of regional priorities for the future.

The Strategy Day included each General Manager and Mayor presenting their list of priorities and a question and discussion session following each presentation. Analysis of the priorities and a further whole of group workshop led to the Identification of four Regional Priority Themes that the Draft Strategy will be developed around. These are detailed below.

The development of the Hunter JO Strategic Plan 2022-2026 will include multiple engagement opportunities and will allow information and feedback to be obtained throughout the process.

Draft Hunter JO Strategic Priorities 2022 - 2026

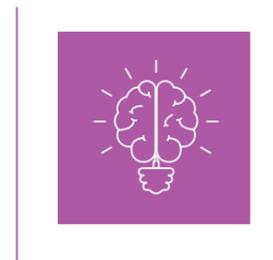
CONNECTIVITY



RESILIENCE

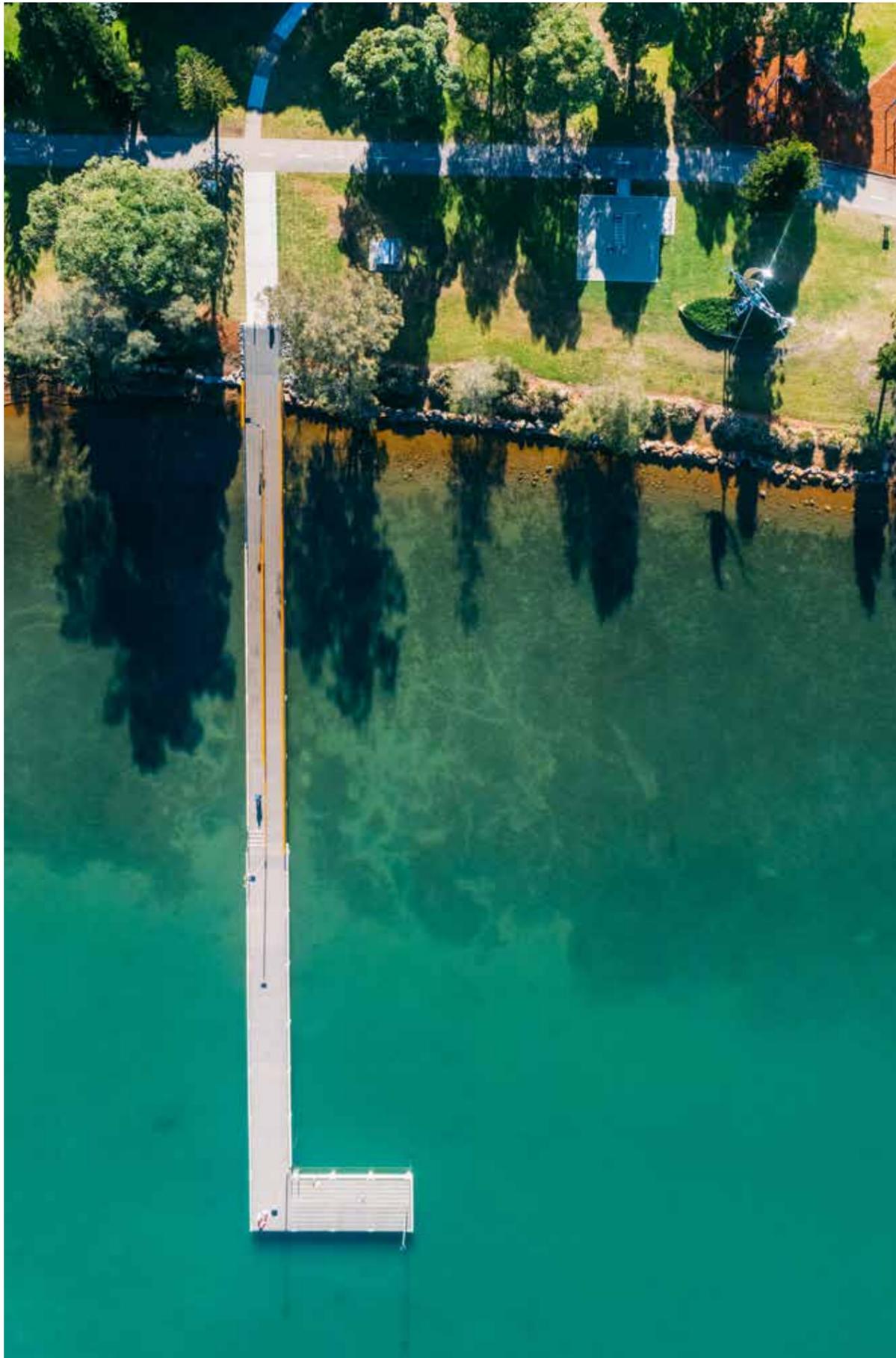


JOBS AND A GROWING ECONOMY



LIVEABILITY





PART 2

Hunter JO Program Report 2020 - 2021

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Collaboration, Engagement and Advocacy Overview

Intergovernmental Collaboration - Committees and Networks

- Hunter Regional Leadership Executive
- Regional Leadership Executive Human Services Sub Committee
- Regional Leadership Executive Economic Development Subcommittee
- Regional Leadership Executive Recovery & Resilience Subcommittee
- Regional Leadership Executive Planning & Environment Subcommittee
- Hunter Industry Roundtable
- Regional Business Attraction Committee
- Upper Hunter Economic Diversification Working Group
- Hunter Identity and Positioning Strategy - Project Control Group and Local Government Reference Group
- Hunter Cruise Committee
- Hunter Central Coastal Management Program Practitioners Roundtable
- Local Government Climate Change Planning Toolkit Working Group
- Transition Hunter Central Coast (HCC) working group
- Hunter Regional Plan Review Steering Committee
- Greater Newcastle Metropolitan Urban Development Program Committee
- Hunter JO Regional Economic Transition Standing Committee
- Hunter JO Greater Newcastle Metropolitan Plan Steering Committee
- Hunter JO Circular Economy Subcommittee
- Hunter JO Regional Economic Development Forum
- Hunter JO Regional Planning Forum
- Hunter JO Smart Region Forum
- Hunter JO Regional Contaminated Land Working Group
- Hunter Circular Facilitators Group
- EPA Local Government Advisory Group
- State and Regional Waste Managers Network
- Hunter & Central Coast Regional Waste Managers Network
- NSW JO Chairs Forum
- NSW JO Executive Officers Network'
- Hunter Transport Project Delays - Industry and Local Government Reference Group
- Climate Action Professional Officers Group
- Hunter Freight and Logistics Taskforce

Ministerial Engagements

A diverse range of Ministerial Engagement took place over the year and an overview is provided below:

Stuart Ayres, NSW Minister for Jobs, Investment, Tourism and Western Sydney

FOCUS OF ENGAGEMENT: Shiraz to Shore, Accelerating Event Economies and Hunter 2050 Foundation

Matt Kean, NSW Minister for Energy & Environment

FOCUS OF ENGAGEMENT: Hunter 2050 Foundation and Hunter BioCircular

Damien Tudehope, NSW Minister for Finance and Small Business MP Taylor Martin, Parliamentary Secretary for the Hunter

FOCUS OF ENGAGEMENT: Hunter 2050 Foundation

Minister Paul Toole, Minister for Regional Transport and Roads

FOCUS OF ENGAGEMENT: Advocacy on integrated transport planning and approvals, in collaboration with Urban Development Institute of Australia (UDIA), Property Council, Business Hunter, Dantia and Committee for the Hunter.

John Alexander MP, Federal member for Bennelong and Chair of Federal Committee for Infrastructure, Transport and Cities

FOCUS OF ENGAGEMENT: The engagement was through an expert panel as part of a PhD project into Sustainable Metropolitan planning and development in Greater Newcastle.

Paul Scully MP, Shadow Minister for Natural Resources

FOCUS OF ENGAGEMENT: The Hunter JO Chair, the Chair of the Economic Transition Standing Committee and the CEO met with Paul Scully to discuss matters pertaining to his shadow portfolio and economic diversification.

State and Federal Members of Parliament and candidates running for the seat of Upper Hunter

FOCUS OF ENGAGEMENT: Support requested for funding applications lodged by the Hunter JO under the Stage 2 – Bushfire Local Economic Recovery (BLER) Fund:

- Accelerating Event Economics (Regional Event Attraction)
- Hunter 2050 Foundation
- Hunter BioCircular
- Shiraz to Shore

Office of the Hon. John Barilaro, Deputy Premier

FOCUS OF ENGAGEMENT: Hunter 2050 Foundation

Office of the Minister for the Environment (Minister Kean)

FOCUS OF ENGAGEMENT: Briefing Peter Polous and Departmental advisers on the Hunter 2050 Foundation and discussing the status of the REZ in the Hunter.

Michael Johnsen, MP

FOCUS OF ENGAGEMENT: Briefed on Hunter JO funding applications submitted to Bushfire Local Economic Recovery (BLER) Fund.

Advocacy

End to Transitional Arrangements under the NSW Coastal Management Act (2016)

Based on the advice of council staff and confirmation from General Managers, a letter was forwarded to the Minister for Local Government, Shelley Hancock making a formal request for a 3-year extension to the transitional arrangements under the NSW Coastal Management Act, or that CZMP's still have effect until replaced by CMP's.

The Coastal Management Amendment Bill 2021 has been approved which provides a 2 year extension to Councils.

Hunter Global: Our International Future

The Hunter JO is leading a collaborative partnership between the Hunter JO, Newcastle Airport, Committee for the Hunter, Business Hunter and the University of Newcastle to directly support the expansion of international Airport related business and industry as a primary contributor to the Hunter Region's economic growth and diversification.

Connectivity – Advocacy on integrated transport planning, delivery and funding

The Hunter JO is collaborating with UDIA, Property Council, Dantia, Business Hunter and the Committee for the Hunter on the need to address funding backlog for under funding of transport infrastructure in the Hunter. To improve the integration of landuse and transport infrastructure planning, prioritisation and delivery.

NSW Infrastructure Reforms

Supported the LGNSW advocacy around local government concerns with infrastructure contributions reforms.

Hunter 2050 Media Release and Website

The Hunter JO launched the Hunter 2050 Website which provides a focal point for the regions advocacy for state and federal government to support economic transition.

Hunter Expert Panel Announcement

The announcement by the Deputy Premier regarding the need for a regional voice and governance mechanism to guide the regions response to changing global energy technology markets and demand for coal. Hunter JO has proposed a specific solution in the form of the Hunter 2050 foundation.

Correspondence re: BLER Fund

The CEO sent correspondence to a range of stakeholders regarding the Hunter JO's submissions to the Bushfire Local Economic Recovery (BLER) Fund. Correspondence was sent to local Federal and State Members of Parliament, as well as to all candidates running for the State seat of Upper Hunter.

With the BLER Fund having been heavily oversubscribed, this correspondence spoke to the submissions made by the Hunter JO and their whole-of-region benefit.

Disaster Recovery

Following on from the GMAC meeting of 25 March 2021, the Hunter JO wrote to Resilience NSW Commissioner Shane Fitzsimmons, regarding recovery efforts following recent storms, floods, and disaster declaration. Within the region MidCoast Council were particularly impacted, with the correspondence asking for assistance in disaster recovery, particular in relation to waste.

Singleton Bypass

The Hunter JO undertook advocacy to support member Council concern with the proposed design of the Singleton Bypass. Member Councils saw the proposed design as a common challenge experienced by local government when advocating for a longer term and more strategic outcomes for their Community.

Upper House Inquiry into the integrity, efficacy and value for money of NSW Government Grant Programs

Regional submission and testimony provided to Parliamentary Inquiry on the opportunities Joint Organisations present for transforming the way NSW Government agencies and local councils collaborate, plan, set priorities and deliver important projects at a regional "place based" scale across Regional NSW.

Ready to Rebuild Infrastructure Campaign

In response to the pandemic, the Hunter JO partnered with the Committee for the Hunter to advocate for economic stimulus to go direct to Communities through spending on shovel ready Local Government Infrastructure.

Inquiry into the sustainability of energy supply and resources in NSW

The Hunter JO Economic Transition Subcommittee prepared a submission and provided testimony to the Newcastle hearing of the State Committee on Environment and Planning Inquiry into the sustainability of energy supply and resources in NSW, recommending that the NSW Government partner with the region on collaborating on structural economic change.

Regional Submissions

A diverse range of formal regional submissions were also prepared over the year and are listed below:

- Preparing environmental management plans for contaminated land;
- Contaminated Land Consultant Certification Policy;
- NSW Regional Housing Taskforce;
- Regulation Review – Environmental Planning and Assessment Regulation 2021; and
- IPART review of domestic waste management service charges.



Action Area 1 - Our communities stay inclusive, proud and safe and celebrate diversity

- 1.1 Develop an engaging online presence which tells the stories of the diverse places and people which make up the Hunter Region

HUNTER JOINT ORGANISATION WEBSITE

PURPOSE: The Hunter Joint Organisation website (<https://www.hunterjo.com.au>) aims to actively, regularly and effectively engage member Councils, partner organisations and the broader community on the activities and progress of the Hunter JO.

DELIVERY STATUS: Ongoing Role / Activity

- 1.2 Work with the Department of Planning and Environment, Hunter Valley Research Foundation and other partners to closely monitor housing affordability in the region and identify key areas of concern

URBAN DEVELOPMENT PROGRAM GREATER NEWCASTLE COMMITTEE

PURPOSE: The Urban Development Program Greater Newcastle Committee's primary objective is to provide advice to State Government on matters relating to the supply and servicing of land for residential development, to meet short and longer-term demand across the Greater Newcastle subregion. The UDP Greater Newcastle Committee applies to the local government areas of Cessnock, Lake Macquarie, Maitland, Newcastle and Port Stephens.

DELIVERY STATUS: Ongoing participation by Hunter JO staff on the Committee

- 1.3 Develop and implement a targeted program to advocate for measures to improve housing affordability in the region

SUBMISSION TO NSW HOUSING TASKFORCE

ACTIVITY / OUTPUTS:

During the year a regional submission was made to the NSW Housing Taskforce highlighting:

- the ongoing challenge presented by lack of integration, funding and delivery of transport infrastructure over many years in the region
- the need to improve integrated land use planning, particularly around transport planning and infrastructure delivery

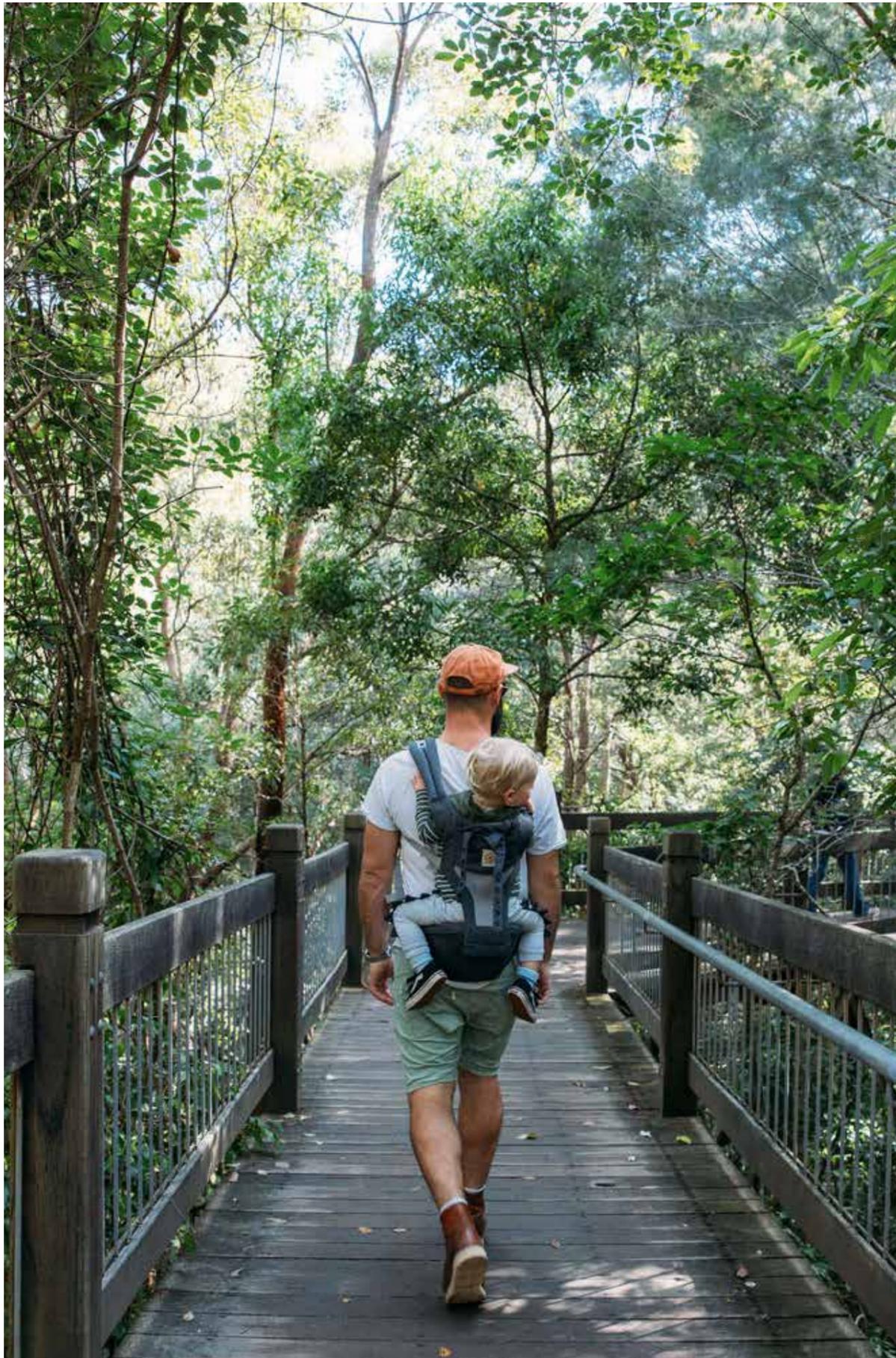
DELIVERY STATUS: Completed

1.4 Continue to work together to deliver the programs to increase community resilience and preparedness for natural disasters through the Hunter and Central Coast Regional Environmental Management Strategy

REGIONAL DISASTER PREPAREDNESS OFFICER PROGRAM
<p>PURPOSE: To support Councils increase their capacity and capability to prepare, respond to and recover from disasters through:</p> <ul style="list-style-type: none"> • Improving collaboration between local councils and agencies • Strengthening Council local emergency management plans • Establishing local recovery plans • Identifying priority systems, strategies and investments (within and across Councils) to mitigate risks • Integrating climate change adaptation strategies into emergency management systems • Establishing regional networks focussed on building Council and community resilience
<p>ACTIVITY / OUTPUTS: Hosting by the Hunter JO of a Resilience NSW Regional Disaster Preparedness Officer commenced in March 2020. Key outputs delivered throughout the year by the program included:</p> <ul style="list-style-type: none"> • Disaster Dashboards were prepared for all Hunter JO member Councils and Central Coast Council. These websites now provide a consistent platform across Council areas that consolidate emergency information and alerts, utility outages, basic preparedness advice and local recovery information into one location • Two regional forums were delivered December 2020 focused on building awareness of Local Government Emergency Management Arrangements. • Get Ready branding and resources were prepared for all Hunter JO Member Councils and Central Coast Council. Get Ready is a program run by Resilience NSW and the State Government to generate participation in disaster preparedness activities, with the aim of improving the disaster resilience of people in NSW • Direct operational support to Councils was provided by the Regional Disaster Preparedness Officer following significant floods in March 2021
<p>DELIVERY STATUS: Completed. (NB Following a restructure of Resilience NSW in 2021, the Regional Disaster Officer Preparedness Program has transitioned to become part of the core business of the Local Coordination and Service Delivery (LCSD) Division, now established within Resilience NSW. This means all programs and support previously delivered through the Regional Disaster Preparedness Program will now being delivered directly from within Resilience NSW.)</p>

TRANSFORMING RESILIENCE WITH THE INTEGRATED PLANNING & REPORTING FRAMEWORK
<p>PURPOSE: To provide an innovative approach to support bush fire affected member Councils embed resilience principles and projects into their IP&R, which in turn will provide Council the ability to allocate recurrent funds and commit to long term resourcing (financial and staff) for resilience projects.</p>
<p>ACTIVITY / OUTPUTS: The Hunter JO was successful in its grant application for \$300,000 to deliver this project. Initial project administration, project planning and stakeholder engagement commenced during the year. Following recruitment of a project officer, full scale delivery of the project will commence in 2021/22.</p>
<p>DELIVERY STATUS: In Progress.</p>

SIMTABLES FOR COMMUNITY EMPOWERMENT
<p>PURPOSE: Simtables provide a “State of the Art” tool that can be used to engage communities in localised place-based emergency information sessions. This project seeks to purchase a Simtable for the collective use of member Councils and to provide direct support to Councils in undertaking the extensive community engagement associated with their use.</p>
<p>ACTIVITY / OUTPUTS: The Hunter JO was successful in its grant application for \$300,000 to deliver this project. Initial project administration, project planning and stakeholder engagement commenced during the year. Following recruitment of a project officer, full scale delivery of the project will commence in 2021/22.</p>
<p>DELIVERY STATUS: In Progress.</p>



Action Area 2 - Our enviable environment is protected for future generations and our resources are used efficiently

2.1 Continue to work together to deliver the Hunter and Central Coast Regional Environmental Management Strategy

REGIONAL CONTAMINATED LAND PROGRAM

PURPOSE: To build capacity and capability of Councils to manage contaminated sites on private and Council managed land, and to support councils transition to their new role as regulator of the Underground Petroleum Storage System (UPSS) Regulation.

ACTIVITY / OUTPUTS:

- A wide range of activities and outputs were delivered throughout the year under the program. These included:
1. Ongoing provision of technical advice to Councils (i.e. a Helpdesk service) on issues involving contaminated land management (land use planning, UPSS and public land management)
 2. Developing a suite of guidance resources and training, to build the capacity of Council staff to regulate sites containing UPSS handed over to Councils from the NSW EPA. This has included:
 - Standard Conditions of development consent
 - Template Fuel System Operation Plan (FSOP) Guide
 - UPSS Procedures
 - UPSS Risk Assessment Template
 - Conducting an Initial Review of the Potential for Contamination in Planning Approvals Processes
 - Initiating the Investigation, Remediation and Site Audit Process.
 3. Co-ordinating and facilitating joint regional submissions to successfully influence NSW statutory guidelines, including:
 - Draft Guidelines for consultants reporting on contaminated land
 - Draft Guidelines for Implementing the Protection of the Environment Operations (Underground Petroleum Storage Systems) Regulation 2019.
 - Draft NSW standardised conditions of development consent relating to contaminated land.
 4. Designing and piloting design and development (prior to broader regional roll out) of a Contaminated Land Information database with Cessnock and Maitland Councils. This has comprised:
 - Determination of regionally consistent classification categories
 - Sourcing information on a regional basis to populate new and/or upgraded information systems
 - Delineating the risk for Councils posed by contaminated land.
 5. Delivery of a regional workshop series targeting Council staff which focused on:
 - The role of laboratories in contaminated land and how to detect fraudulent reporting
 - On-site capture and treatment of hydrocarbons, specifically focusing on the storm water quality issues associated with service stations.
 - Interpreting contaminated land technical reports Remedial Action Plan, Site Remediation and Validation.
 - Asbestos in Soils Workshop
 6. Convening and facilitating regular meetings of a Regional UPSS Transition Working Group, comprising representatives from all Hunter JO member Councils to share information and knowledge

DELIVERY STATUS: In progress (funded until August 2022)

CITIES POWER PARTNERSHIP

PURPOSE: To support regional collaborative efforts by Councils, the Hunter JO and Cities Power Partnership (CPP) in delivery of shared pledges on climate action made by Councils

ACTIVITY / OUTPUTS: During the year, the Hunter JO provided regional facilitation and support to assist all Hunter JO member Councils and Central Coast Council became members of the Cities Power Partnership (CPP) program, making the Hunter the first region nationally to do so. In recognition of this achievement, the Hunter JO Board endorsed exploring a “Regional Collaboration Pledges Partnership” with CPP.

As part of this regional initiative, the Hunter JO has also:

1. Facilitated the identification by Councils of agreed high level regional focus areas on which to collaborate regionally. These include:
 - Preparing a Regional Electric Vehicle Charging Strategy and provision of fast-charging infrastructure throughout key locations in the region for electric vehicles
 - Ensuring Council fleet purchases meet strict greenhouse gas emissions requirements and support the uptake of electric vehicles.
 - Supporting and encouraging Community based Renewable Energy
 - Supporting and encouraging Council based Renewable Energy
 - Supporting and facilitating amendments to planning laws and controls that encourage community and industry to adopt renewable energy.
 - Facilitating advocacy and coordinating business cases that address tensions and reluctance around initiatives to address climate change.
 - Regional education and behaviour-change programs to support residents and business tackle climate change through, clean energy, energy efficiency and sustainable transport.
2. Delivered regional forums to provide Councils with information to support progressing the regional focus areas identified. These included a focus on:
 - Communicating Climate Change
 - Charging the regions – building a Local Government EV fast charging network

DELIVERY STATUS: Ongoing Role / Activity

HUNTER CENTRAL COAST RESOURCE RECOVERY STRATEGY

PURPOSE: To develop a new Hunter Central Coast Resource Recovery Strategy for the period 2022-2027. The new Strategy will align with the recently released NSW Waste and Sustainable Materials Strategy 2021-2041 and associated funding streams, and provide improved alignment with the Regional Circular Economy program.

ACTIVITY / OUTPUTS: Work commenced during the year, in collaboration with the Regional Waste Managers Network, on reviewing the status of delivery of the Region’s existing Waste and Resource Recovery (WARR) Strategy 2017-2021. This work represents the foundational stage in a process to develop a new Regional WARR Strategy that will be finalised in 2021/22.

DELIVERY STATUS: In progress

2.2 Establish a Coastal Resilience Sub Committee, made up of representatives from relevant Hunter JO councils, to increase collaboration in planning for climate change

HUNTER CENTRAL COAST COASTAL MANAGEMENT PROGRAM PRACTITIONERS ROUNDTABLE

PURPOSE: The purpose of the Roundtable is to:

- Promote collaboration between Agencies and Councils to address common issues and needs relating to components of the NSW Coastal Management Framework, and on broader initiatives to facilitate adaptation to a range of coastal management issues arising from climate change
- Provide the opportunity to share experiences across the region;
- Work together to integrate coastal management in broader council land use and corporate (IP&R) planning processes.
- Advise the Department on regional themes and topics for future forums, workshops, presentations and other relevant communications on regional coastal management planning and issues.

ACTIVITY / OUTPUTS: Hunter JO staff continued to participate in quarterly meetings of the Roundtable. In response to issues identified by Councils through the Roundtable, the Hunter JO:

- Was successful in leading a funding application to the NSW Government’s Increasing Resilience to Climate Change Program – see “Act on Adaptation” below.
- Led a regional advocacy effort on behalf of Councils seeking an extension to the end of transitional arrangements under the NSW Coastal Management Act for a 3-year period or until the completion of the Coastal Management Plans in our region. In response to this advocacy from the Hunter and other Councils along the NSW coast, the Minister introduced legislation into the Parliament during October 2021 to extend the timeline by two years for councils to complete their Coastal Management Programs.

DELIVERY STATUS: Ongoing Role / Activity

ACT NOW ON COASTAL ADAPTATION

PURPOSE: The objectives of this project are to:

1. Develop an Integrated Planning and Reporting (IP&R) Package which embeds resilience to Climate Change into Councils operations through incorporation into the overarching IP&R documents.
2. Provide a coastal adaptation communication framework, media templates and suite of practical resources to directly build the capacity of the coastal councils of the Hunter and Central Coast Councils.
3. Build capacity within Councils to reduce risks, increase resilience and reduce climate vulnerability by collaboratively building community understanding and literacy around coastal management and adaptation issues and bridging the gap between the IP&R framework and prioritisation of Climate Change resilience.

ACTIVITY / OUTPUTS:

- A pre-project "Act on Adaptation" Survey, was conducted by project partner the Department of Planning, Industry and Environment (DPIE) Social Research Unit and regional office. The purpose of the research was to better understand residents' experience of living, working in and visiting coastal communities, and the impact of various coastal hazards (erosion, sea level rise, inundation, storms) people may have experienced. Results from the survey are now informing the focus and format of communication resources being developed under the project by the Hunter JO.
- A draft climate change IP&R package was developed and distributed to Councils for piloting. The aim of the package is to provide support and guidance to Councils during the development of their Community Strategic Plan (CSP), Delivery Program and Operational Plan. The package includes the following practical tools and templates:
 - Climate change commitment level framework - commitment levels allow Councils to establish a vision and identity for their climate change journey. The three levels established provide typical (but not binding) narratives, which are based on the individual Councils' available resources, risk and opportunity level for the particular Local Government Area (LGA), and their communities' values. The concept supports the discussions within Councils when setting the scene for their IP&R cycle.
 - IP&R templates - these provide template wording for strategic priority statements, delivery program objectives and operational plan examples of initiatives and actions for each commitment level, in line with relevant guidelines and best practice principles; and
 - Communication and engagement package - this package provides process support, factsheets, template Council papers and presentation.

DELIVERY STATUS: In progress

2.3 Work together to find an effective recycling solution for the region

CIRCULAR ECONOMY SUBCOMMITTEE

PURPOSE: To provide oversight and guidance to the delivery of regional Circular Economy initiatives being delivered by Member Councils through the Hunter JO.

ACTIVITY / OUTPUTS: The Hunter JO continued to convene quarterly meetings of the Subcommittee throughout the year, to facilitate input and oversight of various Circular Economy initiatives, including:

1. Circular economy procurement project
2. Circular Economy education & training opportunities
3. Development of a Circular Economy Roadmap for the Hunter and Central Coast
4. City Scan project
5. Hunter Central Coast Eco-system Stage 2 project
6. Hunter BioCircular

DELIVERY STATUS: Ongoing Role / Activity

HUNTER CIRCULAR FACILITATORS GROUP

PURPOSE: Jointly convened by the Hunter JO and Department of Planning, Industry & Environment, to provide a network of committed, knowledgeable and capable people with the potential to drive the Circular Economy program forward in the Hunter. The role of the group is to:

- Share information
- Harness, drive and coordinate cross stakeholder efforts toward a Circular Economy.
- Avoid duplication in progressing the Circular Economy in the region.

ACTIVITY / OUTPUTS: In partnership with DPIE, the Hunter JO continued to co-convene quarterly meetings of the Facilitators Group throughout the year, to coordinate and drive a range of regional, multi stakeholder Circular Economy initiatives, including:

1. Circular economy procurement project
2. Circular Economy education & training opportunities
3. Development of a Circular Economy Roadmap for the Hunter and Central Coast
4. City Scan project
5. Hunter Central Coast Eco-system Stage 2 project
6. Hunter BioCircular

DELIVERY STATUS: Ongoing Role / Activity

HUNTER AND CENTRAL COAST CIRCULAR ECONOMY HUB

PURPOSE: To drive and facilitate development of the Circular Economy (CE) across the Hunter and Central Coast by Councils, government agencies, business and industry groups and the community. The CE Hub would focus on:

- Providing leadership and planning to establish a common vision and plan for the region's move to a CE
- Facilitate the acquisition and sharing of research and information among stakeholders in the CE, including the provision of a "problem concierge" (i.e. a regional broker to link stakeholders with issues to those who can provide solutions)
- Continuing to curate and grow the CE ecosystem (website, industry networking, collaboration and development)
- Facilitating and delivering joint projects and initiatives across organisations
- Coordinating and advocating an agreed regional voice on CE for the region to State and Federal Governments
- Consistent and coordinated promotion of the region to researchers, innovators and investors
- Building knowledge in the region to capture and translate innovation and best practice into day to day operations, and to enact sustained change in organisational culture and systems required to progress the Circular Economy.

ACTIVITY / OUTPUTS: Initial concept planning has been completed and continues to be refined (and the concept further validated), by the range of projects being delivered by the Hunter JO with partner organisations. Establishment of the Hub is also recognised as a priority within the Circular Economy Roadmap that has been developed.

DELIVERY STATUS: Design and Development (delivery subject to resourcing)

CIRCULAR ECONOMY ROADMAP

PURPOSE:

- To develop a common understanding and definition for the circular economy of the region relevant to all stakeholders – government, business and academia.
- Gain broad regional support and engagement for the development of a circular economy in the Hunter and Central Coast region.
- Develop a strategic roadmap for the region that is:
 - aspirational and helps partners and stakeholders understand roles and measures of success
 - practical in that it manages and objectively prioritises the range of ideas and initiatives being put forward by stakeholders
- To create an identity for the region as a leader in the transition to a circular economy and as a place to do circular economy activities, providing business attraction and local support for the circular economy
- To provide leverage and connect with other key circular economy frameworks and strategies at all levels of government

ACTIVITY / OUTPUTS: Significant stakeholder consultation was completed throughout the year to inform the focus and development of the Circular Economy Roadmap, which will be released in late 2021. The release will accompany an update of the Hunter Circular website to host the Roadmap and to improve the websites capacity and role in facilitating engagement with the Roadmap by Circular Economy stakeholders, both within and beyond the region.

DELIVERY STATUS: Completed (scheduled for release December 2021)

CIRCULAR ECONOMY ECO-SYSTEM PROJECT STAGE 2

PURPOSE:

- Provide and improve circular economy communication for all circular economy eco-system participants in the Hunter and Central Coast
- Build circular economy knowledge through education and capacity building opportunities for Hunter JO member councils and Central Coast Council
- Develop and improve circular economy data and analytics systems for use by all circular economy eco-system participants in the Hunter and Central Coast

ACTIVITY / OUTPUTS: During the year a part time communications officer was employed to work on communications and engagement for the Circular Economy program. A communications plan was developed and commenced comprising:

- A circular economy newsletter with local content, events and case studies as well as stories from national and international sources. The release of the inaugural newsletter is pending an update of the Hunter Circular website (scheduled for December 2021) through which the newsletter will be disseminated
- A LinkedIn CE network group to help facilitate engagement, launched in August 2021
- More regular updating and management of the huntercircular.com.au website content
- Planning for an annual circular economy event in the region (subject to the availability of funding)

A collaborative project between the Hunter JO, Lake Macquarie City Council, City of Newcastle, Central Coast Council and the University of Newcastle was also delivered, which used the City Scan tool as method to analyse circular economy data for the Hunter. A communications strategy will be delivered in 2021/22 to communicate the project outcomes and the process for accessing the data generated by the project.

DELIVERY STATUS: Completed (scheduled for release 2021/22)

CIRCULAR ECONOMY PROCUREMENT PROJECT

PURPOSE: To support Councils to prioritise recycled materials and circular economy services in their procurement systems and processes, and to collaborate with the Hunter JO and other participating councils to develop a common framework for a joint regional procurement of recycled materials.

ACTIVITY / OUTPUTS: In October 2020 the Hunter JO Board endorsed the establishment of a Circular Economy Regional Procurement MoU, which was then developed and signed off by Council General Managers in February 2021.

A consultant was subsequently engaged by the Hunter JO to deliver the project, with initial stages completed including the development and commencement of a Council engagement plan and data gathering.

DELIVERY STATUS: In progress

"SMALL ACTS BIG CHANGE" REGIONAL COMMUNICATION CAMPAIGN

PURPOSE: To deliver a regional communication campaign to improve community waste avoidance behaviours at the top end of the waste management hierarchy, along with reuse and recycling habits.

ACTIVITY / OUTPUTS: Throughout the year the Hunter JO continued to deliver, adapt and expand the reach of the "Small Acts Big Change" campaign. Key activities included:

- Continuing to maintain, update and improve the "Small Acts Big Change" campaign website
- Ongoing design and delivery of the Small Acts Big Change social media and television advertising campaign, which built upon a series of short videos produced by the campaign focusing on community champions across the region.
- Delivery of a Masterclass in smartphone filming to Council staff in March 2021. With video currently representing the most engaging content on social media, the workshop aimed to build the capability of Council staff to capture great video (using the resources available to them) to utilise in Council social media channels to support local community awareness, education and engagement programs.
- Production and launch of a video in September 2020 targeting the region wide issue of illegal dumping. The video sought to address the ongoing issue of illegal dumping by educating the community on how to avoid this outcome.
- Delivery of a mini-lockdown series highlighting simple tips and tricks to help communities reduce their waste while at home during the COVID lockdown period. This was comprised of five social media tiles covering problems such as food waste, textiles waste, and plastic waste.

DELIVERY STATUS: A review of the 2020/21 year has identified the following social media reach for the Small Acts Big Change Campaign:

- Reach 576,295 (unique)
- Impressions 1,079,182
- Video views 1,231,934

COMMUNITY RECYCLING CENTRES AWARENESS CAMPAIGN

PURPOSE: To deliver a regionally coordinated approach to promoting community awareness of Community Recycling Centres (CRC's).

ACTIVITY / OUTPUTS: For the first time the Hunter JO led the coordinated, region wide delivery of Council community education campaigns promoting access to and utilisation of Community Recycling Centres (CRCs). This involved continued regional delivery of CRC advertising across the region in conjunction with the Small Acts Big Change campaign. Given the closure of CRCs due to COVID lockdowns, the campaign incorporated a focus on boxing up problem waste, such as batteries or oil bottles, until CRCs reopened.

DELIVERY STATUS: In progress

GREEN CAFFEEN SWAP-AND-GO COFFEE CUP SCHEME

PURPOSE: The scheme aims to eliminate distribution of disposable cups by providing participating cafes and coffee outlets with reusable cups which are available for scheme members to use when buying their coffee. Councils participating in the initiative are Maitland, Port Stephens, Lake Macquarie, Cessnock, Singleton, Muswellbrook, Upper Hunter and Central Coast Council.

ACTIVITY / OUTPUTS: The Hunter JO, seven-member councils and Central Coast Council partnered with Green Caffein to deliver this Swap-and-Go Coffee Cup scheme across the region. Key activities delivered included:

- Joint media promotion by the Hunter JO, participating Councils and Green Caffein to encourage cafes to join the program commenced in February 2021, with the official program launch following in March
- Delivery of the program was significantly impacted by the 2021 COVID lockdown period, however is being reinvigorated as restrictions ease.

DELIVERY STATUS: In progress

STATE AND REGIONAL WASTE MANAGERS NETWORK

PURPOSE: To facilitate information sharing and collaboration between Councils and waste regions that contribute to the achievement of local and regional waste reduction targets.

ACTIVITY / OUTPUTS: The Hunter JO continued to coordinate and facilitate quarterly meetings of the Regional Council Waste Managers Network throughout 2020/21. As COVID restrictions tightened during 2021 this approach pivoted to hosting weekly sessions with Member Councils to share information and ideas around the public health order and its impacts on waste operations. The focus of this more frequent collaboration was to ensure the exchange of information across the region and to provide the opportunity for council staff during lockdown to discuss regional emergency management responses, as well as business continuity planning.

Hunter JO staff also continue to represent the Hunter and Central Coast in regular meetings of the NSW Regional Waste Coordinators Network convened by the NSW Environment Protection Authority.

DELIVERY STATUS: Ongoing Role / Activity

HUNTER REGIONAL ILLEGAL DUMPING (RID) SQUAD

PURPOSE: To determine the feasibility of the Hunter JO potentially hosting the Hunter RID Squad, and the most appropriate financial and operational model were this to occur.

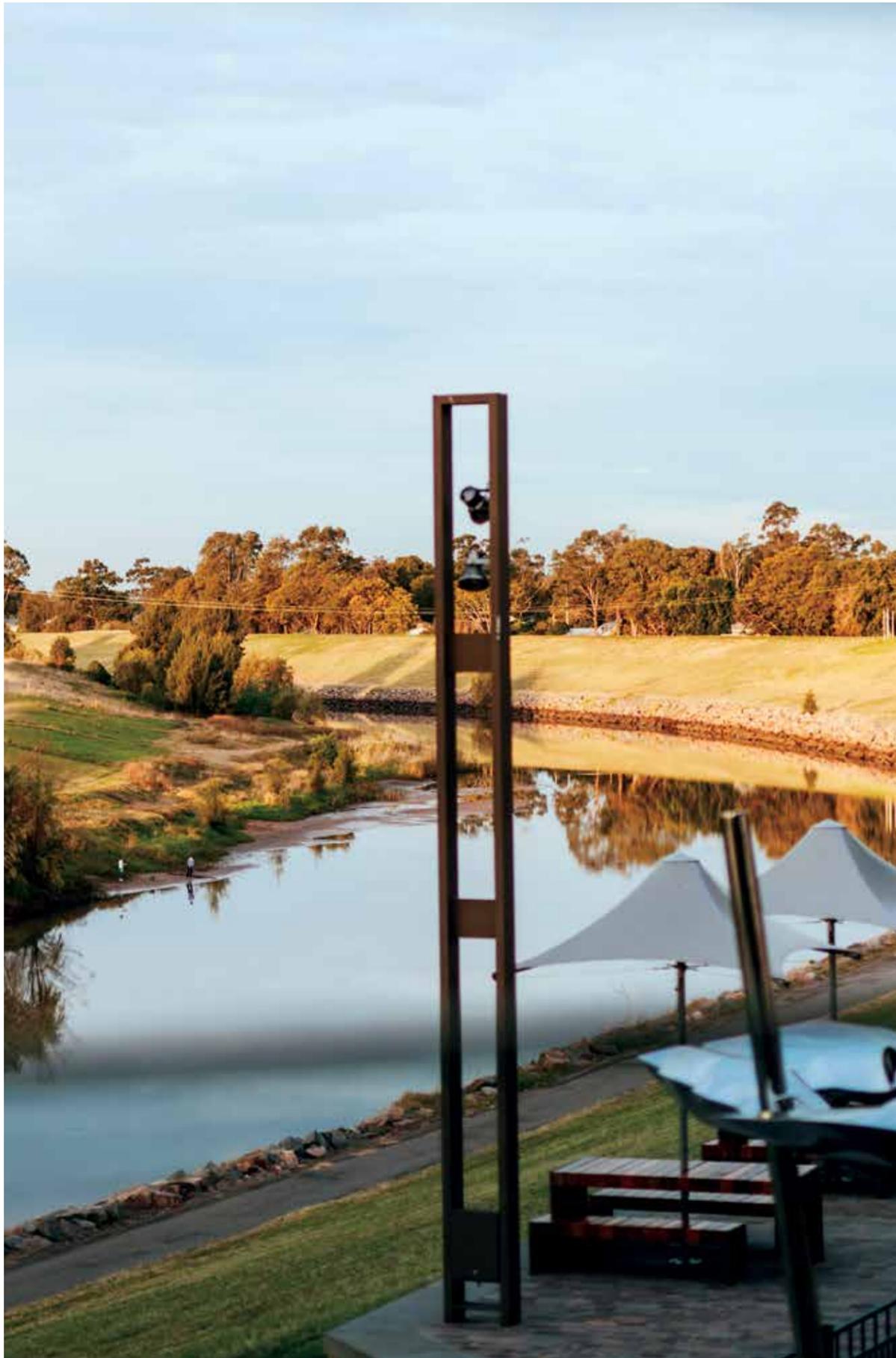
ACTIVITY / OUTPUTS: The NSW EPA, on behalf of the Hunter Central Coast Regional Illegal Dumping (HCCRID) Committee, has invited the Hunter JO to commence discussions regarding the potential support the JO could provide around hosting the Hunter RID Squad. The EPA and the HCCRID Committee have confirmed a strong commitment to continuing a regional approach to illegal dumping.

A report was made to the General Managers Advisory Committee and Hunter JO Board recommending that, subject to adequate resourcing being provided by the NSW EPA to undertake, a due diligence assessment be initiated by the Hunter JO to:

- Review existing state-wide approaches to the management of RID Squads
- Determine the feasibility of the Hunter JO potentially hosting the RID Squad
- Identify the most appropriate financial and operational model for the RID Squad were it to be hosted by the Hunter JO.

The Hunter JO will work with the EPA to progress this feasibility assessment, prior to making a recommendation to the Hunter JO Board on how to proceed in 2021/22.

DELIVERY STATUS: In progress



Action Area 3 - Our economy is multifaceted, resilient and is Australia's leading smart regional economy

3.1 Establish an Economic Sustainability Sub Committee, made up of representatives from member councils, to coordinate the economic development activity of the JO and report to the Board.

HUNTER JO REGIONAL ECONOMIC DEVELOPMENT FORUM

PURPOSE: The purpose of this regional network to be convened by the Hunter JO involving Council and Agency staff representatives is to:

- Capture regional expertise and knowledge to identify, design and deliver regional economic development initiatives in areas of shared regional interest.
- Facilitate operational alignment and collaborative design and resourcing between organisations to deliver these initiatives
- Facilitate ongoing networking, linkages, knowledge and resource sharing between Councils, government agencies and other key stakeholders involved in economic development programs across the region
- Provide a consultative forum to facilitate input to the Hunter JO, to assist it represent member Council interests and viewpoints to the various regional committees and networks on which it sits as a representative of local government.

ACTIVITY / OUTPUTS:

- Terms of Reference endorsed by the Hunter JO Board at its February 2021 meeting and Council staff representatives appointed to the Forum by General Managers.
- Quarterly meetings of the forum commenced, transitioning to more frequent, shorter on-line forums during the COVID shutdown period
- The Forum has provided a valuable collaborative mechanism through which to update Councils on the status and directions of a number of important regional initiatives being delivered by the State Government, including the review of the Hunter and Central Coast Regional Plans, Hunter Regional Transport Plan and Hunter Identity and Positioning Project.

DELIVERY STATUS: Ongoing Role / Activity

3.2 Work with the Hunter Research Foundation, University of Newcastle and other research partners to gather and analyse economic data and develop a regional attraction plan based on regional strengths in research, education, transport and logistics, aerospace, agribusiness and tourism.

HUNTER IDENTITY AND POSITIONING STRATEGY

PURPOSE: The purpose of this project being coordinated by the Hunter and Central Coast Development Corporation, is to establish the identity and brand of Greater Newcastle and the region to:

- Establish a unified brand platform for the Hunter
- Define and promote the region's competitive advantages
- Support the region to compete in the global marketplace, to capture the movement of talent and investment

ACTIVITY / OUTPUTS:

- The Hunter JO is represented on both the Project Control Group and the Local Government Reference Group for this initiative, which is being led by Regional NSW and the Hunter Central Coast Development Corporation.
- During the year the project completed a perception survey with over 1200 respondents from all over Australia, and 1 on 1 interviews with 10 large businesses and over 80 business surveys to provide a baseline understanding of perceptions of the Hunter region.
- A presentation was delivered to the Hunter JO Board in August 2021. Since that time, Regional NSW and HCCDC have determined to undertake further stakeholder / market based research prior to undertaking targeted consultation sessions with each Council on the potential directions identified for the Region's branding.

DELIVERY STATUS: In progress

REGIONAL STRATEGY REVIEW: EXPLORING THE ROLE OF LOCAL GOVERNMENT IN REGIONAL ECONOMIC DEVELOPMENT STRATEGY FOR THE HUNTER

PURPOSE: There are currently a range of strategies and initiatives being prepared and/or implemented across the region at various scales (local to federal), and by various agencies that are targeting economic development and investment attraction. The purpose of this project is to identify and review the focus and activities of the many initiatives currently in play in the region, to identify those priority areas of shared interest and/or gaps that the Hunter JO needs to be actively involved in addressing. This seeks to avoid duplication with existing programs, improve alignment between them, and ensure the shared interests of Councils are being considered. The outcome of this work will be a priority list of clear actions for the Hunter JO to pursue that are consistent with its statutory functions and strategic plan.

ACTIVITY / OUTPUTS: A review and synthesis of State and Local Government Economic Development Strategies has been completed. This work has included:

- Identifying core economic planning themes and the level of alignment between Councils across these
- Mapping existing regional programs and initiatives being delivered against each of these themes
- Identifying gaps and opportunities that have the potential to be addressed at a regional scale through the Hunter JO

Outputs are being fed into the next iteration of the Hunter Jo Strategic Plan.

DELIVERY STATUS: In progress

3.3 Deepen relationships with the Department of Planning and Environment and the Hunter Development Corporation and gain a commitment to a formal JO role in the implementation, monitoring and review of the Hunter Regional Plan 2036 and Greater Newcastle Metropolitan Plan 2036. Be an effective and outcome-oriented committee member.

GREATER NEWCASTLE METROPOLITAN PLAN – REVIEW OF REGIONAL GOVERNANCE OPTIONS

PURPOSE: The purpose of this project is to identify and explore potential regional governance models and/or legislative change that would ensure integrated, collaborative and effective delivery of the Greater Newcastle Metropolitan Plan.

ACTIVITY / OUTPUTS:

In April 2021 the Hunter JO Board resolved that an Options Paper be developed by the Hunter JO, in collaboration with GNMP Councils to:

- Review any existing analysis of the governance model for the GNMP as well as existing regional governance models and legislative mechanisms established to drive collaborative delivery of regional plans
- Identify potential alternative governance models and legislative mechanisms that could also be appropriate for delivering on the principles established within the MoU for GNMP delivery
- Provide recommendations on a preferred model and a process for progressing its establishment in collaboration with the NSW Government.

Individual consultation sessions were held during August and September 2021 with each of the organisations represented on the Steering Committee. The purpose of these sessions was to:

- Identify / confirm and explore key issues being experienced by stakeholder organisations with existing governance arrangements surrounding implementation of the GNMP;
- Provide feedback on the potential advantages and disadvantages of alternative regional governance models and/or legislative mechanisms identified through the Options Paper drafting process;
- Identify the primary elements considered necessary for inclusion in any potential alternative governance model for driving delivery of the GNMP; and
- Identify potential additional governance models to those identified in drafting the Options Paper that could also be appropriate for delivering on the principles established within the MoU for GNMP delivery.

The draft Options paper was provided to the Committee in October 2021. The Committee will now work together to co-define the core of the problem to be addressed in regard to regional governance issues, and to collaboratively develop a shared objective on the governance outcome that needs to be achieved, and the next steps on which to focus to move toward that objective.

DELIVERY STATUS: In progress

GREATER NEWCASTLE METROPOLITAN PLAN STEERING COMMITTEE

PURPOSE: The Terms of Reference for the Greater Newcastle Metropolitan Plan Steering Committee identify its role as overseeing the development and implementation of the Greater Newcastle Metropolitan Plan with the Department of Planning and Environment, Department of Premier and Cabinet and Hunter Development Corporation.

ACTIVITY / OUTPUTS:

At its 10th June 2021 meeting, the Hunter JO Board resolved to endorse:

- The Hunter JO assuming responsibility for the secretariat of the GNMP Steering Committee.
- An evaluation of the GNMP Subcommittee

During August and September 2021 individual consultation sessions were held with each of the organisations represented on the Steering Committee to:

- Identify existing perceptions and expectations as to the role and functions of the GNMP Standing Committee in its current format;
- Understand the key benefits / outcomes for each organisation arising from the operation of the Standing Committee, including key achievements to date;
- Identify potential issues or limitations with the current structure and systems of the Standing Committee that are thought to be constraining its potential effectiveness; and
- Identify recommendations / opportunities for improving the Committee structure, systems or processes to provide enhanced support, coordination and monitoring to GNMP delivery.

The outcomes of the consultation were presented to the meeting of the GNMP Steering Committee on 7th October 2021.

DELIVERY STATUS: Ongoing Activity

HUNTER JO REGIONAL PLANNING FORUM

PURPOSE: The purpose of this regional network to be convened by the Hunter JO involving Council and Agency staff representatives is to:

- Facilitate operational alignment and collaborative design, delivery and resourcing of regional land use planning strategies and initiatives
- Facilitate networking and knowledge sharing between Councils, agencies and other key stakeholders involved in regional planning initiatives
- Provide a consultative forum to assist the JO represent member Council interests and viewpoints to the various regional committees and networks on which it sits, including (but not limited to) the Hunter Regional Plan Review Steering Committee and Urban Development Program.

ACTIVITY / OUTPUTS:

- Terms of Reference endorsed by the Hunter JO Board at its February 2021 meeting and Council staff representatives appointed to the Forum by General Managers.
- Quarterly meetings of the forum commenced, transitioning to more frequent, shorter on-line forums during the COVID shutdown period
- The Forum has provided a valuable collaborative mechanism through which to update Councils on the status and directions of a number of important regional initiatives being delivered by the State Government, including the review of the Hunter and Central Coast Regional Plans, Hunter Regional Transport Plan and Hunter Identity and Positioning Project.

DELIVERY STATUS: Ongoing Role / Activity

REGIONAL POPULATION SCENARIO PLANNING

PURPOSE: To prepare population scenarios as a platform for informing an agreed long-term vision for regional population growth, and to influence strategic regional planning processes, delivery programs and regional migration strategies by all levels of government for the Hunter Region.

ACTIVITY / OUTPUTS:

A draft regional population scenario planning report has been developed to underpin three sub regional workshops with Councils (Upper Hunter, MidCoast and Lower Hunter) and an additional workshop with Agency and other external stakeholders delivered November 2021. The results of the workshops are being incorporated into a draft advocacy document. The next stage will be to familiarise the Hunter JO Board and member Council executives with the draft document and seek feedback.

DELIVERY STATUS: In progress

3.4 Work with the Hunter Regional Leadership Executive to deliver the Upper Hunter Economic Diversification Project Action Plan, monitor its success and review as needed.

HUNTER 2050

PURPOSE: The Hunter 2050 Foundation is an innovative approach to manage industrial change, seeking to lead investment and redevelopment in the region as well as helping businesses and workers seize new opportunities. It represents an innovative model for economic leadership that is proactive, market driven, place-based and locally led.

ACTIVITY / OUTPUTS:

A range of initiatives to promote or attract funding for Hunter 2050 were delivered through the year, including:

- Advocating for funding to establish the Foundation from the joint Commonwealth and State Regional Recovery Partnership Program.
- Grant application (\$4M) submitted to the Bushfire Local Economic Recovery Fund (BLERF).
- Delivery of media, communication and engagement strategy (December 2020 – February 2021)
- Commencing work on designing the structure and form of the Hunter Venture Fund, a central feature of the 2050 Foundation.

In August 2021 the Hunter JO Board resolved to repivot the focus of efforts surrounding Hunter 2050 so that moving forward the Hunter JO will:

- Continue its advocacy and engagement on the regional transformation challenge as this remains an enduring strategic priority for the region
- Seek to support and constructively influence the implementation of the Expert Panel and Royalties for Rejuvenation Fund, the Renewable Energy Zone, Special Activation Precinct, Catalyst Areas in the Greater Newcastle Metropolitan Plan and other relevant initiatives based on member assessments of key regional needs; and
- Retain a primary focus on advocacy and facilitation efforts aiming to:
 - Secure significant private sector investment, including through the Hunter Venture Fund concept, into new industries that can reduce long term risk and create new jobs; and
 - Maintain local leadership of solutions for the Hunter.

DELIVERY STATUS: In progress

HUNTER VENTURE FUND

PURPOSE: The purpose of establishing a Hunter venture Fund is to fill funding, investment and capability shortfalls to 2050, that are required to help the Hunter Region plan for change that is accelerated by advancing energy technologies that will reduce the world's reliance on coal over time.

ACTIVITY / OUTPUTS:

A consultant was engaged during the year to research and develop:

- A Pitch Deck to enable the Hunter JO to approach government and the funds management industry about investing in the Hunter Venture Fund (HVF)
- A Structuring Report providing recommendations on:
 - The structure, function and design of the HVF; and
 - Any further investigations that might be required to support the evidence base for the need for the fund.

Underpinning this work has been extensive consultation by the consultant and Hunter JO staff with key contacts in the local investment ecosystem.

DELIVERY STATUS: In progress

UPPER HUNTER REGION WEBSITE

PURPOSE: The delivery of this website was a key action in the Upper Hunter Economic Diversification Action Plan. It was developed in partnership between Regional NSW and the Hunter JO, to provide a central location for resources for investors, local business and community for the Upper Hunter.

ACTIVITY / OUTPUTS: The Hunter JO is now managing the website and associated Facebook, in collaboration with the Upper Hunter Economic Diversification Working Group, the four Upper Hunter Councils, and Regional NSW.

DELIVERY STATUS: Ongoing Role / Activity

UPPER HUNTER ECONOMIC DIVERSIFICATION WORKING GROUP

PURPOSE: The Upper Hunter Economic Diversification Working Group and Action Plan is responsible for articulating the Upper Hunter region's priorities for delivering a sustainable and secure economic future – leveraging existing regional advantages and expanding into new growth areas of agribusiness, renewable energy and the export of expertise in mining, advanced manufacturing and professional services to global markets.

ACTIVITY / OUTPUTS:

Hunter JO representatives continue to participate in the Working Group, to develop an integrated suite of policies to help the Upper Hunter's unique communities prosper over the long term. A core focus of the Working Group during the year has been integrating priority outcomes from the Upper Hunter Futures project into the Upper Hunter Economic Diversification Project Action Plan.

DELIVERY STATUS: Ongoing Role / Activity

3.5 Collaborate to ensure Newcastle and the Hunter realise our potential as a smart region and innovation ecosystem, driving jobs and investment whilst ensuring technology improves livability and sustainability for our region

SMART REGION PROJECT

PURPOSE: The Smart Region Project will be an overarching collation of smart region activities and projects across the region placed within an annual review document produced to market the progress of our region. Initially the project will review the existing state of smart city thinking and activity across the region to get a baseline of progress. This program will then outline the priorities of the region in the smart region context and develop a suite of priority actions and templates for regional use.

ACTIVITY / OUTPUTS:

Two workshops were delivered during the year focusing on:

1. Understanding each Councils progress toward a smart city, and identifying the gaps and opportunities for regional collaboration; and reviewing and developing potential templates and tools to assist Councils progress toward a smart region
2. Scoping the development of a data strategy for the Circular Economy program

DELIVERY STATUS: In progress

3.6 Develop a sustainable model to coordinate council-run events across the region and showcase the Hunter and attract local, national and international visitors.

REGIONAL EVENTS STRATEGY (ACCELERATING EVENT ECONOMIES)

PURPOSE: To strengthen the region's collective voice and the capacity of Councils to collaboratively pitch for major events for the region. It includes undertaking an events and opportunity audit, and identifying, preparing and implementing shared destination and event management resources including an event managers toolkit, prospectus, website and integrated council shared services, approvals and event data.

ACTIVITY / OUTPUTS:

An application for \$861,000 in grant funding was successfully made to the Bushfire Local Economic Recovery Fund (BLERF) for this initiative (funding announced July 2021), which will focus on:

1. Establishing a partner task group and regional events strategy working group
2. Undertaking an events and opportunity audit
3. Identifying, preparing and implementing destination and event management resource including event managers toolkit, prospectus, website and integrated council shared services, approvals and event data.

Delivery of the project will commence in 2021/22.

DELIVERY STATUS: In progress

3.7 Work with Destination NSW, Newcastle Airport and other partners to more strongly promote the Hunter as a multifaceted visitor destination. Develop a regional destination management plan.

DESTINATION SYDNEY SURROUNDS NORTH (DSSN) DESTINATION MANAGEMENT PLAN
<p>PURPOSE: To prepare a Destination Management Plan for the DSSN area, which includes the Hunter Region.</p>
<p>ACTIVITY / OUTPUTS: Hunter JO staff participated in initial stakeholder engagement coordinated by DSSN who are leading this project. The opportunity for further involvement is pending advice from DSSN as to the next stage of the Destination Plan development process.</p>
<p>DELIVERY STATUS: Pending advice from DSSN on next stages</p>

HUNTER GLOBAL: OUR INTERNATIONAL FUTURE
<p>PURPOSE: Building upon the earlier 2021 announcement of the upgrade of the Newcastle Airport runway to Code E Status, the Hunter JO is leading a collaborative partnership between the Hunter JO, Newcastle Airport, Committee for the Hunter, Business Hunter and the University of Newcastle to:</p> <ul style="list-style-type: none"> • Build collaborative processes and systems within the region to collectively identify and actively pursue key international opportunities for expanding the Airport's economic contribution to the Region • Directly support the expansion of international Airport related business and industry as a primary contributor to the Hunter Region's economic growth and diversification.
<p>ACTIVITY / OUTPUTS: Project planning is well underway with project partners to deliver:</p> <ul style="list-style-type: none"> • An online roundtable workshop (November 2021) to build interest, awareness and engagement by key regional stakeholder organisations in the design and planning of the Regional Airport summit to be delivered in 2022 • Regional Airport Summit (February 2022) – This major face to face event will identify and develop deeper understanding of the knowledge gaps for sectors that will be enabled through the runway upgrade, and identify and target specific and real outcomes for key industry, community and government sectors that can capitalise on the improved international connectivity that will result from the airport runway upgrade. • Development of an Opportunities Report, which will document the opportunities and aligned priorities identified through the roundtable and summit, and the actions needed to progress their delivery. • A suite of communication and advocacy collateral (print, social media, short videos) to provide an ongoing package of communication resources to support the JO and regional stakeholders continue to engage with and advocate to key decision makers at all levels of government and industry (domestically and internationally), of the importance and return to be realised from supporting or investing in the regional opportunities and investment priorities identified through the summit process.
<p>DELIVERY STATUS: In progress</p>

3.8 Work with the Department of Infrastructure, Regional Development and Cities to undertake more detailed exploration of the opportunities created by a City Deal, as well as the pre- conditions and process to develop a City Deal in the Hunter.

CITY DEAL ADVOCACY
<p>There is currently no active advocacy occurring around a City Deal, based on advice from the Commonwealth Government that there are no plans for Commonwealth Investment in City Deal initiatives at the current time. However other projects being initiated by the Hunter JO including the Population Scenario Planning and Regional Infrastructure Priority List initiatives will provide important foundations for future planning and advocacy work around a City Deal.</p>
<p>DELIVERY STATUS: Not progressing</p>

3.9 Explore and act on smart ways to transform local and global disruptions, such as the disruption of recycling services, into economic opportunities for the Hunter. ination. Develop a regional destination management plan.

HUNTER BIOCIRCULAR
<p>PURPOSE: To embrace world-leading innovations to develop a flagship community resources recovery model. By demonstrating a Circular Economy approach, Hunter BioCircular seeks to move the region toward zero waste to landfill, and in doing so provide long term economic, social and environmental benefits from processing waste locally, which will help transition the regional economy, deliver new local jobs and reduce carbon emissions.</p>
<p>ACTIVITY / OUTPUTS:</p> <ul style="list-style-type: none"> • Ongoing stakeholder engagement to develop the next steps for developing the concept plan and feasibility analysis. • An application for grant funding under the Bushfire Local Economic Recovery Fund (BLERF) was submitted January 2021 to support with progressing the Hunter BioCircular concept. This would focus on delivering concept plans for 4 multi-element circular economy waste processing precincts in the Hunter region. Each precinct will represent a key part of the Hunter and outline the potential for circular processing, green energy and value-added businesses delivering diversified employment opportunities and new industries to the Hunter. • The application for grant funding under the Bushfire Local Economic Recovery Fund (BLERF) was unsuccessful. • Next step (as resources permit) is to redesign the project to be focused on identifying one trial site, develop an implementation gap analysis for that site and to seek new funding opportunities for the concept.
<p>DELIVERY STATUS: In progress</p>

Action Area 4 - Our people and products move across the region easily on integrated and accessible transport networks

4.2 Coordinate and prepare submissions on regional planning initiatives such as the 2056 Freight and Ports Plan.

TRANSPORT FOR NSW ADVOCACY
<p>PURPOSE: To improve engagement with and outcomes from Transport for New South Wales within the region.</p>
<p>ACTIVITY / OUTPUTS: The Hunter JO has been involved in a number of initiatives to improve engagement with, and outcomes from Transport for New South Wales within the region, including:</p> <ol style="list-style-type: none"> 1. Engagement with the Deputy Secretary for Regional Outer Metropolitan to establish an ongoing conduit for local government to collectively engage with TfNSW, through the Hunter JO, at a level of management with the capacity to be more responsive to the need for reform and change. 2. Working with the TfNSW project team for Regional Transport Plan Review to: <ul style="list-style-type: none"> • improve process for local government to provide feedback (at operational and leadership levels) to the plan • enhance the integration of both local government input to the plan and ensure that the transport plan reflects the revised regional plan (including transparent governance and process commitments to get decisions on timing and funding of key projects) 3. Working with the Hunter region coalition with UDIA and Property Council to advocate in regard to TfNSW strategic planning and prioritisation processes and associated funding commitments not: <ul style="list-style-type: none"> • adequately supporting the land use strategic plans prepared by the Department of Planning, Industry and Environment and endorsed by Cabinet; • supporting transparent engagement and co-ordination with local government and industry.
<p>DELIVERY STATUS: Ongoing Role / Activity</p>

4.4 Engage at a senior level with key transport stakeholders including Transport for NSW, Roads and Maritime Authority, Newcastle Airport, Port of Newcastle and Keolis Downer to better understand their forward planning for the region.

HUNTER REGIONAL TRANSPORT PLAN
<p>PURPOSE: Transport for NSW are in the initial stages of developing a Hunter Regional Transport Plan. Its development is occurring in collaboration with DPIE's current process to review the Hunter Regional Plan to ensure these key documents are complementary. The Regional Transport Plan will aim to</p> <ul style="list-style-type: none"> • Enable Transport for NSW to respond proactively to anticipated changes in land use, demographics and travel demand • Establish a transport vision for the region • Details short, medium and long-term initiatives that in combination, support the transport vision
<p>ACTIVITY / OUTPUTS: This project is being led by Transport for NSW. During the year Hunter JO staff facilitated communication between the Transport for NSW planning process and member councils including:</p> <ul style="list-style-type: none"> • Briefings from Transport for NSW to meetings of the Hunter JO Regional Planning and Economic Development Forum • Hunter JO staff participation in sub regional planning workshops (Upper Hunter, Lower Hunter and Hunter) convened by Transport for NSW. • Briefing from Transport for NSW to the Hunter JO Board on the focus and progress of the Regional Strategy (August 2021).
<p>DELIVERY STATUS: In progress</p>

4.5 Use the in-depth evidence base to prepare Hunter JO agreed priority list of infrastructure, system and service improvements which will make the greatest difference to communities and businesses across the region. This will include expansion and connectivity between cycleways.

REGIONAL INFRASTRUCTURE PRIORITY LIST
<p>PURPOSE: To prepare an agreed list of regional and subregional infrastructure priorities to:</p> <ul style="list-style-type: none"> • Build and advocate a stronger case for investment in infrastructure priorities across the region • Identify the potential for shared interests and collaboration between Councils and other stakeholders in delivering local and regional scale infrastructure initiatives. • Identify a longer-term infrastructure investment pipeline, to provide transparency and confidence for potential investors, professional services and contractors to build their presence in the Hunter
<p>ACTIVITY / OUTPUTS: A consultant was engaged in June 2021 to deliver the key initial stages of this project, including:</p> <ul style="list-style-type: none"> • Researching and assessing existing infrastructure prioritisation methodologies currently in use in Australia and internationally. • Making recommendations on the preferred methodology or methodologies for undertaking objective, evidence-based analysis and prioritisation of infrastructure projects at regional and sub regional scales in the Hunter Region. <p>Phase 1 of this project has been completed, with provision by the consultant of:</p> <ul style="list-style-type: none"> • Final Stage 1 report incorporating prioritisation framework • Rapid cost-benefit analysis (CBA) template. • Scoping document for the preparation of a tool that automates the data collection process
<p>DELIVERY STATUS: In progress</p>

REGIONAL CYCLE TOURISM MASTERPLAN
<p>PURPOSE: Significant opportunity exists to link existing and planned cycleway infrastructure across Hunter JO member Councils; to create an integrated region wide network. This would provide both a valuable region wide recreational resource for residents, and the foundation upon which to generate economic and business development by holistically promoting the region as a key cycling destination. The purpose of this project is to prepare and implement a cycle tourism masterplan / Destination Management Plan for the region.</p>
<p>ACTIVITY / OUTPUTS: An application for grant funding under the Bushfire Local Economic Recovery Fund (BLERF) was submitted January 2021 to deliver the "Shiraz to Shore" project. The focus of this project would include:</p> <ul style="list-style-type: none"> • Gathering all existing cycle tourism experiences across the Hunter Region, including mountain biking, road and recreation cycling opportunities and package them up into a cohesive cycle tourism plan including a brand, marketing plan, product development, training and website; and • Developing the concept and planning for a connected cycling trail called "Shiraz to Shore" extending over 100km among the vineyards of the Hunter Valley, through heritage towns and rail trails to the beach and lake experiences of the Hunter. Funding has also been sought for a build program that could construct all sections of the Shiraz to Shore Trail, including the Richmond Vale Rail Trail section. • The application for grant funding under the Bushfire Local Economic Recovery Fund (BLERF) was unsuccessful. • Next step (pending resources) is to redesign the project into the component parts and seek new funding opportunities.
<p>DELIVERY STATUS: Funding required to progress</p>



PART 3

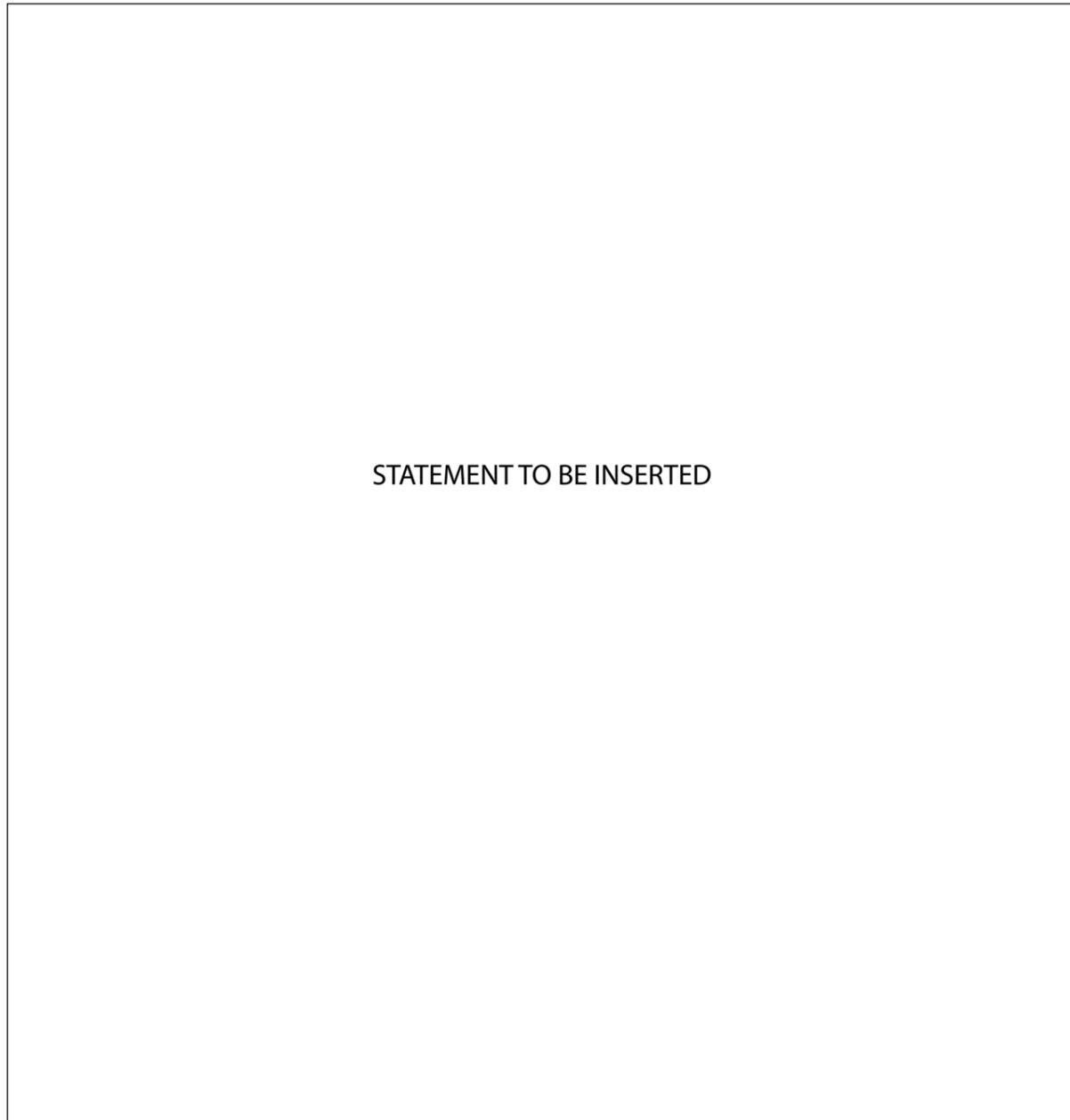
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Financial Statements

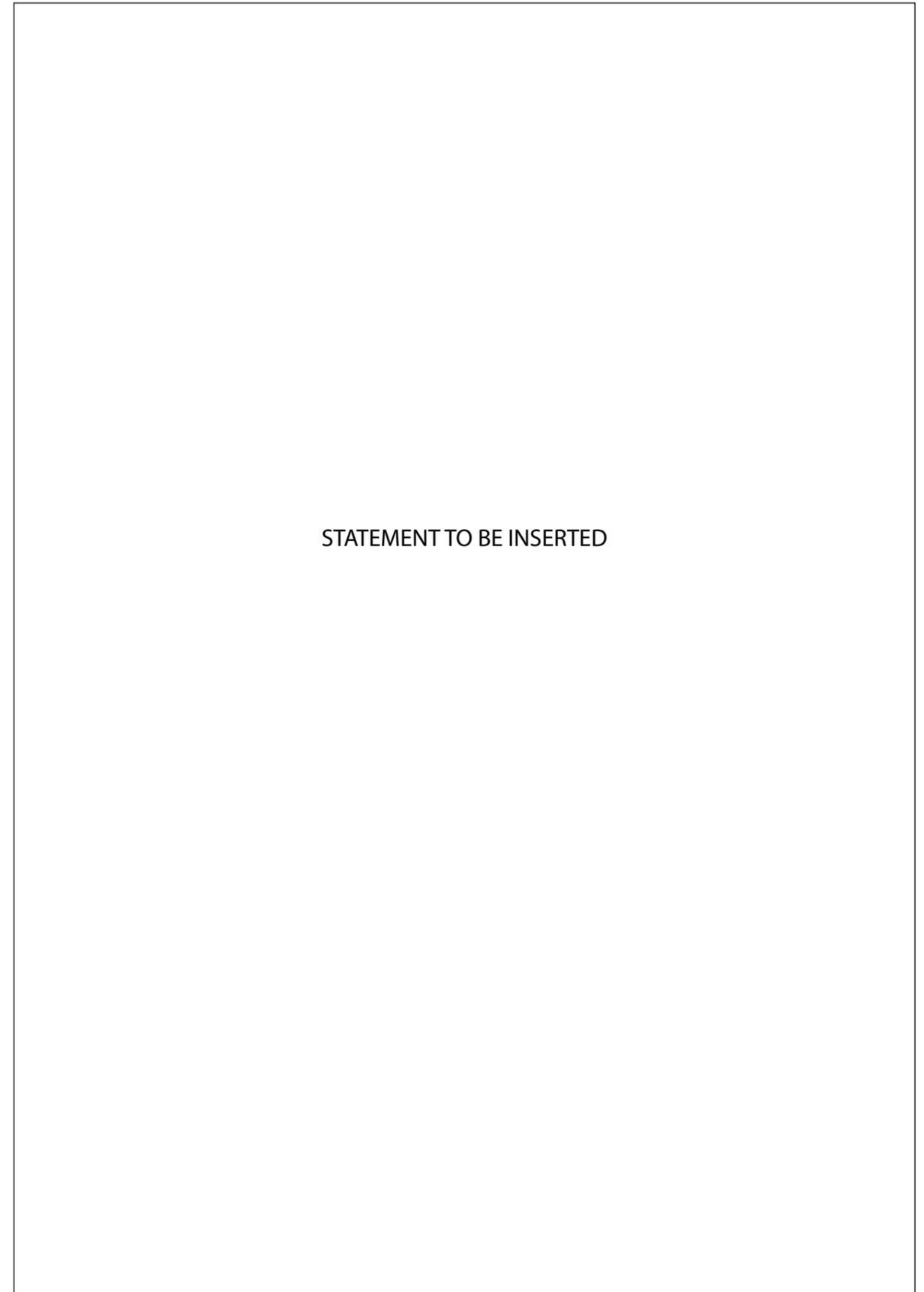
A full copy of the Audited Financial Statements for the 2020/2021 year is provided on the Hunter JO website at: hunterjo.com.au

Income Statement and Other Comprehensive Income for the year ended 30 June 2021



The above Income Statement and Other Comprehensive Income should be read in conjunction with the accompanying notes. The Joint Organisation has not restated comparatives when initially applying AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers and AASB 16 Leases. The comparative information has been prepared under AASB 111 Construction Contracts, AASB 118 Revenue, AASB 1004 Contributions, AASB 117 Leases and related Accounting Interpretations.

Statement of Financial Position



Statement of Changes in Equity for the year ended 30 June 2021

STATEMENT TO BE INSERTED

Statement of Cash Flows

STATEMENT TO BE INSERTED

Statutory Statements

Government Information Public Access (GIPA)

Hunter JO received zero formal access and zero informal applications for the reporting year under Government Information (Public Access) Act, 2009 (GIPA).

Overseas Travel

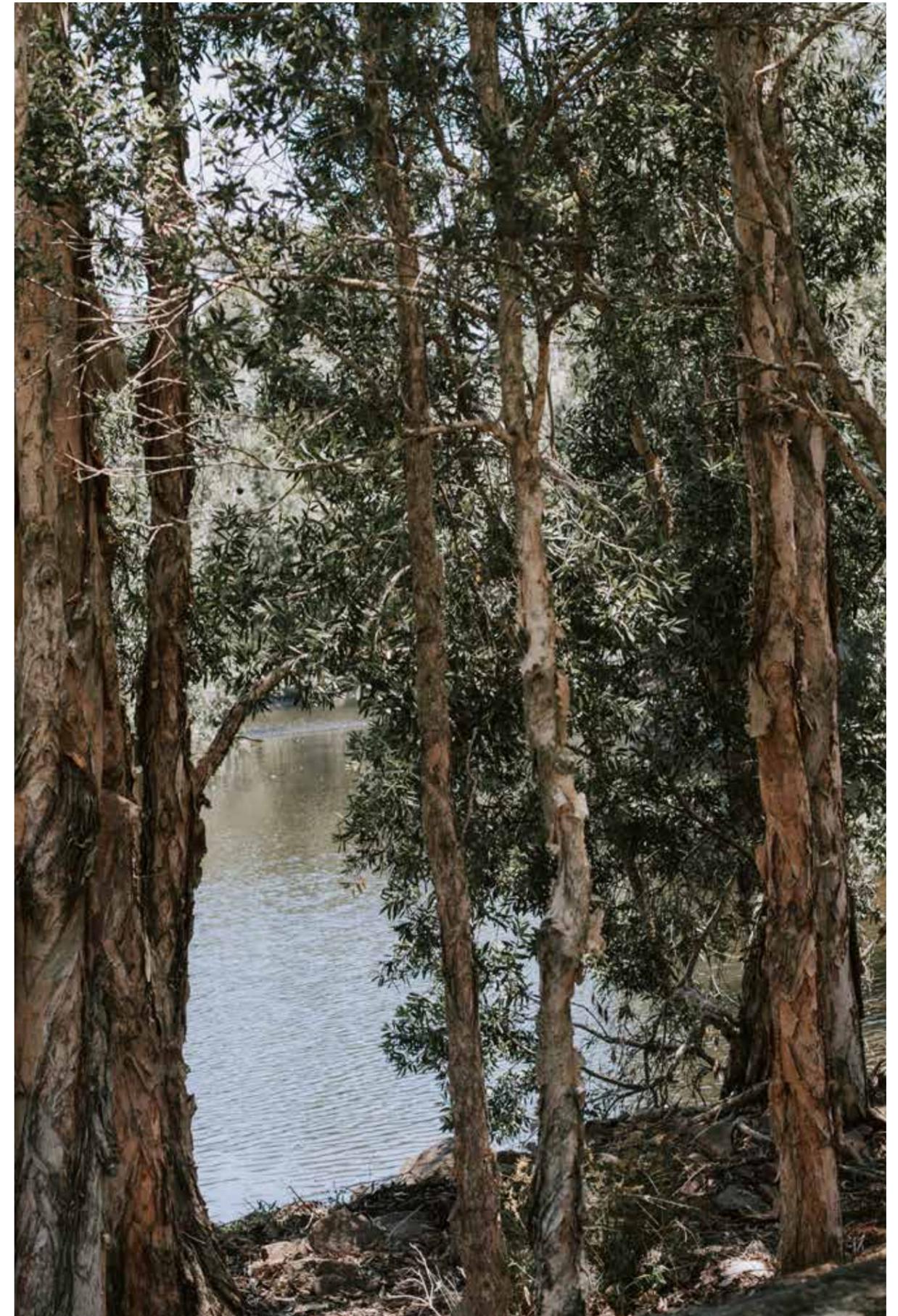
No representatives from the Hunter JO made any overseas trips during the 2020/2021 financial year.

Equal Employment Opportunity Management Plan

Our Hunter JO Diversity and Inclusion Policy is under consultation.

Remuneration Executive Officer

The total remuneration package of the Executive Officer for the 2020/2021 financial year was \$301,921 inclusive of salary, vehicle allowance, superannuation and fringe benefits tax payable (for the period).





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