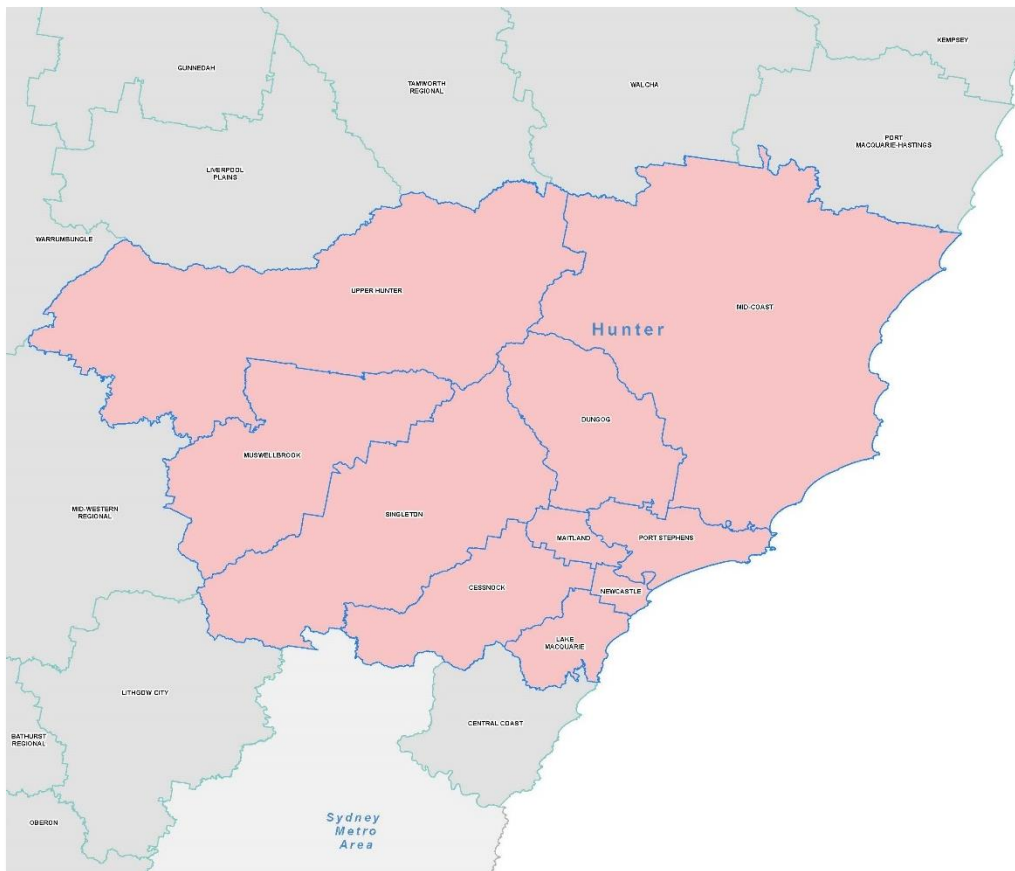


Hunter

Joint Organisation



Meeting Agenda

10 am

Thursday 20 September 2018

The Board Room

4 Sandringham Avenue, Thornton

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[AGENDA LIST](#)



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AGENDA LIST

1. Welcome and Apologies

2. Declarations of Interest

3. Presentations

There are no presentations

4. Reports

Reports appear from Page 4 on in this Agenda document.

5. Confidential Session Recommendations



AGENDA LIST

4.1 Recruitment process for Chief Executive Officer

RECOMMENDATION:

THAT:

The Joint Organisation move into Confidential Session to discuss this item under the terms of the Local Government Act 1993 Section 10A(2) as follows: (a) personnel matters concerning particular individuals (other than councillors).

4.2 Sponsorship Policy

Report Author: Roger Stephan, CEO

Responsible Officer: Roger Stephan, CEO

RECOMMENDATION:

THAT:

- 1. The draft Sponsorship Policy as tabled / amended at this meeting be adopted**
 - 2. A determination be made in regard to the two sponsorship requests referenced in this report and attachments.**
-

REPORT:

In General Business at its 9 August 2018 the Joint Organisation considered sponsorship proposals received from the Newcastle Airport and the Hunter Research Foundation.

As a result of discussion of these proposals it was determined that a sponsorship policy needed to be prepared in order to enable considered assessment of the submitted and any future proposals.

Following the meeting a sponsorship policy was drafted – ATTACHED – and distributed to the Board and feedback was provided to the proponents on possible future process. Both sets of proponents have now provided additional information – ATTACHED. In the case of the proposal from the Hunter Research Foundation, sponsorship requests to individual member councils have now also been withdrawn.

PREVIOUS REPORTS:

This is the first report to the Board on this matter.

FINANCIAL IMPLICATIONS:

The adopted Joint Organisation 2018/2019 Budget does not include a specific sponsorship allocation. The Budget does, however, included a strategic expenditure allocation that could be directed to specific sponsorship proposals.

POLICY IMPLICATIONS:

This report proposed the establishment of policy on this matter.

STATUTORY IMPLICATIONS:

As noted in the draft Policy attachment.



AGENDA LIST

4.3 Unrateable Lands

Report Author: Cr Tracy Norman, Mayor, Dungog Shire

RECOMMENDATION:

THAT:

THAT the Hunter Joint Organisation:

1. Request that the NSW Government abolish rating exemptions currently provided to NSW Corporations (i.e. the Forestry Corporation of NSW and NSW National Parks) on Operational Land
 2. Advocate, in lieu of (1) above, for compensation to be payable to those Local Government Authorities that are affected by the rating exemptions provided by the NSW Government to NSW Corporations
 3. Advocate for a system to levy the Forestry Corporation of NSW as a means of assisting local councils to recoup costs associated with the repair and maintenance of local government road and bridge networks damaged by heavy vehicle movements related to forestry operations
 4. Request that the NSW Government abolish ratings exemptions currently applied to Biodiversity Offset Agreements
 5. In lieu of (4) above, advocate for compensation to be payable to Local Government Authorities that are affected by the rating exemptions currently applied to Biodiversity Offset Agreements.
-

PREFACE:

In General Business at its 9 August 2018 Meeting the Joint Organisation considered correspondence from Snowy Mountains Regional Council on the impact of unrateable land on local council finances. As a result of discussion of the matter, Cr Tracy Norman was requested to further investigate the matter and to provide an update report to a future meeting of the Joint Organisation. The content of the report that follows provides additional detail and will assist in the development of a Joint Organisation advocacy position on the matter.

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REPORT

The inequitable impact of unrateable land on local government in NSW, including many councils in the Hunter Region, is unsustainable.

In the case of Dungog Shire Council, almost 23% of our local government area is unrateable as a result of land uses associated with the NSW National Parks and Wildlife Service, Forestry Corporation of NSW and some biodiversity offset land. Financial modelling undertaken by Dungog Shire Council estimates that the cumulative impact of this loss of rate revenue amounts to a figure somewhere between \$397,000 to \$544,000 per annum – or approximately 10% of our current rates base. For a small rural council already experiencing considerable financial challenges, this is a substantial amount of money to forego particularly when we are currently struggling to maintain and renew key community infrastructure.

The Forestry Corporation of NSW, a state-owned corporation, is an economically viable, necessary and profitable entity. However, given that it clearly produces a commercial resource which in some cases places it in direct competition with private plantation owners who are required to pay rates, the fact that the Corporation's landholdings are unrateable is questionable on a range of grounds. These grounds include competitive neutrality and of course the impact on local council income streams.

The impact on local councils goes beyond a restriction on rate income.

In years past, the Forestry Corporation of NSW under other incarnations contributed to road maintenance and road building, however, this is no longer the case. Therefore, not only do ratepayers forego rates, they also pay for the substantial impact of heavy timber haulage on the local road network. Other commercial organisations such as quarries and private mills pay a per tonne haulage rate to local councils. It is, therefore unclear as to why the Forestry Corporation of NSW's landholdings remain unrateable. Furthermore, as demand continues to grow for wood product, pressure will be put on the supply side which may give rise to attractive private plantations potentially being bought up by Forestry Corporation of NSW thus further eroding the level of rateable land.

At the Local Government NSW Annual Conference held in December 2017 a motion was put by Oberon Council that:

The NSW Government abolish the rate exemption that currently applies to operational land managed and worked by the Forestry Corporation NSW and;

That the State Government introduces a system for transport infrastructure contributions by forestry corporations to address the ongoing infrastructure maintenance, upgrade and renewal needs of council roads. This is specifically to address the roads, bridges, culverts and drainage infrastructure impacted upon by forestry operations especially but not limited to heavy forestry vehicles.

This motion was successfully argued and carried with a substantial majority. Other Councils also argued that the motion be broadened to include other government corporations. The mover of the motion refused this request due to concern that the message to the Government might be diluted. The broader issue, however, remains.

Dungog Shire Council seeks the support of the Hunter Joint Organisation in lobbying the State Government of NSW to consider developing a fair and equitable method under which affected councils could receive appropriate recompense for addressing the ongoing infrastructure maintenance, upgrade and renewal needs of council roads, bridges, culverts and drainage infrastructure caused by heavy haulage forestry vehicles.

Several councils across NSW support this advocacy including Oberon, Bellingen, Snowy Monaro, Snowy Valleys, Shoalhaven, Armidale, Tenterfield, Guyra, Goulburn, Bega Valley, Walcha, Lithgow, Kyogle, Warren as well as Dungog.

Organisations that have shown their support are: Central West Joint Organisation, Canberra Joint Organisation, Local Government NSW, Australian Local Government Association, National Timber Corporations Association, NSW Country Mayors Association and NSW Farmers Association.

With regard to National Parks and Wildlife Service local government needs to commence discussions regarding possible innovative options for recompense, including new grant funding mechanisms and specific funding contributions to affected councils or changes to the Local Government Act 1993 to make these land holdings rateable.

Land quarantined for biodiversity offsets is also having a significant and increasing affect on many local government area's rateable income.

Singleton Council estimates that there are 43,565 hectares of non-rateable land in their Shire. The Council estimates that the current loss of rates to the land subject to conservation agreements is \$59,280. Given the current legislative climate and rates of development, this issue will trend upwards causing further impost on affected local governments. In some instances, such as in Dungog Shire, the development that utilises the biodiversity offset concerned may well be sited in a different, more urban LGA, therefore creating a benefit for another LGA at the expense of loss of income in Dungog.

It is Dungog Shire Council's view, therefore, that there is a need to broaden the advocacy to include land occupied under a Biodiversity Offset Agreement.

PREVIOUS REPORTS:

This is the first report to the Board on this matter.

FINANCIAL IMPLICATIONS:

There are no financial implications arising from this matter.

POLICY IMPLICATIONS:

There are no policy implications arising from this matter.

STATUTORY IMPLICATIONS:

As noted in the report.
