



Hunter JO Board Meeting Papers

Thursday 12th February 2026

Godolphin's Kelvinside Stud - 401 Rouchel Road,
Aberdeen, NSW, 2336 (Upper Hunter Shire Council)

To join online:

[Click here to join the meeting online](#)

HUNTER JO AGENDA: 12 February 2026

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1. Acknowledgement of Country

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

2. Welcome and Apologies

2.1 Apologies

Apologies for the meeting to be received.

2.2 Conflicts of Interest

Report Author:	Bonnie Gradwell, Administration and Events Officer
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Recommendations:

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

Executive Summary:

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

Background

The following process is to be followed for the declaration of any conflicts:

- At the start of each meeting, the Chair will call for any conflicts from Board Members
- If any conflicts are declared within the meeting:
 - The Board Member making the declaration will complete the [Hunter JO Disclosure of Interest Form](#) within 10 business days of the meeting, for record-keeping (on submission, a copy of the completed form is provided to the Secretariat and the Chair).
 - The declaration will be added to the register, included at Appendix 2.2-A to be kept as a record for the course of the financial year within which the declaration was made.
- The Conflict of Interest Register will be noted at each meeting of the Hunter JO Board.

Discussion:

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

Financial / Resourcing Implications: Nil

Next steps: Nil

Appendices* / Attachments:**

- Appendix 2.2-A: Hunter JO Conflict of Interest Register

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

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

Appendix 2.2-A: Hunter JO Conflict of Interest Register

Any potential conflicts of interest declared are to be included in the below Register and the Board Member in question is to also complete the [Hunter JO Disclosure of Interest Form](#)

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

3. Minutes of Previous Meeting

3.1 Minutes of Meeting 4 December 2025

Report Author:	Bonnie Gradwell, Administration and Events Officer
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Recommendation:

- **That the minutes of the Hunter JO Board Meeting held on 4 December 2025 be received and noted.**

Hunter Joint Organisation Board Meeting Minutes

10.47am, Thursday 4 December 2025

MidCoast Council, Administration & Customer Service Centre Yalawanyi Ganya

Voting Members Present

Mayor Daniel Watton	Cessnock City Council (Online)
Mayor Digby Rayward	Dungog Shire Council
Mayor Adam Shultz	Lake Macquarie City Council
Mayor Claire Pontin	MidCoast Council
Mayor Jeffrey Drayton	Muswellbrook Shire Council
Mayor Leah Anderson	Port Stephens Council (Deputy Chair) (Online)
Mayor Sue Moore	Singleton Council (Chair)
Mayor Maurice Collison	Upper Hunter Shire Council (Online)

Non-Voting Members Present

Peter Chrystal	Interim General Manager, Cessnock City Council (Online)
Tony Farrell	Acting CEO, Lake Macquarie City Council
Jeff Smith	General Manager, Maitland City Council
Adrian Panuccio	General Manager, MidCoast Council
Derek Finnigan	General Manager, Muswellbrook Shire Council
Jeremy Bath	CEO, City of Newcastle
Justin Fitzpatrick-Barr	General Manager, Singleton Council
Greg McDonald	General Manager, Upper Hunter Shire Council
Virginia Errington	Council Engagement Manager, Office of Local Government
Shaun O'Sullivan	Director North - Regional Coordination, Delivery & Engagement Group – Premier's Department NSW

Apologies

Mayor Philip Penfold	Maitland City Council
Lord Mayor Ross Kerridge	City of Newcastle
Deputy Lord Mayor Charlotte McCabe	City of Newcastle
Gareth Curtis	General Manager, Dungog Shire Council
Tim Crosdale	General Manager, Port Stephens Council

Staff in Attendance

Steve Wilson	Executive Officer, Hunter JO
Tim Askew	Director of Programs, Hunter JO
Kim Carland	Advocacy and Government Relations Lead, Hunter JO
Bonnie Gradwell	Administration and Events Officer, Hunter JO (Secretariat)
Anja Carlen-Jorgensen	Advocacy and Communications Officer, Hunter JO

The formal meeting opened 10.47am.

Item 1 Acknowledgement of Country

The chair opened the meeting and welcomed the Board with an Acknowledgment of Country.

Item 2 Welcome & Apologies

2.1 Apologies

Apologies for the meeting were received.

2.2 Conflicts of Interest

No conflicts of interest were declared.

Resolved: That any Conflicts of Interest be declared and noted.

Moved: Mayor Adam Shultz, Seconded: Mayor Digby Rayward, Carried.

Item 3 Minutes of Previous Meeting

3.1 Minutes of Meeting 16 October 2025

Resolved: That the minutes of the Hunter JO Board Meeting held on 16 October 2025 be received and noted.

Moved: Mayor Digby Rayward, Seconded: Mayor Adam Shultz, Carried.

Item 4 Actions Arising from Minutes

4.1 Hunter JO Board Action Register

Resolved: That the status of actions included in the Register be noted.

Moved: Mayor Leah Anderson, Seconded: Mayor Claire Pontin, Carried.

Item 5 Presentations

Nil.

Item 6 Correspondence

Resolved: That the correspondence be received and noted.

Moved: Mayor Leah Anderson, Seconded: Mayor Maurice Collison, Carried.

Item 7 Items for the Hunter JO Board: For Decision

7.1 Code of Meeting Practice

Resolved: That the Board

- ***Endorse the updated Hunter JO Code of Meeting Practice (4th December 2025).***
- ***Not authorise the person presiding at a meeting to exercise a power of expulsion.***

Moved: Mayor Digby Rayward, Seconded: Mayor Leah Anderson, Carried.

7.2 Hunter Worker Transition Advisory Group – Local Government representation

Resolved:

- ***Endorse continued participation by a Hunter JO staff representative on the Hunter Worker Transition Advisory Group to represent the shared regional interests and priorities of the Member Councils.***
- ***Write to the Hon Minister Amanda Rishworth, Federal Minister for Employment and Workplace Relations to express the Board's strong dissatisfaction with the nature of representation on the Hunter Worker Transition Advisory Group and to seek the opportunity to meet with the Minister to discuss these concerns.***

Moved: Mayor Jeffrey Drayton, Seconded: Mayor Digby Rayward, Carried.

7.3 Draft Hunter JO Investment Policy

Resolved: That the Board endorse the draft Hunter JO Investment Policy.

Moved: Mayor Daniel Watton, Seconded: Mayor Maurice Collison, Carried.

Item 8 Items for the Hunter JO Board: For Noting

8.1 NSW Joint Organisation Chairs Forum Reports and Minutes

Resolved: That the Board note the information provided.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.2 Code of Conduct Complaints

Resolved: That the Board note the annual report on code of conduct statistics has been provided to the NSW Department of Local Government for the 1 October 2024 to 30 September 2025 reporting period.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.3 LGNSW Conference – Shared Regional Motions

Sue Moore, Mayor of Singleton Council acknowledged and congratulated Mayor Adam Shultz, Mayor Claire Pontin and Cr Callum Pull (City of Newcastle) on their recent election to the LGNSW Board.

Resolved: That the Board note the report.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.4 Hunter JO Financial Report

Resolved:

- *That the YTD Income Statement for the month ending October 2025 be received and noted.*
- *That the summary of Credit Card expenditure for Hunter JO for YTD October 2025 be received and noted.*

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.5 Hunter JO Funding & Grant Opportunities

Resolved: That the Board note the update on funding and grant opportunities.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.6 Hunter JO Program Status Report

Resolved: That the report be received and noted.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.7 Hunter JO Risk Register

Resolved:

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

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.8 Annual Hunter JO Compliance Calendar Checklist

Resolved: That the Hunter JO Board note the status of the Compliance Calendar Checklist.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.9 Premier's Department Update

Resolved: That the Hunter JO Board note the update from the Premier's Department.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.10 Office of Local Government (OLG) Update

Resolved: That the Board note the OLG update.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

8.11 Update from Net Zero Economy Authority

Resolved: That the Hunter Joint Organisation Board note the update from the Net Zero Economy Authority and the Department of Employment and Workplace Relations on activities in the Hunter region.

Moved: Mayor Leah Anderson, Seconded: Mayor Adam Shultz, Carried.

Item 9 Matters Raised by Members

Nil.

Item 10 General Business

Adam Shultz, Mayor of Lake Macquarie City Council proposed that the Hunter JO:

- *Congratulate Mayor Darcy Byrne him on his successful election as LGNSW President*
- *Further advocate to the Hon Penny Sharpe, NSW Minister for Climate Change, Energy, Heritage and the Environment, EnergyCo and HomesNSW on the need to create a lasting housing legacy for the region via the use and subsequent repurposing of modular homes in worker accommodation camps.*

Resolved: That the Hunter JO:

- ***Write to Mayor Darcy Byrne congratulating him on his successful election as LGNSW President and inviting him to meet with the Hunter JO Board in 2026.***
- ***Write to EnergyCo and the Hon Penny Sharpe, NSW Minister for Climate Change, Energy, Heritage and the Environment advocating for worker accommodation to comprise modular homes suitable for repurposing to provide legacy housing across the region.***

Moved: Mayor Adam Shultz, Seconded: Mayor Digby Rayward, Carried.

Formal meeting closed at 11.17am.

4. Actions Arising from Minutes

4.1 Hunter JO Board Action Register

Recommendation:

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

I.D	Action	Mtg Date		Due	Notes
HJO-24-020	That the Board endorse collaborating with other Joint Organisations to develop a shared ARIC model for implementation	24 Oct 24	In progress	Feb 2026	<p>February 2026: A Memorandum of Understanding has been developed to facilitate operation of the shared ARIC between Hunter, Illawarra-Shoalhaven and Central NSW JOs. Refer Agenda Item 7.1.</p> <p>December 2025: As previously reported, we are still targeting a 29 May 2026 commencement date, however the plan to achieve that date has been amended to incorporate the inclusion of Mid North Coast JO. The next step in development is for each JO participating to nominate representatives for the working group and begin reviewing the MoU and ARIC structure as per the implementation plan.</p> <p>October 2025: Planning for ARIC continues with Illawarra Shoalhaven JO, Central NSW JO and Mid North Coast JO. Estimated commencement date is May 2026 to align with Mid North Coast JO end of existing ARIC.</p> <p>August 2025: The Boards of Central NSW JO and Mid North Coast JO have confirmed their interest and intent to participate in a shared ARIC. Meeting scheduled for 6th August to progress planning and development.</p> <p>June 2025: Other JO's have been asked to confirm their intent to join a shared ARIC with the Hunter JO by 30 May 2025. Refer Agenda Item 7.10 "Shared ARIC" for more information.</p> <p>April 2025: Report on proposed shared ARIC model will be presented to NSW JO Chairs Forum meeting on 7th May 2025 for consideration.</p> <p>February 2025. Hunter JO is leading collaboration with broader joint organisation network.</p>

I.D	Action	Mtg Date		Due	Notes
HJO-25-006	<p>Hunter JO participate in a state-wide collaborative approach to:</p> <ul style="list-style-type: none"> • Understanding and applying the new benefit-sharing guideline for large-scale energy developments • Developing council policies and procedures for negotiating community benefits-sharing arrangements; and • Advocating for clear planning processes, additional guidelines and retrospective arrangements to ensure net community benefit for regional host communities for all energy developments. 	16 Oct 25	In progress	Oct 2026	<p>February 2026: The next meeting of participating JOs and other alliances of Councils is scheduled for late February 2026 to identify shared positions and actions for the next stage of implementation.</p> <p>December 2025: The status of Joint Organisations and other alliances of councils also committing to participate in this initiative includes:</p> <ul style="list-style-type: none"> • Confirmed by Canberra Region JO, Riverina & Murray JO, Central NSW JO and Hunter JO • Participation pending next available Board meetings for Mid North Coast JO, Illawarra Shoalhaven JO and Riverina East Regional Organisation of Councils (REROC). • Interest in collaborating confirmed by the Association of Mining and Energy Related Councils (MERC) and the Coalition of Renewable Energy Councils (CoREM) • Advice pending from Country Mayors Association.
HJO-25-007	Write to the Hon Minister Amanda Rishworth, Federal Minister for Employment and Workplace Relations to express the Board's strong dissatisfaction with the nature of representation on the Hunter Worker Transition Advisory Group and to seek the opportunity to meet with the Minister to discuss these concerns.		Completed	Feb 2026	February 2026: Action completed. Correspondence forwarded to Minister Rishworth, refer Attachment 6-3. Reply pending.
HJO-25-008	Write to Mayor Darcy Byrne congratulating him on his successful election as LGNSW President and inviting him to meet with the Hunter JO Board in 2026.		In progress	Feb 2026	February 2026: In progress
HJO-25-009	Write to EnergyCo and the Hon Penny Sharpe, NSW Minister for Climate Change, Energy, Heritage and the Environment advocating for worker accommodation to comprise modular homes suitable for repurposing to provide legacy housing across the region.		Completed	Feb 2026	<p>February 2026: Action completed.</p> <p>Correspondence received from the Minister shortly after December 2025 Board meeting providing an update on the status of modular housing initiatives by the NSW Government (refer Attachment 6-5). Subsequent correspondence from Hunter JO to reflect Board resolution adapted to both acknowledge the Minister's update and seek a further meeting with the Board in March 2026 (refer Attachment 6-3).</p>
HJO-25-010	Hunter JO to proceed with establishing a short-term high interest account to invest Hunter JO grant funds.		In progress	Feb 2026	February 2026: In progress. Working with our existing bank (Westpac) to provide a higher interest option and investigating options with Macquarie Bank.

I.D	Action	Mtg Date		Due	Notes
HJO-25-011	Write to DNSW and Minister of Tourism re supporting funding for a Hunter Regional Brand.		In progress	Feb 2026	<p>February 2026:</p> <p>Engagement undertaken with Destination Sydney Surrounds North and Newcastle Airport to draft a joint letter to the Minister. Given we have also secured a meeting with Minister Kamper on 19 March 2026 in Parliament House (which will also include the CEO of Destination NSW), this action will be incorporated into the correspondence to be provided to the Minister with our pre-meeting briefing materials.</p>

Key: Complete In progress Incomplete

5. Presentations

Nil.

6. Correspondence

Report Author:	Bonnie Gradwell, Administration and Events Officer
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Recommendation: <ul style="list-style-type: none">• That the correspondence be received and noted.

Executive Summary:

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

Background: Nil

Discussion: Nil

Financial / Resourcing Implications: Nil

Next steps: Nil

Appendices* / Attachments**:

Correspondence Sent:

- Attachment 6-1: Correspondence template to NSW Parliament Ministers & Hunter MPs re Invitation to meet with Hunter JO Mayors to discuss 2027 NSW election priorities, 19 December 2025

Recipients	
Ministers	Hunter MPs
<ul style="list-style-type: none">• The Hon Anoulack Chanthivong MP• The Hon Chris Minns MP• The Hon Courtney Houssos MLC• The Hon Daniel Mookhey MLC• The Hon Emily Suvaal MP• The Hon Janelle Saffin MP• The Hon Jenny Aitchison MP• The Hon Paul Scully MP• The Hon Penny Sharpe MLC• The Hon Ron Hoenig MP• The Hon Rose Jackson MLC• The Hon Stephen Kamper MP• The Hon Yasmin Catley MP	<ul style="list-style-type: none">• Mr Clayton Barr MP• Mr Robert Dwyer MP• Mr Tim Crakanthorp MP• Mrs Tanya Thompson MP• The Hon Greg Piper MP• The Hon Jodie Harrison MP• The Hon Kate Washington MP• The Hon Sonia Hornery MP

- Attachment 6-2: Correspondence template to NSW Parliament Shadow Ministers re Invitation to meet with Hunter JO Mayors to discuss 2027 NSW election priorities, 19 December 2025

Recipients	
Shadow Ministers	
<ul style="list-style-type: none"> • Mr Dave Layzell MP • Mr Geoffrey Provest MP • Mr Gurmeh Singh MP • Mr James Griffin MP • Mr Mark Coure MP • Ms Kellie Sloane MP • The Hon Paul Toole 	<ul style="list-style-type: none"> • Ms Stephanie Cooke MP • The Hon Damien Tudehope MLC • The Hon Kevin Anderson MP • The Hon Scott Farlow MLC • The Hon Chris Rath MLC • Ms Eleni Petinos

- Attachment 6-3: Correspondence to The Hon Penny Sharpe MLC re acknowledgement of modular housing initiatives and request to meet Hunter JO Mayors to discuss NSW Election Priorities, 19 December 2025
- Attachment 6-4: Correspondence to The Hon Amanda Rishworth MP re: Hunter Worker Transition Advisory Group, 5 January 2026

Correspondence Received:

- Attachment 6-5: Correspondence from The Hon Penny Sharpe MLC re Feasibility analysis being undertaken by EnergyCo and HomesNSW for modular housing, 10 December 2025
- Attachment 6-6: Correspondence from LGNSW re: Hunter Councils Asbestos Workshop 25 November 2025, 17 December 2025
- Attachment 6-7: Correspondence from Maitland City Council re: Advocacy for Waste Levy Categorisation Alignment, 17 December 2025
- Attachment 6-8: Correspondence from Local Land Services re: Responding to unattended or trespassing stock on public and private land, 19 December 2025
- Attachment 6-9: Correspondence from Cassie Malone Audit Office NSW re: Management letter on the Final Phase of the Audit for the Year Ended 30 June 2025, 30 January 2026 (CONFIDENTIAL)

Regional Submissions:

- Attachment 6-10: Regulatory Framework for Gas Connections, 11 December 2025
- Attachment 6-11: NSW Budget Submission 2026-2027, 22 December 2025
- Attachment 6-12: Federal Budget Submission 2026-2027, 30 January 2026
- Attachment 6-13: Federal Inquiry into Local Government Funding and Fiscal Sustainability, 3 February 2026

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

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

7. Items for the Hunter JO Board: For Decision

7.1 Memorandum of Understanding – Shared ARIC

Report Author:	Tim Askew, Director of Programs
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Recommendation: That the Board:

- **Notes the shared ARIC model update.**
- **Endorses the Memorandum of Understanding (MoU)**
- **Endorses the Terms of Reference (ToR)**

Executive Summary:

This report provides an overview of the progress toward the establishment of a shared Audit, Risk & Improvement Committee (ARIC) among 3 Joint Organisations (JOs): Hunter JO, Central NSW JO and Illawarra Shoalhaven JO. The initial priority is for the Board to endorse the Memorandum of Understanding (MoU) and Terms of Reference (ToR) for the shared ARIC. The shared ARIC implementation plan is included in appendix 7.1-A for noting, which identifies that we are on track for a commencement date of 1 June 2026.

Background:

Under Section 428B of the NSW Local Government Act, Joint Organisations are permitted to enter into a shared ARIC arrangement. The NSW OLG permits the establishment of Shared ARICs due to the operational scale, size, and lower risk profiles of our organisations. This approach not only reduces costs but also avoids duplication of efforts. Our Board along with Illawarra Shoalhaven JO and Central NSW JO Boards have resolved to pursue a shared ARIC model.

Discussion:

The next stage of developing the shared ARIC is the signing of the Memorandum of Understanding (MoU) and endorsement of the Terms of Reference (ToR). The MoU and ToR are developed from NSW OLG model documents as well as other local government organisation examples. Creation of these documents is the NSW OLG recommended approach to developing the ARIC and we have workshopped the draft documents with our partner JOs. We have adapted the model documents to reflect:

- a proportionate, risk-based approach consistent with our relative size
- the limited resources of Joint Organisations
- the shared governance arrangements set out in the Memorandum of Understanding (MoU)

Memorandum of Understanding (MoU)

The MoU establishes a framework for a shared ARIC to work collaboratively with our partner JOs.

The key elements of note in the MoU, include:

- The initial term aligns to local government elections and concludes in September 2028, with the model reviewed annually by JO Executive Officers.
- The shared ARIC is an advisory body only and will work within NSW OLG guidelines, the Local Government Act and the Terms of Reference (attached).
- The ARIC will consist of 3 independent voting members (including a chair) - Current Board Members (Councillors/Mayors) and staff of the Participating JOs are ineligible to be Voting Members.
- The ARIC may nominate a non-voting nominee and observers as per the table in section 4.3 of the MoU.

- The Lead JO will manage the ARIC and each JO will take turns as the lead to reduce costs and manage internal resource implications.
- The sharing reduces costs and we have set a maximum budget of \$15,000 per JO to limit Committee and internal audit costs.
- Partners to the MoU can be terminated for any reason with 6 months' notice, subject to all outstanding costs being covered.
- Privacy and confidentiality maintained between Participating JOs.

Terms of Reference (ToR)

The ToR outline the objectives and operating parameters of the Committee. This includes providing independent assurance to each participating JO by monitoring, reviewing and providing advice on the adequacy and effectiveness of:

- governance arrangements
- risk management and internal controls
- compliance and fraud prevention
- financial management and reporting
- internal and external audit
- continuous improvement and performance monitoring

The Committee will develop work plans for each Participating JO, meet 4 times per year to monitor the plans and report against these work plans after each of the meetings. These reports will be included in the normal Hunter JO Board meeting schedule as a separate report.

Financial / Resourcing Implications:

The MoU outlines the limits placed on resourcing and budget to achieve the shared ARIC outcomes and objectives. The maximum budget provided by each shared ARIC partner is \$15,000, which will cover the Committee and internal audit costs. Resource allocation for administration of the shared ARIC will initially rest with the Hunter JO for the first 2 years and will be managed by the Administration Officer, Director of Programs and Executive Officer within normal operations.

Appendices* / Attachments:**

- Appendix 7.1-A: Shared ARIC_Summary Implementation Plan
- Attachment 7.1-1: Memorandum of Understanding Shared ARIC
- Attachment 7.1-2: Terms of Reference Shared ARIC

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

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

Appendix 7.1-A: Shared ARIC Summary Implementation Plan

*U= Underway; TC = To commence; C = Complete

Task	Responsibility	Timing	Status*
Establish Shared ARIC project working group	Hunter JO (lead)	Nov 25	C
Draft shared ARIC Terms of Reference & MOU	Hunter JO (lead) with project group	Nov 25 – Jan 26	C
Identify prospective independent Chair & ARIC members and develop EOI for ARIC members	Project group	Nov 25 – Feb 26	U
Allocate ARIC budget into JO budgets	Each JO	By Jun 26 each yr	U
Obtain formal JO Board approvals (join shared ARIC, adopt ToR, sign MOU)	Each JO Board	Feb- May 26	U
Appoint ARIC members (Chair & independents) & confirm acceptance	Hunter JO (lead)	by May 26	TC
Review and finalise internal JO policy/frameworks required by OLG/ARICs	Each JO	Feb- May 26	TC
Establish internal audit approach (shared resource or contract)	Project group	May 26	TC
Lock in 2026 ARIC meeting schedule	Hunter JO (lead) & ARIC Chair	Feb – May 26	TC
Conduct ARIC member induction (JO context, legal framework)	Hunter JO (lead) & ARIC Chair	May 26	TC
Hold inaugural ARIC meeting (approve work plan, review risk registers)	ARIC Chair & members	May 26	TC
Provide first quarterly ARIC report to each JO Board	ARIC Chair & secretariat	By Aug 26	TC
Deliver 2025–26 Annual ARIC Report to all Boards	ARIC Chair & secretariat	By Aug 26	TC
Review ARIC operations & stakeholder feedback	Project group & ARIC Chair	Jun 2026	TC
Plan rotation of lead JO secretariat role for 2028	All JO CEOs & ARIC Chair	Late 2027	TC

7.2 Mid-Year Budget Review

Report Author:	Tim Askew, Director of Programs
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<p>Recommendation:</p> <ul style="list-style-type: none"> That the Board endorse the mid-year budget review for 2025/26 financial year.

Executive Summary:

To provide the Board with an update on any changes to the current financial year budget for endorsement. There is an increase in operational surplus for 2025/26, mostly related to salary cost savings.

Background:

A large proportion of Hunter JO's budget is related to our capacity building work in the grants program. Six months into this year's grant program there has been some minor change of grant timing, delivery costs and personnel changes that require adjustment to the budget.

Discussion:

The budget review is built upon the actual results to December 2025 and a forecast to the end of the financial year 2025/26. The full year forecast is for an operational surplus of \$20,567, which is an improvement of \$18,480 compared to the original operational surplus of \$2,087.

The major changes in budget are outlined below:

Description	Mid-Year Forecast	Original Budget	Difference	Notes
Gross profit	\$1,553,517	\$1,393,655	+\$159,862	Changes in grant delivery costs, timing and moving Cadets costs from direct labour to indirect labour
Overhead Labour	\$830,246	\$712,565	-\$112,851	This is mostly due to delaying employment of staff due to grant delays, staffing changes and efficiencies in grant administration

The full detail of changes to the budget is shown at attachment 7.2-1 (highlighted in blue)

Financial / Resourcing Implications: As stated in Mid-year forecast

Next steps: Nil.

Appendices* / Attachments **:

- Attachment 7.2-1 Mid-Year Budget Review

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

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

8. Items for the Hunter JO Board: For Noting

8.1 Hunter JO Six-monthly Performance Statement July -December 2025

Report Author:	Anja Carlen-Jorgensen, Advocacy and Communications Officer
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Recommendation:

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

Executive Summary:

The Hunter JO Six-monthly Performance Statement provides an update on the advocacy and grant funded capacity building activities of the Hunter JO, in line with the [Hunter JO Strategic Plan 2035](#) adopted by the Board in 2025. The report covers the period 1 July 2025 to 31 December 2025.

Background:

In addition to providing the Hunter JO Board with information on the focus and status of advocacy activities, intergovernmental collaboration and capacity building programs being delivered by the Hunter JO team, the program report also provides a vehicle for readily communicating this information to a range of both internal and external stakeholders, including council officers, state and commonwealth government agencies, and regional bodies.

Key information provided by the report includes:

- Political Engagements
- Media
- Regional Submissions
- Strategic Engagements
- Grant Funded Program Updates

Discussion: Nil

Financial / Resourcing Implications: Nil

Next steps: Nil

Appendices* / Attachments:**

- Attachment 8.1-1: Hunter JO Six-monthly Program Report (July - December 2025)

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

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

8.2 Hunter JO Financial Report

Report Author:	Tim Askew, Director of Programs
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Recommendations:

- That the YTD Income Statement for the month ending December 2025 be received and noted.
- That the summary of Credit Card expenditure for Hunter JO for YTD December 2025 be received and noted.

Executive Summary:

This report provides, for noting:

- The year-to-date Hunter Joint Organisation consolidated financial statements for the month ending December 2025.
- The summary of Credit Card expenditure for Hunter JO for YTD December 2025

Background: Nil

Discussion:

Income Statement Summary

SUMMARY	ACTUAL	ACTUAL	BUDGET	YTD	YTD	ANNUAL	FORECAST
INCOME STATEMENT HIGHLIGHTS	Current Month	YTD	YTD	VARIANCE	PRIOR YEAR	BUDGET	BUDGET
HJO GROUP							
HUNTER COUNCILS INCORPORATED	2,828	(744)	(954)	-28%	(72,505)	13,664	13,664
HUNTER JOINT ORGANISATION	(39,865)	121,162	(19,459)	-116%	18,303	2,087	2,087
TOTAL NET PROFIT / (LOSS) - OPERATIONS	(37,037)	120,417	(20,413)	(1)	(54,203)	15,751	15,751
HJO Subsidy	-	-	-	-	-	-	-
Extraordinary Expenses	-	-	-	-	-	-	-
TOTAL GROUP NET PROFIT / (LOSS)	(37,037)	120,417	(20,413)	(1)	(54,203)	15,751	15,751

For the month ending December 2025, Hunter JO reports a year-to-date net profit of \$121,162 which is \$140,500 above the budget projections. This variance is primarily attributable to the funding amount invoiced to NSW OLG for the cadets and timing differences in grant progress. The cadet funding was originally planned as a 6 months in advance payment, however NSW OLG have stated that payments will only be made in arrears and quarterly. The previous paper on the budget mid-year review corrects this issue for future quarters.

The YTD net results for Hunter Councils Inc reports a net loss of \$744, which is \$210 below the budget projections. This variance is minor.

A copy of Credit Card Expenditure for the Hunter JO since 1 July 2025 has been included at Attachment 8.2-1 for noting.

For a more detailed breakdown of the Income Statement, Balance Sheet, and Cash Flow by company, please refer to attachment 8.2-2

Balance Sheet Summary

YTD SUMMARY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	HJO GROUP TOTAL
BALANCE SHEET HIGHLIGHTS			
ASSETS			
Cash	22,778	1,526,356	1,549,134
Trade Debtors	4,955	358,819	363,774
Property, Plant & Equipment	1,495,790	46,931	1,542,721
Intercompany Loans	(652,412)	56,402	(596,010)
Other	5,265	13,307	18,572
	876,376	2,001,815	2,878,191
LIABILITIES			
Trade Creditors	33,175	100,396	133,571
Employee Leave Entitlements	-	258,833	258,833
Unspent Grant Funding	-	1,056,493	1,056,493
Intercompany Loans	226,000	-	226,000
Other	3,929	598,705	602,634
	263,104	2,014,428	2,277,532
NET ASSETS	613,270	(12,612)	600,659
	(0)	0	
BALANCE SHEET METRICS			
Working Capital	(4,107)	(37,880)	1,931,480
Current Ratio [Target >1.5]	0.9:1	1:1	1:1
Liabilities to Assets %	30%	101%	79%
Cash Ratio [Target >1]	0.6:1	0.8:1	0.8:1

Cashflow Summary

YTD SUMMARY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	GROUP TOTAL
CASHFLOW HIGHLIGHTS			
OPENING BALANCE - CASH ON HAND	68	936,945	937,013
Net Cash - Operating	15,709	589,411	605,120
Net Cash - Investing	-	-	-
Net Cash - Financing	7,000	-	7,000
Cash - Net Increase / (Decrease)	22,709	589,411	612,120
CLOSING BALANCE - CASH ON HAND	22,777	1,526,356	1,549,133
Plus Trade Debtors / Creditors	(28,220)	258,423	230,203
AVAILABLE WORKING CAPITAL (CASH)	(5,443)	1,784,779	1,779,336
LESS RESTRICTED FUNDS			
Employee Leave Entitlements	-	258,833	258,833
Unspent Grant Funds	-	1,056,493	1,056,493
UNRESTRICTED FUNDS	(5,443)	469,453	464,009

Appendices* / Attachments**:

- Attachment 8.2-1: Hunter JO Credit Card Expenditure: YTD December 2025 (CONFIDENTIAL)
- Attachment 8.2-2: Hunter JO Monthly Financial Report: December 2025

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

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

8.3 Hunter JO Funding & Grant Opportunities

Report Author:	Tim Askew, Director of Programs
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Recommendation: <ul style="list-style-type: none"> • That the Board note the update on funding and grant opportunities

Executive Summary:

This paper provides an update on the status of funding applications submitted by the Hunter JO.

Background:

Grant funding is a key source of revenue for the Hunter JO, underpinning delivery of a range of advocacy initiatives and capacity building activities and projects that contribute directly to implementation of the Hunter JO Strategic Plan.

Discussion:

Status of Grant Applications

Key:

Successful	Advice Pending	Unsuccessful
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Status	Grant	Amount
Advice pending (NB If successful DSSN would be the grant recipient)	Funding Program: Regional Economic Development & Community Investment Program (NSW Regional Development Trust) <i>Project: Hunter Global Tourism Project.</i> Hunter JO has partnered with Destination Sydney Surrounds North (the proponent) and Newcastle Airport in this application, which would fund the delivery of two critical action plan items from the Hunter Global Tourism Marketing Strategy: <ol style="list-style-type: none"> 1. Trade Representation & International Market Readiness 2. Content Strategy & Digital Infrastructure. As required by the funding guidelines DSSN and Newcastle Airport are providing a 20% direct financial contribution to the project.	\$250,000
Advice Pending	Funding Program: Regional Precincts and Partnerships Program – Stream One: Precinct development and planning (Department of Industry, Science and Resources (DISR)) <i>Project: Hunter Circular Economy Precincts and Futures Hub Project.</i> Hunter JO has partnered with a broad range of stakeholders to request funding to design a project that will drive the Hunter region’s transformation to a low-emissions and circular economy. It will establish a Hub and Fund to connect government, industry and communities to: <ul style="list-style-type: none"> • coordinate industrial-scale and local circular precincts to drive job growth. • help decarbonise local industry to achieve net zero targets. • develop the systems and methodologies to solve the circular and decarbonisation issues of industry and government. 	\$4,990,348

Financial / Resourcing Implications: Nil

Next steps: Nil

Appendices* / Attachments:** Nil

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

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

8.4 Strategic Regional Engagements

Report Author:	Steve Wilson, Executive Officer
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<p>Recommendation:</p> <ul style="list-style-type: none"> • That the Board note and/or provide advice on the information provided.

Purpose:

The purpose of this report is to provide updates to the Board arising from strategic regional engagements and meetings undertaken by the Hunter JO team.

Discussion:

Updates are provided in the following table:

Committee / Network / Meeting	Updates
<p>EnergyCo</p> <p><i>17th December 2025</i></p> <p><i>Refer to action register item HJO-25-009</i></p>	<p>Hunter JO staff met with EnergyCo representatives Darren Clarke (Director Regional Coordination) and Katie Brassil (HTP Strategic Advisor), in response to the Hunter JO regional submission to the Hunter Transmission Project Environmental Impact Statement. Meeting focus areas included:</p> <p>HTP EIS</p> <ul style="list-style-type: none"> • 188 submissions received on the HTP EIS. EnergyCo preparing a report of responses to be released mid-late February 2026. • Changes to the alignment have been incorporated to avoid four landowners of agricultural land, 300 houses on Wollombi Rd and tweaks to access tracks. • The tender has been released for Detailed Design and Construction of the HTP with an expectation to commence design in early 2026, construction in early 2027, activation by 2029 to meet energy needs of NSW. • EnergyCo has met twice with each Council since EIS released. <p>Worker Accommodation & Legacy Housing</p> <ul style="list-style-type: none"> • Challenges exist in meeting objectives of Muswellbrook and Singleton Council Worker Accommodation policies given these were adopted 2 years after the HTP project commenced. • It may not be feasible to change the location or type of proposed worker accommodation given the timeframe required of the state significant HTP project. • EnergyCo is currently exploring the feasibility of modular housing for short term worker accommodation that can be repurposed to address long term housing needs for future REZ related projects. • A Transport Worker and Legacy Housing Fund proposal has been submitted to NSW budget process. This would aim to provide short term worker accommodation that would subsequently be used to provide long term housing through Homes NSW. Business case currently in development. <p>Agency Coordination and Communications</p> <ul style="list-style-type: none"> • Working with FJIA to improve clarity and communications around roles and responsibilities

Committee / Network / Meeting	Updates
	<ul style="list-style-type: none"> • Mobilising establishment of a Muswellbrook Energy Hub to bring proponents and agencies together • EnergyCo would like to work with Councils and other agencies to increase regional focus on how the HTP project can deliver greater value and investment attraction into the region that capitalises on the new infrastructure that will be built • Delivering a series of “Ready for Renewables” workshops to support businesses prepare for the opportunities that will become available. • NZEA are planning to release the HTP Maintenance Program Tender in May 2026. • Currently preparing a Renewable Energy Jobs Guide for release in Q2 2026 (DPRID will host online). • DPHI, HomesNSW and EnergyCo are working on the business case for the temporary worker accommodation opportunities for future projects. <p>Impacts on water and wastewater infrastructure</p> <ul style="list-style-type: none"> • Worker accommodation camps will be entirely self-contained for their water and wastewater infrastructure • DCCEEW have been engaged by EnergyCo to undertake a cumulative water impact study for the region, along with impacts to waste, circular economy, housing, skills.
<p>Cooperative Research Centre – Transformations in Mining Economies (CRC TiME)</p>	<p>CRC TiME has reached out to expand its engagement with Hunter region mining economies, as NSW mining regions are underrepresented in its research and project activities. To improve the engagement, CRC TiME have developed a discussion group of academics focussed on the Hunter region’s issues and on 11 Dec 2025 they hosted a joint workshop with the Hunter JO and other stakeholders in Muswellbrook.</p> <p>The CRC TiME joint workshop: regional transition in the Hunter Valley, provided an excellent discussion and raised several opportunities for potential further collaboration including:</p> <ul style="list-style-type: none"> • Synthesising information on PMLU activities and planning activities across the Hunter region. • Potential to build on previous project work conducted by University of Newcastle and CRC TiME. • Plan for a follow-up forum in 2026, focusing on progress and continued stakeholder collaboration, and the PMLU evaluation tool with a potential trial in the Hunter. • Develop a public-facing portal to improve information sharing and community engagement. <p>CRC TiME also provide their resources link: https://crctime.com.au/regional-planning-and-collaboration/</p>
<p>Newcastle Institute for Energy and Resources (NIER) – Next Generation Resources Park Advisory Board</p>	<p>NIER has proposed that the Hunter JO Representative participate on the Next Generation Resources Park (NextGen Park) Advisory Board. The Advisory Board would include key regional stakeholders such as HunterNet, Business Hunter, RDA Hunter, and representatives from major regional precincts (including AGL and the Port of Newcastle).</p>

Committee / Network / Meeting	Updates
	<p>The role of the Advisory Board is to:</p> <ul style="list-style-type: none"> • Provide high-level strategic oversight and leadership for the development and ongoing expansion of NextGen Park • Guide the establishment of a forward-looking framework that supports the NextGen Park mission • Provide effective oversight of programs and the utilisation of facilities within NextGen Park <p>This proposal aligns strongly with the Hunter JO Circular Economy project and supports the critical elements required to achieve successful circular economy outcomes for the region</p>

Financial / Resourcing Implications: Nil

Next steps: Nil

Appendices* / Attachments:** Nil

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

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

Report Author:	Tim Askew, Director of Programs
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Recommendation:

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

Executive Summary:

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

Background:

Key information provided by the report includes:

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

Discussion: Nil.

Financial / Resourcing Implications: Nil.

Next steps: Nil.

Appendices* / Attachments:**

- Appendix 8.5-A: Program Status Update Report

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

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

Appendix 8.5-A: Program Status Update Report

Strategic Themes		Project	Funding	Schedule	Resourcing	Scope	Delivery Date	Updates by Exception
HOUSING & POPULATION GROWTH								
ECONOMIC TRANSFORMATION & JOBS								
		Circular Economy Procurement Project	Grant	On Track	On Track	On Track	30 April 2026	
		Regional Economic Evolution	Hunter JO	On Track	Moderate Impact	On Track		Current focus is to develop a range of specific asks for State and Federal government to fund in order to support our economic evolution
		Circular Precincts and Futures Hub	Hunter JO	On Track	Moderate Impact	On Track	30 June 2026	A grant application has been submitted to the Federal Government Grant (RPPP) for development of the Circular Precincts and Futures Hub.
INFRASTRUCTURE & CONNECTIVITY								
		Priority Infrastructure List (Stage 2)	Hunter JO	Moderate Impact	Moderate Impact	Moderate Impact	30 June 2026	Project is on hold as there are currently no resources available in the short term. Likely to recommence in 2026, subject to resource availability
ENVIRONMENTAL SUSTAINABILITY & RESILIENCE								
		Disaster Risk Reduction	Grant	On Track	On Track	On Track	29 February 2028	
		Net Zero Acceleration	Grant	On Track	On Track	On Track	31 December 2026	
		Embedding Climate Risk in Council (ERM)	Grant	On Track	On Track	On Track	31 October 2026	
		Regional Waste Coordination	Grant	On Track	On Track	On Track	30 June 2027	
		Community Recycling Centres	Grant	Moderate Impact	On Track	On Track	30 June 2026	Main project on hold awaiting funding deed for 2026-2027. Battery disposal awareness campaign is well underway and should conclude in February 2026.
		Illegal Dumping Program	Grant	On Track	On Track	On Track	31 March 2027	
		Hospitality Circularity Project	Grant	On Track	On Track	On Track	31 March 2026	
		Hunter Circular Value Chains	Grant	Moderate Impact	Moderate Impact	On Track	31 October 2026	Due to staff hours changing we have been approved an extension to this project to ensure completion of all elements of the scope
FINANCIAL SUSTAINABILITY & FUNDING REFORM								
COMMUNITY LIVEABILITY & WELLBEING								

Key:

On Track	Moderate Impact	High Impact
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8.6 Hunter JO Risk Register

Report Author:	Bonnie Gradwell, Administration and Events Officer
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Recommendations:

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

Executive Summary:

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

Background:

Provision of the Risk Register for the Board's consideration at each meeting is in accordance with the findings and recommendations of the annual Hunter JO audit.

Discussion:

Review and updating of the Risk Register is undertaken bi-monthly by the Executive Officer and Administration & Events Officer to identify any new risks and evaluate those already on the register. Identification of corporate and operational risks is also included as an agenda item in weekly Hunter JO team meetings.

Financial / Resourcing Implications:

The Governance & Risk Framework is managed by the Hunter JO Executive Officer in collaboration with the Administration & Events Officer.

Next steps:

The Register will continue to be reviewed and reported bi-monthly to Hunter JO Board.

Appendices* / Attachments**:

- Attachment 8.6-1: Hunter JO Risk Register (CONFIDENTIAL)

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

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

Report Author:	Bonnie Gradwell, Administration and Events Officer
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Recommendation:

- That the Hunter JO Board note the status of the Compliance Calendar Checklist.

Executive Summary:

This report provides for noting, the status of the annual Hunter JO Compliance Calendar Checklist.

Background:

Similar to its member councils, the Hunter JO has a number of statutory compliance and reporting obligations that it must fulfil on an annual basis. To assist the Board with its oversight of these compliance obligations, the Compliance Calendar checklist identifies these obligations and their delivery status throughout the year. The checklist is reviewed and reported to the Board on a bi-monthly basis.

Discussion: Nil

Financial / Resourcing Implications:

The compliance calendar checklist is reviewed by the Executive Officer and Administration and Events Officer on a bi-monthly basis.

Next steps:

The Checklist will continue to be reviewed and reported bi-monthly to meetings of the Hunter JO Board.

Appendices* / Attachments:**

- Appendix 8.7-A: Hunter JO Compliance Checklist 2025-26FY


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


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Appendix 8.7-A: Compliance Checklist: 2024-25FY

Item	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Strategic												
Hunter JO delivery program and annual operational plan												
Preparation of 6 monthly Performance Statement								☑				
Legislative Compliance												
Hunter Joint Organisation Audit (Auditor-General)	☑	☑										
Hunter JO Meeting includes presentation of audited accounts				☑								
Lodgement of Audited Financial Statements to OLG				☑								
Submission of Hunter JO Annual Performance Statement to OLG					☑							
Submission of financial data return (FDR) to OLG				☑								
Hunter JO Pecuniary Interest Declaration Form to be sent to Mayors for completion (as well as Executive Officer)												
Tabling of Hunter JO Pecuniary Declarations at Hunter JO Board Meeting		☑										
Publishing of Audited Annual Financial Statements on Hunter JO website				☑								
PID self assessment audit												
Submission of Public Interest Disclosure Annual Return	☑											
Publishing of Hunter JO Board Meeting Agendas on Hunter JO website		☑		☑		☑						
Publishing of Hunter JO Board Meeting Minutes on Hunter JO website		☑		☑								
Annual Report of obligations under GIPA due to the Minister and the Information Commissioner				☑								
Model Code of Conduct Complaints Statistics collection form due to OLG				☑								
Model Code of Conduct Complaints Statistics to be reported to Board						☑						
Post LG Election												
Review & adoption of Code of Meeting Practice & Expenses and Facilities Policy (within 12 months of election)		☑										
Review of organisational structure (within 12 months of election)		☑										
Review of Code of Conduct (within 12 months of election)		☑										
Finance & Budget												
Commence consultation with Board on Statement of Revenue Policy												
Presentation of forecast budget (Hunter JO)												
GST Certificate to be submitted	☑											
Adopt Statement of Revenue Policy and Budget [LG Reg cl 3971]												
Publish Statement of Revenue Policy and Budget on website [LG Reg cl 3971]												
Human Resources												
Commence Executive Officer Performance Review												
Presentation of Executive Officer Performance Review outcomes to Hunter JO Board				☑								

Key:

 Green – Completed

 Orange – Due date/to be completed by

 Red – Not completed on schedule

8.8 Premier’s Department Update

Report Author:	Shaun O’Sullivan, Director North - Regional Coordination, Delivery & Engagement Group – Premier’s Department NSW
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Recommendation:
<ul style="list-style-type: none">• That the Hunter JO Board note the update from the Premier’s Department

Bondi Incident – NSW Government Community Response

The NSW Government continues to engage closely with the Jewish community, community leaders and key organisations to provide reassurance and coordinated support following the Bondi incident. A range of dedicated support measures is in place, including a central information website, an online condolence book, victim support services and on-the-ground mental health assistance. NSW Police Family Liaison Officers are working directly with affected families to manage requests for support, supported by clear referral pathways through Jewish community organisations. The Government is also supporting key commemorative activities, including the Shloshim Memorial planned for January. Longer-term efforts are focused on embedding sustained support within community organisations through Community, Resilience and Engagement Coordinators and Resilience Support Services.

Gun Law Reforms – NSW Government Update

The NSW Government has introduced significant reforms to firearms legislation, informed by lessons from the Bondi incident and focused on strengthening regulation and oversight. The reforms include stricter limits on firearm ownership, tighter licensing and storage requirements, enhanced police oversight and expanded compliance and enforcement measures. A Commonwealth-partnered firearms buyback and a statewide audit of existing licences are also underway, alongside consultation on controls for other dangerous weapons.

8.9 Office of Local Government (OLG) Update

Nil, a verbal update will be provided by Virginia Errington, Council Engagement Manager, Office of the Deputy Secretary, Office of Local Government if required.

8.10 Update from Federal Net Zero Economy Authority

Report Author:	Net Zero Economy Authority and the Department of Employment and Workplace Relations
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Recommendation:

- **That the Hunter Joint Organisation Board note the update from the Net Zero Economy Authority, the Department of Employment and Workplace Relations and NSW Department of Climate Change, Energy, Environment and Water on activities in the Hunter region.**

Executive Summary:

FOR NOTING: An update on activities of the Net Zero Economy Authority (NZEA) and the Department of Employment and Workplace Relations (DEWR) in the Hunter region including:

- Future Made in the Hunter Open Session Workshops
- Mining Land Reuse
- Net Zero Investment Map
- Regional Presence
- Hunter Transmission Infrastructure Supplier Showcase
- Energy Industry Jobs Plan - Eraring Power Station
- Energy Industry Jobs Plan Review
- Workforce Transition Supports – Worker Transition Advisory Group (DEWR)

Background:

Commonwealth and State Update:

There are strong working relationships between the Commonwealth and NSW Government across a range of agencies, including the Department of Employment and Workplace Relations, Department of Industry and Net Zero Economy Authority at a federal level, and the Department of Climate Change, Energy, the Environment and Water, The Cabinet Office, Department of Planning Housing and Infrastructure, Department of Primary Industries and Regional Development, and EnergyCo from NSW. The NZEA and the NSW Government continue to work closely as the Future Jobs and Investment Authority is established to ensure our efforts and impact in the region are well coordinated.

The Commonwealth and NSW Governments have successfully worked together on various lines of effort, including stakeholder workshops, mining land re-use planning, transmission infrastructure, and support for investment in the region.

Recent highlights include a long-term power-purchasing agreement to secure the future of Tomago Aluminium smelter, progress on infrastructure projects across the Hunter and the announcement of Sunman Group's Hunter Valley Solar Foundry solar panel manufacturing facility, supported by funding from both the Commonwealth and NSW Governments.

Net Zero Economy Authority Update:

- **Future Made in the Hunter Open Session Workshops**

Across October and November, the NZEA held workshops that brought together stakeholders from industry, unions, education, local, Commonwealth and state governments, and First Nations communities. Discussions focused on evidence, regional priorities, and practical challenges.

A Senior Government Stakeholder Briefing was held on 8 December as an opportunity for senior decision makers at all levels of government to discuss the priority actions identified at the workshops and next steps. *Hunter Engagement: Insights From Regional Workshops* placemat

(Attachment A) was developed to provide a high-level snapshot of the key findings from the engagement.

The NZEA thanks the HJO and local councils for their participation throughout his engagement. We will continue to work collaboratively with NSW and local governments to progress efforts and opportunities to invest in the economic diversification of the region.

- **Mining Land Reuse**

The NZEA is partnering with the NSW Government, Muswellbrook Shire Council and Lake Macquarie City Council, and site owners BHP and Glencore to deliver master plans for mining land re-use for Mt Arthur and Macquarie Coal mine sites.

Master plans for the sites will commence consistent with a federation funding agreement signed by the Australian and NSW Government on 20 November. Under the agreement, \$5 million in Commonwealth funding will be provided to Muswellbrook and Lake Macquarie councils, supported by in-kind contributions from NSW, to support the development of master plans detailing how the land might be re-used.

These pilot projects will provide critical insights to inform future state-wide planning reforms and mining land re-use policy design, strengthening the Hunter's continued position as Australia's leading industrial region.

- **Net Zero Investment Map**

The NZEA has launched a new, interactive investment map (<https://netzeromap.au/>) showing over 800 Commonwealth Government-supported renewable energy and research projects.

For the first time, workers, communities and investors can see in one place the range of projects backed by private investors and the government, taking shape across Australia's cities and regions.

Developed in partnership with RenewMap, the Net Zero Investment Map shows:

- where projects are located
- their status and operation
- government support
- estimated number of jobs (where available)
- total investment associated with the project (where available)
- expected power generation.

The map also shows power stations and their announced closure dates as well as contextual data like transmission lines and renewable energy zones.

The Net Zero Investment Map does not cover all Commonwealth projects. However, the NZEA will continue to work across Commonwealth and state government agencies and investment schemes to regularly update the map.

- **Regional Presence**

Recruitment is currently underway for Hunter-based roles to further strengthen the NZEA's regional representation. These positions will play a key role in building strong, collaborative relationships with local communities, unions, industry, and government stakeholders—ensuring regional voices are heard and actively shaping the Hunter's transformation to a net zero economy. Region-based staff will work from a regional office once established.

- **Hunter Transmission Infrastructure Supplier Showcase**

In collaboration with the Industry Capability Network, EnergyCo, and the NSW Department of Primary Industries and Regional Development, the NZEA is producing a document to help local businesses in the Hunter take advantage of opportunities from transmission projects related to the Hunter-Central Coast, Central West-Orana and New England Renewable Energy Zones, and the

Newcastle Offshore Wind Farm. More than 360 suppliers have completed the online survey, providing valuable information to help align local capabilities with projects.

The Showcase will deliver a clear picture of the capability and capacity of local industry to meet the needs of major transmission projects. It will profile businesses already engaged in the transmission supply chain, as well as those with the potential to pivot into this sector. By mapping suppliers across these categories, the project will identify areas of strength and identify capability gaps.

The strong survey response demonstrates significant local interest in contributing to the transformation of the energy grid. NZEA looks forward to sharing the Showcase later in 2026.

- **Energy Industry Jobs Plan - Eraring Power Station**

The NZEA is finalising its assessment for the Community of Interest process for the closure of Eraring Power Station, to determine if the Energy Industry Jobs Plan (EIJ) framework should be applied.

The NZEA CEO's consideration continues to be informed by thorough consultation, analysis and assessment, as required under our legislation.

A CEO decision on whether a Fair Work Commission application is needed will be finalised in early 2026.

- **Energy Industry Jobs Plan Review**

A statutory review of the Energy Industry Jobs Plan has been completed. Emeritus Professor Roy Green AM provided his written report to the Minister and the CEO on 10 December 2025. The Government and the CEO will consider the report and will respond in due course.

The NZEA thanks the HJO and councils for their submissions. Your feedback has informed the review, which will help ensure the EIJ is successful in supporting the workers and regions impacted by Australia's energy transition.

Department of Employment and Workplace Relations Update.

The Australian Government has committed \$134.2 million over four years from 2024–25 to assist workers and communities impacted by the transition to a net zero economy across four key regions, including the Hunter.

Key initiatives include:

- **Regional Workforce Transition Officers (RWTOs)**
Providing localised leadership in priority regions, including the Hunter, by working collaboratively with communities, industry, workers, and all levels of government to guide and support these regions throughout the transition to a net zero economy.
- **DEWR support for workers impacted by export coal mine closures**
DEWR is actively supporting workers affected by the closure of export coal mines and other structural adjustment events through targeted transition planning, skills development, and engagement with local employers to create new job opportunities.
- **Worker Transition Advisory Group (WTAG)**
Reporting directly to the Minister for Employment and Workplace Relations, the Hunter WTAG will convene local stakeholders to provide advice to the Minister and ensure that transition strategies reflect community needs and priorities. The WTAG's inaugural meeting was held on 20 November 2025 and a second meeting will take place on 18 February 2026.
- **Regional Workforce Transition Plans (RWTPs)**
Developed by DEWR in partnership with WTAG, the Net Zero Economy Authority (NZEA), state and local governments, unions, employers, workers, and communities. These plans will deliver tailored support for regions most affected by energy system changes.

- **Transitioning Workforce Fund (TWF)**

Providing flexible, tailored solutions to address workforce transition barriers for workers and communities impacted by structural adjustment events. Community consultations, led by RWTOs, will ensure transition supports align with local priorities.

Discussion: Nil

Financial / Resourcing Implications: Nil

Next steps: Nil

Attachment:

- Attachment 8.10-1: Hunter Engagement – Insights from Regional Workshops

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

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

9. Matters Raised by Members

9.1 Federal Ministerial Meetings during 2026 ALGA Conference

Raised by: Mayor Philip Penfold, Maitland City Council

This discussion will focus on the opportunity to convene meetings between the Hunter JO Board and Federal Government Ministers while attending the ALGA National General Assembly in Canberra from 23-25 June 2026.

9.2 Potential for Coordinated Local Public Holiday Declaration

Raised by: Lord Mayor Ross Kerridge, City of Newcastle

At its 23 September 2025 meeting, the City of Newcastle resolved that it “*initiates discussions with the Hunter Joint Organisation of Councils on a future annual Hunter regional public holiday with the view of councils making a joint application for a coordinated Local Public Holiday declaration*”. This arose from Council’s consideration on whether to seek proclamation of a Local Public Holiday for the Newcastle Show.

10. General Business

Nil raised prior to meeting.



Attachments

Hunter JO Board Meeting Papers

Thursday 12 February 2026

Contents:

Correspondence

- Attachment 6-1 Correspondence template to NSW Parliament Ministers & Hunter MPs re Invitation to meet with Hunter JO Mayors to discuss 2027 NSW election priorities, 19 December 2025
- Attachment 6-2 Correspondence template to NSW Parliament Shadow Ministers re Invitation to meet with Hunter JO Mayors to discuss 2027 NSW election priorities, 19 December 2025
- Attachment 6-3: Correspondence to The Hon Penny Sharpe MLC re acknowledgement of modular housing initiatives and request to meet Hunter JO Mayors to discuss NSW Election Priorities, 19 December 2025
- Attachment 6-4: Correspondence to The Hon Amanda Rishworth MP re: Hunter Worker Transition Advisory Group, 5 January 2025
- Attachment 6-5: Correspondence from The Hon Penny Sharpe MLC re Feasibility analysis being undertaken by EnergyCo and HomesNSW for modular housing, 10 December 2025
- Attachment 6-6: Correspondence from LGNSW re: Hunter Councils Asbestos Workshop 25 November 2025, 17 December 2025
- Attachment 6-7: Correspondence from Maitland City Council re: Advocacy for Waste Levy Categorisation Alignment, 17 December 2025
- Attachment 6-8: Correspondence from Local Land Services re: Responding to unattended or trespassing stock on public and private land, 19 December 2025

Regional Submissions

- Attachment 6-10: Regulatory Framework for Gas Connections, 11 December 2025
- Attachment 6-11: NSW Budget Submission 2026-2027, 22 December 2025
- Attachment 6-12: Federal Budget Submission 2026-2027, 30 January 2026
- Attachment 6-13: Federal Inquiry into Local Government Funding and Fiscal Sustainability, 3 February 2026

Item 7 Items for the Hunter JO Board: For Decision

- Attachment 7.1-1: Memorandum of Understanding Shared ARIC
- Attachment 7.1-2: Terms of Reference Shared ARIC
- Attachment 7.2-1 Mid-Year Budget Review

Item 8 Items for the Hunter JO Board: For Noting

- Attachment 8.1-1: Hunter JO Six-monthly Program Report (July - December 2025)
- Attachment 8.2-2: Hunter JO Monthly Financial Report: December 2025
- Attachment 8.10-1: Hunter Engagement – Insights from Regional Workshops



4 Sandringham Avenue, Thornton,
NSW 2322 - 02 4978 4020
www.hunterjo.nsw.gov.au

TITLE
PROFILE
ADDRESS

DATE

Dear TITLE,

Re. Invitation to meet with Hunter Joint Organisation Mayors to discuss 2027 NSW election priorities on Thursday 19 March 2026.

The Hunter Joint Organisation Board, comprising the ten Mayors of the Hunter Region will be arranging meetings with Ministers in NSW Parliament House in March to continue to discuss our shared challenges, opportunities and priorities for the Hunter region ahead of the NSW election in 2027.

As the democratically elected local voice of the Hunter Region representing a population approaching one million and the largest regional economy in NSW, our Board of Mayors are strongly aligned to working with the NSW Government to help achieve your priorities including housing supply, job creation and transformation of the NSW economy toward net zero.

Following our meetings with you in October 2025, we thank you for the insights, advice and support you provided. These were greatly appreciated by our Board of Mayors, and we would appreciate the opportunity to meet again in the lead up to the March 2027 election to discuss and start shaping potential election priorities and commitments in the following shared priority areas for the Hunter region:

- Priority 1
- Priority 2

To confirm your ability and timing to meet with our Board of Mayors on 19th March 2026 (in the McKell Room, NSW Parliament House), please contact Kim Carland, Advocacy and Government Relations Lead on kimc@hunterjo.nsw.gov.au or M 0460 034 614.



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Yours sincerely,

Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation

Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

The Hunter Joint Organisation's statutory mandate includes identifying the key regional strategic priorities, advocating for these priorities and building collaboration with other levels of government, industry and community. More information on our shared priorities are outlined in our [Hunter JO Strategic Plan 2035](#) and [Advocacy Priorities](#).

(Only included relevant topics to relevant Ministers/ Shadow Ministers/ Hunter MPS and reworded to suit the portfolio)

Economic Transformation & Jobs

- The Hunter JOs appreciation and support for the process and outcomes arising from the NSW Government Inquiry into Post Mining Land Use, and our continued commitment to partner with the Government to accelerate implementation of the Inquiry's recommendations.
- The opportunity for greater alignment, coordination and investment across Federal, State & Local Governments to drive the Hunter's economic transformation.
- The opportunities to leverage the once-in-a-lifetime international airport opening with catalytic investment to launch the Hunter international tourism brand and stimulate the creation of jobs.

Housing

- The importance of NSW Government planning and coordination resources to support Councils deliver housing targets through an integrated planning approach to TOD and Low-rise Mid-rise sites and other significant growth areas (e.g. Anambah-Branxton) across the Hunter
- Potential alternative models for supporting Councils fund the enabling infrastructure required to unlock housing across the Hunter region

Roads & Water Infrastructure

- Reform of current road funding arrangements and programs to ensure regional councils can sustainably manage their extensive road networks



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- The opportunity to prioritise the re-categorisation of local roads to state roads where they directly support infrastructure and assets of significance to the NSW Government or the region as a whole.
- The significant financial difficulties facing Councils to repair local water and sewer infrastructure impacted by disaster events. Under current disaster recovery funding arrangements, the repair of these assets is ineligible for cost recovery despite them being vital public assets and councils and their communities not having the capacity to recover repair costs through rating processes.



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TITLE
PROFILE
ADDRESS

DATE

Dear TITLE,

Re. Invitation to meet with Hunter Joint Organisation Mayors to discuss 2027 NSW election priorities - Thursday 26th March 2026.

The Hunter Joint Organisation Board, comprising the ten Mayors of the Hunter Region will be arranging meetings with Shadow Ministers in NSW Parliament House in March to discuss our shared challenges, opportunities and priorities for the Hunter region ahead of the NSW election in 2027.

As the democratically elected local voice of the Hunter Region representing a population approaching one million and the largest regional economy in NSW, our Board of Mayors are strongly aligned in their priorities for the Hunter including housing supply, job creation and transformation of our region's economy.

Following our meeting with you in October 2025, we thank you for the insights, advice and support you provided at that meeting. These were greatly appreciated by our Board of Mayors, and we would greatly appreciate the opportunity to meet again in the lead up to the March 2027 election to discuss and start shaping potential election priorities and commitments in the following shared priority areas for the Hunter region:

OR

Our Board of Mayors would welcome the opportunity to meet with you in the lead up to the March 2027 election to discuss and start shaping potential election priorities and commitments in the following shared priority areas for the Hunter region:

- Priority 1
- Priority 2

To confirm your ability and timing to meet with our Board of Mayors on 26th March 2026 (in the McKell Room, NSW Parliament House), please contact Kim Carland, Advocacy and Government Relations Lead on kimc@hunterjo.nsw.gov.au or M 0460 034 614.



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Yours sincerely,

Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation

Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

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(Only included relevant topics to relevant Ministers/ Shadow Ministers/ Hunter MPS and reworded to suit the portfolio)

Economic Transformation & Jobs

- The Hunter JOs appreciation and support for the process and outcomes arising from the NSW Government Inquiry into Post Mining Land Use, and our continued commitment to partner with the Government to accelerate implementation of the Inquiry's recommendations.
- The opportunity for greater alignment, coordination and investment across Federal, State & Local Governments to drive the Hunter's economic transformation.
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Housing

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- Potential alternative models for supporting Councils fund the enabling infrastructure required to unlock housing across the Hunter region

Roads & Water Infrastructure

- Reform of current road funding arrangements and programs to ensure regional councils can sustainably manage their extensive road networks
- The opportunity to prioritise the re-categorisation of local roads to state roads where they directly support infrastructure and assets of significance to the NSW Government or the region as a whole.



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The Hon. Penny Sharpe MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment and Minister for Heritage
52 Martin Place
SYDNEY NSW 2000

19 December 2025

Dear Minister Sharpe,

Re. Invitation to meet with Hunter Joint Organisation Mayors to discuss 2027 NSW election priorities - Thursday 19 March 2026.

The Hunter Joint Organisation Board, comprising the ten Mayors of the Hunter Region will be arranging meetings with Ministers in NSW Parliament House in March to continue to discuss our shared challenges, opportunities and priorities for the Hunter region ahead of the NSW election in 2027.

As the democratically elected local voice of the Hunter Region representing a population approaching one million and the largest regional economy in NSW, our Board of Mayors are strongly aligned to working with the NSW Government to help achieve your priorities including housing supply, job creation and transformation of the NSW economy toward net zero.

On this front we thank you for your recent correspondence regarding modular housing in Renewable Energy Zones (REZ), and for requesting EnergyCo to undertake a feasibility analysis of alternative models for temporary accommodation, and your engagement with Homes NSW and Health NSW regarding a partnership to deliver NSW Governments social and affordable housing targets. This is greatly appreciated and we look forward to further discussing progress on this important work.

Following our meeting with you in October 2025, we also thank you for the insights, advice and support you provided at that meeting. These were greatly appreciated by our Board of Mayors, and we would appreciate the opportunity to meet again in the lead up to the March 2027 election to discuss and start shaping potential election priorities and commitments in the following shared priority areas for the Hunter region.

- Alternative models for temporary accommodation in REZ zones that can provide legacy social and affordable housing in the region.



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- Strategic regional conservation planning and bio-certification for high-growth areas of the Hunter.
- The status and/or outcomes from the current NSW waste levy review process.

To confirm your ability and timing to meet with our Board of Mayors on 19th March 2026 (in the McKell Room, NSW Parliament House), please contact Kim Carland, Advocacy and Government Relations Lead on kimc@hunterjo.nsw.gov.au or M 0460 034 614.

Yours sincerely,

A handwritten signature in black ink, appearing to read "SR Moore".

Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation

A handwritten signature in black ink, appearing to read "Leah Anderson".

Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

The Hunter Joint Organisation's statutory mandate includes identifying the key regional strategic priorities, advocating for these priorities and building collaboration with other levels of government, industry and community. More information on our shared priorities are outlined in our [Hunter JO Strategic Plan 2035](#) and [Advocacy Priorities](#).



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www.hunterjo.nsw.gov.au

The Hon Amanda Rishworth MP
Minister for Employment and Workplace Relations
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

5 January 2026

Dear Minister Rishworth

Re: Hunter Worker Transition Advisory Group

I write on behalf of the Board of the Hunter Joint Organisation (JO), comprising the Mayors of the ten councils of the Hunter region, to communicate our strong concerns with the consultation model that has been established to inform the design and delivery of the Federal Government's Regional Workforce Transition Plan and Transitioning Workforce Fund. These concerns focus on the capability, representation and effectiveness of the Hunter Worker Transition Advisory Group (HWTAG) as the primary mechanism for facilitating stakeholder input to the Plan and Fund.

The Hunter JO is a NSW statutory entity responsible for identifying key regional strategic priorities, advocating for these priorities and building collaboration around these priorities with other levels of government, industry and community. Through the Hunter JO, our ten Hunter Mayors are aligned in supporting the Federal Government's commitment to net zero, and to proactively working with all levels of Government to evolve the Hunter's economy to achieve this objective. We agree that critical to achieving this transformation will be the delivery of effective, informed and coordinated workforce transition in the region, particularly in those local government areas (LGAs) most impacted by substantial and imminent job losses as scheduled mine closures begin. For example, by 2030, nearly 12,000 direct and indirect jobs will be lost with the closure of just two mines located in the Muswellbrook Local Government Area alone.

We welcome the Federal Government's enhanced focus on the region's significant worker transition challenges and opportunities, however we hold the following concerns with the effectiveness of the HWTAG model that has been established:

1. We consider that the composition of the HWTAG does not include sufficient representation from key industry stakeholders who have the local presence, capability and capacity to more directly and effectively support worker transition processes in parts of the region already feeling the immediate impacts of the transition (i.e. the Upper Hunter). Instead, current representation broadly comprises



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region-wide representative bodies and government agencies with limited ability to actively create direct employment pathways and opportunities in impacted communities.

2. The draft Terms of Reference for the HWTAG identify that “*local communities are best placed to understand their workforce needs and opportunities*”, yet the engagement of councils, the closest level of government to local communities, cannot adequately be represented by a single organisation (i.e. the Hunter Joint Organisation) on the HWTAG. Given the comprehensive understanding and relationships that Councils have with those communities directly impacted by industry and worker transition processes, more direct, substantive and sustained engagement of local councils (the third level of government) in codesigning the development and delivery of the Regional Workforce Transition Plan and Transitioning Workforce Fund is essential.
3. While the intent of the HWTAG to bring together the community, industry and agency representation needed to support worker transition processes is appreciated, there is a broader need for structural and governance reform to drive more effective intergovernmental coordination, implementation and communication across the numerous government agencies involved in both worker transition processes directly, and the Hunter Region’s economic transformation more broadly. We understand the significant extent of work that is underway across multiple agencies at both State and Federal levels, however there is a lack of coordination across these activities. Embedding the Regional Workforce Transition Plan and Transitioning Workforce Fund within a broader whole of government (Federal State & Local) coordinated approach to delivery is necessary to maximise outcomes from these important initiatives.

We would welcome the opportunity to meet with you to discuss our concerns with the current HWTAG model and importantly, our suggestions for enhancing the efficiency, effectiveness and success of worker transition outcomes in the Hunter.

Should you have any further inquiries or to confirm the opportunity to meet, please contact Steve Wilson, Executive Officer Hunter JO on E steve@hunterjo.nsw.gov.au or M 0448 401 436.

Yours sincerely

A handwritten signature in black ink that reads "SR Moore".

Sue Moore
Mayor Singleton Council
Chair Hunter Joint Organisation



The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council

MD25/8058

Cr Sue Moore
Mayor
Singleton Council
Chair
Hunter Joint Organisation

Cr Leah Anderson
Mayor
Port Stephens Council
Deputy Chair
Hunter Joint Organisation

By email: kimc@hunterjo.nsw.gov.au

Sue
Dear Councillor ~~Moore~~ and Councillor ~~Anderson~~ *Leah*

Thank you for your letter on behalf of the Hunter Joint Organisation regarding modular housing to be utilised in the Renewable Energy Zones (REZ). I appreciate you bringing these concerns and the prospective opportunity to my attention.

Energy Corporation of NSW (EnergyCo) is committed to ensuring its projects leave a positive legacy for regional communities while also delivering critical infrastructure which is needed as soon as possible to support successful delivery of the NSW Electricity Infrastructure Roadmap.

While these projects are needed to secure NSW's clean and reliable electricity future by strengthening the backbone of the State's electricity grid, they are also an opportunity to upgrade enabling infrastructure and help resolve challenges, such as housing supply and affordability.

I acknowledge that Hunter Joint Organisation of Council members have expressed the desire for EnergyCo to explore workforce accommodation models that can deliver legacy outcomes. EnergyCo is continuing to assess how its workforce accommodation solutions can also support long term housing supply and will continue to consult with relevant councils through this process.

EnergyCo has engaged an independent consultant to undertake a feasibility analysis of alternative models for temporary worker accommodation that can deliver legacy housing outcomes aligned to council policies. Of the options being considered, one model includes the utilisation of modular housing that could be repurposed and contribute to longer term housing supply, with future end use and locations determined in consultation with councils. Another opportunity, is the potential prioritisation of housing being planned and delivered by Homes NSW and NSW Health, in proximity REZs, for initial utilisation for temporary worker accommodation and ultimately transitioned to key worker accommodation or affordable housing long term.

This work will inform EnergyCo's project planning. EnergyCo will continue to work closely with councils and other NSW Government agencies to identify suitable sites and explore alternative delivery models for temporary worker accommodation across the energy transition.

If the Hunter Joint Organisation has any further questions about this issue, they can contact Mr Darren Clarke, Director Regional Coordination, EnergyCo, on 0455 566 284 or at darren.p.clarke@energyco.nsw.gov.au.

Thank you for taking the time to bring this matter to my attention.

Sincerely



Penny Sharpe MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage

10/12/25



Level 8
28 Margaret Street
Sydney, NSW 2000

02 9242 4000
lgnsw@lgnsw.org.au
lgnsw.org.au

Our ref: R22/0020
17 December 2025

Mr Joe James
Executive Officer
Hunter Joint Organisation

Via email: ceo@ssalimited.com.au

Dear Mr James

Re: Hunter Councils Asbestos Workshop 25 November 2025

Local Government NSW (LGNSW) would like to extend our thanks to the Hunter Joint Organisation of Councils (Hunter JO) for assisting in the organisation and facilitation of the Hunter Councils Asbestos Workshop, recently held in Speers Point in the Lake Macquarie City Council area.

This event demonstrated the cooperation and collaboration that is possible between LGNSW, Hunter JO, government agencies and councils.

The event attracted staff from councils across the region and beyond including Lake Macquarie, Central Coast, Cessnock, Newcastle, Dungog, Maitland, Mid-Coast, Muswellbrook, Port Stephens, Singleton, and the Western Sydney Regional Illegal Dumping (RID) Squad.

Presentations were heard from Hunter Central Coast RID Program, SafeWork NSW, EPA NSW, Hornsby Council, LGNSW, and the Asbestos Removal Contractors Association.

I am advised that Phil McNeice (Project Coordinator Hunter Central Coast RID Program) made every effort possible to bring together staff from the region as well as arrange the venue, catering, and advertising of the event.

LGNSW once again extends its thanks to Hunter JO for the collaborative partnership made to deliver this Awareness Workshop and we look forward to working together again in the future.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Adam Dansie'.

Adam Dansie
A/ Chief Executive
**ONE VOICE
FOR COUNCILS**

17 December 2025

Steve Wilson
59 Bonville Avenue
Thornton NSW 2322

Dear Mr Wilson

Re: Advocacy for Waste Levy Categorisation Alignment

Maitland City Council, at its meeting on 9 December 2025, resolved the following:

1. Council notes the recent response from LGNSW in relation to the Waste Levy that the categorisations for the Levy should align with the same LGA categorisations used by the OLG, as well as its commitment to continue advocacy in this area.
2. Council write to our two State Members, and corresponding Minister and Shadow Minister requesting that they advocate on our behalf for Hunter Councils to be recategorised as per the OLG categorisation as per the official position of LGNSW.
3. Council writes to the Hunter JO requesting advocacy for all Hunter LGAs to carry a regional waste levy categorisation.

In line with this resolution and the official stance of LGNSW, we respectfully request your advocacy for Hunter Councils to be recategorised according to the OLG classification. This adjustment would ensure fairness and consistency across the state and better reflect the regional context of our communities.

Further, we encourage consideration of a regional waste levy categorisation for all Hunter LGAs, reinforcing a unified approach that supports equitable outcomes for our region.

Should you require further information or wish to discuss this matter, please do not hesitate to contact me at gm@maitland.nsw.gov.au.

Thank you for your attention and support.

Yours sincerely,



Jeff Smith
General Manager

Local Land Services



19 December 2025

Councillor Sue Moore
Chair
Hunter Joint Organisation
4 Sandringham Avenue
Thornton NSW 2322

By email: admin@hunterjo.nsw.gov.au

Responding to unattended or trespassing stock on public and private land

Dear Councillor Moore,

Local Land Services (LLS) wishes to consult with the Hunter Joint Organisation regarding unattended livestock on public and private lands, under the *Public Spaces (Unattended Property) Act 2021* (PSUP Act) and the *Local Land Services Act 2013* (LLS Act).

The PSUP Act recognises Local Government Authorities (Councils) and LLS as “authorities” that may act on unattended property (including livestock) on public and private land. Under the LLS Act, LLS is authorised to manage stock, whether attended or unattended, on a public road, a travelling stock reserve (TSR) or other public land where the owner or person in charge of that stock does not have a permit or other authority allowing the animals to be in or on that land.

LLS understands that unattended and trespassing stock is challenging for stakeholders, the community, and Councils to manage. Recent experience in the south west and north coast regions suggests some Councils are not aware that LLS is not responsible for unattended stock outside of a TSR, or other public land that LLS controls or manages on behalf of the State. For the PSUP Act, Councils are the lead authority for managing unattended or straying stock on public roads and assisting private landholders.

To ensure the community, landholders, and Government agencies are working collaboratively to resolve these issues, LLS seeks an opportunity to meet with the [insert name] ROC/JO to establish an agreed approach on unattended livestock across NSW. We believe that an agreed approach will improve outcomes for Councils, LLS and the community.

Please contact Bridget Bartlett, Executive Officer Program Support, eddelivery@lls.nsw.gov.au to discuss a suitable date and time for LLS to meet with your group.

Sincerely

A handwritten signature in blue ink, appearing to read "Rob Kelly".

Rob Kelly

Executive Director Delivery
Local Land Services



Australian Energy Market Commission
Reference: GRC0086

11 December 2025

Re: Establishing a regulatory framework for retail customer-initiated gas abolishment

The ten Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by the Energy Consumers Australia (ECA) and the Justice and Equity Centre (JEC) to provide feedback on the proposed rule amendments to amend the National Gas Rules (NGR) to update the pricing and regulatory framework for gas connections and disconnections.

Member Councils of the Hunter JO include:

- 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

We provide the following feedback on the two rule change requests that are proposed.

1. Updating the framework for gas connections

The proposal by ECA to amend the National Gas Rules (NGR) for customer-initiated new gas connections would more accurately reflect the cost of providing new connections to existing distribution networks. This reform would support fairness, transparency, and alignment with broader government energy transition objectives and support businesses and households to make more informed decisions regarding the true cost of alternative energy supply options. More accurately reflecting the price of connection to existing networks would provide accurate price signals and prevent cross-subsidisation from existing users, particularly those choosing to reduce their reliance on gas.

Currently, connection costs are socialised while the much higher costs of permanent disconnection are not. This imbalance incentivises new connections and penalises disconnection, which can undermine equitable outcomes. Clearer and transparent connection pricing would support customers more effectively evaluate the relative costs of alternative energy supply options.

2. Establishing a regulatory framework for gas disconnections and permanent abolishment

JEC's proposed reforms would establish clear definitions for disconnection services, enable contestability, and introduce cost-reflective pricing.

At present, the lack of a permanent abolishment framework is a significant gap for households and businesses as they move to electrify. Without clear rules and transparency, existing abolishment charges risk exceeding cost-reflective levels, thereby discouraging customers from leaving the network to access alternative energy supply options that can reduce business and household emissions and long-term energy costs. The proposed change would assist in delivering


fair and affordable energy transition for local communities, which is an objective across all levels of government. While cost recovery is necessary, charges must be transparent and contestable where possible and structured to facilitate the energy transition.

Summary

1. **New Connections.** An amendment to National Gas Rules to require new gas connections to more accurately reflect the cost of connection would provide more accurate pricing comparison across alternative energy supply options.
2. **Permanent Disconnections.** Charges for permanent disconnection should be fair and not cost-prohibitive, to remove obstacles for business and households wanting to electrify.
3. **Regulatory Framework.** A new regulatory framework for both permanent and temporary gas disconnections, would enhance equity for low-income and renting households.

Should you have any further queries please don't hesitate to contact Janine Chandler, Senior Project Coordinator – Net Zero on E janinec@hunterjo.nsw.gov.au or M 0477 398 250.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'SR Moore'.

Sue Moore
Mayor Singleton Council
Chair Hunter Joint Organisation



NSW Budget Submission 2026-2027

December 2025

The Hon. Daniel Mookhey MLC
Treasurer, NSW Government
budgetsubmissions@treasury.nsw.gov.au

22 December 2025

Dear Mr Mookhey, MLC

Re: Recommendations to inform the 2026-27 NSW Budget.

The ten Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by the State Government to provide a pre-budget submission to inform the NSW Budget 2026-27.

The Hunter JO is the statutory Local Government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the ten member Councils of the Hunter Region to work together for better rural and regional outcomes, and to enhance the way Local and State Governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- 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

The core statutory functions established by the NSW Government for the Hunter JO and joint organisations more broadly across NSW include:

1. Strategic planning and priority setting
2. Intergovernmental collaboration
3. Shared leadership and advocacy

Context of the Hunter region

Economic contribution

The Hunter Region is the largest regional economy in Australia, driving around 28% of regional NSW's total economic output (valued at \$96B in 2025) and a population exceeding 800,000. There are enormous social and economic ramifications facing the Hunter region and the NSW economy more broadly arising from the Region's economic transition away from coal, a transition that is already underway. These impacts include a decline in coal royalties currently contributing over \$3 billion annually to the NSW budget.

Major job losses

According to coal industry modelling shared with our Member Councils, by 2030 nearly 12,000 direct and indirect jobs will be lost in the Hunter region with the closure of two mines alone. Over the next few decades, 22 further coal mines are due to close with no mining

approvals currently granted beyond 2048. This will impact almost 50,000 direct and indirect jobs in the Hunter region (FIJA Issues Paper, 2023).

Local Government financial sustainability

Government Inquiries at both Federal and State levels have recognised the financial concerns and constraints facing Local Government. With limitations on their ability to generate revenue, Local Governments across Australia, especially in regional areas, are facing mounting financial risks that threaten their long-term sustainability.

Our submission

The recommendations outlined in our budget submission have been prioritised based on:

- Their alignment with State and Federal Government priorities
- The opportunity to leverage and build upon existing significant Government and partner resourcing and investment
- The opportunity to enhance outcomes via a more integrated partnership approach to delivery across all three levels of Government.

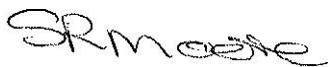
These priorities focus on:

- **Jobs/Net Zero** - Support the transformation to net zero by diversifying the Hunter economy and increasing jobs in the region.
- **Housing** – Unlock existing barriers to housing development.
- **Community infrastructure** – providing essential services for our local communities.

We would welcome the opportunity to meet to provide a more detailed briefing and to discuss strategies for working more closely with you to progress these important initiatives for the Hunter.

Should you have any further queries please don't hesitate to contact Kim Carland, Advocacy and Government Relations Lead, Hunter JO at kimc@hunterjo.nsw.gov.au or on 0460 034 614.

Yours Sincerely



Cr Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation



Cr Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

The Hunter Joint Organisation's statutory mandate includes identifying the key regional strategic priorities, advocating for these priorities and building collaboration with other levels of government, industry and community. More information on our shared priorities are outlined in our [Hunter JO Strategic Plan 2035](#) and [Advocacy Priorities](#).

SUBMISSION

Thank you for the opportunity provided to provide a pre-budget submission to inform the NSW Budget 2026-27.

Each year the Hunter JO Board, comprising the region’s ten democratically elected Mayors, identify and prioritise their shared advocacy priorities for the region. The priorities included in this submission reflect those shared priorities, and comprise funding, policy or staff resource requests of regional significance that would benefit over 800,000 people in the Hunter region directly and the NSW economy more broadly.

Summary

NSW Government priority	Description	Request
Jobs	Government coordination of the economic transformation	\$200,000
	Strategic Planning for re-use of mining lands for employment	\$10m
	International tourism – catalytic investment to launch trade marketing	\$3.85m
	Aviation Attraction for Newcastle International Airport	\$35m (3 years) \$185m (5 years)
	Hunter Region International Air Freight Precinct – detailed precinct design	\$1m
	Shiraz to Shore cycle trail – construct the ‘Shiraz’ section.	\$23m
Housing	Enabling infrastructure – noncompetitive criteria-based contribution fund to councils to unlock development ready land	\$200m
	Biodiversity - Strategic Conversation Planning and Bio-certification for high growth areas	Staff resources
	Density - Lead the coordination and investment outlined in Masterplans to activate TODs.	Funding and resources
	Integrated planning – NSW Government led integrated land use and infrastructure planning for significant growth areas in the Hunter.	Staff resources
	Increasing diversity - Housing preferences study and raise awareness of benefits of density.	Staff resources

NSW Government priority	Description	Request
	Cost of construction - Increase research and development into alternative housing options including modular homes	Staff resources
	Shortage of skills - Continue to fund TAFE fee-free courses in building and trades.	Funding
	Social and affordable Housing - Repurposing of temporary worker accommodation in Renewable Energy Zones and designing new developer incentives that deliver affordable housing in perpetuity.	Staff resources
	Water infrastructure - Limited funding for large-scale infrastructure maintenance and upgrades is limiting housing development in regional areas.	Funding
	Community Benefit Schemes – Ensuring regional communities impacted by the energy transition, including transmission and transportation routes through the Hunter region, receive legacy community benefits.	Funding and resources
Roads and Transport	Equitable funding - Update funding allocation formulas to reflect road length, freight load, weather vulnerability and connection to State infrastructure.	Funding and resources
	Re-categorisation - Prioritise re-categorisation of Local and Regional roads to State Roads where the road services significant assets to the state including housing water and energy infrastructure assets and facilities.	Funding and resources
	Regional Transport Plan Delivery - Transparent four-year Delivery Program provided to Local Government to deliver the Hunter Strategic Regional Integrated Transport Plan.	Staff resources
Disaster resilience	Non-competitive funding – Aligned with councils' four-year Integrated Planning and Reporting (IP&R) cycles to reduce administrative burden and enable proactive, long-term adaptation planning.	Funding
	Water infrastructure – urgently review disaster recovery funding rules to include repairs to community water infrastructure impacted by natural disaster events.	Policy change

NSW Government priority	Description	Request
Water security	<p><u>Water supply and treatment infrastructure</u> - Increase NSW Government investment in regional water and wastewater infrastructure, including funding models co-designed with councils.</p>	Funding
	<p><u>Catchment area impacts</u> - Ensure a fairer distribution of Hunter Water dividends to support impacted Councils and standardise planning controls across drinking water catchments to ensure consistency and fairness.</p>	Funding and policy change
	<p><u>Waterway health</u> - Establish a lead agency for coordinating waterway health and drinking water quality management in the Hunter region.</p>	Policy change and resources
Waste management	<p><u>Waste Levy</u> – return a greater percentage of NSW waste levy to councils to implement waste and circular economy initiatives, and provide greater transparency in the allocation of the levy funding.</p>	Funding and resources
Addressing cost shifting	<p><u>Rate exemptions</u> - Reduce rate exemptions for state-owned entities</p>	Funding and policy change
	<p><u>IPART Rate-Pegging</u> - Rates aligned to inflation for council service delivery activities (as opposed to traditional CPI calculations).</p>	Policy change
	<p><u>Funding Joint Organisation's</u> or other regional collaborations of councils that provide benefit to NSW Government.</p>	\$492,000
	<p><u>Financial Assistance Grants</u> – advocate to Federal Government to increase Grants to 1%.</p>	Staff resources
	<p><u>Financial Assistance Grants</u> – Update FA Grants methodology to provide greater equity.</p>	Staff resources
	<p><u>NSW Grants</u> - Long-term grant funding aligned to NSW Integrated Planning and Reporting timelines (4yr Delivery Program).</p>	Staff resources
	<p><u>Audit fees</u> – Use tiered compliance or risk and capacity-based compliance models.</p>	Staff resources

JOBS

Government Coordination for Economic Transformation

Ask: \$200,000

Coordination of participation of the ten Local Governments in the Hunter region to provide a conduit for working with various State and Federal Government Departments to develop a whole-of-government plan and communications to support coal mining communities transform their local economies.

To help State and Federal Government work with the ten Local Governments in the Hunter region transform their communities as coal mining demand declines, we're seeking direct financial support to assist with coordination across all levels of Government to develop a plan with agreed set of commitments to assist the Hunter region transform as coal demand declines impacting 50,000 jobs.

The investment would provide a dedicated resource as a conduit between all three levels of Government to gather information and develop communications to help local communities and government agencies understand roles, responsibilities and timelines.

We know from international experience that successful transition of mining regions requires all levels of government to effectively collaborate to deliver shared plans and objectives. The ten councils of the Hunter region are firmly committed to partnering with both the Federal and NSW governments to deliver outcomes for our communities, to successfully transform our economy.

We understand the significant extent of work that is underway across multiple agencies at both State and Federal levels, however there is a lack of dedicated and ongoing coordination and communications across these, that draws all of the relevant information and activity together.

Revenue from mining royalties provides an opportunity to catalyse investment in this approach to support mining impacted communities above what is already committed.

Our budget request will assist NSW Government in undertaking coordination across ten Local Governments, and communications to help build trust within our communities.

Objectives for this ask:

- Coordinated Federal, State and Local Government activity to develop a whole-of-government plan and set of commitments to:
 - Creating 50,000 new jobs to offset those expected to be lost from the global decline in coal over the coming decades.
 - Coordinated business incentives and investment attraction programs.
 - Reskilling our mining related industries for future industries.
 - Repurposing mining lands to create the new industry and jobs.
 - Planning partnerships to support housing growth to meet the NSW targets.
- Improved and ongoing communications both internally across all levels of government, and externally with industry and community, on roles and responsibilities to build trust and understanding of the activities underway.

Strategic Planning for Re-use of Mining Lands for Employment

Ask: \$10m

Funding or in-kind support to deliver regional scale land use planning and actions that directly support local communities transform their economies as coal declines.

We're advocating for investment to guide strategic land use planning to unlock economic opportunities for post mining land use across the broader Hunter region.

We appreciate the in-kind support being provided for two pilot projects in Lake Macquarie and Muswellbrook, developing Masterplans for two mine sites, however there is currently a lack of planning for over 20 mine sites and thousands of hectares of mining related lands across the Hunter region.

There is currently 92,000ha of mining-related land in the Singleton LGA alone that does not have a strategic land use planning framework in place to facilitate the repurposing of these lands, thereby inhibiting the enormous potential of these assets for supporting the region's economic transformation and jobs.

We acknowledge and appreciate the NSW Government's full support for all recommendations arising from the "Inquiry into the Beneficial and Productive Post Mining Land Use". The need to implement the recommendations is urgently needed to accelerate the reuse and redevelopment of mining related lands to create new industry and jobs in the Hunter.

Objectives for this ask:

- Region-wide mapping of all Hunter mine sites, creating a unified dataset to inform strategic planning, infrastructure investment, investment attraction, environmental management, and post-mining land-use decisions.
- Identifying future land-use options, economic diversification opportunities, environmental rehabilitation pathways, and community benefit outcomes.

International Tourism Trade Marketing

Ask: \$3.85m

Unify the Hunter tourism industry through a cohesive region-wide identity and associated trade marketing activities with businesses.

We're advocating for catalyst funding to help launch a new international brand for the Hunter region, to leverage the once-in-a-lifetime opening of the Newcastle Airport international terminal.

The Hunter region needs to diversify its economy as coal demand declines and 50,000 direct and indirect jobs are at risk. We have an opportunity to market the region to attract high-value international visitors and create new jobs in the tourism industry.

We have undertaken a Business Case and have full support for an international Hunter region brand for trade audiences from various local destinations in the Hunter region including Destination Port Stephens, Hunter Valley Wine Tourism Association, Newcastle tourism, Destination Sydney Surrounds North (DSSN) and Newcastle Airport.

The investment demonstrates a benefit cost ration (BCR) of 68 to 1, backed up by an economic assessment and Business Case.

Objectives:

- An additional \$268m in Hunter economy in the first three years.
- Increase international visitors by 1-3% and spend from \$72 to \$130 per night.
- Stimulate business growth and local jobs through training and mentoring programs, especially with First Nations.
- Support the economic diversification required in the Hunter region



Aviation Attraction for Newcastle International Airport

Ask: *\$35 million over 3 years for 6 destinations including Fiji, South Korea, Singapore, Japan, New Zealand and North America (NB an additional \$32 million will be funded by Newcastle Airport to bring this investment to \$67 million).*

\$185 million over 5 years for Newcastle Airport Accelerated Aviation Growth Program to unlock 1,000,000 incremental seats into NSW as part of the NSW Visitor Economy Strategy (VES) 2035

Air route development is highly competitive, with Australian state governments and other countries actively contributing to the attraction of new air services to their regions. Partnerships are essential, yet NSW remains the only state without ongoing, long-term airline attraction funding. With airlines constrained by limited fleet availability, this gap puts NSW and the Hunter at a significant disadvantage. Ongoing, sustainable long-term funding through the Aviation Attraction Program would grow airline routes and capacity through Newcastle Airport, contributing directly to the region's broader economic diversification and evolution.

The Newcastle Airport Accelerated Aviation Growth Program would unlock 1,000,000 incremental seats into NSW as part of the NSW Visitor Economy Strategy (VES) 2035. This accelerated program will stimulate airline activity and meet NSW inbound tourism objectives which includes 8.5M additional airline seats (3.7 million international and 4.8 million interstate). This ask will build the network and connectivity into the Hunter region, help NSW VES 2035 achieve its targets and support local manufacturing, business, tourism and defence industries. Growth in capacity to the Hunter catchment has a greater ROI than increasing capacity into the Sydney catchment which is already saturated by flights into SYD and shortly into WSI. The Hunter is an incremental destination for the State of NSW to attract international visitation as it has all the attributes to be a significant destination but is currently unserved by international airlines.

Hunter Region International Air Freight Precinct

Ask: \$1m for detailed precinct design (Stage 2)

The Hunter International Air Cargo Facility is the missing link in the Hunter's air-based supply chain. Capital investment is critical to unlock this economic opportunity for the region, as part of a staged approach:

Stage One – The high-level feasibility study has been completed by Hunter Joint Organisation, funded by the NSW Government. This study identified the need for the Hunter Region to have an international air freight capability at Newcastle Airport ([Hunter Airports Strategy Summary Report](#))

Stage Two - Detailed precinct design. Planning to define, value and design the precinct, making it shovel-ready for future activation.

Stage Three: Delivery of infrastructure to fully activate the precinct. Indicative costings include:

- \$27 million – International Air Cargo Terminal
- \$22M – Supporting Infrastructure

Capital investment will be critical to unlock this economic opportunity. Staffing and operations will be covered by a specialist cargo operator, making government investment catalytic rather than ongoing. This project complements investments at the Port of Newcastle, collectively enabling the Hunter to become a nationally significant logistics hub. It also unlocks precinct infrastructure for aeromedical and patient transfer, ground handling, maintenance and logistics.

Expected Outcomes:

- \$6.5B in gross regional product through freight opportunity
- 106 direct jobs in construction and operation
- 4,410 jobs across the freight and visitor economy

Shiraz to Shore Cycle Trail

Ask: \$23m for the 'Shiraz' section

To celebrate the oldest wine region in Australia with its bicentennial in 2028, and stimulate the tourism industry, an opportunity exists to build a 100km cycle trail from the Hunter Valley vineyards to the coast of Newcastle and Lake Macquarie. In the next budget, we can design and schedule construction of the Hunter Valley 'Shiraz' section of the recreational trail. Without funding, the project cannot progress to a nationally significant tourism asset.

Objectives:

- 200 jobs and an additional \$207m in economic benefit after 10 years.
- A return of \$1.40 for every dollar invested.
- A sustainable, safe, active transport link for over 230,000 users.

HOUSING

Enabling Infrastructure in the Hunter

Ask: \$200m

Non-competitive, criteria based fund to support Local Councils invest in enabling infrastructure in the Hunter Region to accelerate housing delivery.

We are recommending a contribution towards Local Government enabling infrastructure specifically to unlock housing to help meet the NSW housing targets.

Significant areas of development ready land exist (ie planning approvals are already in place), but construction cannot proceed due to delays in the provision of core enabling infrastructure (eg transport and utilities).

Data from the ten Hunter councils indicates that approximately \$938 million in infrastructure investment would unlock 61,000 new homes across the Hunter region.

We appreciate the priority commitment and focus of the NSW Government to meet the Housing Accord targets and want to actively partner with the Government to achieve these across the Hunter region.

This budget would contribute to our broader shared objectives of:

- 61,000 new homes across the Hunter
- 60,000 jobs and \$37 billion in economic benefits
- \$20 billion in direct housing development across the region.

Biodiversity

Ask: *Strategic Conversation Planning and Bio-certification for high growth areas in the Hunter*

The Hunter region's population is continuing to grow rapidly, including Maitland and Cessnock who are the two fastest growing LGAs in NSW. In these two LGA's alone, an expected population increase of 100,000 and accompanying housing development is expected over the coming decades.

Strategic Conversation Planning and Bio-Certification of high growth areas within the Hunter Region would assist with both streamlining the development process, provide industry and community certainty, and deliver strategic biodiversity conservation outcomes. It would also support the alignment of biodiversity planning with the NSW Plan for Nature and the Commonwealth Nature Positive Plan, which are expected to guide future policy and investment.

An Independent Review Panel 2023 found that the *Biodiversity Conservation Act 2016* is not meeting its objective of maintaining a healthy, resilient environment—and is unlikely to do so.

Both councils and developers report continued uncertainty and duplication in biodiversity mapping. This inhibits housing development and creates approval delays. It is also inhibiting effective biodiversity conservation outcomes being realised.

Current offset schemes place significant financial obligations on councils and proponents to secure environmental clearances. The difficulty in acquiring suitable offset land and navigating complex regulatory processes leads to costly delays in development. There is an opportunity to streamline offset processes and provide dedicated support to councils, including improved access to offset land and clearer regulatory pathways, to reduce delays and cost barriers to housing delivery.

Density – TOD Activation Leadership

Ask: Funding and resources

NSW-led coordination and investment to activate Transport-Oriented Development (TOD).

While NSW Government policy supports increased housing density through Transport-Oriented Developments (TODs) and Low-Rise Medium-Rise (LRMR) housing, there is limited support for their practical planning and implementation in the Hunter region.

The Hunter contains nine TODs, yet Tier 2 TODs have no infrastructure funding and no development uptake since controls commenced. Fragmented land ownership, outdated voluntary planning agreement processes, and lack of coordinated state leadership are constraining density outcomes.

In addition, funding mechanisms for delivery of the infrastructure upgrades to support infill housing could be explored on a regional scale. This could include investigating how to reform voluntary planning agreements and processes to support renewal of infill precincts with multiple landowners.

In summary, to support increased housing density and diversity the NSW Government could consider:

- Incentivising infill housing
- Reforming Voluntary Planning Agreements to enable coordinated renewal across fragmented ownership.
- Allocating funding and leadership for planning and delivery in Transport Oriented Developments and Low-Rise Medium-Rise areas.
- Exploring the expansion of Low Rise Mid Rise zones with due consideration of environmental constraints.

Integrated Planning for High-Growth Areas

Ask: Staff resources

State-led integrated land-use and infrastructure planning for major growth corridors, including Anambah–Branxton.

The Anambah to Branxton Regionally Significant Growth Area across the three local government areas of Singleton, Cessnock and Maitland has the potential to accommodate a substantial population increase of up to 100,000 people, justifying high level coordination to ensure integrated planning.

Leadership of an integrated planning approach between various Government agencies and the three Councils involved in this significant urban growth area will be critical to achieving timely delivery of housing targets and creating liveable and connected communities. However, the NSW Government resourcing to support an integrated approach to planning this high growth area has been withdrawn, leading to sub optimal planning outcomes and delays in providing housing. We are asking that these coordination resources be reinstated.

Increasing Housing Diversity

Ask: Staff resources

Support for a region-wide housing preferences study and for communications to increase public acceptance of density.

Greenfield development areas across the Hunter region are characterised by a dominance of four-bedroom homes, resulting in a lack of housing diversity and limiting opportunities for a broader cross-section of the community. This presents a challenge in meeting the needs of an ageing population, students, and young adults who increasingly require smaller, more affordable housing options such as units or one- to two-bedroom dwellings.

Port Stephens Council has demonstrated the value of localised housing research through a recent preferences study, which identified clear gaps between housing demand and supply.

We are asking for a region-wide housing preferences survey to better understand intra-regional mobility and inform more tailored, evidence-based housing targets within the Hunter Regional Plan.

In addition, despite the efficiency of apartment-style housing in terms of infrastructure provision, social perceptions in Australia continue to undervalue these forms as viable and desirable investments. We see benefit in the NSW Government implementing a communications campaign to increase social acceptance and to raise awareness of the benefits of greater density to reduce the urban sprawl.

Cost of Construction – Modern Methods of Construction (MMC)

Ask: *Staff resources*

Support for R&D and pilot programs in modular, prefabricated, and other innovative construction methods.

Cost of construction materials has increased reducing the feasibility of development (among a range of other increasing costs).

There is an opportunity to reduce construction costs, accelerate housing delivery, and diversify the supply of dwellings by increasing research and supporting the uptake of innovative Modern Methods of Construction (MMC), such as modular and prefabricated housing.

Supporting pilot programs in regional areas, such as the Hunter, would provide practical demonstrations of the feasibility, cost-effectiveness, and efficiency of these approaches.

These pilots could also help build industry capacity, attract new manufacturing investment to the region, and showcase how MMC can contribute to faster, scalable, and more sustainable housing solutions across the Hunter.

Skills Shortage in Construction

Ask: *Funding*

Continued investment in fee-free TAFE training to address workforce shortages.

According to Department of Employment and Workplace Relations, the current workforce does not have enough skilled construction workers to meet housing targets across NSW.

To help meet housing delivery targets, we support the NSW Government in their continued funding of fee-free TAFE courses in construction and building trades, while also increasing the availability of skilled migrant visas to bolster the housing workforce.

Social & Affordable Housing – Perpetual Incentives/Partnerships

Ask: *Staff resources*

Repurposing of temporary worker accommodation in Renewable Energy Zones and designing new developer incentives that deliver affordable housing in perpetuity.

Repurposing of temporary worker accommodation

In the Hunter, we are concerned with rising levels of homelessness and the social impacts this can generate in communities, with thousands of people on the waiting list for social housing. Amidst rising housing costs across the Hunter, there is also a need for greater levels of affordable housing.

We are proposing innovative approaches to addressing these challenges, including:

- The use of modular temporary worker accommodation for construction activities within the Hunter REZ, that can be relocated and repurposed to provide long term social and affordable housing stock once construction is finalised.

- A partnership between Homes NSW and development proponents within the REZ, where housing construction could be accelerated (and co-funded) by proponents to provide worker accommodation in the short term, to then become available for social and affordable housing in perpetuity.

Developer Incentives

We appreciate the NSW Governments incentives for developers for 15% affordable housing in their developments for 15 years, however this causes a strain on the affordable housing market when these properties are removed. We recommend that alternative models to accelerate the provision of affordable housing be explored. For example, an alternative model that could include reducing the 15% requirement but maintaining the affordable housing stock in perpetuity.

Water Infrastructure for Housing Growth

Ask: Funding

Increased investment in regional water and wastewater infrastructure to enable new housing.

Regional councils face upgrades costing up to \$80 million, with ageing systems reducing service reliability and constraining opportunities for housing and economic (and jobs) growth.

Community Benefit Schemes

Ask: Funding and resources

Ensuring regional communities impacted by the energy transition, including the transmission and transportation routes through the Hunter region, receive legacy community benefits.

Local councils across regional NSW are experiencing or are anticipated to experience increased development of renewable energy projects such as wind farms, solar farms, battery storage facilities, pumped hydro, energy distribution and transmission and waste-to-energy projects.

Many energy projects are state significant developments and, while all energy consumers will benefit from renewable energy projects once constructed, local communities where energy developments and operations are located will bear a disproportionate burden associated with hosting the ongoing energy operations.

Despite this, many energy developments are proceeding, both within and outside of renewable energy zones, without suitably commensurate arrangements in place to ensure local communities can experience a net positive benefit as a result of infrastructure and operations being located in their area.

Recognising this, the NSW Government published (2024) a benefit-sharing guideline for large scale renewable energy developments, specifically solar and wind energy generation projects and battery storage projects on rural properties. While these guidelines are a very positive step

towards establishing appropriate long-term community benefits-sharing for energy projects, there is still much to be understood and considered by NSW councils, including:

- how the guidelines should be applied by councils and the state via the planning process,
- development of individual council policy positions and procedures regarding negotiation of community benefits-sharing arrangements, which may include agreements with local governments, as distinct from traditional developer contribution agreements and specific infrastructure agreements between energy companies and local governments,
- how the benefit-sharing guidelines, and associated planning processes apply to other types of energy developments.

We're advocating for a coordinated statewide approach to building councils' capabilities, developing policies and procedures with respect to processes for establishing appropriate community benefits-sharing arrangements, with a view to:

- More clearly and consistently communicate to energy companies, to the NSW Government and to local communities what councils are seeking by way of fair contribution towards broad community benefits, above and beyond negating direct construction impacts, and
- Enhancing the capacity and capability of local councils across NSW to more consistently and equitably negotiate with energy companies and the NSW Government to secure legacy benefits for their local communities.

ROADS & TRANSPORT

Equitable Road Funding Formulas

Ask: Funding and resources

Reform road funding formulas so they properly account for regional realities such as longer road networks, heavier freight use, and higher weather vulnerability.

Councils across the state are struggling to maintain road networks following three years of extreme weather.

Recent NSW and Commonwealth Inquiries demonstrate local governments across Australia are facing mounting financial risks that threaten their long-term sustainability.

We appreciate the NSW Government's Budget pledge in 2024-25 of \$3 billion over 10 years (equivalent to \$300 million per year) for road safety and weather-related transport infrastructure recovery in regional NSW.

By comparison, in the 2024–25 NSW Budget \$150m has been allocated to road infrastructure in Western Sydney alone.

In 2025–26, the Commonwealth will contribute \$630 million in road funding to 128 NSW councils through programs such as Roads to Recovery and Safer Local Roads and Infrastructure. Whilst the funding support is welcomed, it will not adequately address the backlog in road repairs. In May 2025, the NRMA reported that NSW councils are facing a \$3.4 billion backlog in road repairs.

Existing state and federal road maintenance programs often use legacy formulas that fail to account for actual condition, usage, or network scale in rural areas.

Metro versus regional road network

Metropolitan councils manage a much smaller road network, meaning their funding needs are significantly lower. To put this into perspective, if 5% of the road network were renewed to the same standard each year, the relative cost would be about \$75 per ratepayer in Sydney, compared with over \$250 in Newcastle, \$1,800 in Singleton and more than \$3,800 per ratepayer in Dungog. This clearly disadvantages the affordability and capacity of regional and rural councils and their communities to maintain their road networks.

Equitable wellbeing outcomes

Well-maintained and upgraded roads contribute to the overall liveability of regional communities. Maintaining and improving regional road networks is critical for economic activities, connectivity, and community wellbeing.

This lack of equitable funding in roads further isolates communities that are already impacted by limited access to essential services.

We are calling for additional, ongoing, recurrent funding that is not dependent on competitive or complex grants processes. Local councils need predictable, direct investment to manage and maintain essential road infrastructure.

Re-categorisation of Key Regional Roads

Ask: *Funding and resources*

Reclassify local and regional roads that service state-significant assets such as water, energy, housing and freight infrastructure as State Roads.

Several critical regional connector roads currently categorised as local roads in the Hunter are deteriorating faster than councils can afford to maintain them. These roads not only serve local communities but underpin infrastructure and assets of significance to the NSW Government (e.g. water supply and Renewable Energy Zones), key state and regional economic assets (e.g. Port of Newcastle and Newcastle Airport) and link large regional population centres. Yet the limited revenue base of local councils makes it impossible to fund the necessary maintenance of these road assets. Key examples include:

- Maintenance of local roads to provide heavy vehicle access by Hunter Water to Chichester Dam and other water infrastructure in the Dungog Shire
- Medowie Road provides an increasingly utilised transport link between the Pacific Highway and Newcastle, including to Newcastle Airport and the Port of Newcastle. This route is used by thousands of commuters every day. While the recent \$10 million commitment from the NSW Government to upgrade Medowie Road is welcomed, council cannot fund the remaining \$70 million required to bring this road up to the standard the region and State needs.

The continued classification of these types of key roads as local roads is leaving councils with an unsustainable financial burden. A practical solution is for the NSW Government to reclassify key regional connector roads as state roads. This would transfer responsibility for funding, upgrading, and ongoing maintenance to the State, reflecting their true strategic and economic importance, while freeing local councils to focus on the local road network they can realistically support.

Regional Transport Plan Delivery Program

Ask: *Staff resources*

Develop a transparent four-year delivery program for the Hunter Strategic Regional Integrated Transport Plan (SRITP).

While the development of the Hunter Strategic Regional Integrated Transport Plan is welcomed by the region's councils, it needs to be supported by a clear, transparent delivery program to prioritise, drive and monitor its implementation.

A transparent, four-year Delivery Program would provide the opportunity for local government, other agencies and regional business and industry to align planning and investment decisions to create opportunities for communities and economic development across the region.

DISASTER RESILIENCE

Non-competitive, Long-term Resilience Funding aligned to IP&R

Ask: Funding

Commit to ongoing, predictable disaster resilience and adaptation funding aligned with councils' four-year Integrated Planning & Reporting cycles.

The Hunter is predicted to experience increased extreme weather and natural hazards, with the effects of this already impacting the region. Many of the region's communities are struggling to recover from the continual and combined impacts of more frequent and severe disasters.

The May 2025 NSW East Coast severe weather events again demonstrated both the essential role of councils in disaster response and recovery, and the critical need for strong, consistent, and collaborative leadership from state and federal governments. We welcome the opportunity to continue working with the NSW Reconstruction Authority towards regional-scale Disaster Adaptation Plans (DAPs) for the Hunter, to strengthen preparedness, recovery, and long-term adaptation.

Local government involvement is crucial - councils hold the local presence, knowledge, skills, and systems required to deliver place-based adaptation, capabilities that no other level of government can provide.

Local Government is heavily reliant on grant funding to cover disaster recovery costs and implement long-term risk reduction measures:

- 97% of disaster funding still goes to response and recovery, not risk reduction.
- Short-term, competitive grants undermine long-term resilience.
- Many programs require up to 50% co-contributions, excluding smaller councils.

Regional and rural councils often lack capacity to apply, co-fund, or meet evidence requirements, further exacerbating vulnerability and inequity.

Water Infrastructure Eligibility for Disaster funding

Ask: Policy change

Amend disaster recovery funding rules to allow repairs to council owned water and sewer infrastructure.

Under current disaster recovery funding arrangements, the repair of water and sewer assets is ineligible for cost recovery under natural disaster declarations, due to their classification as "commercial activities". In rural and regional communities however, council managed water and sewer infrastructure are vital public assets, every bit as essential as roads, bridges, or community facilities that do qualify for recovery funding.

These Council managed water and sewer services are fundamental to public health, safety, and liveability. With natural disasters becoming more frequent and severe, the lack of financial support risks undermining councils' ability to maintain these essential services.

WATER SECURITY

Regional Water Supply and Treatment Infrastructure

Ask: Funding

Increase NSW Government investment in regional water and wastewater infrastructure, co-designed with councils.

Regional councils outside the Hunter Water service area are solely responsible for delivering safe, reliable water and wastewater services to their communities. These councils face growing challenges due to ageing infrastructure, increasing regulatory expectations, and reduced NSW Government funding support.

The cost of necessary upgrades to treatment facilities, pipes, and distribution networks far exceeds local government resourcing capacity. Support is urgently needed from the NSW Government to work with regional councils on long-term planning, equitable investment, and coordinated water infrastructure solutions.

We appreciate the NSW Government's Town Water Risk Reduction Program boost of \$15m on top of the existing \$32.8m for all water utilities in NSW.

However, with one upgrade in the Hunter requiring \$80m to be shared by a small population base, greater levels of funding support from the NSW Government is required.

Health risks

Ageing infrastructure is creating service reliability and public health risks. For example, Upper Hunter Council has been required to issue boiled water alerts two separate times during 2025 totalling three months in duration, caused by excessive rain events.

Restrictions to housing development & economic growth

In addition to providing safe and reliable water supply and treatment for existing communities, limited funding for large-scale infrastructure maintenance and upgrades is constraining opportunities for housing and economic (jobs) growth.

Catchment Area Impacts and Hunter Water Dividends

Ask: Funding and policy change

Provide a fairer share of Hunter Water dividends to affected councils and standardise planning controls across drinking water catchments.

A significant portion of Hunter Water's river and dam catchment lies within the Dungog Local Government Area (LGA).

Strict and inconsistently applied planning controls in the drinking water catchment is limiting Dungog Shire Council's ability to support development and economic growth.

In addition, Hunter Water dividends are paid to the NSW Government, yet Dungog Shire Council and impacted local communities receive no share, despite experiencing the costs of catchment restrictions, loss of rate revenue capacity and infrastructure impacts such as heavy vehicle traffic servicing water assets and infrastructure of significance to the State.

Waterway Health Governance

Ask: *Policy change and resources*

Establish a single lead agency to coordinate waterway health and drinking water quality management across the Hunter.

No single authority is responsible for coordinating waterway health across the Hunter Region.

Sediment erosion and algal blooms are degrading water quality, particularly in the Williams, Hunter and Paterson Rivers, and Grahamstown Reservoir.

Lack of coordinated investment and management is threatening drinking water supplies and resulting in environmental decline, unclear accountability, and inefficiencies.

Improved inter-agency coordination and funding mechanisms are necessary to support holistic waterway management, water quality, and long-term sustainability of critical natural resources.

WASTE MANAGEMENT

Waste Levy Reinvestment and Transparency

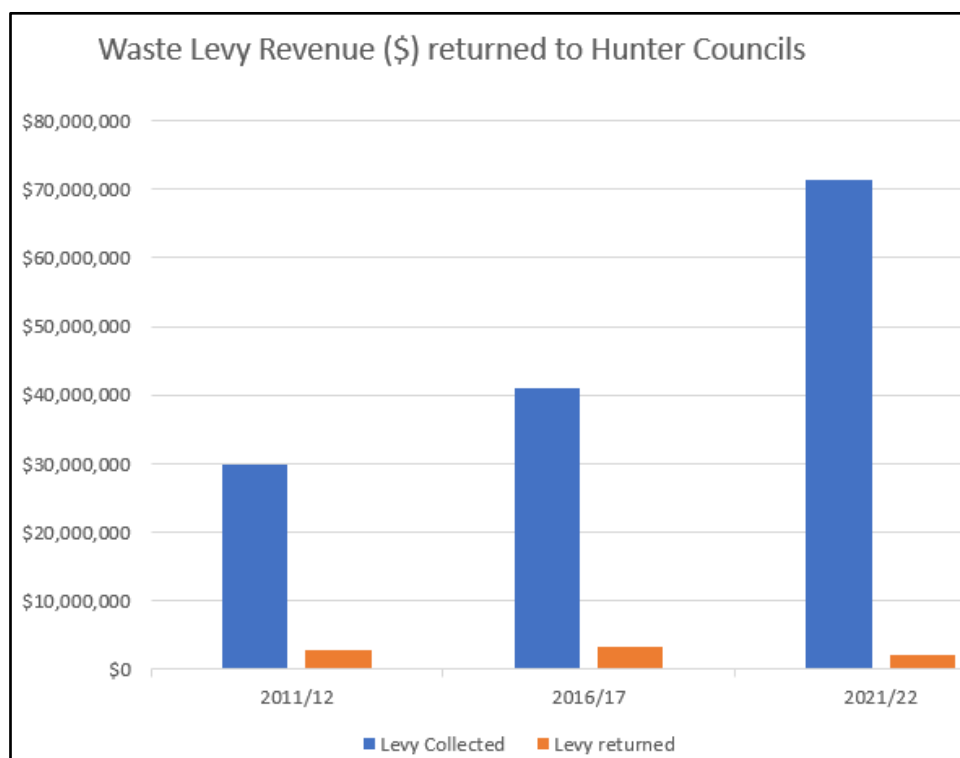
Ask: Funding and resources

Return a greater proportion of the NSW waste levy to councils and increase transparency around fund allocation.

The State Government’s waste levy collects significant revenue from councils, with minimal reinvestment back into local waste infrastructure, recycling, education or circular economy initiatives.

The return of the waste levy to Local Councils has been decreasing. In 2011/12, 9% of the waste levy was returned. In 2021/22, NSW Government collected over \$71M from Hunter councils, yet only 3% of the levy, or \$2.1M was returned to councils to invest back into waste management initiatives.

A greater reinvestment of the waste levy back to Councils in the Hunter Region is needed to develop structures, systems and infrastructure to achieve more efficient resource use and to support them meet NSW Government waste reduction and net zero targets.



ADDRESSING COST SHIFTING

Local governments across Australia are facing mounting financial risks that threaten their long-term sustainability;

- In November 2022 in the lead-up to the 2023 State Election, NSW Labor formally [recognised that cost shifting had undermined](#) the financial sustainability of the local government sector.
- In November 2024, the [final report](#) of the Inquiry into the ability of local governments to fund infrastructure and services recommended that the NSW Government identify opportunities to reduce cost shifting to local government.
- The [2024 Intergovernmental Agreement](#) between LGNSW and the NSW Governments includes a commitment to minimise the impact of cost shifting on local government
- In May 2025, the [NSW Government responded](#) to this cost shifting recommendation reinforcing “its commitment to the Intergovernmental Agreement with Local Government NSW”.

Both Federal and State Parliamentary Inquiries have recognised cost shifting as one of the most significant contributors to the financial concerns of local government. Alignment between these findings reinforces the need for cross-jurisdictional concern that requires coordinated action.

NSW Government Inquiry

- Standing Committee on State Development – Inquiry into ‘Ability of local governments to fund infrastructure and services – Report 52 (Nov 2024)
- NSW Government Response (May 2025)

Federal Government Inquiry

- House of Representatives Standing Committee on Regional Development, Infrastructure and Transport Inquiry into local government sustainability (March 2024).
- Interim report into local government sustainability (Feb 2025).

The independent report by Morrison Low in 2025 demonstrates that cost shifting imposed onto NSW councils amounted to \$1.5 billion in 2023-24. Alarming, this is the equivalent of almost \$500 per ratepayer per year across the state. Reference: [2025 Cost Shifting Report: How State Costs Eat Council Rates](#)

The most significant areas of cost-shifting include:

- Rate exemptions (ie: non-rateable or State-owned properties at discounted rates)
- Increased requirements for administration of development applications and regulatory functions.
- The NSW EPA waste levy

A tangible example of cost shifting is changes in the NSW Planning Portal, which Lake Macquarie City Council calculates has required an additional two fulltime positions in their council alone to absorb additional workload, an additional impost that has not had an impact on reducing processing times.

Funding for Joint Organisations

Ask: \$250,000

Contribute to stable, ongoing funding for Joint Organisations that support delivery of NSW Government priorities.

The benefits arising from the establishment of Joint Organisations by the NSW Government are shared between both the NSW Government and Local Government, however at present Joint Organisations are funded by Member Councils only, with funding contributions from the NSW Government predominantly comprising short term, project-based grants that do not support delivery of core statutory functions.

A contribution of annual recurrent funding from the NSW Government to the core operations of JO's (and other similar regional collaborations of Councils) is recommended to support them effectively meet the statutory mandate that has been established and to recognise the significant support and efficiencies JO's deliver that directly benefit NSW Government agencies.

An example of the core operating costs for a JO that are currently being completely funded by Member Councils includes:

Indicative core annual operating costs for a Joint Organisation

1 x Executive Officer

1 x project officer / admin

1 x vehicle

Admin: Salary oncosts, rent, IT, HR,
finance

TOTAL \$491,900

Reduce State-owned Rate Exemptions

Ask: *Funding and policy change*

Reform rate exemption arrangements that shift substantial financial burden onto local government.

Current rate exemptions for State entities (ie: non-rateable or State-owned properties at discounted rates) erode councils' revenue base while demands for service delivery and infrastructure continue to grow. Reducing or restructuring exemptions would restore a more balanced financial relationship between state and local government and ensure that state entities are fairly contributing to Council managed assets from which they derive a direct benefit.

IPART Rate-pegging Reform

Ask: *Policy change*

Align the rate peg to actual cost drivers for local government services, rather than standard household CPI.

The Independent Pricing and Regulatory Tribunal (IPART) caps council revenue through rate pegging, limiting councils' financial flexibility. Special Rate Variation (SRV) processes are complex, time-consuming, and uncertain.

Whilst we appreciate the recent NSW Government review of the rate pegging methodology, concerns still exist, given the need to enable longer-term financial planning aligned to inflation cost pressures.

The current Special Rate Variation (SRV) process is burdensome for councils. Despite already engaging in robust community consultation through the Integrated Planning and Reporting (IP&R) framework, councils must still seek approval from IPART to raise rates beyond the cap, limiting local autonomy and responsiveness to the needs of local communities.

Councils are unable to adjust rates within a reasonable margin (e.g. a small percentage above the cap) without triggering a full SRV process, making it difficult to respond to rising service costs or unexpected financial pressures.

While a modest increase in the rate peg from 3.8% to 4.1% has been introduced, it may still fall short of what is needed to maintain long-term financial sustainability, especially amid inflationary cost pressures and growing community expectations.

We also encourage indexation linked to CPI for real cost drivers for local government services, as opposed to the current methodology measuring household goods and services.

Financial Assistance Grants – Advocacy to Increase to 1%

Ask: *Staff resources*

Support national advocacy efforts to lift Financial Assistance Grants from 0.51% to 1% of Commonwealth taxation revenue.

Financial Assistance Grants have not kept pace with inflation and rising costs for essential services and infrastructure. Inequitable distribution leaves regional and remote councils under-resourced compared to metropolitan counterparts.

Nationally these grants remain at 0.51% of Commonwealth taxation revenue. LGNSW, ALGA and Hunter JO have long been calling for these grants to return to the 1% of Commonwealth taxation revenue that was last achieved in 1996. The lack of investment in our communities is a missed opportunity and a significant contributor to the financial sustainability challenges faced by councils.

Financial Assistance Grants – Update NSW Distribution

Ask: Staff resources

Reform the NSW FA Grants distribution methodology to better reflect regional service delivery costs, disaster exposure, network length and infrastructure needs.

The NSW Government has an opportunity to address the distribution methodology to ensure they're meeting the Federal Principle of Horizontal and Fiscal Equalisation by providing a greater allocation to councils in need, resulting in greater equity.

We appreciate the NSW Government has committed to a review of the distribution methodology. Our submission to the Local Government Grants Commission included the recommendations below.

NSW FA Grants methodology recommendations:

Distribution should include consideration of:

- The difference between a council's potential to raise revenue and its actual capacity to raise revenue given the limitations imposed by legislation, or the economic conditions within their jurisdiction.
- Allowing for the difference in costs in providing services in rural and regional areas instead of state averages on a per capita basis.
- Cost factors that better reflect an individual council's operating environment in relation to climate change impacts, natural disasters, management of public infrastructure and provision of water/sewerage.
- A significant increase in the proportion of annual CPI adjustments quarantined for councils facing the greatest relative disadvantage.
- Any increases in the total FA Grants allocation are quarantined for councils facing the greatest relative disadvantage.

We also recommend that the Local Government Grants Commission:

- Undertake extensive consultation with metropolitan councils on the challenges faced by regional councils under the current methodology, to build a broader understanding and grow support for a more equitable redistribution of FA Grants in favour of councils with a greater need.
- Provide greater certainty in the timing of FA Grants payment to allow councils to strategically plan for current and future years.
- Develop improved communications materials that provide greater transparency in the calculation methodology for distribution, including information on the:
 - Annual percentage variances in distribution and how these can be anticipated and incorporated into planning.
 - Criteria within the cost adjustment factors (20 expenditure functions and 47 disadvantages factors)
- Changes that have been made annually to address the inequities of distribution, and examples of the challenges faced by rural and regional councils.

Long-term NSW Grants Aligned to IP&R

Ask: Staff resources

Transition from fragmented, short-term competitive grants to multi-year funding aligned with councils' four-year Delivery Programs.

Local governments rely on grant funding to deliver up to 60% of their assets and services in regional areas, however there are many challenges in the system.

Many grants are short-term and misaligned with councils' NSW legislated plans, such as their Community Strategic Plans. This creates pressure to deliver projects that don't match local priorities, undermining strategic direction and reduce efficiencies in delivering services.

Applying for competitive grants also absorbs significant staff time and resources and takes skilled staff away from delivering core services. For many smaller regional councils this inherently disadvantaged them from the start in accessing funds as they simply do not have the staff to apply for competitive grants. The focus on short-term funding also causes staff turnover, skill loss, service disruption when projects end, and inflated contractor costs arising from boom bust grant cycles. Different reporting and governance requirements across grants add to the administrative burden.

Over time, this weakens councils' capacity, creates community frustration, and leads to fragmented outcomes, especially in regional areas where councils may be competing rather than collaborating.

Instead of supporting long-term planning and delivery, the current grant system often builds vulnerability, distracts from core responsibilities, and reduces the ability of local governments to invest in sustainable, community-led outcomes.

Councils and Joint Organisations require stable, predictable funding to plan and deliver long-term, place-based outcomes.

A shift to non-competitive, multi-year block funding would:

- **Enable strategic delivery:** Funding tied to CSP priorities ensures investments are community-driven, locally accountable, and aligned with legislated goals.
- **Reduce inefficiency:** Removing the need for repeated, competitive grant applications would free up staff time and reduce administrative burden.
- **Build capability and resilience:** Longer funding terms support workforce retention, innovation, and continuity in service delivery.
- **Encourage collaboration:** Regional councils can plan jointly without competing for limited funds.
- **Strengthen trust and transparency:** Communities see lasting, locally relevant outcomes, not short-term, externally imposed projects.

This approach would empower councils to deliver lasting, community-led change efficiently, strategically, and sustainably.

Audit Fees and Compliance Burden

Ask: Staff resources

Implement tiered, risk-based audit and compliance models to reduce escalating audit fees and administrative load.

Increasing fees

Since 2017/18 Hunter Councils have experienced a cumulative 73.7% increase in audit fees, including a stepwise increase of 53.4% in the 2022/23 financial year. This far exceeds the cumulative rate peg increase of 10.6% that has been applied to Councils over the same period.

There has been limited opportunity or capacity for Councils to negotiate these ongoing increases.

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

Councils' have also been experiencing a steady and significant increase in the level and nature of information being requested by the auditor, often with a very short turnaround period, placing an administrative burden on staff.

The Office of Local Government releases a Local Government Code of Accounting and Financial Reporting each financial year that councils are required to use as their basis for year-end financial reporting. The applicability of this code has been challenged due to its timeliness and recommendations.

Local government has requested that the code be released by the commencement of the financial year, to ensure sufficient time to comply, or alternatively that it be released for an extended period – for example, three years.



Federal Budget Submission 2026-2027

January 2026

The Hon. Dr Jim Chalmers MP
Treasurer, Federal Government
prebudgetsubmissions@treasury.gov.au.

Uploaded via form online

30 January 2026

Dear Dr Chalmers

Re: Recommendations to inform the 2026-27 Federal Budget.

The ten Member Councils of the Hunter Joint Organisation (JO) welcome the opportunity provided by the State Government to provide a pre-budget submission to inform the Federal Budget 2026-27.

The Hunter JO is the statutory Local Government entity established through the *NSW Local Government Act 1993*, to support the ten member Councils of the Hunter Region to work together for better rural and regional outcomes, and to enhance the way Local, State and Federal Governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- 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

The core statutory functions for the Hunter JO and all Joint Organisations across NSW include:

1. Strategic planning and priority setting
2. Intergovernmental collaboration
3. Shared leadership and advocacy

Context of the Hunter region

Economic contribution

The Hunter Region, NSW is the largest regional economy in Australia, valued at \$96B in 2025 and a population exceeding 800,000. There are enormous social and economic ramifications facing the Hunter region and Australia's economy more broadly arising from the Region's economic transition away from coal, a transition that is already underway.

Major job losses

According to coal industry modelling shared with our Member Councils, by 2030 nearly 12,000 direct and indirect jobs will be lost in the Hunter region with the closure of two mines alone. Over the next few decades, 20 further coal mines are due to close with no mining approvals currently granted beyond 2048. This will impact almost 50,000 direct and indirect jobs in the Hunter region (FIJA Issues Paper, 2023).

Local Government financial sustainability

Government Inquiries at both Federal and State levels have recognised the financial concerns and constraints facing Local Government. With limitations on their ability to generate revenue, Local Governments across Australia, especially in regional areas, are facing mounting financial risks that threaten their long-term sustainability.

Our submission

The recommendations outlined in our budget submission have been prioritised based on:

- Their alignment with Federal Government priorities
- The opportunity to leverage and build upon existing significant Government and partner resourcing and investment
- The opportunity to enhance outcomes via a more integrated partnership approach to delivery across all three levels of Government.

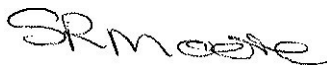
These priorities focus on:

- **Jobs/Net Zero** - Support the transformation to net zero by diversifying the Hunter economy and increasing jobs in the region.
- **Housing** – Unlock existing barriers to housing development.
- **Community infrastructure** – providing essential services for our local communities.

We would welcome the opportunity to meet to provide a more detailed briefing and to discuss strategies for working more closely with you to progress these important initiatives for the Hunter region in NSW, Australia.

Should you have any further queries please don't hesitate to contact Kim Carland, Advocacy and Government Relations Lead, Hunter JO at kimc@hunterjo.nsw.gov.au or on 0460 034 614.

Yours Sincerely



Cr Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation



Cr Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

The Hunter Joint Organisation's statutory mandate includes identifying the key regional strategic priorities, advocating for these priorities and building collaboration with other levels of government, industry and community. More information on our shared priorities are outlined in our [Hunter JO Strategic Plan 2035](#) and [Advocacy Priorities](#).

SUBMISSION

Thank you for the opportunity to provide a pre-budget submission to inform the Federal Budget 2026-27.

Each year the Hunter JO Board, comprising the region’s ten democratically elected Mayors, identify and prioritise their shared advocacy priorities for the region. The priorities included in this submission reflect those shared priorities, and comprise funding, policy or staff resource requests of regional significance that would benefit over 800,000 people in the Hunter region directly and the Australian economy more broadly.

Summary

Government priority	Description	Request
Jobs	<u>Government coordination</u> of the economic transformation	\$300,000
	<u>Strategic Planning</u> for re-use of mining lands for employment	\$10m
	<u>International tourism</u> – catalytic investment to leverage Commonwealth funding to launch Hunter trade brand and marketing.	\$3.85m
	<u>Hunter Region International Air Freight Precinct</u> – detailed precinct design	\$1m
	<u>Shiraz to Shore</u> cycle trail – construct stage 1 the ‘Shiraz’ section.	\$23m
Housing	<u>Enabling infrastructure</u> – noncompetitive criteria-based contribution fund to councils to unlock development ready land	\$200m
	<u>Increasing diversity</u> – communications to raise awareness of benefits of density/apartment living	Staff resources
	<u>Cost of construction</u> - Increase research and development into alternative housing options including modular homes	Staff resources
	<u>Shortage of skills</u> - Continue to fund TAFE fee-free courses in building and trades	Funding
	<u>Water infrastructure</u> - Increase funding for large-scale infrastructure maintenance and upgrades	Funding
	<u>Biodiversity</u> – Partner with NSW Government to implement Bio-certification for high growth areas	Staff resources
	<u>Density</u> - Partner with NSW Government to incentivise density in regional cities.	Funding and resources

Government priority	Description	Request
	Community Benefit Schemes – Ensuring nationwide approach to support communities impacted by the energy transition.	Funding and resources
Roads and Transport	Equitable funding - Update funding allocation formulas to reflect road length, freight load, weather vulnerability and connection to significant infrastructure	Funding and resources
Disaster resilience	Non-competitive funding – Aligned with councils’ four-year planning cycles, or Commonwealth election cycles.	Funding
	Water infrastructure – urgently review disaster recovery funding rules to include repairs to council owned water infrastructure impacted by natural hazards and disaster events	Policy change
Water security	Water supply and treatment infrastructure - Increase Australian Government investment in regional water and wastewater infrastructure, including funding models co-designed with councils	Funding
Waste and circular economy	Productivity Commission Recommendations for Circular Economy Direct Local Government Investment to implement Recommendation 7.2 - Develop place-based circular economy plans and pilot place-based circular economy transition brokers	Funding
Financial sustainability	Funding Joint Organisation’s or other regional collaborations of councils that provide benefit to Commonwealth and NSW Government.	\$492,000
	Financial Assistance Grants – increase FA Grants to 1%	Funding
	Financial Assistance Grants – Advocacy to NSW Government to update FA Grants methodology to provide greater equity.	Staff resources
	Commonwealth Grants - Long-term grant funding aligned to councils’ four-year planning cycles or Commonwealth election cycles.	Staff resources

JOBS

Government Coordination for Economic Transformation

Ask: \$300,000

Coordination of participation of the ten Local Governments in the Hunter region to provide a conduit for working with various Federal Government Departments to develop a whole-of-government plan and communications to support coal mining communities transform their local economies.

To help State and Federal Government work with the ten Local Governments in the Hunter region transform their communities as coal mining demand declines, we're seeking direct financial support to assist with coordination across all levels of Government to develop a plan with agreed set of commitments to assist the Hunter region transform as coal demand declines impacting 50,000 jobs.

The investment would provide a dedicated resource as a conduit between all three levels of Government to gather information and develop communications to help local communities and government agencies understand roles, responsibilities, available assistance and timelines for change.

We know from international experience that successful transition of mining regions requires all levels of government to effectively collaborate to deliver shared plans and objectives. The ten councils of the Hunter region are firmly committed to partnering with both the Federal and NSW governments to deliver outcomes for our communities, to successfully transform our economy.

We understand the significant extent of work that is underway across multiple agencies at both State and Federal levels, however there is a lack of dedicated and ongoing coordination and communications across these, that draws all of the relevant information and activity together.

Our budget request will assist Federal Government's Net Zero Economy Authority in having one point of contact by undertaking coordination across ten Local Governments. The investment would also assist in providing communications through Local Government channels to help build trust within our communities.

Objectives for this ask:

- Coordinated Federal, State and Local Government activity to develop a whole-of-government plan and set of commitments to:
 - Creating 50,000 new jobs to offset those expected to be lost from the global decline in coal over the coming decades.
 - Coordinated business incentives and investment attraction programs.
 - Reskilling our mining related industries for future industries.
 - Repurposing mining lands to create the new industry and jobs.
 - Planning partnerships to support housing growth to meet the NSW targets.
- Improved and ongoing communications both internally across all levels of government, and externally with industry and community, on roles and responsibilities to build trust and understanding of the activities underway.

Strategic Planning for Re-use of Mining Lands for Employment

Ask: \$10m

Funding or in-kind support as part of the Future Made in Australia plan to deliver regional scale land use planning and actions that directly support local communities transform their economies as coal declines.

We're advocating for investment to guide strategic land use planning to unlock economic opportunities for post mining land use across the broader Hunter region.

This request would meet the Australian Governments recommendation 4.1 from the Productivity Commission Report into Circular Economy.

We appreciate the \$5m investment being provided for two pilot projects in Lake Macquarie and Muswellbrook, developing Masterplans for two mine sites, however there is currently a lack of planning for over 20 mine sites and thousands of hectares of mining related lands across the Hunter region.

There is currently 92,000ha of mining-related land in the Singleton Local Government Area alone that does not have a strategic land use planning framework in place to facilitate the repurposing of these lands, thereby inhibiting the enormous potential of these assets for supporting the region's economic transformation and jobs.

Objectives for this ask:

- Region-wide mapping of all Hunter mine sites, creating a unified dataset to inform timelines and determine which mine sites should undergo a detailed Masterplan process to identify investment attraction, environmental management, and post-mining land-use decisions.
- At a regional scale, identify future land-use options, economic diversification opportunities, environmental rehabilitation pathways, and community benefit outcomes.

International Tourism Trade Marketing

Ask: \$3.85m

Unify the Hunter tourism industry through a cohesive region-wide identity and associated trade marketing activities with businesses.

We're advocating for catalyst funding to help launch a new international brand for the Hunter region, to leverage the once-in-a-lifetime opening of the Newcastle Airport international terminal.

We appreciate the Commonwealth Government investment of \$121m to the \$250m upgrade to the Newcastle Airport, and seek to optimise this investment to ensure the investment realises it's full potential.

The Hunter region needs to diversify its economy as coal demand declines and 50,000 direct and indirect jobs are at risk. We have an opportunity to market the region to attract high-value international visitors and create new jobs in the tourism industry.

We have undertaken a Business Case and have full support for an international Hunter region brand for trade audiences from various local destinations in the Hunter region including Destination Port Stephens, Hunter Valley Wine Tourism Association, Newcastle tourism, Destination Sydney Surrounds North (DSSN) and Newcastle Airport.

The investment demonstrates a benefit cost ratio (BCR) of 68 to 1, backed up by an economic assessment and Business Case.

Objectives:

- An additional \$268m in Hunter economy in the first three years.
- Increase international visitors by 1-3% and spend from \$72 to \$130 per night.
- Stimulate business growth and local jobs through training and mentoring programs, especially with First Nations.
- Support the economic diversification required in the Hunter region



Hunter Region International Air Freight Precinct

Ask: \$1m for detailed precinct design (Stage 2)

The Hunter International Air Cargo Facility is the missing link in the Hunter's air-based supply chain. Capital investment is critical to unlock this economic opportunity for the region, as part of a staged approach:

Stage One (complete) – The high-level feasibility study has been completed by Hunter Joint Organisation, and funded by the NSW Government's Business Case grant program. This study identified the need for the Hunter Region to have an international air freight capability at Newcastle Airport ([Hunter Airports Strategy Summary Report](#))

Stage Two (current request) - Detailed precinct design. Planning to define, value and design the precinct, making it shovel-ready for future activation.

Stage Three: Delivery of infrastructure to fully activate the precinct. Indicative costings include:

- \$27 million – International Air Cargo Terminal
- \$22M – Supporting Infrastructure

Capital investment will be critical to unlock this economic opportunity. Staffing and operations will be covered by a specialist cargo operator, making government investment catalytic rather than ongoing. This project complements investments at the Port of Newcastle, collectively enabling the Hunter to become a nationally significant logistics hub. It also unlocks precinct infrastructure for aeromedical and patient transfer, ground handling, maintenance and logistics.

Expected Outcomes:

- \$6.5B in gross regional product through freight opportunity
- 106 direct jobs in construction and operation
- 4,410 jobs across the freight and visitor economy

Shiraz to Shore Cycle Trail

Ask: \$23m for the 'Shiraz' section

To celebrate the oldest wine region in Australia with its bicentennial in 2028, and stimulate the tourism industry, an opportunity exists to build a 100km cycle trail from the Hunter Valley vineyards to the coast of Newcastle and Lake Macquarie. In the next budget, we can design and schedule construction of the Hunter Valley 'Shiraz' section of the recreational trail.

Detailed design for a small portion of the 'Shiraz' section is underway through funding from Developer Contributions for nearby housing development, however this limited and does not include construction.

Without funding, the project cannot progress to a nationally significant tourism asset.

Objectives:

- 200 jobs and an additional \$207m in economic benefit after 10 years.
- A return of \$1.40 for every dollar invested.
- A sustainable, safe, active transport link for over 230,000 users.

HOUSING

Enabling Infrastructure in the Hunter

Ask: \$200m

Non-competitive, criteria based fund to support Local Councils invest in enabling infrastructure in the Hunter Region to accelerate housing delivery.

We are recommending a contribution towards Local Government enabling infrastructure specifically to unlock housing to help meet the national housing targets.

Significant areas of development ready land exist (ie planning approvals are already in place), but construction cannot proceed due to delays in the provision of core enabling infrastructure (eg transport and utilities).

Data from the ten Hunter councils indicates that approximately \$938 million in infrastructure investment would unlock 61,000 new housing lots across the Hunter region.

We appreciate the priority commitment and focus of the Australian Government to meet the Housing Accord targets, and we want to actively partner with the Government to achieve these across the Hunter region.

This budget would contribute to our broader shared objectives of:

- 61,000 new housing lots across the Hunter
- 60,000 jobs and \$37 billion in economic benefits
- \$20 billion in direct housing development across the region.

Increasing Housing Diversity and Density

Ask: Staff resources

Implement communications to increase public acceptance of apartment/units.

Greenfield development areas across Australia are characterised by a dominance of four-bedroom homes, resulting in a lack of housing diversity and limiting opportunities for a broader cross-section of the community. This presents a challenge in meeting the needs of an ageing population, students, and young adults who increasingly require smaller, more affordable housing options such as units or one- to two-bedroom dwellings.

Despite the efficiency of unit or apartment-style housing in terms of infrastructure provision, social perceptions in Australia continue to undervalue these forms as viable and desirable investments.

As part of the Housing Accord commitments, we see an opportunity for the Australian Government to implement a communications campaign to increase social acceptance and to raise awareness of the benefits of greater density to reduce the urban sprawl.

Cost of Construction – Modern Methods of Construction (MMC)

Ask: Staff resources

Support for R&D and pilot programs in modular, prefabricated, and other innovative construction methods.

Cost of construction materials has increased reducing the feasibility of development (among a range of other increasing costs).

There is an opportunity to reduce construction costs, accelerate housing delivery, and diversify the supply of dwellings by increasing research and supporting the uptake of innovative Modern Methods of Construction (MMC), such as modular and prefabricated housing. Construction in one location i.e. factory setting also opens up the workforce to cater for people with childcare arrangements or other responsibilities.

Supporting pilot programs in regional areas, such as around Newcastle and the Hunter would provide practical demonstrations of the feasibility, cost-effectiveness, and efficiency of these approaches.

These pilots could also help build industry capacity, attract new manufacturing investment, and showcase how MMC can contribute to faster, scalable, and more sustainable housing solutions across Australia.

Skills Shortage in Construction

Ask: Funding

Continued investment in fee-free TAFE training to address workforce shortages.

According to Federal Department of Employment and Workplace Relations, the current workforce does not have enough skilled construction workers to meet housing targets across Australia.

To help meet housing delivery targets, we support the Australian Government in their continued funding of fee-free TAFE courses in construction and building trades, while also increasing the availability of skilled migrant visas to bolster the housing workforce.

Water Infrastructure for Housing Growth

Ask: Funding

Increased investment in regional water and wastewater infrastructure to enable new housing.

Regional councils face upgrades costing up to \$160 million, with ageing systems reducing service reliability and constraining opportunities for housing and economic (and jobs) growth. Local Governments are advocating for an increase in the National Water Grid Fund to allow essential services to continue to regional areas.

Biodiversity

Ask: Partner with NSW Government to undertake Strategic Conversation Planning and Bio-certification for high growth areas in the Hunter

The Hunter region's population is continuing to grow rapidly, including Maitland and Cessnock who are the two fastest growing LGAs in NSW. In these two LGA's alone, an expected population increase of 100,000 and accompanying housing development is expected over the coming years.

Strategic Conversation Planning and Bio-Certification of high growth areas within the Hunter Region would assist with both streamlining the development process, provide industry and community certainty, and deliver strategic biodiversity conservation outcomes. It would also support the alignment of biodiversity planning with the NSW Plan for Nature and the Commonwealth Nature Positive Plan, which are expected to guide future policy and investment.

An Independent Review Panel 2023 found that the *Biodiversity Conservation Act 2016* is not meeting its objective of maintaining a healthy, resilient environment—and is unlikely to do so.

Both councils and developers report continued uncertainty and duplication in biodiversity mapping. This inhibits housing development and creates approval delays. It is also inhibiting effective biodiversity conservation outcomes being realised.

Current offset schemes place significant financial obligations on councils and proponents to secure environmental clearances. The difficulty in acquiring suitable offset land and navigating complex regulatory processes leads to costly delays in development. There is an opportunity to streamline offset processes and provide dedicated support to councils, including improved access to offset land and clearer regulatory pathways, to reduce delays and cost barriers to housing delivery.

Density – Activation Leadership

Ask: Funding and resources

Partnership with NSW Government to invest in supporting infrastructure to activate higher density living in regional cities

Australian government policy is undergoing a significant shift to support greater housing density, driven by a national imperative to address the housing shortage and accommodate a growing population, however there is limited support for their practical investment into supporting infrastructure that encourages development.

In addition, funding mechanisms for delivery of the infrastructure upgrades to support infill housing could be explored on a national scale. This could include working in partnership with NSW Government to investigate how to reform voluntary planning agreements and processes to support renewal of infill precincts with multiple landowners.

In summary, to support increased housing density and diversity the Australian Government could partner with NSW Government to consider:

- Incentivising infill housing
- Reforming Voluntary Planning Agreements to enable coordinated renewal across fragmented ownership.

- Allocating funding and leadership for planning and delivery in Transport Oriented Developments and Low-Rise Medium-Rise areas.
- Exploring the expansion of Low Rise Mid Rise zones with due consideration of environmental constraints.

Community Benefit Schemes

Ask: Funding and resources

Nationwide approach to ensure regional communities impacted by the energy transition, including the transmission and transportation routes, receive legacy community benefits.

Local councils across Australia are experiencing or are anticipated to experience increased development of renewable energy projects such as wind farms, solar farms, battery storage facilities, pumped hydro, energy distribution and transmission and waste-to-energy projects.

While all energy consumers will benefit from renewable energy projects once constructed, local communities where energy developments and operations are located will bear a disproportionate burden associated with hosting the ongoing energy operations.

Despite this, many energy developments are proceeding, both within and outside of renewable energy zones, without suitably commensurate arrangements in place to ensure local communities can experience a net positive benefit as a result of infrastructure and operations being located in their area.

Recognising this, the NSW Government published (2024) a benefit-sharing guideline for large scale renewable energy developments, specifically solar and wind energy generation projects and battery storage projects on rural properties. While these guidelines are a very positive step towards establishing appropriate long-term community benefits-sharing for energy projects, there is still much to be understood.

We're advocating for a coordinated nationwide approach to building councils' capabilities, developing policies and procedures with respect to processes for establishing appropriate community benefits-sharing arrangements, with a view to:

- More clearly and consistently communicate to energy companies, to the NSW Government and to local communities what councils are seeking by way of fair contribution towards broad community benefits, above and beyond negating direct construction impacts, and
- Enhancing the capacity and capability of local councils to more consistently and equitably negotiate with energy companies and the NSW Government to secure legacy benefits for their local communities.

ROADS & TRANSPORT

Equitable Road Funding Formulas

Ask: Funding and resources

Reform road funding formulas so they properly account for regional realities such as longer road networks, heavier freight use, and higher weather vulnerability.

Councils across the state are struggling to maintain road networks following three years of extreme weather and mounting financial pressures.

Recent NSW and Commonwealth Inquiries demonstrate local governments across Australia are facing rising financial risks that threaten their long-term sustainability.

In 2025–26, we appreciate the Commonwealth’s contribution of \$630 million in road funding to 128 NSW councils through programs such as Roads to Recovery and Safer Local Roads and Infrastructure. Whilst the funding support is welcomed, it will not adequately address the backlog in road repairs. In May 2025, the NRMA reported that NSW councils are facing a \$3.4 billion backlog in road repairs.

To further add to the challenges, existing state and federal road maintenance programs often use legacy formulas that fail to account for actual condition, usage, or network scale in rural areas.

Metro versus regional road network

Metropolitan councils manage a much smaller road network, meaning their funding needs are significantly lower. To put this into perspective, if 5% of the road network were renewed to the same standard each year, the relative cost would be about \$75 per ratepayer in Sydney, compared with over \$250 in Newcastle, \$1,800 in Singleton and more than \$3,800 per ratepayer in Dungog. This clearly disadvantages the affordability and capacity of regional and rural councils and their communities to maintain their road networks.

Equitable wellbeing outcomes

Well-maintained and upgraded roads contribute to the overall liveability of regional communities. Maintaining and improving regional road networks is critical for economic activities, connectivity, and community wellbeing.

This lack of equitable funding in roads further isolates communities that are already impacted by limited access to essential services.

We are calling for additional, ongoing, recurrent funding that is not dependent on competitive or complex grants processes. Local councils need predictable, direct investment to manage and maintain essential road infrastructure.

DISASTER RESILIENCE

Non-competitive, Long-term Resilience Funding Aligned to Election Cycles

Ask: Funding

Commit to ongoing, predictable disaster resilience and adaptation funding aligned with councils' four-year Planning & Reporting cycles, or Commonwealth election cycles.

The Hunter is predicted to experience increased extreme weather and natural hazards, with the effects of this already impacting the region. Many of the region's communities are struggling to recover from the continual and combined impacts of more frequent and severe disasters.

The May 2025 NSW East Coast severe weather events again demonstrated both the essential role of councils in disaster response and recovery, and the critical need for strong, consistent, and collaborative leadership from state and federal governments.

We welcome the opportunity to continue working through the National Emergency Management Agency funded Disaster Ready Fund with the NSW Reconstruction Authority towards regional-scale Disaster Adaptation Plans (DAPs) for the Hunter, to strengthen preparedness, recovery, and long-term adaptation.

Local government involvement is crucial - councils hold the local presence, knowledge, skills, and systems required to deliver place-based adaptation, however Local Government is heavily reliant on grant funding to cover disaster recovery costs and implement long-term risk reduction measures:

- 97% of disaster funding still goes to response and recovery, not risk reduction.
- Short-term, competitive grants undermine long-term resilience.
- Many programs require up to 50% co-contributions, excluding smaller councils.

Regional and rural councils often lack capacity to apply, co-fund, or meet evidence requirements, further exacerbating vulnerability and inequity.

Water Infrastructure Eligibility for Disaster Funding

Ask: Policy change

Amend disaster recovery funding rules to allow repairs to council owned water and sewer infrastructure.

Under current disaster recovery funding arrangements, the repair of water and sewer assets is ineligible for cost recovery under natural disaster declarations, due to their classification as "commercial activities". In rural and regional communities however, council managed water and sewer infrastructure are vital public assets, every bit as essential as roads, bridges, or community facilities that do qualify for recovery funding.

These Council managed water and sewer services are fundamental to public health, safety, and liveability. With natural disasters becoming more frequent and severe, the lack of financial support risks undermining councils' ability to maintain these essential services.

WATER SECURITY

Regional Water Supply and Treatment Infrastructure

Ask: Funding

Increase Commonwealth Government investment in regional water and wastewater infrastructure, co-designed with councils.

Regional councils outside the metropolitan area are solely responsible for delivering safe, reliable water and wastewater services to their communities. These councils face growing challenges due to ageing infrastructure, increasing regulatory expectations, and reduced Government funding support.

The cost of necessary upgrades to treatment facilities, pipes, and distribution networks far exceeds local government resourcing capacity. Support is urgently needed from the Commonwealth Government to work with regional councils on long-term planning, equitable investment, and coordinated water infrastructure solutions.

We appreciate the Commonwealth Government funding provided through the National Water Grid Fund to the NSW Connections Package valued at \$10.5m. However, with one upgrade in the Hunter requiring \$160m to be shared by a small population base, greater levels of funding support from the Commonwealth Government is required.

Case study of health risks

Ageing infrastructure is creating service reliability and public health risks.

As an example, Upper Hunter Council has been required to issue boiled water alerts two separate times during 2025 totalling three months in duration, caused by excessive rain events.

Restrictions to housing development & economic growth

In addition to providing safe and reliable water supply and treatment for existing communities, limited funding for large-scale infrastructure maintenance and upgrades is constraining opportunities for housing and economic (jobs) growth.

WASTE MANAGEMENT

Productivity Commission Recommendations for Circular Economy

Ask: Funding

Direct Local Government Investment to implement Recommendation 7.2 - Develop place-based circular economy plans and pilot place-based circular economy transition brokers

In line with the recommendations of the Productivity Commission's 2025 inquiry, *Australia's Circular Economy: Unlocking the Opportunities*, Local Government is advocating for appropriate funding to prevent further instances of cost shifting.

The Australian Government is asking Local Governments to identify circular economy opportunities relevant to their area. To realise these opportunities, they should develop place-based plans and/or integrate actions into their other plans and budgetary processes (such as service, infrastructure or community development plans). Plans should be co-designed with Aboriginal and Torres Strait Islander people, local businesses and communities to develop self-determined outcomes. Plans should be evaluated and refreshed every three years.

Given the current financial constraints facing Local Government, dedicated investment is essential to enable the effective implementation of these recommendations.

ADDRESSING FINANCIAL SUSTAINABILITY

Local Governments across Australia are facing mounting financial risks that threaten their long-term sustainability.

Both Federal and State Parliamentary Inquiries have recognised cost shifting as one of the most significant contributors to the financial concerns of Local Government. Alignment between these findings reinforces the need for cross-jurisdictional concern that requires coordinated action.

Federal Government Inquiry

- House of Representatives Standing Committee on Regional Development, Infrastructure and Transport Inquiry into local government sustainability (March 2024).
- Interim report into local government sustainability (Feb 2025).

NSW Government Inquiry

- Standing Committee on State Development – Inquiry into ‘Ability of local governments to fund infrastructure and services – Report 52 (Nov 2024)
- NSW Government Response (May 2025)

The independent report by Morrison Low in 2025 demonstrates that cost shifting imposed onto NSW councils amounted to \$1.5 billion in 2023-24. Alarming, this is the equivalent of almost \$500 per ratepayer per year. Reference: [2025 Cost Shifting Report: How State Costs Eat Council Rates](#)

Funding for Joint Organisations

Ask: \$250,000

Contribute to stable, ongoing funding for Joint Organisations of Councils that support delivery of Australian Government priorities.

The benefits arising from Joint Organisations of councils, and other similar regional collaborations of Councils, are shared between both the Commonwealth and NSW Government, along with Local Government. However at present Joint Organisations are funded by Member Councils only. Funding contributions from the Commonwealth Government comprise short term, project-based grants that do not support delivery of core statutory functions.

A contribution of annual recurrent funding from the Australian Government to the core operations of JO’s (and other similar regional collaborations of Councils) is recommended to support Government agencies in consolidating council views and perspectives at a regional scale.

An example of the minimum operating costs for a JO that are currently being completely funded by Member Councils includes:

Indicative core annual operating costs for a Joint Organisation

- 1 x Executive Officer
- 1 x project officer / admin
- 1 x vehicle

Admin: Salary oncosts, rent, IT, HR,
finance

TOTAL \$491,900 pa
(consolidating 10 Local Government views and perspectives)

Financial Assistance Grants – Increase to 1%

Ask: Funding

Lift Financial Assistance Grants from 0.51% to 1% of Commonwealth taxation revenue.

Financial Assistance Grants have not kept pace with inflation and rising costs for essential services and infrastructure. Inequitable distribution leaves regional and remote councils under-resourced compared to metropolitan counterparts.

Nationally these grants remain at 0.51% of Commonwealth taxation revenue. LGNSW, ALGA and Hunter JO have long been calling for these grants to return to the 1% of Commonwealth taxation revenue that was last achieved in 1996. The lack of investment in our communities is a missed opportunity and a significant contributor to the financial sustainability challenges faced by councils.

Both Federal and State Parliamentary Inquiries have recognised the financial concerns of Local Government. Increasing Financial Assistance Grants to 1% is an efficient way of addressing this issue.

Financial Assistance Grants – Advocate to NSW Government for a Fairer Distribution

Ask: Staff resources

Implement a dedicated advocacy program to encourage NSW Grants Commission to reform the FA Grants distribution methodology to better reflect regional service delivery costs, disaster exposure, network length and infrastructure needs.

The Commonwealth Government has an opportunity to incentivise NSW Government to address the distribution methodology to ensure they're meeting the Federal Principle of Horizontal and Fiscal Equalisation by providing a greater allocation to councils in need, resulting in greater equity.

We appreciate the NSW Government has committed to a review of the distribution methodology. Our submission to the Local Government Grants Commission included the recommendations below.

NSW FA Grants methodology recommendations:

Distribution should include consideration of:

- The difference between a council's potential to raise revenue and its actual capacity to raise revenue given the limitations imposed by legislation, or the economic conditions within their jurisdiction.
- Allowing for the difference in costs in providing services in rural and regional areas instead of state averages on a per capita basis.

- Cost factors that better reflect an individual council's operating environment in relation to climate change impacts, natural disasters, management of public infrastructure and provision of water/sewerage.
- A significant increase in the proportion of annual CPI adjustments quarantined for councils facing the greatest relative disadvantage.
- Any increases in the total FA Grants allocation are quarantined for councils facing the greatest relative disadvantage.

We also recommend that the Local Government Grants Commission:

- Undertake extensive consultation with metropolitan councils on the challenges faced by regional councils under the current methodology, to build a broader understanding and grow support for a more equitable redistribution of FA Grants in favour of councils with a greater need.
- Provide greater certainty in the timing of FA Grants payment to allow councils to strategically plan for current and future years.
- Develop improved communications materials that provide greater transparency in the calculation methodology for distribution, including information on the:
 - Annual percentage variances in distribution and how these can be anticipated and incorporated into planning.
 - Criteria within the cost adjustment factors (20 expenditure functions and 47 disadvantages factors)
- Changes that have been made annually to address the inequities of distribution, and examples of the challenges faced by rural and regional councils.

Long-term Commonwealth Grants Aligned to Election Cycles

Ask: Staff resources

Transition from fragmented, short-term competitive grants to multi-year funding aligned with councils' four-year Delivery Programs, or Federal election cycles.

Local Governments rely on grant funding to deliver up to 60% of their assets and services in regional areas, yet the current system creates significant challenges.

Many grants are short-term and misaligned with councils' legislated four- and ten-year plans. This creates pressure to deliver projects that don't match local priorities, undermining strategic direction and reduce efficiencies in delivering services.

Applying for competitive grants also absorbs significant staff time and resources and takes skilled staff away from delivering core services. For many smaller regional councils this inherently disadvantaged them from the start in accessing funds as they simply do not have the staff to apply for competitive grants. The focus on short-term funding also causes staff turnover, skill loss, service disruption when projects end, and inflated contractor costs arising from boom bust grant cycles. Different reporting and governance requirements across grants add to the administrative burden.

Over time, this weakens councils' capacity, creates community frustration, and leads to fragmented outcomes, especially in regional areas where councils may be competing rather than collaborating.

Instead of supporting long-term planning and delivery, the current grant system often builds vulnerability, distracts from core responsibilities, and reduces the ability of local governments to invest in sustainable, community-led outcomes.

Councils and Joint Organisations require stable, predictable funding to plan and deliver long-term, place-based outcomes.

A shift to non-competitive, multi-year block funding would:

- **Enable strategic delivery:** Funding tied to CSP priorities ensures investments are community-driven, locally accountable, and aligned with legislated goals.
- **Reduce inefficiency:** Removing the need for repeated, competitive grant applications would free up staff time and reduce administrative burden.
- **Build capability and resilience:** Longer funding terms support workforce retention, innovation, and continuity in service delivery.
- **Encourage collaboration:** Regional councils can plan jointly without competing for limited funds.
- **Strengthen trust and transparency:** Communities see lasting, locally relevant outcomes, not short-term, externally imposed projects.

This approach would empower councils to deliver lasting, community-led change efficiently, strategically, and sustainably.



Federal Inquiry into Local Government Funding and Fiscal Sustainability

February 2026

Mrs Fiona Phillips MP
Chair of the House of Representatives Standing Committee on Regional Development,
Infrastructure and Transport
PO Box 6021, Parliament House,
Canberra ACT 2600
[Lodged](#) online

3 February 2026

Dear Mrs Philips

Re: Federal Inquiry into Local Government Funding and Fiscal Sustainability

The ten Member Councils of the Hunter Joint Organisation (Hunter JO) welcome the opportunity provided by the Standing Committee on Regional Development to provide feedback to inform the Federal Inquiry into Local Government Funding and Fiscal Sustainability.

The Hunter JO is the statutory Local Government entity established by the NSW Government, through the *NSW Local Government Act 1993*, to support the ten member Councils of the Hunter Region to work together for better rural and regional outcomes, and to enhance the way Local and State Governments work together to plan and deliver important regional infrastructure and investment.

Member Councils of the Hunter JO include:

- 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

The core statutory functions established by the NSW Government for the Hunter JO and joint organisations more broadly across NSW include:

1. Strategic planning and priority setting
2. Intergovernmental collaboration
3. Shared leadership and advocacy

Through the [Hunter JO Strategic Plan 2035](#), our Member Councils have identified the following shared priority for the Hunter Region that relate directly to the recommendations included in our submission:

Strategic Theme	Focus
Financial Sustainability and Funding Reform	Financial sustainability achieved through reformed funding processes and secure financial models that ensure the long-term viability and success of local government to deliver services to communities.


Hunter JO has developed following submission in direct consultation with our Member Councils and drawing on our regional advocacy and capacity building work in this area. Key focus areas and/or recommendations included in the submission include:

- Ensuring the long-term financial sustainability of local government.
- Securing reliable funding for place-based regional collaboration and knowledge sharing.
- Reforming grant funding processes to secure sustainable funding models.

I encourage you to consider our recommendations and would welcome the opportunity to further discuss with you.

Should you have any further queries please don't hesitate to contact Kim Carland, Advocacy and Government Relations Lead ON M 0460 034 614 or E kimc@hunterjo.nsw.gov.au.

Yours Sincerely



Cr Sue Moore
Mayor, Singleton Council
Chair, Hunter Joint Organisation



Cr Leah Anderson
Mayor, Port Stephens Council
Deputy Chair, Hunter Joint Organisation

The Hunter Joint Organisation's statutory mandate includes identifying the key regional strategic priorities, advocating for these priorities and building collaboration with other levels of government, industry and community. More information on our shared priorities are outlined in our [Hunter JO Strategic Plan 2035](#) and [Advocacy Priorities](#).

SUBMISSION

Local government is the level of government closest to the community and is responsible for delivering a growing range of essential services and infrastructure. However, local governments across Australia are facing a structural and compounding financial sustainability challenge. Councils are being asked to deliver more services, manage growing and increasingly complex infrastructure networks, increased regulations, population growth, and respond to escalating disaster and climate impacts, without a funding system capable of supporting these responsibilities.

This submission responds to the Inquiry's Terms of Reference by outlining the systemic funding challenges faced by Hunter councils and proposing practical, evidence-based reforms.

Case studies and evidence from Hunter Joint Organisation (Hunter JO) Member Councils demonstrates that the current local government funding framework is no longer fit for purpose. Financial pressures are being driven by:

- Long-term and unquantified cost shifting from state and federal governments
- A sustained decline in the real value and equity of Financial Assistance Grants (FA Grants)
- Over-reliance on short-term, competitive grants that undermine strategic planning and workforce stability
- Escalating disaster recovery costs without adequate funding for resilience or betterment
- Rapidly increasing audit fees and regulatory compliance burdens

These pressures disproportionately impact regional and rural councils with some councils relying on up to 60% of total revenue sourced from grants, exposing councils to volatility, administrative burden and uncertainty. At the same time, regional councils collectively manage extensive infrastructure networks with higher per-capita service delivery costs than metropolitan councils, but with significantly less revenue-raising capacity.

Without structural reform, councils will be forced to continue deferring infrastructure renewal, reducing service levels, or shifting costs directly onto communities least able to absorb them. This submission sets out practical, evidence-based reforms to restore fairness, predictability and sustainability to local government funding.

We appreciate that local government is constitutionally a state responsibility, and in NSW the Commonwealth has no direct power over council rate-setting or rate-pegging. The Federal Government's primary lever to influence local government financial sustainability is through national funding frameworks, particularly Financial Assistance Grants, and through the design of Commonwealth programs that impose costs or funding conditions on councils.

The Hunter Joint Organisation urges the Commonwealth Government to take a leadership role in restoring the financial sustainability of local government. This requires moving beyond incremental adjustments and addressing the structural drivers of financial stress, identified consistently across multiple inquiries.

Summary of recommendations

Focus Area	Recommendation
Focus Area 1: The impact of cost shifting on local government	<ol style="list-style-type: none"> 1. Review rate exemptions and provide a national framework 2. Establish a nationally consistent framework to identify, measure and compensate cost shifting 3. Undertake consultation with councils before implementing policy or regulatory change to understand the cost shifting implications.
Focus Area 2: The adequacy, sustainability and equity of Commonwealth funding for local government	<ol style="list-style-type: none"> 1. Restore FA Grants to at least 1% of Commonwealth taxation revenue with additional revenue being distributed to regional councils with large road networks only. 2. Reform distribution methodologies to better reflect regional disadvantage and service costs 3. Improve certainty and transparency in timing and calculation of FA Grant allocations
Focus Area 3: The efficiency and effectiveness of Commonwealth grant funding programs	<ol style="list-style-type: none"> 1. Shift toward non-competitive, multi-year block funding aligned with councils' four year Delivery Programs or Commonwealth election cycles 2. Standardise reporting and governance requirements across government agencies 3. Support regional collaboration rather than competition between councils
Focus Area 4: local government's role in disaster recovery, resilience and climate adaptation	<ol style="list-style-type: none"> 1. Rebalance disaster funding to prioritise prevention, mitigation and resilience, not just response and recovery 2. Enable and fund 'build back better' and resilience upgrades as standard practice in disaster recovery programs 3. Include council owned water and sewer infrastructure as eligible assets under disaster recovery funding arrangements 4. Provide integrated, multiyear disaster recovery and resilience funding aligned with councils' four-year planning cycles or Commonwealth election cycles.
Focus Area 5: The regulatory and compliance burden placed on local government	<ol style="list-style-type: none"> 1. Apply a nationwide risk based and tiered audit approach proportionate to council size, complexity and capacity 2. Introduce greater transparency around audit fee structures, including early disclosure of cost drivers and risks 3. Release the Local Government Code of Accounting and Financial Reporting at the commencement of the financial year, or on a multi-year basis, to enable effective planning and compliance
Focus Area 6: Local government responsibilities for waste management and environmental outcomes	<ol style="list-style-type: none"> 1. Provide national guidelines on waste levies and taxes across Australia. 2. Increase the proportion of waste levies and taxes reinvested directly into local government waste and circular economy initiatives to support delivery of national and state waste reduction and net zero objectives. 3. Improve transparency around waste levy expenditure and prioritise reinvestment in the regions from where such levies are collected. 4. Support councils to invest in waste infrastructure, education, recycling and circular economy initiatives

Focus Area 1: The impact of cost shifting on local government

Cost shifting occurs when responsibilities are transferred to local government due to increasing regulatory and administrative burden without adequate funding or support. Both Federal and State parliamentary inquiries have identified cost shifting as a primary contributor to local government financial stress.

In NSW, independent analysis has demonstrated that cost shifting to councils exceeded \$1.5 billion in 2023–24, equating to almost \$500 per ratepayer per year.

Examples affecting Hunter councils include:

- Healthcare, aged care and childcare in rural and regional areas due to withdrawal or absence of State/Federal services or market gaps.
- Growth-enabling infrastructure for housing required by higher-level policy objectives, but up-front and long-term costs sit with councils.
- Administration of increasingly complex planning and regulatory systems.
- Disaster recovery responsibilities without sufficient funding.
- Enforcing the EPBC Act, including audits, investigations, and enforcement, without dedicated funding
- Managing vast areas of non-rateable land (national parks, crown land) that still require roads, weed control, and visitor management
- Regional airports contribute to national connectivity and security objectives but are funded locally.

These costs erode councils' capacity to invest in core services and infrastructure.

Case Study – Lake Macquarie City Council

A tangible example of cost shifting is changes in the NSW Planning Portal, which Lake Macquarie City Council calculates has required an additional two fulltime positions in their council alone to absorb additional workload, an additional impost that has not had an impact on reducing processing times.

We appreciate the NSW Government is responsible for this example; however, the Federal Government Inquiry should take these issues into consideration for why local governments are experiencing issues with financial sustainability.

Case Study – Lake Macquarie City Council

The NSW Emergency Services Levy represents cost-shifting at its worst, as it is imposed on councils without any mechanism for them to recover costs. The levy increases for the state's 128 councils in 2023- 2024 amounted to almost \$77 million, with the total cost imposed on the local government sector increasing from \$143 million in the 2022-2023 financial year to \$219 million in 2023-2024. This represented a 53.1 per cent increase, completely dwarfing the base rate peg of 3.7 per cent, as set by IPART for 2023-2024.

We appreciate the NSW Government is responsible for this example; however, the Federal Government Inquiry should take these issues into consideration for why local governments are experiencing issues with financial sustainability.

Case Study – Upper Hunter Shire Council

Aged Care Example:

Upper Hunter Shire Council has been operating a 16-bed residential aged care facility in Merriwa since the early 1990's (Gummun Place Hostel). Unfortunately, Gummun Place Hostel has sustained significant operating losses for the past six years due to increasing compliance and staffing costs and inadequate aged care funding from the Federal Government. For the 2024/25 financial year, the Hostel incurred a net operating loss of \$1.06 million and for the 2025/2026 financial year, Council has forecasted an operating loss of \$681,000. These operating losses are unsustainable, and Council does not have the funds available to continue subsidising the service that should be a Federal Government responsibility. Numerous requests for financial assistance from the Federal Government have been unsuccessful. As a result, in October 2025, Council resolved to close the residential aged care facility, leaving a gap in local services.

Recommendation

1. Review rate exemptions and provide a national framework
2. Establish a nationally consistent framework to identify, measure and compensate cost shifting
3. Undertake consultation with councils before implementing policy or regulatory change to understand the cost shifting implications.

Focus Area 2: The adequacy, sustainability and equity of Commonwealth funding for local government

Financial Assistance Grants have not kept pace with inflation and rising costs for essential services and infrastructure. Inequitable distribution leaves regional and remote councils under-resourced compared to metropolitan counterparts.

Nationally these grants remain at 0.51% of Commonwealth taxation revenue. LGNSW, ALGA and Hunter JO have long been calling for these grants to return to the 1% of Commonwealth taxation revenue that was last achieved in 1996. The lack of investment in our communities is a missed opportunity and an enormous contributor to the financial sustainability challenges faced by councils.

In addition, the current distribution methodology does not adequately meet the Federal Principle of Horizontal and Fiscal Equalisation reflecting:

- Higher service delivery costs in regional areas
- Limited revenue-raising capacity
- Climate and disaster exposure
- Large infrastructure networks

Case Study – Regional councils versus metropolitan councils

Metropolitan councils manage a much smaller road network, meaning their funding needs are significantly lower. To put this into perspective, if 5% of the road network were renewed to the

same standard each year, the relative cost would be approx. \$75 per ratepayer in Sydney, compared with over \$250 in Newcastle, \$1,800 in Singleton and more than \$3,800 per ratepayer in Dungog Shire Council. This clearly disadvantages the affordability and capacity of regional and rural councils and their communities to maintain their road networks.

Recommendation

1. Restore FA Grants to at least 1% of Commonwealth taxation revenue with additional revenue being distributed to regional councils with large road networks only.
2. Reform distribution methodologies to better reflect regional disadvantage and service costs
3. Improve certainty and transparency in timing and calculation of FA Grant allocations

Focus Area 3: The efficiency and effectiveness of Commonwealth grant funding programs

Regional councils rely heavily on grant funding to deliver infrastructure and services. However, the current system is dominated by short-term, competitive grants that:

- Are misaligned with councils' legislated planning frameworks
- Divert scarce staff resources away from service delivery
- Disadvantage smaller councils with limited grant-writing capacity
- Embed stop-start, short-term funding arrangements that undermine councils' ability to sustain programs and retain capability over time
- Increase cost of delivery with boom bust funding cycles.
- Don't factor in CPI increases from the time of applying to delivery of grant funding, which can sometimes be measured in years.
- Don't allow for operational expenditure support through grants – ie grants are usually for capital projects only

Over time, this weakens councils' capacity, creates community frustration, and leads to fragmented outcomes, especially in regional areas where councils may be competing for rather than collaborating to attract grant funding. Instead of supporting long-term planning and delivery, the current grant system often builds vulnerability, distracts from core responsibilities, and reduces the ability of local governments to invest in sustainable, community-led outcomes.

Councils and Joint Organisations require stable, predictable funding to plan and deliver long-term, place-based outcomes.

Case Study – Dungog Shire Council

More than 60% of Dungog Shire Council's revenue is sourced from grants. With a small resource base, operational staffing is reallocated away from essential service delivery to apply for time consuming grant applications and reporting requirements. This undermines Council's ability to perform their core functions.

Case Study – Lake Macquarie City Council

An example of the financial impact of one-off grants can be demonstrated with the increase in construction costs. Lake Macquarie City Council experienced a 34 per cent increase during the extensive upgrade of the Hunter Sports Centre – a major regional facility in the Lake Macquarie LGA. In just 18 months, costs increased from an initial projection of \$39.4 million to \$52.6 million, due to unprecedented inflationary pressures in the building industry. The Federal Government’s contribution of \$10m was gratefully received through the Building Better Regions fund, however with grant top-ups unavailable from either State or Federal Governments, Council had to secure a loan to cover the cost increase and allow the project to proceed, placing a significant impost on budgetary resources. This pattern of steeply increasing costs has been repeated with many smaller Council projects as well. It speaks to a need for indexation of significant infrastructure grants to ensure major projects are not put at risk, or councils forced to underwrite project overruns to cover increased costs beyond their control.

Recommendation

1. Shift toward non-competitive, multi-year block funding aligned with councils’ four-year Delivery Programs or Commonwealth election cycles
2. Standardise reporting and governance requirements across government agencies
3. Support regional collaboration rather than competition between councils

Focus Area 4: Local government’s role in disaster recovery, resilience and climate adaptation

The Hunter region is experiencing increasingly frequent and severe natural disasters, placing sustained pressure on councils’ financial and operational capacity. Current disaster funding arrangements are heavily weighted toward response and recovery, with 97% of disaster funding allocated to response and recovery rather than risk reduction, thereby embedding vulnerability rather than building resilience.

Hunter councils report that asset damage from disaster events often runs into the tens or hundreds of millions of dollars, while recovery grants are capped well below actual costs. Councils are required to fund works upfront and wait for reimbursement, a challenge compounded by limited reserves in many regional LGAs.

A tangible example is provided by Upper Hunter Shire Council, where the May 2025 severe weather event left the council with close to \$500,000 in damage to essential water infrastructure. Despite the critical public health function of these assets, water and sewer infrastructure remains ineligible for disaster recovery funding due to their classification as “commercial activities”. This represents direct cost shifting to councils and communities least able to absorb these costs.

Hunter councils have also experienced the consequences of stop–start grant funding for community recovery capacity. For example, MidCoast Council’s Community Recovery Officer role, funded on a short-term basis, ceased only months before the May 2025 floods. As a result, critical corporate

knowledge, community relationships and recovery capacity were lost immediately prior to a major disaster event, delaying recovery and increasing pressure on council staff.

Case Study – MidCoast Council

MidCoast Council were the most impacted council during the NSW East Coast severe weather event beginning in May 2025, with MidCoast Council taking on and continuing to manage the enormous response and recovery effort arising from this event. The total estimated cost of the recovery program is \$226.5 million, reflecting the scale of damage across the transport network and the complexity of restoration works.

To date, \$43 million has been expended on emergency works, immediate rectification and ongoing restoration activities, with \$3 million reimbursed under the Disaster Recovery Funding Arrangements (DRFA) nine months later.

While all eligible costs are claimable under DRFA guidelines, the timing of reimbursements and scope adjustments are currently impacting Council's cash flow. Additional resource implications include the need for specialist consultants, increased contractor engagement and internal staff time dedicated to project management, financial reporting and compliance processes to document eligibility for claims, agreeing on categories and competing claims.

These experiences and barriers highlight limited progress in implementing key Colvin Review recommendations relevant to funding design and delivery, reiterating the importance of accelerating implementation of recommendations 36-40 of that federal review process.

Case Study – Upper Hunter Council

Upper Hunter Shire Council were also impacted by the May 2025 severe weather event, which left the council with close to \$500,000 in damage to essential water infrastructure.

As a consequence, Upper Hunter residents were issued boiled water alerts two separate times during 2025 totalling three months in duration, caused by excessive rain events.

Despite the critical public health function of these assets, water and sewer infrastructure remains ineligible for disaster recovery funding due to their classification as "commercial activities". Yet in this case, with such a small rate base the council fees and charges for water cover the operating costs but we don't generally generate sufficient funds for large capital improvements.

Recommendation

1. Rebalance disaster funding to prioritise prevention, mitigation and resilience, not just response and recovery
2. Enable and fund 'build back better' and resilience upgrades as standard practice in disaster recovery programs
3. Include council-owned water and sewer infrastructure as eligible assets under disaster recovery funding arrangements
4. Provide integrated, multi-year disaster recovery and resilience funding aligned with councils' four-year planning cycles or Commonwealth election cycles.

Focus Area 5: The regulatory and compliance burden placed on local government

Audit fees and compliance costs have emerged as a significant and rapidly escalating pressure on Hunter councils. Since 2017–18, Hunter councils have experienced a cumulative 73.7% increase in audit fees, including a 53.4% increase in the 2022–23 financial year alone. Over the same period, the cumulative NSW enforced rate peg increase applied to councils was just 10.6%, meaning audit cost growth has far outpaced councils’ capacity to raise revenue.

Councils report limited ability to negotiate audit fees, coupled with a steady expansion in audit scope and increasingly short turnaround times for information requests. This places substantial administrative burden on council staff, diverting resources away from service delivery and strategic planning.

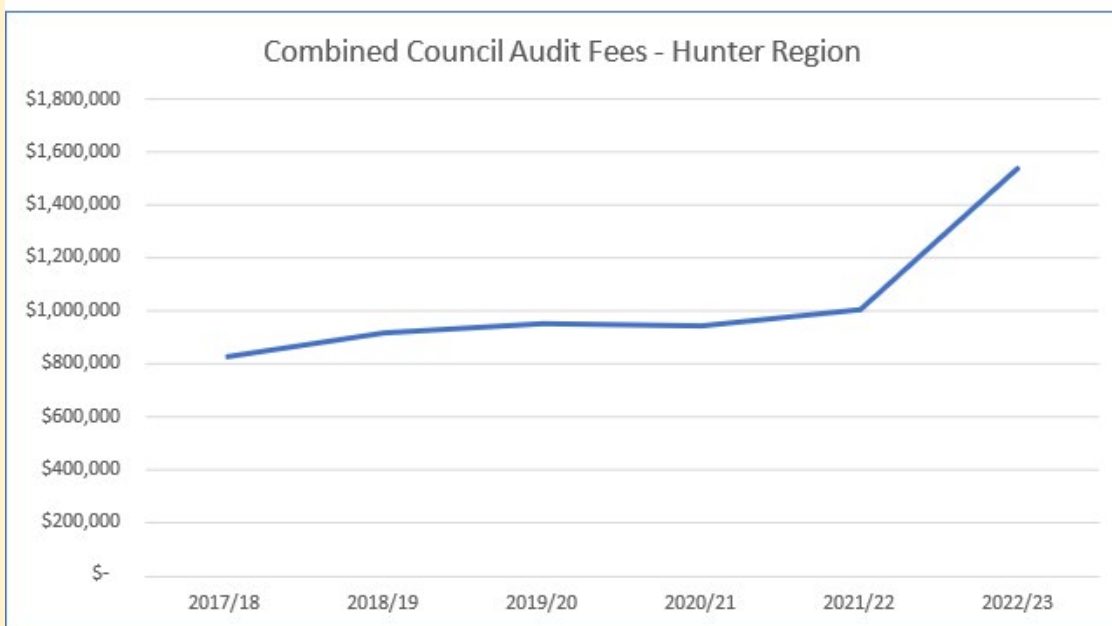
Further compounding this issue is the timing of the annual Local Government Code of Accounting and Financial Reporting. The code is often released late in the financial year, limiting councils’ ability to plan and comply efficiently and increasing audit complexity and cost.

Case Study – 10 x Hunter Councils’ increasing audit fees

Figure 1. Combined Hunter Council Annual Audit Fees

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

Figure 2. Increase in combined Council Audit Fees



We appreciate the NSW Government is responsible for this example, however the Federal Government Inquiry should take these issues into consideration for why local governments are experiencing issues with financial sustainability.

Recommendation

1. Apply a nationwide risk-based and tiered audit approach proportionate to council size, complexity and capacity
2. Introduce greater transparency around audit fee structures, including early disclosure of cost drivers and risks
3. Release the Local Government Code of Accounting and Financial Reporting at the commencement of the financial year, or on a multi-year basis, to enable effective planning and compliance

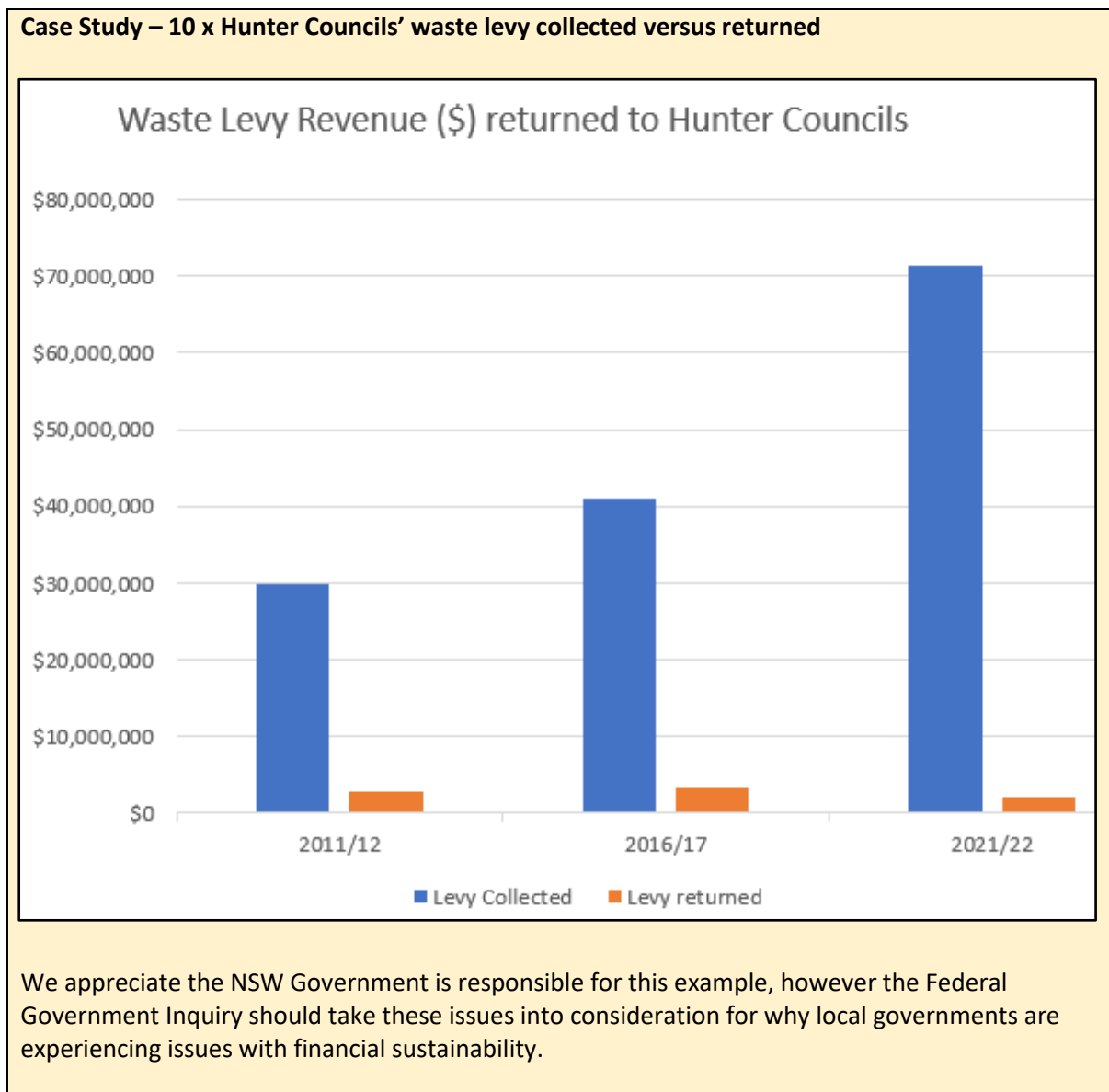
Focus Area 6: Local government responsibilities for waste management and environmental outcomes

In line with the recommendations of the Australian Government's Productivity Commission's 2025 inquiry, *Australia's Circular Economy: Unlocking the Opportunities*, the Australian Government is asking local governments to identify circular economy opportunities and develop place-based plans and/or integrate actions into their other plans and budgetary processes (such as service, infrastructure or community development plans).

Given the current financial constraints facing local government, dedicated investment is essential to enable the effective implementation of these recommendations to prevent further instances of cost shifting.

While state governments are largely responsible for the legal and policy framework that influences local government waste services, federal policies remain a key driver over these frameworks. A present example is the [NSW FOGO Mandate](#). The Australian Government’s National Waste Policy Action Plan 2019 set a target to halve organic waste from landfill by 2030. This target was mirrored by the NSW Government in its [Waste and Sustainable Materials Strategy 2041: Stage 1 2021-2027](#), the current state waste strategy. This culminated in NSW Parliament [passing laws in 2025](#) requiring local councils to provide all NSW households with a food organics and garden organics service by 1 July 2030. This policy change imposes additional operational requirements and costs onto local government.

In some states, significant revenue is collected through a levy, yet councils receive minimal reinvestment from these funds to support waste management, recycling or circular economy outcomes. The proportion of the waste levy returned to councils has also declined sharply, from 9% in 2011–12 to approximately 3% in recent years. This undermines councils’ capacity to deliver efficient waste services and meet state and national waste reduction targets, despite councils being responsible for service delivery on the ground.



Recommendations

1. Provide national guidelines on the application of waste levies and taxes across Australia.
2. Increase the proportion of waste levies and taxes reinvested directly into local government waste and circular economy initiatives to support delivery of national and state waste reduction and net zero objectives.
3. Improve transparency around waste levy expenditure and prioritise reinvestment in the regions from where such levies are collected.
4. Support councils to invest in waste infrastructure, education, recycling and circular economy initiatives

Conclusion

Local government financial sustainability is fundamental to community wellbeing, economic productivity and national resilience. Without structural reform, councils, particularly in regional Australia, will be forced to reduce essential services and defer infrastructure renewal, leading to deteriorating assets, escalating risk exposure and profound consequences for community safety.

The erosion of core services and liveability will also undermine the ability of regional communities to attract and retain primary producers, local industries, essential workers and skilled professionals, placing pressure on food security, regional economies and the industries that underpin the national interest.

In addition, sustained financial pressure over time increases the risk of more councils entering administration, with system-wide implications for governance, service continuity and intergovernmental costs.

The Hunter Joint Organisation urges the Federal Government to work collaboratively with local and state governments to implement funding reforms that are fair, predictable and aligned with long-term community needs.

Alignment of our recommendations to the findings in the [Interim Report into Local Government Financial Sustainability \(2025\)](#)

Focus Area 1: Impact of cost shifting on local government

HJO recommendation	Alignment with Committee findings	Evidence from the Interim Report
1. Establish a nationally consistent framework to identify, measure and compensate cost shifting	Strong alignment	Cost shifting is repeatedly identified as a core cause of financial stress, with councils taking on responsibilities formerly held by other levels of government. The Committee explicitly notes the need to “end cost shifting onto

		local governments” and canvasses the idea of a new tripartite agreement
2. Reduce or remove state-owned rate exemptions	Partial alignment	The report highlights the impact of rate-exempt land (e.g. national parks, community housing, government assets) on councils’ revenue bases, particularly in regional and remote areas, but does not yet recommend removal of exemptions
3. Simplify and streamline regulatory systems that impose administrative burden on councils	Strong alignment	The Committee repeatedly notes growing regulatory and compliance burdens, particularly environmental, planning and audit requirements, and their disproportionate impact on smaller councils

Focus Area 2: Adequacy, sustainability and equity of Commonwealth funding

HJO recommendation	Alignment	Evidence
1. Restore Financial Assistance Grants (FAGs) to at least 1% of Commonwealth taxation revenue	Strong alignment	This recommendation is explicitly listed by the Committee as a key proposal raised by submitters and endorsed as a priority issue
2. Reform distribution methodologies to better reflect regional disadvantage, climate risk and service costs	Strong alignment	The report strongly critiques current distribution formulas, minimum grants, and outdated road components for failing to reflect need, regional disadvantage and cost pressures
3. Improve certainty and transparency in timing and calculation of FAG allocations	Partial alignment	Concerns are raised about indexation freezes, opaque methodologies and unpredictability, though transparency reforms are implied rather than explicitly recommended

Focus Area 3: Efficiency and effectiveness of Commonwealth grant programs

HJO recommendation	Alignment	Evidence
1. Shift to non-competitive, multi-year block funding aligned with councils’ strategic plans	Strong alignment	The Committee records widespread dissatisfaction with competitive, short-term grants and notes calls for untied, multi-year funding (3–5 years) to support planning certainty
2. Standardise reporting and governance requirements across programs	Partial alignment	Administrative burden and inconsistent requirements are discussed, but standardisation is not yet articulated as a formal recommendation

3. Support regional collaboration rather than competition between councils	Implicit alignment	The critique of competitive funding and co-contribution models implicitly supports collaboration, though this is not framed as a standalone recommendation
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Focus Area 4: Disaster recovery, resilience and climate adaptation

HJO recommendation	Alignment	Evidence
1. Rebalance disaster funding toward prevention, mitigation and resilience	Strong alignment	The Committee explicitly notes the need for greater investment in resilience and risk reduction rather than reactive recovery
2. Enable and fund ‘build back better’ as standard practice	Partial alignment	The report recognises rising recovery costs and climate-driven asset damage but stops short of explicitly endorsing “build back better” as a standard funding principle
3. Include council-owned water and sewer assets as eligible for disaster funding	Implicit alignment	Water and wastewater infrastructure vulnerability is recognised, especially in regional areas, but eligibility reform is not yet explicit
4. Provide integrated, multi-year disaster funding aligned with IP&R cycles	Partial alignment	The need for longer-term, predictable funding is acknowledged, though IP&R alignment is not specifically referenced

Focus Area 5: Regulatory and compliance burden

HJO recommendation	Alignment	Evidence
1. Greater transparency around audit fee structures	Partial alignment	Audit, accounting and compliance costs are discussed extensively, particularly depreciation and audit impacts, but fee transparency is not yet singled out
2. Risk-based and tiered audit approaches	Implicit alignment	The report highlights disproportionate impacts on smaller councils, supporting the logic of tiered approaches, though not explicitly recommended
3. Release the Code of Accounting and Financial Reporting earlier or on a multi-year basis	Partial alignment	The Committee acknowledges significant concern with accounting standards, depreciation treatment and late changes, but does not yet address timing reforms directly

Focus Area 6: Waste management and environmental outcomes

HJO recommendation	Alignment	Evidence
1. Increase reinvestment of waste levy revenue into local government	Partial alignment	Environmental and waste obligations are recognised as growing cost pressures, but waste levy reform is not explicitly addressed in the interim report
2. Improve transparency of waste levy expenditure and regional reinvestment	Implicit alignment	The report acknowledges inequities faced by regions generating revenue but lacking reinvestment, without specific levy recommendations
3. Support councils to invest in waste infrastructure and circular economy initiatives	Implicit alignment	The Committee recognises councils' environmental responsibilities and the need for dedicated funding streams, which is consistent with this recommendation

MEMORANDUM OF UNDERSTANDING (MOU)

SHARED AUDIT, RISK AND IMPROVEMENT COMMITTEE (Shared ARIC)

Date: [Insert Date]

BETWEEN

1. **Hunter Joint Organisation** (ABN: [Insert ABN])
2. **Central NSW Joint Organisation** (ABN: [Insert ABN])
3. **Illawarra Shoalhaven Joint Organisation** (ABN: [Insert ABN])

(Collectively referred to as the “Parties” or “JOs”)

1. BACKGROUND AND OBJECTIVE

1.1 Recitals

A. Section 428A of the *Local Government Act 1993* (NSW) (the **Act**) requires each Joint Organisation to appoint an Audit, Risk and Improvement Committee (**Committee**).

B. Section 428B of the Act permits Joint Organisations to enter into an arrangement to share an ARIC.

C. The Parties share common governance, risk, resource, and operational challenges and seek to optimise efficiency and strengthen independent oversight by creating a shared ARIC compliant with the Act and NSW Office of Local Government (OLG) guidelines.

D. The Parties have discussed the opportunity to share an ARIC and have received endorsement from the JOs respective Boards to commence developing the shared ARIC.

E. The Parties agree to establish a shared ARIC and this MOU sets out the agreed framework for the establishment, operation, and management of the shared ARIC.

1.2 Objective

The objective of this MOU is to formalise the governance, financial, and operational arrangements for the Shared ARIC, ensuring compliance with the Act and the *Guidelines for Risk Management and Internal Audit for Local Government in NSW* (the **Guidelines**).

2. TERM and DURATION

2.1 Initial Term

This MOU commences on **Monday 1 June 2026** and shall continue for a term aligned with the NSW Local Government election cycle, concluding after the first scheduled meeting of the ARIC following the next NSW local government elections (sometime in September 2028), unless extended or terminated earlier (the **Initial Term**).

2.2 Renewal and Review

a) This MOU will be reviewed by the Executive Officers of the JOs at the end of each financial year of the Initial Term, to confirm continuation, amendment, or replacement of this MOU

b) Subject to a resolution by the Board of each Participating JO, this MOU may be renewed for subsequent terms aligned with future Council election cycles (usually 4 years), subject to agreement of the JOs Boards.

3. GOVERNANCE

The Parties agree to jointly establish a Shared ARIC under Section 428B of the Act and form the Committee as an advisory body with no executive power. Its responsibilities, defined by the Act, OLG guidelines and the **Terms of Reference (ToR)**, include reviewing:

- a) Financial management and reporting.
- b) Risk management frameworks.
- c) Compliance with legislation and policies.
- d) Internal and external audit performance.
- e) Continuous improvement and service reviews.

Each Party retains full autonomy and accountability for its own operations, decisions, and risk exposure.

Each party agrees that all ARIC members, observers, advisers, and secretariat (Lead JO) personnel must maintain strict confidentiality of all information obtained through ARIC proceedings, except where disclosure is required by law or permitted by the authorised personnel at Participating JOs.

4. COMMITTEE COMPOSITION AND INDEPENDENCE

4.1 Membership Structure

The Committee shall comprise **Voting Members** and **Non-Voting Observers**.

4.2 Voting Members (Independent)

- a) The Committee shall consist of a minimum of **three (3) Independent Voting Members**, one of whom shall be appointed as the **Independent Chair**.
- b) Voting Members must meet the independence and eligibility criteria outlined in the OLG Guidelines.
- c) Current Board Members (Councillors/Mayors) and staff of the Participating JOs are **ineligible** to be Voting Members.
- d) Voting Members will be appointed as per the **Initial Term**, to ensure continuity, with eligibility for reappointment as determined by the Participating JOs.

4.3 Non-Voting Observers

- a) Each Participating JO may nominate one (1) **Non-Voting Observer** (e.g., a Board Member or nominated representative). The current chair of each JO participating in the shared ARIC are excluded from being the nominee, however they can still attend the ARIC as an observer.
- b) Executive Officers (EOs) of the Participating JOs and/or their nominee may attend meetings as observers to provide operational context or other information, but shall not vote.

c) The following summary table outlines who can participate in the Committee and their voting status

Summary of Committee membership (2026)

Role	Voting Member (3 in total)	Non-Voting Member (Nominee’s x 3)	Observer Only (unlimited)
Independent Chairperson	Yes	—	—
Independent Member	Yes	—	—
JO Board Member (General)	No	Yes (1 per JO)	—
JO Board (Chair)	No	No	Yes
JO Executive Officer	No	No	Yes
JO Staff	No	No	By Invitation
External Auditor	No	No	Yes
Head of Internal Audit	No	No	Yes

4.4 Appointment Process

The Lead JO will coordinate a merit-based recruitment process with candidates assessed by the EOs of the Participating JOs. The appointment of Voting Members must be formally resolved by the Board of **each** Participating JO.

Where a vacancy arises, the Parties will jointly initiate a replacement process.

5. ROLES AND RESPONSIBILITIES

5.1 ARIC Responsibilities

The ARIC will:

- (a) provide independent assurance on audit, risk, governance, and improvement matters;
- (b) review key policies, internal controls, fraud/corruption frameworks, and risk registers;
- (c) monitor internal and external audit programs;
- (d) monitor implementation of audit recommendations;
- (e) assess organisational performance improvement activities;
- (f) report at least annually to each Party’s Board on findings, risk issues, and overall assurance outcomes;
- (g) maintain the privacy and confidentiality of each Participating JO and as prescribed in clause 3.

5.2 Parties (Joint Organisations) Responsibilities

Each Party will:

- (a) ensure access to staff, records, and information required by the ARIC;
- (b) facilitate implementation of audit and improvement recommendations or reasons for non-compliance;

- (c) provide necessary cooperation to the Lead JO;
- (d) appoint and brief its representative **Non-Voting Observer** (if applicable);
- (e) ensure appropriate risk, audit, and governance information is prepared for ARIC review;
- (f) provide feedback to the ARIC on performance and emerging risks.
- (g) maintain the privacy and confidentiality of each Participating JO.

5.3 The Lead JO

To ensure efficient administration, one Participating JO will act as the **Lead JO** for a defined period. The Lead JO is responsible for:

- a) Providing Secretariat support (agenda preparation, minute taking, meeting coordination, audit plans) and record keeping.
- b) Managing the communications and correspondence of the Chair and Members.
- c) Coordinating the recruitment and appointment of ARIC Members.
- d) Facilitating the payment of Voting Member fees (to be reimbursed by Parties per *Clause 8*).

5.4 Rotation of Lead JO

The role of Lead JO will rotate every two (2) years in alignment with the JO Chairs Forum Chair rotation and to ensure equitable workload distribution, with the Hunter JO to be the initial lead.

Subsequent Terms will be determined by agreement of the Executive Officers.

6. MEETINGS AND PROTOCOLS

6.1 Frequency

The ARIC will meet a minimum of **four (4) times per year**. Meeting agendas will be determined by the Committee, however, it is proposed that two (2) meetings will be substantive meetings (reviewing financial statements, major audit reports) and two (2) will be monitoring, update and progress meetings.

6.2 Format and Location

- a) Meetings will primarily be held virtually (online) to reduce travel costs and time.
- b) The Chair may convene an in-person meeting annually, subject to budget approval by the Executive Officers.

6.3 Quorum

A quorum consists of a majority of the Independent Voting Members (e.g., 2 out of 3).

6.4 Agendas

The Agenda will be structured to allow for:

- a) Shared issues relevant to all Parties.
- b) Specific items relevant to individual JOs (segmented agenda items).

The Lead JO will provide secretariat support for agenda development

7. REPORTING

The ARIC reports **separately** to each Party's Board and Executive Officer.

7.1 Reporting to Boards

The ARIC Chair, supported by the Lead JO Secretariat, will provide:

a) **Meeting report:** Minutes, a summary of meeting outcomes and recommendations and action progress update to be submitted to the Board of each Participating JO after each meeting.

b) **Annual Assessment:** An annual report on the performance of the risk and internal control environment of each JO.

7.2 Local Government Term Assurance Report

Once per LGA term (every 4 years), the ARIC will provide a comprehensive independent assessment report to each Board and the Office of Local Government (OLG), as required by the Guidelines.

8. FINANCIAL ARRANGEMENTS

8.1 Cost Sharing Principles

The Parties agree to a cost-effective model designed to fit the limited resources of Joint Organisations.

8.2 Shared Costs and Budget

a) Direct costs, including Independent Member remuneration (if any), external expert advice, and specific training, will be shared **equally** among the Participating JOs up to the maximum budget set by the Executive Officers.

b) The total operating budget for the ARIC shall not exceed **\$15,000 per JO per annum** (CPI indexed), unless agreed otherwise by all Parties. The total operating budget includes costs for the Committee (approx \$5,000 per JO) and internal audit costs (approx \$10,000 per JO).

c) Fees for Independent Members will be set at a maximum of \$3,200 per year (\$800 per meeting) and maximum \$4,000 per year (\$1,000 per meeting) for the Chair (CPI or rate peg increase whatever is lower, adjusted from 2026/27 financial year)

d) As the first year of the Shared ARIC (commencement 1 June 2026) spans financial years, the parties will only be invoiced on 1 June 2026 for one quarter of the Committee amount (\$5,000 per annum) being \$1,250 each. The remaining balance of \$13,750 will be invoiced in the 1st quarter of the 2026/27 financial year. Timing of future invoices for each JO will be determined by the executive officers and aligned to the Committee meeting schedule.

e) The Lead JO will hold the funds in a restricted reserve for the purpose of the Shared ARIC. Any unspent funds for the financial year will be carried over to the following financial year or used to reduce the fees of the Participating JOs for the following year.

f) The Lead JO will be invoiced by the Independent Members and internal audit provider and will pay invoices on behalf of the Participating JOs.

8.3 In-Kind Contributions

- a) The **Lead JO** provides Secretariat support (staff time, software, administration) as an **in-kind contribution** at no cost to the other Parties.
- b) Each Party bears its own costs regarding the attendance of its Non-Voting members, Observers and Executive Officers.

8.4 Insurance

Each Participating JO is responsible for ensuring its professional indemnity and public liability insurance policies extend to cover the activities of the ARIC members acting on its behalf. The Lead JO will coordinate verification of this coverage.

9. INTERNAL AUDIT

The Parties agree to explore and, where feasible, implement a **Shared Internal Audit function** (e.g., a shared contractor or resource) to conduct audits across the JOs. The Parties will endeavour to agree on the topic of internal audit through the Committee. Specific terms for shared internal audit contracts will be detailed in a separate service agreement.

10. DISPUTE RESOLUTION

10.1 If a dispute arises regarding the interpretation or operation of this MOU:

- a) **Level 1:** The Executive Officers of the Participating JOs shall attempt to resolve the matter through negotiation.
- b) **Level 2:** If unresolved within 30 days, the matter shall be referred to the Chairpersons of the Participating JO Boards for resolution.
- c) **Level 3:** If still unresolved, the Parties agree to seek mediation through a neutral third party before exercising any right to terminate. Each Party will be responsible for their own mediation costs.

10.2 ARIC operations must continue, where possible, during dispute resolution.

11. CHANGES to PARTIES

11.1 Withdrawal by a Party

- a) A Participating JO may withdraw from this agreement by providing **six (6) months' written notice** to the other Parties.
- b) Withdrawal does not exempt the departing Party from paying its share of costs incurred or committed up to the date of withdrawal.
- c) The withdrawal of one Party does not terminate this MOU for the remaining Parties, provided at least two Parties remain.

11.2 Termination of Agreement

This MOU may be terminated by mutual agreement of all Parties in writing. Upon termination, any surplus funds held for ARIC purposes will be returned to the Parties in proportion to their contributions.

11.3 New Parties to the agreement

- a) Should a new Party wish to join the Shared ARIC, each existing Participating JO must agree and seek agreement from their Board.

b) The new Party will be required to contribute a proportional financial contribution based on the timing of their admittance to the shared ARIC.

12. EXECUTION

Signed for and on behalf of:

Hunter Joint Organisation

Name: _____ Title: Chairperson

Signature: _____ Date: _____

Name: _____ Title: Executive Officer

Signature: _____ Date: _____

Central NSW Joint Organisation

Name: _____ Title: Chairperson

Signature: _____ Date: _____

Name: _____ Title: Executive Officer

Signature: _____ Date: _____

Illawarra Shoalhaven Joint Organisation

Name: _____ Title: Chairperson

Signature: _____ Date: _____

Name: _____ Title: Executive Officer

Signature: _____ Date: _____

Terms of Reference

Shared Audit, Risk and Improvement Committee (Shared ARIC)

Document Control

Document Owner	Participating Joint Organisations (via Lead JO)
Purpose	Executive Officers working draft – not for Board adoption
Related Documents	MoU – Shared ARIC; OLG Guidelines
Review Cycle	Annually by ARIC; once per LGA term by JO Boards
Status	Draft v2.0

1. Introduction

The Participating Joint Organisations (JOs) have agreed to establish a Shared Audit, Risk and Improvement Committee (the Committee) in accordance with sections 428A and 428B of the Local Government Act 1993 (NSW).

These Terms of Reference (ToR) are based on the Office of Local Government (OLG) Model Terms of Reference and have been deliberately adapted to reflect:

- the small scale and limited resources of Joint Organisations
- the shared governance arrangements set out in the Memorandum of Understanding (MoU)
- a proportionate, risk-based approach consistent with OLG guidance

These ToR should be read in conjunction with the MoU. Where inconsistencies arise, the MoU prevails.

2. Objective

The objective of the Committee is to provide independent assurance to each Participating JO by monitoring, reviewing and providing advice on the adequacy and effectiveness of:

- governance arrangements
- risk management and internal controls
- compliance and fraud prevention
- financial management and reporting
- internal and external audit
- continuous improvement and performance monitoring

3. Independence

The Committee operates independently of management and the Boards of the Participating JOs. The Committee has an advisory and assurance role only and has no executive, operational or decision-making authority.

Members must meet independence and eligibility requirements under the OLG Guidelines and must avoid real or perceived conflicts of interest.

4. Authority

Each Participating JO authorises the Committee to:

- access information reasonably required to perform its functions
- request attendance of relevant staff or contractors
- communicate directly with Executive Officers
- meet separately with internal and external auditors

5. Application to Participating Joint Organisations

These Terms of Reference apply equally to all Participating JOs.

The Committee considers matters that are:

- common across all JOs (shared risks, governance themes, audit findings), and
- specific to individual JOs where required

Each Participating JO retains full responsibility and accountability for its own decisions, risks and statutory obligations.

All ARIC members, observers, advisers, and secretariat (Lead JO) personnel must maintain strict confidentiality of all information obtained through ARIC proceedings, except where disclosure is required by law or authorised in writing by the relevant Participating JOs.

6. Committee Composition

The Committee comprises:

- Three (3) Independent Voting Members, one appointed as Independent Chair
- One (1) Non-Voting Observer nominated by each Participating JO
- Executive Officers, and/or a delegate from the JO, may attend meetings as observers

Only Independent Members have voting rights.

7. Work plans

The Committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the Committee. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

Any decision to vary the strategic work plan must be made by the Committee. The Committee may, in consultation with the Boards of the Participating JOs, then vary the strategic work plan at any time to address new or emerging risks. The Boards of the Participating JOs may also, by resolution, request the Committee to approve a variation to the strategic work plan.

The Committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

Any decision to vary the annual work plan must be made by the Committee. The Committee may, in consultation with the Boards of the Participating JOs, then vary the annual work plan to address new or emerging risks. The Boards of the Participating JOs may also, by resolution, request the Committee to approve a variation to the annual work plan.

When considering whether to vary the strategic or annual work plans, the Committee must consider the Participating JOs' size, risk and resources profile when compared to other local government organisations and consider the impact of the variation on all parties existing workload and pre-existing priorities of all parties to the document.

8. Appointment and Tenure

Independent Members are appointed jointly by resolution of each Participating JO Board following a merit-based recruitment process coordinated by the Lead JO.

Appointments are for up to four (4) years and may be renewed once, subject to performance review and continued independence, with a maximum of eight (8) continuous years.

The terms and conditions of each member's appointment to the Committee are to be set out in a letter of appointment.

9. Role of the Shared ARIC

The Committee reviews and provides independent advice to each Participating JO in relation to:

- audit (internal and external)
- risk management frameworks
- internal controls and compliance
- fraud and corruption prevention
- financial management
- governance arrangements
- organisational improvement

The Committee's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to this charter.

The Committee will act as a forum for consideration of the participating JO's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The Committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The Committee is directly responsible and accountable to the Boards of the Participating JOs for the exercise of its responsibilities.

The scope and depth of reviews will be proportionate to JOs size, risk and resources.

10. Meetings

The Committee will meet at least four (4) times per year, primarily via videoconference to minimise cost, indicatively:

- Two meetings will focus on substantive matters (financial statements, major audits)
- Two meetings will focus on monitoring, updates and progress

The Committee can hold additional meetings when significant unexpected issues arise, or if the Chair is asked to hold an additional meeting by a Committee member, the Participating JOs' Executive Officers, or the Boards of the Participating JOs.

A quorum consists of a majority of Independent Voting Members.

11. Reporting

The Committee reports separately to the Board of each Participating JO.

After each meeting, a report summarising key matters, recommendations and actions will be provided to the Board of each Participating JO.

An annual assurance report will be prepared for each Participating JO, and once per LGA term a comprehensive assurance report will be provided in line with OLG guidance.

12. Secretariat and Lead JO

One Participating JO acts as the Lead JO on a rotating basis, as set out in the MoU.

The Lead JO provides secretariat support including agenda preparation, minutes, coordination and records management as an in-kind contribution.

13. Financial Arrangements

Costs associated with the Committee, including Independent Member fees (if applicable) and agreed external advice, are shared equally between Participating JOs in accordance with the MoU and agreed annual budget limits.

14. Review of Terms of Reference

These Terms of Reference will be reviewed annually by the Committee and once each local government term by the Boards of the Participating JOs.

Schedule 1 – Scaled Audit, Risk and Improvement Responsibilities

The Committee adopts a proportionate, risk-based approach appropriate to Joint Organisations.

Audit

- Oversight of shared and JO-specific internal audit activities
- Review external audit findings and management responses
- Monitor implementation of agreed audit recommendations

Risk and Internal Controls

- Review risk registers and key strategic risks
- Consider adequacy of internal controls proportionate to JO operations
- Review business continuity and key governance risks

Compliance and Fraud

- Review compliance frameworks and significant compliance issues
- Consider fraud and corruption risks and prevention measures

Financial Management

- Review annual financial statements prior to audit
- Consider financial sustainability, cash management and grants compliance

Governance and Improvement

- Review governance arrangements and reporting
- Consider opportunities for shared improvement and better practice

Attachment 7.2-1 Mid-Year Budget Review



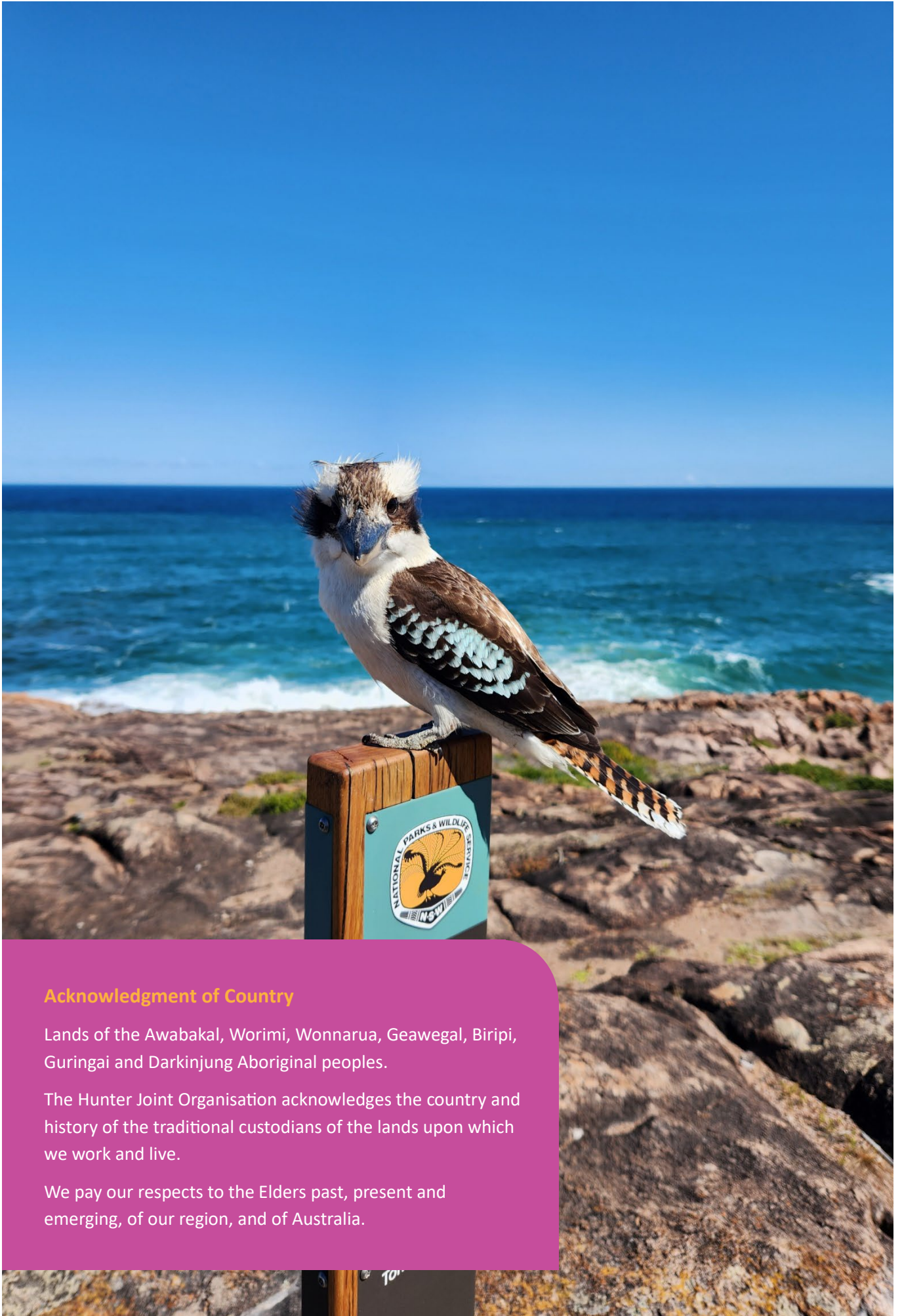
HUNTER JOINT ORGANISATION

DECEMBER 25	CURRENT MONTH		YEAR TO DATE				APPROVED	FORECAST		
MIDYR FORECAST	ACTUAL	BUDGET	ACTUAL	BUDGET	VARIANCE %	PY	ANNUAL BUDGET	Mid Year ANNUAL BUDGET	VARIANCE %	Mid-Year FORECAST VARIANCE COMMENTARY
REVENUE										
Membership Subscriptions	82,226	82,226	493,355	493,355	0%	304,549	986,710	986,710	0%	
Grant Funding	203,070	183,485	900,918	1,102,820	-18%	4,673,970	2,072,410	2,159,712	4%	Two additional grants received this year
Management Fees	-	-	-	-	-	21,141	-	-	-	
Training Revenue	-	-	-	-	-	30,863	-	-	-	
Consultancy Fees	-	-	-	-	-	-	-	-	-	
Rent & Overheads	-	-	-	-	-	-	-	-	-	
Miscellaneous	3,877	12,796	171,134	74,375	130%	218	148,751	191,625	29%	Additional income for Cadets due to timing changes from grant provider
Legal Fees	-	-	-	-	-	-	-	-	-	
Client Fees	-	-	-	-	-	-	-	-	-	
Arrow Contribution	-	-	12,402	4,175	197%	97,540	13,704	21,930	60%	Additional income from vehicle sales
Revenue - Total	289,173	278,506	1,577,808	1,674,726	-6%	5,128,280	3,221,574	3,359,977	4%	
COST OF SALES										
Cost of Sales	115,266	28,212	347,834	440,892	-21%	2,566,217	780,443	1,037,285	33%	Changes in grant delivery costs and additional expenditure in RID Program
Direct Labour	61,947	112,123	388,930	525,547	-26%	-	1,047,476	769,175	-27%	Changes in grant delivery costs and Cadets budgeted in direct labour now moved to indirect labour
GROSS PROFIT / (LOSS)	111,960	138,171	841,044	708,287	19%	2,562,063	1,393,655	1,553,517	11%	
<i>Gross Margin</i>	<i>39%</i>	<i>50%</i>	<i>53%</i>	<i>42%</i>		<i>50%</i>	<i>43%</i>	<i>46%</i>		
EXPENSES										
General & Administration	30,436	64,169	204,904	267,868	-24%	349,352	477,602	499,608	5%	
Occupancy Costs	2,441	2,441	14,648	14,648	0%	76,563	29,295	29,445	1%	
Depreciation	2,276	2,616	14,104	15,137	-7%	51,358	31,731	31,622	0%	
Information Technology	3,136	2,976	20,107	17,613	14%	38,627	35,726	41,644	17%	Unforseen IT costs from external provider
Overhead Labour	107,434	80,437	423,099	360,292	17%	1,741,904	712,565	825,416	16%	Cadets budgeted in direct labour now moved to indirect labour
Employee Costs	158	3,333	6,195	13,251	-53%	40,996	25,050	22,338	-11%	Savings from lower expenditure on training and staff amenities
Travel & Accommodation	1,695	1,960	10,666	12,561	-15%	15,451	22,822	25,079	10%	Additional travel for grant and advocacy related work
Motor Vehicle	4,249	4,096	26,160	26,376	-1%	44,847	56,777	57,798	2%	
Overhead Expenses - Total	151,824	162,029	719,882	727,746	-1%	2,359,098	1,391,568	1,532,950	10%	
NET PROFIT / (LOSS) - OPERATIONS	(39,865)	(23,857)	121,162	(19,459)	-723%	202,965	2,087	20,567	885%	
<i>Net Profit Margin</i>	<i>-14%</i>	<i>-9%</i>	<i>8%</i>	<i>-1%</i>		<i>4%</i>	<i>0%</i>	<i>1%</i>		
OTHER INCOME / (EXPENSES)										
OTHER INCOME										
Profit / Loss on sale of asset	-	-	-	-	-	672	-	-	-	
Interest	-	-	-	-	-	42	-	-	-	
OTHER EXPENSES										
HJO Contributions	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	184,032	-	-	-	
Other Income / (Expenses) - Total	-	-	-	-	-	(184,662)	-	-	-	
NET PROFIT / (LOSS) BEFORE TAX	(39,865)	(23,857)	121,162	(19,459)	-723%	18,303	2,087	20,567	885%	
EBITDA - NET PROFIT	(37,589)	(21,241)	135,266	(4,322)	-3230%	69,661	33,819	52,190	54%	
<i>EBITDA Margin</i>	<i>-13%</i>	<i>-8%</i>	<i>9%</i>	<i>0%</i>		<i>1%</i>	<i>1%</i>	<i>2%</i>		



Hunter JO Six-monthly Performance Statement

July – December 2025



Acknowledgment of Country

Lands of the Awabakal, Worimi, Wonnarua, Geawegal, Biripi, Guringai and Darkinjung Aboriginal peoples.

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.

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Six-monthly Performance Statement

This document reports the Hunter Joint Organisation’s (Hunter JO’s) performance and progress in delivering the shared regional priorities identified in the [Hunter JO Strategic Plan 2035](#).

The report covers the period 1 July – 31 December 2025.

Our vision for the region: We harness our unique strengths to drive economic transformation, build resilience, and enhance community wellbeing for the Hunter Region.

Our Priorities

 <p>Housing & Population Growth</p> <ul style="list-style-type: none">1.1 Housing affordability, density, diversity and availability1.2 Integrated planning and enabling infrastructure to support housing development in priority growth areas1.3 Supporting population growth and demographic shifts1.4 Development planning to minimise environmental impacts and natural hazard risks	 <p>Economic Transformation & Jobs</p> <ul style="list-style-type: none">2.1 Activate the reuse of mining related lands2.2 Leveraging regional and global industries2.3 Evolution towards renewable energy, circular economy and future industries2.4 Business attraction, job creation and future skills development
 <p>Infrastructure & Connectivity</p> <ul style="list-style-type: none">3.1 Integrated cross-agency infrastructure planning3.2 Safe and efficient road networks3.3 Multimodal, low-emission transport connectivity3.4 Digital connectivity improvements	 <p>Environmental Sustainability & Resilience</p> <ul style="list-style-type: none">4.1 Climate change mitigation, adaptation and disaster resilience4.2 Circular materials and waste management4.3 Water security and waterway health4.4 Protection of natural environments
 <p>Financial Sustainability & Funding Reform</p> <ul style="list-style-type: none">5.1 Ensuring the long-term financial sustainability of Local Government5.2 Securing reliable funding for place-based regional collaboration and knowledge sharing5.3 Reforming grant funding processes to secure sustainable funding models	 <p>Community Liveability & Wellbeing</p> <ul style="list-style-type: none">6.1 Enhancing access to education, health and community services6.2 Improving open space, greening, and public amenity access6.3 Promoting community identity, arts, culture and opportunities



Housing and Population Growth

Inclusive, affordable and sustainable housing that supports population growth through integrated development, efficient land use, protection of natural environments and reduced exposure to natural hazard risk.

Objectives (Where do we want to be?)

- 1.1 Housing affordability, density, diversity and availability.
- 1.2 Integrated planning and enabling infrastructure to support housing development in priority growth areas.
- 1.3 Supporting population growth and demographic shifts.
- 1.4 Development planning to minimise environmental impacts and natural hazard risks.

Political Engagements

Month	Name	Focus
October 2025	The Hon Paul Scully, Minister for Planning and Public Spaces	Barriers inhibiting the delivery of housing, particularly the need for enabling infrastructure, to support Councils deliver housing targets and to create healthy vibrant communities as the Hunter's population grows.
	The Hon Rose Jackson, Minister for Water, Minister for Housing	<ul style="list-style-type: none"> • Potential alternative models for supporting Councils to fund the enabling infrastructure required to unlock housing across the Hunter region. • Potential alternative models and approaches for encouraging and incentivising more affordable housing construction in regional areas like the Hunter.
	The Hon Penny Sharpe, Minister for Climate Change, Minister for Energy, Minister for the Environment	<ul style="list-style-type: none"> • Providing greater upfront certainty to biodiversity assessment processes to both accelerate housing approvals and deliver more strategic regional biodiversity conservation outcomes. • Ensuring the renewable energy roll out contributes to ongoing benefits and legacy outcomes for regional communities, for example upgrading key infrastructure or adopting innovative approaches to worker accommodation that enables repurposing for longer term housing supply.

Media

Month	Focus	Coverage
July 2025	Housing - Newcastle is leading the country in an increase of birthrates	ABC Radio with Cr Leah Anderson

Month	Focus	Coverage
October 2025	Mayors push for action “Urgent: what the region needs to unlock housing, jobs and transport”	Newcastle Herald with Mayor Sue Moore and Mayor Leah Anderson

Regional Submissions

Month	Name	Focus
September 2025	Hunter Transmission Project Environmental Impact Statement	Provided recommendations on repurposing temporary worker accommodation for long term housing

Strategic Engagements

Month	Name	Focus
July 2025	Net Zero Economy Authority (NZEA), Department of Planning, Housing and Industry, Lake Macquarie Council and Muswellbrook Council	Introductory meeting to new Hunter based NZEA personnel, discussion about pilot projects, and the Govt response to the post mining land use inquiry.
September 2025	Business Hunter Event - The Infrastructure Equation: Policy, Planning and Productivity - Peter Achterstraat AM, NSW Productivity and Equality Commissioner	How do we achieve better outcomes faster as New South Wales faces growing demand for better infrastructure and housing delivery.



Economic Transformation and Jobs

The evolution of our region toward renewable and future focused industries, maximising our mining related and industrial lands and leveraging our regional strengths to drive innovation and economic growth, create jobs and protect our natural assets and environment.

Objectives (Where do we want to be?)

2.1 Activate the reuse of mining related lands.

2.2 Leveraging regional and global industries.

2.3 Evolution towards renewable energy, circular economy and future industries: Transform the Hunter Region towards net zero to become a hub for renewable energy, circular economy and future industries, driving innovation, creating sustainable jobs, fostering economic diversification, attracting investment and maximising community benefits.

2.4 Business attraction, job creation and future skills development: Position the Hunter Region to attract businesses and new industries and strengthen our role as a leader in innovation, skills and workforce development through strong partnerships with TAFE, universities and other educational institutions.

Political Engagements

Month	Name	Focus
	The Hon Chris Minns, Premier for NSW	<ul style="list-style-type: none"> The value of the Hunter region, with its population approaching 1 million people, in partnering with the NSW Government to assist with delivery of the State's broader housing, net zero and economic policy objectives. The urgency to plan, coordinate and accelerate efforts across all three levels of government to transform the Hunter's economy, to replace 50,000 jobs that will be lost as the region transitions away from coal. The financial sustainability pressures impacting local government, and the need for reform to ensure long-term financial sustainability.
October 2025	The Hon Daniel Mookhey, Treasurer of NSW	<ul style="list-style-type: none"> The potential for a place-based tri-government agreement or comparable approach for the Hunter to focus, align and coordinate the objectives and collective efforts of Federal, State, and Local Governments to drive the economic transformation that is needed to replace 50,000 jobs as the region's economy transitions away from coal. The challenges and opportunities of returning a greater share of mining royalties back to the Hunter Region to directly support efforts to transform the region's economy.
	Senior Advisors to The Hon Courtney Houssos, Minister for Resources	<ul style="list-style-type: none"> The Government's implementation of the recommendations arising from the Post-Mining

Month	Name	Focus
		<p>Land Use Inquiry and governance arrangements for delivery given the number of agencies involved.</p> <ul style="list-style-type: none"> • The timeframe for legislation to formally establish the Future Jobs and Investment Authority and initial priorities for the new Authority. • The timeframe and process for releasing funding from the former Royalties for Rejuvenation program, and the importance of Councils being able to access these resources to plan and support local communities with their economic transformation.

Media

Month	Focus	Coverage
November 2025	Funding agreement finalised to deliver master plans for two mine sites in the Hunter	Newcastle Herald

Regional Submissions

Month	Name	Focus
July 2025	Net Zero Commission Submission	A comprehensive submission covering post-mining land use, disaster resilience, integrated transport, waste strategies, and aligning housing targets with community benefit schemes to create enduring legacies.
	Net Zero Economy Authority (NZE) Energy Industry Jobs Plan (EIJ) Eraring Submission	Support for an Energy Industry Jobs Plan to be developed for the Eraring Power Station to assist with the energy transition but recommending expanded scope to cover all coal-dependent communities and supply chain workers across the Hunter.
September 2025	Hunter Transmission Project Environmental Impact Statement	<p>Provided recommendations on:</p> <ul style="list-style-type: none"> • Repurposing temporary worker accommodation for long term housing • Considering impacts on local water infrastructure and services • Supporting regional workforce transition.
	Net Zero Economy Authority Energy Industry Jobs Plan Legislation Review	Provided feedback to inform the Statutory Review of Part 5 of the Net Zero Economy Authority Act 2024.

Strategic Engagements

Month	Name	Focus
July 2025	Future Jobs & Investment Authority	Further clarifying the scope of the Authority following on from 19th June Future Jobs and Authority Roundtable.
August 2025	Future Jobs Investment Authority	Status and progress of implementation of the new Authority.
	Destination Sydney Surrounds North and Newcastle Airport	Sharing updates on the Hunter Global tourism brand implementation.
October 2025	Federal Net Zero Economy Authority “Future Made in the Hunter” Workshops	Inviting the views and priorities of regional stakeholders to help shape strategy and planning for the Hunter as it transitions to a net zero future, including: <ul style="list-style-type: none"> • Barriers and enablers to economic diversification and future growth opportunities • Workforce transition opportunities and challenges • Opportunities for collective action • Avenues for ongoing regional input and engagement.
	Regional Leadership Workshop – EnergyCo social risks and opportunities project	The workshop contributed to the co-design process for EnergyCo’s social risks and opportunities project, to help inform methodology and tools to create greater social value and community benefits from renewable energy development.
November 2025	Future Made in the Hunter post workshop consultation	In follow-up to October Future Made in the Hunter workshops, this event reviewed outcomes, refined shared priorities and explored forward actions, including how NZEA, DEWR and others can build long-term and meaningful engagement in the Hunter to address economic and workforce transition needs.
	Hunter Workforce Transition Advisory Group	The Hunter JO attended the first meeting of this new Federal Government led Advisory Group, which will be a dedicated sub-group of the Net Zero Economy Authority’s (NZEA) broader consultation arrangements for the Hunter region. The purpose of the Advisory Group will be to bring together employers, unions, local government, and community representatives to help support workers and communities through the energy transition in the Hunter.
August & November 2025	NSW Joint Organisation Chairs Forum	Exploring the opportunity for a more consistent and state-wide collaborative approach across alliances of councils to Community Benefits Schemes linked to energy projects and other State Significant Developments

Events

Month	Name	Focus
December 2025	Hunter JO Planning and Economic Development Forum	Attended by staff from all Hunter JO Member Councils, this forum tackled the challenges and opportunities for the Hunter's economic transformation, including exploring options for a Tri-Government (Federal, State and Local) Agreement to drive coordination and investment across all levels of government.

Grant Funded Program Updates

Program	Purpose and Outcome
Economic Evolution	Scoped a more specific approach to achieving economic evolution in the Region by exploring the challenges and opportunities for the Hunter, including options for a Tri-Government (Federal, State and Local) Agreement to drive coordination and investment across all levels of government.
Circular Economy Futures Hub	Hunter JO has partnered with a broad range of stakeholders to request funding (\$4,990,348) to design a project that will support the Hunter region's transformation to a low-emissions and circular economy. If successful, the project will establish a Hub and Fund to connect government, industry and communities to coordinate industrial-scale and local circular precincts that drive job growth and assist local industry to decarbonise to achieve net zero targets. The project would develop the systems and methodologies to solve the circular and decarbonisation issues of industry and government.
Circular Procurement	<p>The Circular Procurement for Local Government Project aims to better understand and address barriers and solutions to the uptake of circular products by councils. Concrete, the most used substance in the world after water, was identified as a target material during phase 1 of this project because it represents a large proportion of council expenditure and has significant environmental impacts.</p> <p>We have been collaborating with NSW DCCEEW to codesign their Low Carbon Concrete (LCC) Accelerator Program that will roll out first in the Hunter Region. We have also been working with consultants to create a Circular Procurement Toolkit and to write a specification that will enable Hunter councils to procure LCC.</p> <p>In September, this project sponsored the Hunter Innovation Festival and hosted a Low Carbon Concrete Hackathon Session which was attended by key stakeholders from industry experts, consultants, and council staff to map the challenges and opportunities in the acceleration of the uptake of LCC.</p>



Infrastructure and Connectivity

Seamless, multimodal, low-emission connectivity powered by modern transport networks, enhanced digital infrastructure, and integrated planning to support sustainable mobility and regional growth.

Objectives (Where do we want to be?)

- 3.1** Integrated cross-agency infrastructure planning: Foster integrated infrastructure planning that coordinates efforts across all levels of government and sectors to create a seamless, efficient, and future-ready region.
-
- 3.2** Safe and efficient road networks: Support a safe and efficient road network across the Hunter Region by advocating for equitable and sustainable road funding.
-
- 3.3** Multimodal, low-emission transport connectivity: Enhance the sustainable movement of people and goods by supporting diverse, multimodal, low- and zero-emission transport solutions, with a focus on regionally connected and continuous active transport networks, improved public transport service integration and investment, and infrastructure for rail, air, and active transport.
-
- 3.4** Digital connectivity improvements: Drive digital connectivity improvements across the Hunter Region to support economic development, education, and community engagement.

Political Engagements

Month	Name	Focus
October 2025	The Hon Jenny Aitchison MP, Minister for Regional Transport and Minister for Roads	<ul style="list-style-type: none"> • Current road funding arrangements and programs, and the opportunity for funding reform to ensure regional councils can sustainably manage their extensive road networks. • Priorities and delivery review processes for the recently adopted Hunter Strategic Integrated Transport Plan, including the importance of ensuring future transport options are integrated into the planning of new significant urban growth areas in the Hunter. • The status of the road re-categorisation review program, and the potential for prioritising the re-categorisation of local roads to state roads where they directly support infrastructure and assets of significance to the NSW Government or the region as a whole.
	Mr Dave Layzell MP, Shadow Minister for Regional Roads and Transport	<ul style="list-style-type: none"> • Reform of current road funding arrangements and programs to ensure regional councils can sustainably manage their extensive road networks. • The opportunity to prioritise the re-categorisation of local roads to state roads where they directly support infrastructure and assets of significance to the NSW Government or the region as a whole.
	The Hon Rose Jackson, Minister for Water, Minister for Housing	<ul style="list-style-type: none"> • The potential for re-categorisation of Local Roads to State Roads where they are servicing state water assets.

Media

Month	Focus	Coverage
October 2025	Roads Financial Assistance Grants advocacy 'How one month of wet weather left a Hunter council with \$18m road repair bill'	Newcastle Herald with Mayor Sue Moore
	Roads Financial Assistance Grants advocacy 'Return to 1% of government taxation revenue'	NBN with Mayor Sue Moore

Regional Submissions

Month	Name	Focus
July 2025	Net Zero Commission Submission	A comprehensive submission covering post-mining land use, disaster resilience, integrated transport, waste strategies, and aligning housing targets with community benefit schemes to create enduring legacies.
October 2025	Review of the NSW Roads Act Options Paper	Support provided for the intent of the reforms to deliver certainty in roles and responsibilities, reduce duplication, and empower councils to manage local roads efficiently while ensuring safety, accessibility and community benefit.

Events

Month	Name	Focus
July 2025	Regional Directors Forum – Planning and Economic Development	Hunter JO Strategic Plan, local and regional investment attraction and transport planning advocacy.



Environmental Sustainability and Resilience

A future focused on long-term resilience, where disaster preparedness, climate mitigation and adaptation, sustainable water management, and circular economy practices work together to protect ecosystems and build holistic resilience for future generations.

Objectives (Where do we want to be?)

- 4.1 Climate change mitigation, adaptation and disaster resilience: Develop and implement comprehensive strategies and programs for climate change mitigation, adaptation and disaster resilience, strengthening the long-term resilience and wellbeing of the region.
- 4.2 Circular materials and waste management: Promote a circular economy and enhance waste management practices, focusing on regional waste opportunities, maximising resource value, reducing landfill reliance, and fostering circular waste solutions that support decarbonisation, environmental and economic sustainability in the Hunter Region.
- 4.3 Water security and waterway health: Ensure a reliable, safe and secure water supply for the Hunter Region through coordinated and sustainable water management practices, infrastructure investment, and proactive measures that safeguard waterways and water resources for current and future generations.
- 4.4 Protection of natural environments: Protect, enhance and restore our natural environments and open space including bushland, estuaries, waterways, beaches and biodiversity and incorporate nature-based solutions into urban planning.

Political Engagements

Month	Name	Focus
October 2025	The Hon Penny Sharpe, Minister for Climate Change, Minister for Energy, Minister for the Environment	<ul style="list-style-type: none"> • Providing greater upfront certainty to biodiversity assessment processes to both accelerate housing approvals and deliver more strategic regional biodiversity conservation outcomes. • The status of the current NSW waste levy review process and the appropriateness of waste levy funds being returned to councils to invest in local and regional waste infrastructure and circular economy initiatives that deliver on the NSW Government’s net zero and waste reduction targets.
	The Hon Rose Jackson, Minister for Water, Minister for Housing	<ul style="list-style-type: none"> • The financial challenges for regional councils in continuing to deliver and maintain vital water and wastewater infrastructure in their local communities, and the importance of ongoing funding support through programs such Town Water Risk Reduction Program or alternative funding models. • The significant financial difficulties facing Councils to repair local water and sewer infrastructure impacted by disaster events.

Month	Name	Focus
	The Hon Janelle Saffin, Minister for Recovery	<ul style="list-style-type: none"> • Appreciation for the significant ongoing efforts of the NSW Government to review and improve disaster management frameworks and responses and to build the resilience capability of local communities. • The need to support Local Councils with long-term, non-competitive funding options to improve preparedness and support more rapid and effective council and community disaster responses. • The importance of enhancing access to funding to “build back better” to improve long term infrastructure resilience and financial sustainability. • Financially supporting Councils to build and sustain staff capacity and capability in their organisations, to ensure they are proactively resourced to handle the greater disaster adaptation planning and recovery needs that are increasingly required of them. • The importance of the NSW Reconstruction Authority committing resources for the management of local spontaneous volunteers during the disaster recovery phase. • The significant financial difficulties facing Councils to repair local water and sewer infrastructure impacted by disaster events, funding that not currently available through disaster recovery funding arrangements.

Media

Month	Name	Coverage
October 2025	Hunter JO Simtables engagement featured in media coverage of Emergency Services and Community Resilience Expo	NBN News
December 2025	Hunter JO and Mid North Coast shared Net Zero Emission Award	2NURFM Mayor Sue Moore and Leah Anderson

Regional Submissions

Month	Name	Focus
July 2025	Draft NSW Waste Infrastructure Plan	Providing recommendations to streamline planning and energy from waste solutions.
	Net Zero Commission Submission	A comprehensive submission covering post-mining land use, disaster resilience, integrated transport, waste strategies, and aligning housing targets with

Month	Name	Focus
		community benefit schemes to create enduring legacies.
October 2025	Review of the operations of the NSW Reconstruction Authority regarding the NSW East Coast severe weather from May 2025	A joint regional submission outlining Hunter and Central Coast Councils' experiences during and following the NSW East Coast severe weather from May 2025.
	NSW Legislative Council Select Committee on Proposed Energy from Waste (EfW) Facilities	<ul style="list-style-type: none"> • Potential role and standards for EfW relative to other waste management approaches • The need for rigorous health risk assessments and pre-sorting of feedstocks • The need for EfW to be complemented by circularity • The need for NSW Government to lead state-wide community engagement and consultation efforts to build social license.
	NSW EPA Climate Change Licensee Requirements	Provided technical advice around proposed measures to encourage GHG emissions reduction amongst licensees, including emphasising the need for solutions to be financially sustainable, practically implementable, and avoid cost-shifting on to local councils.
December 2025	Australian Energy Market Commission: Establishing a regulatory framework for retail customer-initiated gas abolishment	Implications of proposed regulatory changes for customer-initiated gas connections and disconnections in the context of household electrification.

Strategic Engagements

Month	Name	Focus
July 2025	REGEN: Empowering the transition to a circular economy	Insights and learnings from government and industry on developments and innovation in the circular economy.
	New-E Energy Industry Cluster and EnergyCo's Logistic Precinct event	Insights into the new logistics hub being built at Port of Newcastle to facilitate the movement of renewable energy components through the Hunter to the REZ areas.
	Fleet Management Training Day	Fleet Procurement, Maintenance and Financial Management - emission reduction, introduction of EV to fleet, 'replacement' planning and implementation of EV lease-back plans.
	EnergyCo	Sharing advocacy priorities for community benefit sharing in the REZ and discussing opportunities for collaboration in circular economy.
	Waste Management and Resource Recovery Association Australia's (WMRR)	Sharing knowledge and identifying opportunities, pathways, and models to enhance waste management and resource recovery outcomes.

Month	Name	Focus
August 2025	Waste Management and Resource Recovery Association Australia's (WMRR)	Sharing knowledge and identifying opportunities, pathways, and models to enhance waste management and resource recovery outcomes.
September 2025	Joint Organisation Net Zero Acceleration (JONZA Event)	Data reporting training with a new tool, site visits to learn about net zero initiatives at sewage treatment and resource recovery centres.
November 2025	AdaptNSW Forum	This annual NSW Government conference brings together multi-disciplinary climate change leaders to showcase adaptation knowledge and action. Hunter JO staff attended to inform our regional disaster adaptation, net zero acceleration, climate risk and circular economy initiatives.

Events

Month	Name	Focus
July 2025	Hunter Hospitality Food Waste Event	Hospitality industry focused workshop on how to reduce waste, save money, and take real steps towards sustainability in hospitality across six local government areas.
	NSW Waste and Circular Infrastructure Plan workshop	Co-hosted with the NSW EPA, this workshop facilitated input from Member Councils to the next chapter of the NSW Waste and Circular Infrastructure Plan, focusing on: <ul style="list-style-type: none"> Addressing the unique waste management challenges and infrastructure gaps facing regional and remote areas of NSW Increasing investment in reuse and recycling infrastructure to reduce.
September 2025	Circular Futures Forum	Policy reform, education, circular procurement, and strengthening circular markets and offtake opportunities.
	Living Smart Festival (Simtable demonstrations)	Provided Simtable demonstrations at the festival to support the community understand fire movements; discuss the actions to take to reduce level of risk and provide resources to develop household emergency plans.
November 2025	Asbestos Awareness Workshop	To coincide with the Asbestos Awareness Week, Hunter JO collaborated with Local Government NSW and Safe Work NSW to deliver a workshop in Lake Macquarie with Council field staff involved in our Regional Illegal Dumping (RID) Program. The event offered participants the opportunity to review asbestos regulation from a council perspective.

Grant Funded Program Updates

Program	Purpose and Outcome
Disaster Risk Reduction	Funded under the National Emergency Management Authority (NEMA) Disaster Ready Fund, this three-year project is building disaster resilience capacity and capability within 11 Hunter and Central Coast councils and their communities. This is being achieved by supporting development of a regional Disaster Adaptation Plan in collaboration with the NSW Reconstruction Authority, embedding resilience into councils' IP&R framework, facilitating a regional resilience network and supporting community engagement.
Joint Organisation Net Zero Acceleration (JONZA)	The JONZA program is a capacity-building initiative being delivered in partnership with the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW). It is supporting Member Councils reduce their emissions and contributing to the state's net zero targets. The JONZA grant provides a valuable opportunity to address the resourcing challenges our member councils face by funding a dedicated staff member to lead net zero initiatives.
Embedding Climate Risk in Enterprise Risk Assessment	In collaboration with NSW DCCEEW, this project is developing a Council Toolkit for Climate Change Risk Assessment to support councils to embed climate risk into enterprise risk management, using the latest climate data.
Regional Waste Coordination	Funded by the NSW EPA's Regional Coordination Support Program (RCSP), this program provides resourcing to facilitate collaboration between council waste teams, the EPA and other stakeholders. The program also supported the development and delivery of the Hunter Central Coast Circular Materials Strategy 2022-27, the regional response to the NSW EPA's Waste and Sustainable Materials Strategy 2022-27 (WaSM).
Community Recycling Centres (CRCs)	With funding from the NSW EPA, Hunter JO is supporting councils to promote their CRCs and led the Never Bin a Battery campaign (July–November 2025) to improve correct battery disposal behaviour through a coordinated regional approach. These initiatives demonstrate progress in waste management, community safety, and regional collaboration.
Illegal Dumping Program	Funded by the NSW EPA, the Hunter Central Coast Regional Illegal Dumping (RID) Program is a coordinated approach led by the Hunter JO across eleven participating Councils to address this unlawful activity from a regional perspective. This collaboration between Councils and other public land management agencies seeks to achieve consistent regulatory responses and build the capacity of Council field officers who investigate such incidents. Engagement with the community to increase the number of meaningful reports received and increasing awareness about lawful waste disposal options available are also crucial in driving down these acts which can have such an adverse impact on the environment.
Hospitality Circularity Project	Funded by the NSW EPA's Bin Trim Networks program and delivered by consultant Go Circular, this project has involved working with small hospitality businesses across the Hunter region to identify and implement strategies to reduce the amount of waste that ends up in landfill. The project has taken a focus on diverting food waste, a major waste stream for the hospitality sector, supporting the upcoming NSW EPA's food waste mandates. More than 150 businesses across Cessnock, Lake Macquarie, Maitland, Newcastle, Port Stephens and Singleton have been assessed and provided with waste reduction action plans during the project, resulting in an estimated 450 tonnes per annum of waste being diverted from landfill.
Hunter Circular Value Chains	Funded through the NSW EPA's Local Government Waste Solutions Fund (Round 3), the project supports the Hunter and Central Coast region's transition to a more circular

Program	Purpose and Outcome
	economy by strengthening understanding of the regional circular economy landscape and undertaking a detailed textiles value chain analysis.



Financial Sustainability and Funding Reform

Financial sustainability achieved through reformed funding processes and secure financial models that ensure the long-term viability and success of Local Government to deliver services to communities.

Objectives (Where do we want to be?)

- 5.1** Ensuring the long-term financial sustainability of Local Government: Advocate for more equitable and efficient funding models that enhance the long-term financial capacity of Local Government to deliver essential services to Hunter communities.
- 5.2** Securing reliable funding for place-based regional collaboration and knowledge sharing: Advocate for consistent, long-term and non-competitive funding to deliver effective place-based regional collaboration under the Joint Organisation / Regional Organisation of Councils model.
- 5.3** Reforming grant funding processes to secure sustainable funding models: Advocate for reforms to grant funding models, systems and processes aligned to the IP&R Framework to support improved efficiency and impact of council-led programs.

Political Engagements

Month	Name	Focus
October 2025	The Hon Ron Hoenig, Minister for Local Government	Exploring solutions to ensure local government financial sustainability
	The Hon Chris Rath, Shadow Minister Local Government	<ul style="list-style-type: none"> Improving the financial sustainability of local government, including a focus on addressing cost shifting and pursuing reforms to road and broader grant funding systems and programs. Supporting local government in their advocacy to the Federal Government to return Financial Assistance Grants to 1% of Commonwealth taxation revenue. Supporting the current review by the Local Government Grants Commission of the Financial Assistance Grants methodology, with a view to improving equity in the allocation of these funds to better support high-need regional councils across NSW.

Media

Month	Focus	Coverage
July 2025	Cost shifting financial sustainability of local government	ABC Radio with Mayor Claire Pontin
August 2025	Cost shifting	2NUR radio with Mayor Claire Pontin

Regional Submissions

Month	Focus	Focus
June 2025	Local Government Grants Commission – Financial Assistance Grants	Advocating for equitable and sustainable funding models.
December 2025	NSW Budget Submission	Highlighting the shared priorities of the Hunter region and request for budget or in-kind support from NSW Government.

Strategic Engagements

Month	Name	Focus
October 2025	Queensland OLG Grants Commission	Sharing learnings of their Financial Assistance Grants major review of methodology which resulted in greater equity.



Community Liveability and Wellbeing

A community where enhanced access to services, improved public spaces, and a strong sense of identity and opportunity promote wellbeing and a high quality of life for all.

Objectives (Where do we want to be?)

- 6.1** Enhancing access to education, health and community services: Advocate for equitable access to education, health and community services.
- 6.2** Improving open space, greening, and public amenity access: Improve access to open spaces, green areas, and public amenities, fostering vibrant, healthy communities and enhancing the quality of life for the community through sustainable and inclusive urban design.
- 6.3** Promoting community identity, arts, culture and opportunities: Promote and celebrate the region's unique community identity and culture, fostering opportunities for cultural expression, supporting the arts, community engagement, and social inclusion for the community.

Political Engagements

Month	Name	Focus
October 2025	NSW Hunter Labor Caucus: <ul style="list-style-type: none"> The Hon Yasmin Catley, Member for Swansea The Hon Kate Washington, Member for Port Stephens The Hon Jodie Harrison, Member for Charlestown Mr Clayton Barr, Member for Cessnock Mr Tim Crakanthorp, Member for Newcastle 	Our advocacy priorities for 2025-26 on behalf of the Hunter's local communities

Regional Submissions

Month	Name	Focus
October 2025	NSW Legislative Council Select Committee on Proposed Energy from Waste Facilities	<ul style="list-style-type: none"> The need for NSW Government to lead state-wide community engagement and consultation efforts to build social license. The need for rigorous health risk assessments and pre-sorting of feedstocks for proposed EfW facilities

Strategic Engagements

Month	Name	Focus
August 2025	Destination Sydney Surrounds North and Newcastle Airport	Sharing updates on the Hunter Global tourism brand implementation.

Overall Strategic Priorities and Engagements

Media

Month	Focus	Coverage
August 2025	Adoption of Hunter JO Strategic Plan	Newcastle Herald (all regions), ABC Radio with Cr Sue Moore, NBN News
October 2025	Ten Hunter Mayors head to Macquarie St to press their case	NBN News with Mayor Sue Moore and Mayor Leah Anderson
	Hunter Mayors take united voice to Parliament	ABC Radio with Mayor Sue Moore, 2NUR FM with Mayor Leah Anderson, ABC Radio with Mayor Leah Anderson
December 2025	Chair and Deputy Chair share advocacy priorities 2026	2NUR FM - with Mayor Sue Moore, Mayor Leah Anderson

Strategic Engagements

Month	Name	Focus
Quarterly	Regional Leadership Executive – Hunter & Central Coast	<p>Convened by NSW Premier’s Department, the purpose of the Regional Leadership Executive is to:</p> <ul style="list-style-type: none"> • Drive Government’s priorities in the region, responding to emerging opportunities and issues, lead actions that are cross-government and/or involve multiple agencies • Provide strategic advice, broker solutions and make decisions using a whole of region and whole of government lens • Be responsible for setting the regional strategic context, including regional strategic planning and prioritisation, monitoring of outcomes, ensuring alignment of activities and actions • Establish sub-committees and taskforces as needed
Bi-monthly	Regional Development Australia - Hunter	Bi-monthly meeting to identify opportunities for shared alignment and collaboration.
Bi-monthly	Unified Voice – Hunter Advocacy Organisations	Bi-monthly meeting to share advocacy priorities and updates and to build alignment and shared narrative across Hunter Advocacy Groups.
October 2025	Regional Development Australia Hunter Board	Hunter JO presented an overview of the Hunter JO’s structure, operations and priorities as part of ongoing engagement with RDA Hunter to facilitate collaboration and engagement with the Federal Government.
November 2025	Business Hunter Regional Infrastructure Committee	Hunter JO presented an overview of the Hunter JO’s structure, operations and priorities.
November 2025	LGNSW Conference 2025	Seven shared regional motions lodged by the Hunter JO Member Councils were included in this year’s conference

Month	Name	Focus
		business paper. All seven motions were endorsed by the conference.

Events

Month	Name	Focus
August 2025	Hunter JO Board meeting day (Lake Macquarie)	<ul style="list-style-type: none"> • Adoption of Hunter JO Strategic Plan and Delivery Program • Refining logistics, advocacy messaging and focus of Ministerial questions for October meetings with NSW Government Ministers, Shadow Ministers and MPs • Overview of recent waste advocacy initiatives, program updates and waste infrastructure planning • Exploring opportunities to more collaboratively showcase the work of the Hunter JO through enhanced communications and social media • Presentation from Regional Development Australia, Hunter and Federal Net Zero Economy Authority.
October 2025	NSW Parliament House Board meeting day	Our delegation of Hunter Mayors and General Managers engaged in a series of high-level meetings with Ministers to advocate for the shared priorities of the Hunter JO Board.
December 2025	Hunter JO Board meeting day (MidCoast)	<ul style="list-style-type: none"> • Impacts of MidCoast Council May 2025 Extreme Flood Event, • Debrief on Sydney Parliament House Meetings with NSW Government Ministers, Shadow Ministers and MPs • Exploring the potential for a Tri-Government Agreement for the Hunter's Economic Evolution • MidCoast Council Waste Strategy and Operations • NSW Code of meeting Practice Roundtable and discussion with NSW Office of Local Government

YTD INCOME STATEMENT

YTD

SUMMARY BY COMPANY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	GROUP TOTAL
REVENUE			
Membership Subscriptions	-	493,355	493,355
Project Funding	-	900,918	900,918
Management Fees	-	-	-
Training Revenue	-	-	-
Consultancy Fees	-	-	-
Rent & Overheads	74,784	-	74,784
Miscellaneous	921	171,134	172,055
Legal Fees	-	-	-
Client Fees	-	-	-
Arrow Contribution	-	12,402	12,402
Revenue - Total	75,706	1,577,808	1,653,513
COST OF SALES			
Cost of Sales	-	347,834	347,834
Direct Labour	-	388,930	388,930
GROSS PROFIT / (LOSS)	75,706	841,044	916,749
<i>Gross Margin</i>	<i>100%</i>	<i>53%</i>	<i>55%</i>
EXPENSES			
General & Administration	14,576	204,904	219,479
Occupancy Costs	35,892	14,648	50,539
Depreciation	23,274	14,104	37,378
Information Technology	2,709	20,107	22,816
Overhead Labour	-	423,099	423,099
Employee Costs	-	6,195	6,195
Travel & Accommodation	-	10,666	10,666
Motor Vehicle	-	26,160	26,160
Overhead Expenses - Total	76,450	719,882	796,332
NET PROFIT / (LOSS) - OPERATIONS	(744)	121,162	120,417
<i>Net Profit Margin</i>	<i>-1%</i>	<i>8%</i>	<i>7%</i>
OTHER INCOME / (EXPENSES)			
OTHER INCOME			
Profit / Loss on sale of asset	-	-	-
Interest	-	-	-
Other - Extraordinary	-	-	-
OTHER EXPENSES	-	-	-
HJO Contributions	-	-	-
Other	-	-	-
EXTRAORDINARY EXPENSES	-	-	-
Other - Extraordinary	-	-	-
Redundancy	-	-	-
Other Income / (Expenses) - Total	-	-	-
NET PROFIT / (LOSS) BEFORE TAX	(744)	121,162	120,417
EBITDA - NET PROFIT	22,529	135,266	157,795
<i>EBITDA Margin</i>	<i>30%</i>	<i>9%</i>	<i>10%</i>

YTD BALANCE SHEET

SUMMARY BY COMPANY

	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	GROUP TOTAL
CURRENT ASSETS			
Cash & Cash Equivalents	22,778	1,526,356	1,549,134
Receivables	4,955	358,819	363,774
Prepayments	5,265	13,306	18,571
Other Receivables	-	1	1
	32,998	1,898,483	1,931,480
NON CURRENT ASSETS			
Buildings	779,434	-	779,434
Land	351,302	-	351,302
Computers	-	10,880	10,880
Fixtures and Fittings	11,560	4,270	15,830
Building Improvements	353,492	-	353,492
Motor Vehicles	-	31,781	31,781
ROU	-	-	-
Other	-	-	-
Intercompany Loans	(652,412)	56,402	(596,010)
	843,377	103,333	946,710
TOTAL ASSETS	876,375	2,001,815	2,878,190
CURRENT LIABILITIES			
Payables	33,175	100,396	133,571
Accruals	7,459	10,170	17,628
Loans	-	-	-
Employee Payables	-	107,857	107,857
Other Payables	(4,665)	3,008	(1,657)
GST	1,135	(34,435)	(33,299)
Employee Entitlements	-	180,768	180,768
Unearned Income	-	512,105	512,105
Unspent Grant Funding	-	1,056,493	1,056,493
Other Payables	-	-	-
	37,104	1,936,363	1,973,467
NON CURRENT LIABILITIES			
Term Debt	-	-	-
Employee Entitlements - non current	-	78,065	78,065
Lease Liability	-	-	-
Intercompany Loans	226,000	-	226,000
	226,000	78,065	304,065
TOTAL LIABILITIES	263,104	2,014,428	2,277,532
NET ASSETS	613,270	(12,612)	600,658
EQUITY			
Retained Earnings	614,015	(133,774)	480,241
Current Year Earnings	(744)	121,162	120,417
TOTAL EQUITY	613,271	(12,612)	600,659

YTD CASHFLOW

SUMMARY BY COMPANY	HUNTER COUNCILS INC	HUNTER JOINT ORGANISATION	GROUP TOTAL
CASH FROM OPERATING ACTIVITIES			
Cash inflows from			
Trade debtors	65,773	2,087,458	2,153,231
Other receivables	-	-	-
Other Income	921	18,962	19,883
	66,694	2,106,420	2,173,113
Cash outflows to			
Trade Creditors	(50,962)	(668,957)	(719,919)
Employee Expenses	-	(595,605)	(595,605)
Funding Disbursements	-	-	-
Other	-	-	-
Taxes	(23)	(252,447)	(252,470)
	(50,985)	(1,517,008)	(1,567,993)
Net cash from/(used)	15,709	589,411	605,120
CASH FROM INVESTING ACTIVITIES			
Cash Inflows from			
Proceeds from sale of P&E	-	-	-
Other	-	-	-
	-	-	-
Cash outflows to			
Purchase of CAPEX	-	-	-
Repay / (new loans) - Finance Lease	-	-	-
Other	-	-	-
	-	-	-
Net cash from/(used)	-	-	-
CASH FROM FINANCING ACTIVITIES			
Cash inflows from			
Intercompany (Arrow)	11,136	-	11,136
Other	-	-	-
	11,136	-	11,136
Cash outflows to			
Intercompany (Arrow)	(4,136)	-	(4,136)
Other	-	-	-
	(4,136)	-	(4,136)
Net cash from/(used)	7,000	-	7,000
Movement in cash			
Cash at the beginning of the period	68	936,945	937,013
Net increase/(decrease) in cash	22,709	589,411	612,120
CASH AT THE END OF THE PERIOD	22,777	1,526,356	1,549,133

Overview

The NZEA and NSW Government hosted 160 participants across three workshops in Singleton (17 Oct), Lake Macquarie (20 Oct) and Newcastle (7 Nov) to understand regional priorities, needs and opportunities in the transition to net zero.

Audience

The workshops engaged diverse stakeholders to canvas a broad cross-section of views, including local councils, unions, industry, education institutions, First Nations representatives and community organisations.

Key themes



- ◆ **Urgency for tangible action**
 - Need for quick, visible, impactful transition steps.



- ◆ **Clarity + coordination needed**
 - Policy certainty; cross-government alignment.



- ◆ **Locally designed + driven**
 - Locally led decisions, grounded in community needs.



- ◆ **Inclusive transition**
 - Strong emphasis on First Nations, women, youth.

Conclusion

With expediency, collaboration and clear planning, the Hunter can harness new industries, protect existing strengths and secure a resilient future.

Economic Diversification Priorities

Participants identified the sectors they believed offered the greatest growth and job creation in the Hunter:

- ◆ Manufacturing and advanced manufacturing
- ◆ Services including health, education, aged and disability
- ◆ Energy and renewables

New industries that could be supported:

- ◆ Renewable energy generation
- ◆ Renewable energy technology manufacturing
- ◆ Circular economy

Identified priorities include:

Industry Diversification

- ◆ A strategic plan and investment authority to drive coordination
- ◆ A Hunter special economic zone to incentivise investors
- ◆ Supply chain and workforce planning to facilitate industry growth
- ◆ A marketing plan to promote the region

Investment Opportunities

- ◆ Ensure secure, affordable clean energy
- ◆ Fund pre-feasibility studies
- ◆ Support anchor projects

Local Content

- ◆ Introduce local procurement targets
- ◆ Build SME capacity
- ◆ Use collaborative funding mechanisms, e.g. city deals

Unlock Land

- ◆ Address barriers to mining land re-use
- ◆ Map and quantify availability
- ◆ Incentivise owners to release land
- ◆ Work with First Nations to co-design approaches

Workforce Priorities

Identified priorities include:



Education & Training

- ◆ Workforce planning to transition impacted workers into future industries
- ◆ TAFE-based practical programs in right industries and locations



Certainty

- ◆ Clear signals about future industries
- ◆ Government-led coordinated planning



Employer Accountability

- ◆ Cement employer responsibility for transition supports
- ◆ Enable SMEs to provide supports
- ◆ Ensure complementarity of employer, Cwth and state supports



Inclusion

- ◆ Prioritise First Nations, women and youth
- ◆ Support investment in social infrastructure

Communications & Engagement Priorities

Identified priorities include:

Informed Co-design

- ◆ Support community understanding and decision-making
- ◆ Ensure government plans and supports are co-designed
- ◆ Coordinate consultation to minimise fatigue

First Nations

- ◆ Define process for First Nations engagement and participation
- ◆ Embed First Nations knowledge in planning
- ◆ Ensure First Nations voices and data sovereignty
- ◆ Drive First Nations economic development