

7.3 Orana Joint Organisation of Councils

REPORT BY THE DIRECTOR COMMUNITY
TO 17 MARCH 2021 ORDINARY MEETING
GOV400088, GOR500034

RECOMMENDATION

That Council:

1. **receive the report by the Director Community on the Orana Joint Organisation of Councils;**
2. **note the or going concerns about the financial sustainability of the Orana Joint Organisation;**
3. **resolve to resign its membership of the Orana Joint Organisation;**
4. **make the relevant representations to the Orana Joint Organisation seeking agreement from all members Councils on this issue; and**
5. **work with the Orana Joint Organisation to write to the Minister for Local Government seeking the relevant legislation be enacted to dissolve the Orana Joint Organisation.**

Executive summary

This report seeks Council's support to resign its membership of the Orana Joint Organisation of Councils. In order to meet the requirements of the Local Government Act, significant financial resources would need to be allocated by all member Councils. While there has always been a good working relationship between member Councils, the lack of financial support from the State Government for the running of the organisation makes it difficult to sustain.

Disclosure of Interest

Nil

Detailed report

Joint Organisations of Councils were formally instituted through changes to the Local Government Act in 2017 – the *Local Government Amendment (Regional Joint Organisations) Act 2017 No 65*. Council had previously been involved in the more relaxed Orana Region of Councils (OROC) and had enjoyed a good working relationship with these Councils without excessive membership fees or regulatory burdens.

The decision by Dubbo Regional Council to not join the Orana Joint Organisation meant that any financial burden fell to the other Councils. As time progressed it became clear that the requirements of the Local Government Act would be similar for JOs as for Councils. This is in relation to financial management and auditing as well as newer aspects of legislation such as the formation of Internal Audit, Risk and Improvement Committees. All of these regulatory aspects require significant financial expenditure.

Despite ongoing representation to the State Government, no appropriate funding model has been presented that is workable for the Council members of the Orana JO. In the absence of funding, and not wanted to burden each Council's ratepayer base with significant fee increases, the JO has been operating with the General Manager of Mid-Western Regional Council acting as the Executive Officer (in a voluntary capacity).

The decision has been reached by the Orana JO that it is now time for each Council to consider its position in the JO. This reports seeks to move forward with the process of formally disbanding the Orana JO.

Community Plan implications

Theme	Good Governance
Goal	Strong civic leadership
Strategy	Provide strong representation for the community at Regional, State and Federal levels

Strategic implications

Council Strategies

Community Strategic Plan

Council Policies

Not applicable

Legislation

Local Government Act

Financial implications

To correctly manage the Joint Organisation in line with the legislation, significant membership fee increases would be required. This is not supported. Membership of the Orana JO currently costs around \$30,000 per annum.

Associated Risks

There is a risk that withdrawing from the Joint Organisation will be viewed negatively by the State Government and could impact current and future funding agreements.

SIMON JONES

DIRECTOR COMMUNITY

1 March 2021

Attachments: Nil

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER