



AGENDA

Ordinary Council Meeting

Date: Monday, 25 October 2021

Time: 5pm

**Location: Cowra Council Chambers
116 Kendal Street, Cowra**

**Paul Devery
General Manager**

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6/2021272

I INTRODUCTION

I.1 Livestreaming and Recording

In accordance with the Local Government Act (1993), Cowra Council is livestreaming and recording General Committee and Council meetings. By speaking at these meetings, you agree to being livestreamed and recorded. Please ensure that when you speak at Council meetings that you ensure you are respectful to others and use appropriate language at all times. Cowra Council accepts no liability for any defamatory or offensive remarks or gestures made during the course of this meeting.

I.2 Acknowledgement of Country

We acknowledge the traditional custodians of the land on which we gather, the Wiradjuri people, and pay our respects to elders both past and present.

I.3 Apologies and Applications for Leave of Absence by Councillors

List of apologies for the meeting.

I.4 Disclosures of Interest

Councillors and staff please indicate in relation to any interests you need to declare:

- a. What report/item you are declaring an interest in?
- b. Whether the interest is pecuniary or non-pecuniary?
- c. What is the nature of the interest?

I.5 Public Forum

I invite any member of the public wishing to speak on an item in the agenda to please come to the lectern, introduce yourself, state the item you wish to speak on and allow time for any councillor or member of staff if they have declared an interest in the item to manage that conflict which may include them leaving the chamber during your presentation.

2 CONFIRMATION OF MINUTES

Confirmation of Minutes of Meeting held on 27 September 2021

Confirmation of Minutes of Extraordinary Meeting held on 18 October 2021



MINUTES

**Ordinary Council Meeting
Monday, 27 September 2021**

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**MINUTES OF COWRA COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COWRA COUNCIL CHAMBERS, 116 KENDAL STREET, COWRA
ON MONDAY, 27 SEPTEMBER 2021 AT 5PM**

VIRTUAL PRESENCE: Cr Bill West (Mayor), Cr Judi Smith (Deputy Mayor), Cr Ruth Fagan, Cr Bruce Miller, Cr Michael Nobes, Cr Ray Walsh, Cr Peter Wright

IN ATTENDANCE: Paul Devery (General Manager), Michael Jones (Director - Corporate Services), Dirk Wymer (Director-Infrastructure & Operations), Kate Alberry (Director-Environmental Services)

I INTRODUCTION

1.1 Livestreaming and Recording

The Mayor advised that the meeting was being recorded.

1.2 Acknowledgement of Country

The Mayor delivered the Acknowledgment of Country.

1.3 Apologies and Applications for Leave of Absence by Councillors

Apology

RESOLUTION 213/21

Moved: Cr Bruce Miller

Seconded: Cr Michael Nobes

That leave of absence from Cr Kevin Wright be received and accepted.

CARRIED

1.4 Disclosures of Interest

Cr Bill West declared a non-pecuniary interest in relation to item Item 8 from the General Committee 'Development Applicaton No. 71/2021' due to a business relationship with the Applicant.

Cr Bill West declared a non-pecuniary interest in relation to Item 1 from the General Manager 'Round 1 2021-2022 Cowra Community Grants Program' due to a minor involvement as a Cowra Mason Lodge Member.

Cr Judi Smith declared a non-pecuniary interest in relation to Item 1 from the General Manager 'Round 1 2021-2022 Cowra Community Grants Program' as she is a Member of the Woodstock Progress Association.

Cr Ray Walsh declared a non-pecuniary interest in relation to Item 2 from the General Manager 'Request for Assistance - Cowra Business Chamber and Cowra Tourism Corporation 2021 Cowra Christmas Festival' as he is the Chair of Cowra Tourism.

Cr Ray Walsh declared a non-pecuniary interest in relation to Confidential Item 1 from the Director – Infrastructure & Opearations 'Cowra Visitors Centre Lease of Reserve 190056' as he is the Chair of Cowra Tourism.

Ms Kate Alberry, Director Environmental Services declared a non-pecuniary interest in relation to Item 7 from the General Committee 'Development Application No. 49/2021' as she is an owner of a hotel in Cowra.

1.5 Public Forum

Mr Glenn Daley, Tourism Manager, Cowra Tourism Corporation and Ms Sylvia White, Vice President, Cowra Business Chamber addressed Council regarding the report from the General Manager Item 2 Request for Assistance – Cowra Business Chamber and Cowra Tourism Corporation 2021 Cowra Christmas Festival.

2 CONFIRMATION OF MINUTES

RESOLUTION 214/21

Moved: Cr Bruce Miller

Seconded: Cr Judi Smith

That the minutes of Ordinary Council Meeting held on 23 August 2021 be confirmed.

CARRIED

3 GENERAL COMMITTEE RECOMMENDATIONS - MONDAY, 13 SEPTEMBER 2021

The Committee refers the following recommendations to Council:

MAYORAL MINUTE

3.1 Mayoral Minute - Central NSW Joint Organisation Board Meeting 12 August 2021

RESOLUTION 215/21

Moved: Cr Bill West

Seconded: Cr Bruce Miller

- 1. That Council note the Mayoral Minute regarding the Central NSW Joint Organisation Board Meeting held online on 12 August 2021.**
- 2. That Council write to the Minister for Regional Roads in support of the upgrades of the Great Western Highway between Lithgow and Katoomba.**

.CARRIED

SUPPLEMENTARY

RESOLUTION 216/21

Moved: Cr Bruce Miller

Seconded: Cr Peter Wright

That Council write to the Minister for Regional Roads the Hon. Paul Toole and the Central NSW Joint Organisation advising that Council does not support the duplication of the Great Western Highway and remains steadfastly committed to the objective of establishing an expressway route across the Blue Mountains connecting Sydney to central NSW.

CARRIED

GENERAL MANAGERS REPORT**3.2 Local Government NSW Board Elections & 2021 LGNSW Annual Conference****RESOLUTION 217/21**

Moved: Cr Ray Walsh

Seconded: Cr Bruce Miller

That Council endorses the Mayor and Deputy Mayor as the two voting delegates for the 2021 LGNSW Board elections and the 2021 LGNSW Annual Conference.

.CARRIED

DIRECTOR-CORPORATE SERVICES REPORT**3.3 Investments and Financial****RESOLUTION 218/21**

Moved: Cr Judi Smith

Seconded: Cr Ruth Fagan

That Council note the Investments and Financial Report for August 2021.

.CARRIED

3.4 Section 355 Committee draft Minutes - Audit, Risk and Improvement Committee**RESOLUTION 219/21**

Moved: Cr Peter Wright

Seconded: Cr Bill West

- 1. That the draft Minutes of the Audit, Risk and Improvement Committee meeting held on 19 August 2021 be noted.**
- 2. That the ARIC Annual Report to Council for 2020/21 from the Chair of the Audit, Risk and Improvement Committee be noted.**
- 3. That Council endorses the “Audit, Risk and Improvement Committee Charter” with no changes as per the recommendation from the Committee.**

.CARRIED

3.5 Completion of 2020/21 Financial Statements**RESOLUTION 220/21**

Moved: Cr Ray Walsh

Seconded: Cr Judi Smith

- 1. That Council authorise the referral to audit of the financial statements for the financial year ending 30 June 2021 in order for Council’s Auditors to conduct the audit.**
- 2. That Council upon completion of the audit, authorise the Mayor, Deputy**

Mayor, General Manager and Director – Corporate Services to sign the Statement by Council and Management for the General Purpose and Special Purpose Financial Statements.

CARRIED

DIRECTOR-INFRASTRUCTURE & OPERATIONS REPORT

3.6 Section 355 Committee Minutes - Tidy Towns Committee

RESOLUTION 221/21

Moved: Cr Judi Smith

Seconded: Cr Peter Wright

1. That the minutes of the Tidy Towns & Urban Landcare Committee meeting held on 23 June 2021 be noted.
2. That the minutes of the Tidy Towns & Urban Landcare Committee meeting held on 28 July 2021 be noted.
3. That Council note that the 2021 RAFCA competition has been cancelled due to the ongoing COVID-19 pandemic.

.CARRIED

DIRECTOR-ENVIRONMENTAL SERVICES REPORT

3.7 Development Application No. 49/2021, Lot: 1 DP: 738717, 16-18 Kendal Street Cowra, addition to Imperial Hotel (rear patio enclosure), Lodged By R W Morgan

RESOLUTION 222/21

Moved: Cr Judi Smith

Seconded: Cr Bruce Miller

1. That Council notes that the reason for the decision is that the proposal largely complies with Section 4.15 of the Environmental Planning and Assessment Act 1979. The application was publicly notified and no submissions were received; and
2. That Development Application No. 49/2021 for the construction of an addition to the Imperial Hotel (rear patio enclosure) on Lot 1 DP 738717, 16-18 Kendal Street Cowra be approved subject to the following conditions:

GENERAL CONDITIONS

1. Development is to be in accordance with approved plans.

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Site Plan	-	Received 28 April 2021 Stamped No. 49/2021

Architectural Plan Sheet 1 of 2	Picton Bros Improvements 1 April 2021	Received 24 June 2021 Stamped No. 49/2021(A)
Structural Assessment – First Floor Verandah Conversion to Glass Enclosure	Barnson Pty Ltd 16/08/2021	Received 25 August 2021 Stamped No. 49/2021
Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Statement of Environmental Effects	-	Received 28 April 2021 Stamped No. 49/2021

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

- The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE ISSUE OF A CONSTRUCTION CERTIFICATE

- Prior to the issue of a Construction Certificate, the Applicant must submit a schedule of colours for the external wall and window frames for the approval of Council's Manager – Planning Services. In this regard the colour recommendations provided by Council's Heritage Advisory Service should be reviewed.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF WORKS

- The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the Building Code of Australia and applicable Cowra Shire Council Engineering Standards prior to any building and or subdivision works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the case of building work and the applicable Council Engineering Standards in the case of subdivision works. This may entail alterations to the proposal so that it complies with these standards.
- The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of any works, a 'Notice of Commencement of Building Works' and 'Appointment of Principal Certifier'.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION

- In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
 - After excavation for, and prior to the placement of, any footings;
 - In the case of a swimming pool, as soon as practicable after the barrier (if

- one is required under the Swimming Pools Act 1992) has been erected;
- (c) Prior to pouring any in-situ reinforced concrete building element;
 - (d) Prior to covering of the framework for any floor, wall, roof or other building element;
 - (e) Prior to covering waterproofing in any wet areas;
 - (f) Prior to covering any stormwater drainage connections; and
 - (g) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out. Failure to obtain an inspection of the works at the times specified above may prevent an Occupation Certificate being issued for the development.

7. All construction work shall be carried out within the confines of the property unless separate written permission is obtained from the relevant landowner and/or authority in control of the land. A copy of any written notices authorising off-site construction operations shall be submitted to Council prior to any operation commencing on the affected land.
8. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.
9. Any damage caused to footpaths, roadways, utility installations and the like by reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.
10. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
11. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
12. All roofed areas are to be properly drained in accordance with the Plumbing Code of Australia and connected to the existing stormwater system.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

13. The Applicant must not commence occupation or use of the addition until a Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.
14. A Fire Safety Certificate completed by a competent fire safety practitioner shall be furnished to the Principle Certifier for all the Essential Fire Safety Measures specified in the current fire safety schedule for the building, prior to the issue of any Occupation Certificate. The Fire Safety Certificate must be issued using the standard template form published by the NSW Government. A copy of the Fire Safety Certificate must be predominately displayed in the building and a copy submitted to Council by the Principle Certifier with the Occupation Certificate. An electronic copy of the Final Fire Safety Certificate (together with a copy of the current Fire Safety Schedule) shall also be forwarded to the Fire Commissioner via the following dedicated email address: afss@fire.nsw.gov.au
15. An Annual Fire Safety Statement completed by a competent fire safety practitioner for all the Essential Fire Safety Measures applicable to the building must be given to Council and a copy forwarded to the Fire Commissioner via the dedicated email address afss@fire.nsw.gov.au:
- (i) within 12 months after the date on which an annual fire safety statement was previously given, or
 - (ii) if a fire safety certificate has been issued within the previous 12 months, within 12 months after the fire safety certificate was issued, whichever is the later.

An Annual Fire Safety Statement must be issued using the standard template form published by the NSW Government. A copy of the Annual Fire Safety Statement (together with a copy of the current fire safety schedule) must also be prominently displayed in the building.

ADVICE

If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE IMMEDIATELY** and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake

Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Michael Nobes, Bruce Miller, Ray Walsh and Peter Wright
Against: Nil

CARRIED

Cr Bill West left the meeting and Cr Judi Smith took over as Chair of the meeting.

- 3.8 Development Application No. 71/2021, Lot 7 DP 228046, 78 Bourke Street Cowra, side boundary fencing and a carport including the continued use of existing footings and posts, lodged by T R Mills

RESOLUTION 223/21

Moved: Cr Bruce Miller

Seconded: Cr Ray Walsh

1. That Council notes that the reason for the decision is that the proposal largely complies with Section 4.15 of the Environmental Planning and Assessment Act 1979. The variations to Sections 11.3 (l), 11.5a)l. and illustrated notations of Part E of the Cowra Development Control Plan 2014 are sufficiently justified and the application was publicly notified and the submission received has been addressed in the planning report; and
2. That Council approves variations to Part E of Cowra Council Development Control Plan 2014 to allow a carport in front of the existing dwelling with a width of 6 metres and side return boundary fences with a maximum height of 1.8 metres; and
3. That Development Application No. 71/2021, for the construction of side boundary fences and a carport including continued use of the existing footings and posts on Lot 7 DP 228046, 78 Bourke Street Cowra be approved subject to the following conditions:

GENERAL CONDITIONS

1. Development is to be in accordance with approved plans.

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Site Plan	-	Received 11 June 2021 Stamped No. 71/2021
Floor Plan & Elevations (carport)	-	Received 11 June 2021 Stamped No. 71/2021
Elevation (boundary fences)	-	Received 11 June 2021 Stamped No. 71/2021
Survey Report	Arete Survey Solutions 22 August 2021	Received 26 August 2021 Stamped No. 71/2021
Structural Report	Clare Civil Consulting Engineers 7 June 2021	Received 11 June 2021 Stamped No. 71/2021
Statement of Environmental Effects	-	Received 11 June 2021 Stamped No. 71/2021

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

2. The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF WORKS

3. The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the Building Code of Australia and applicable Cowra Shire Council Engineering Standards prior to any building and or subdivision works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the case of building work and the applicable Council Engineering Standards in the case of subdivision works. This may entail alterations to the proposal so that it complies with these standards.
4. The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of any works, a 'Notice of Commencement of Building Works' and 'Appointment of Principal Certifier'.
5. Prior to the commencement of work on the site, all erosion and sediment control measures shall be implemented and maintained prior to, during and after the construction phase of the development. The erosion and sediment control measures are to comply with Part Q of Cowra Shire Council Development Control Plan 2014 at all times.
6. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION

7. In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
 - (a) After excavation for, and prior to the placement of, any footings;
 - (b) In the case of a swimming pool, as soon as practicable after the barrier (if one is required under the Swimming Pools Act 1992) has been erected;
 - (c) Prior to pouring any in-situ reinforced concrete building element;

- (d) Prior to covering of the framework for any floor, wall, roof or other building element;
- (e) Prior to covering waterproofing in any wet areas;
- (f) Prior to covering any stormwater drainage connections; and
- (g) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out. Failure to obtain an inspection of the works at the times specified above may prevent an Occupation Certificate being issued for the development.

8. All construction work shall be carried out within the confines of the property unless separate written permission is obtained from the relevant landowner and/or authority in control of the land. A copy of any written notices authorising off-site construction operations shall be submitted to Council prior to any operation commencing on the affected land.
9. Any damage caused to footpaths, roadways, utility installations and the like by reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.
10. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
11. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
12. All roofed and paved areas are to be properly drained in accordance with the Plumbing Code of Australia and discharged to Council's Stormwater Management System in Bourke Street.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

13. The Applicant must not commence occupation or use of the carport until a Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.

ADVICE

If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE**

IMMEDIATELY and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.

In Favour: Crs Judi Smith, Ruth Fagan, Michael Nobes, Bruce Miller, Ray Walsh and Peter Wright

Against: Nil

CARRIED

Cr Bill West returned to the meeting and returned to the position of Chair.

3.9 Draft Net Zero Emissions Pilot Project, Sustainable Advantage

RESOLUTION 224/21

Moved: Cr Judi Smith

Seconded: Cr Peter Wright

1. That Council notes the Report from the Director Environmental Services on the Draft Net Zero Emissions Pilot Project and places the document on public exhibition of a period of 28 days.
2. That Council aims (in a business as usual scenario) to achieve net zero emissions by 2050 in line with the NSW Government goals.

CARRIED

3.10 Development Application No. 124/2020, Lot 15 DP 23837, 28 Hartley Street Cowra, demolition of existing carport, construction of new dwelling, carport & 2 lot strata title subdivision, lodged by M B Kilzi

RESOLUTION 225/21

Moved: Cr Ray Walsh

Seconded: Cr Bruce Miller

1. That Council notes that the reason for the decision is that the proposal largely compiles with Section 4.15 of the Environmental Planning and Assessment Act 1979. The variations to Sections 2.5 and 2.8 of Part E of Cowra Development Control Plan (DCP) 2014, are sufficiently justified. Additionally, the application was publicly advertised and notified and no submissions were received; and
2. That Council approves variations to Sections 2.5 and 2.8 of Cowra Development Control Plan 2014 to allow a minimum average site area per unit of 261.55m² and a front setback of 4.465m; and
3. That Development Application No. 124/2020, for demolition of existing carport, construction of a new dwelling, 2 carports and 2 lot strata title subdivision on Lot 15 DP 23837, 28 Hartley Street, Cowra be approved subject to the following conditions:

GENERAL CONDITIONS

I. Development is to be in accordance with approved plans.

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Proposed Site Plan Sheet No. 1 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(C)
Proposed Subdivision Plan Sheet No. 2 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 1 September 2021	Received 2 September 2021 Stamped No. 124/2020(D)
Proposed Floor Plan & Elevations (proposed dwelling) Sheet No. 3 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(C)
Privacy Control Plan Sheet No. 4 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(A)
Proposed Landscaping Plan Sheet No. 5 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(C)
Landscaping Details Sheet No. 6 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(C)
Preliminary Engineering Plan Sheet No. 7 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Proposed Floor Plan & Elevations (carport) Sheet No. 8 of 8 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(A)
Expected Shadows 21st June 9am Sheet No. 1 of 9	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021

Reference No. 19594		Stamped No. 124/2020(B)
Expected Shadows 21 st June 12 noon Sheet No. 2 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 21 st June 3pm Sheet No. 3 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd September 9am Sheet No. 4 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd September 12 noon Sheet No. 5 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd September 3pm Sheet No. 6 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd December 9am Sheet No. 7 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd December 12 noon Sheet No. 8 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
Expected Shadows 22 nd December 3pm Sheet No. 9 of 9 Reference No. 19594	CPC Land Development Consultants Pty Ltd 12 June 2021	Received 17 August 2021 Stamped No. 124/2020(B)
BASIX Certificate Certificate Number: 1227130S	CPC Land Development Consultants Issued: 28 July 2021	Received 29 July 2021 Stamped No. 124/2020(A)
Statement of Environmental Effects	CPC Land Development Consultants	Received 2 September 2021 Stamped No. 124/2020(D)

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

2. The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).
3. A separate application is to be made to Council, with the appropriate fee being paid, for the provision of a suitably sized metered water service(s) to proposed lot 2.
4. Where the proposed building works necessitate the cutting-in of new stormwater outlets into the existing street kerb, the Applicant and plumbing/drainage contractor shall ensure that the following procedures are carried out:
 - (i) A kerb adaptor suitable for the particular kerb profile and capable of withstanding vehicle loadings is to be utilised;
 - (ii) The opening in the kerb is created by either a saw cut or bored hole only. Breaking out the kerb by impact methods is not permitted;
 - (iii) The kerb adaptor is to be kept flush with the top and outside face of the kerb; and
 - (iv) The fixing of the kerb adapter and filling in of side gaps is to be undertaken by the use of an epoxy resin. Mortar or concrete is not to be used.

CONDITIONS TO BE COMPLIED WITH DURING DEMOLITION WORKS

5. The demolition works shall comply with the provisions of Australian Standard AS2601:2001 The Demolition of Structures and the Work Health and Safety Act 2011.
6. Demolition works are to be carried out so as not to cause damage to adjacent and adjoining properties. All damage arising from the removal of the building is to be made good and any necessary repairs and renovations are carried out within six months. Existing site to be left in a clear, clean condition with all existing plumbing and drainage lines terminated to the satisfaction of Council.
7. In the event of any damage being caused to the existing kerb, guttering, footpath, water mains, sewer mains or public roadway during demolition works, the applicant shall reimburse the Council for the full costs of repairing and making good. Any temporary cross-over material must not remain in the street gutter.
8. Demolition activities or work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
9. All loading, unloading and storage of goods, equipment, tools and materials, or the carrying out of operations related to the development proposal shall be carried out within the confines of the property. No loading or unloading of goods on the public roadway system shall be permitted.
10. All building rubbish and debris, including that which can be wind-blown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work

commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.

CONDITIONS TO BE COMPLIED WITH PRIOR TO ISSUE OF THE CONSTRUCTION CERTIFICATE

11. Prior to the issue of a Construction Certificate, the Applicant must obtain consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve associated with the new access to proposed lot 2.

CONDITIONS TO BE COMPLIED WITH PRIOR TO ISSUE OF THE SUBDIVISION WORKS CERTIFICATE

12. Prior to the issue of the Subdivision Works Certificate, the Applicant must obtain consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve associated with the existing access to proposed lot 1.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF CONSTRUCTION/ SUBDIVISION WORKS

13. The Applicant is to obtain a Subdivision Works Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the conditions of this consent and applicable Cowra Shire Council Engineering Standards prior to any construction or subdivision works commencing. No construction, engineering or excavation work is to be carried out in relation to this subdivision until the necessary Subdivision Works Certificate has been obtained.
14. The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed dwelling and carports are in accordance with the Building Code of Australia and applicable Council Engineering Standards prior to any building works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards. This may entail alterations to the proposal so that it complies with these standards.
15. The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of works, a 'Notice of Commencement of Building/Subdivision Works' and 'Appointment of Principal Certifier'.
16. Prior to the commencement of work on the site, all erosion and sediment control measures shall be implemented and maintained prior to, during and after the construction phase of the development. The erosion and sediment control measures are to comply with Part Q of Cowra Shire Council Development Control Plan 2014 at all times.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION AND SUBDIVISION WORKS

17. In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
- (a) After excavation for, and prior to the placement of, any footings;
 - (b) In the case of a swimming pool, as soon as practicable after the barrier (if one is required under the Swimming Pools Act 1992) has been erected;
 - (c) Prior to pouring any in-situ reinforced concrete building element;
 - (d) Prior to covering of the framework for any floor, wall, roof or other building element;
 - (e) Prior to covering waterproofing in any wet areas;
 - (f) Prior to covering any stormwater drainage connections; and
 - (g) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out. Failure to obtain an inspection of the works at the times specified above may prevent an Occupation Certificate being issued for the development.

18. Any damage caused to footpaths, roadways, utility installations and the like by reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.
19. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
20. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
21. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.
22. The Applicant is to obtain all relevant approvals to carry out sewerage work, to carry out stormwater drainage work and to carry out water supply work from

Cowra Shire Council prior to commencing works to and comply with any conditions of that permit. All plumbing work shall be carried out by a licensed plumber and drainer and to the requirements of the Plumbing Code of Australia. The licensed plumber or drainer must submit a Notice of Works form to Council prior to the commencement of any plumbing and drainage works and a Certificate of Compliance at the completion of the works. The plumbing and drainage works must be inspected by Council at the time specified below:

- a) **Internal Drainage:** When all internal drainage work is installed and prior to concealment. Pipes should be under water test.
- b) **External Drainage:** When all external drainage work is installed and prior to concealment. Pipes should be under water test.
- c) **Water Supply:** Hot and cold water supply pipework, when the pipework is installed and prior to concealment. Pipes should be under pressure test.
- d) **Stormwater:** When the stormwater and roof water drainage system has been completed.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

23. The Applicant must not commence occupation or use of the dwelling until a Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.
24. Prior to the issue of a Whole Occupation Certificate, all landscape works shall be completed in accordance with the approved plans and maintained in good order at all times.
25. Prior to the issue of a Whole Occupation Certificate, the applicant must construct an access driveway from Walker Street to proposed lot 2 boundary in accordance with consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve. The driveway is to be constructed in accordance with Council's engineering standards. All costs associated with the construction of the access driveway(s) shall be borne by the Applicant.

CONDITIONS TO BE COMPLIED WITH PRIOR TO ISSUE OF THE SUBDIVISION CERTIFICATE

26. Prior to the issue of the Subdivision Certificate, the Applicant must seal or concrete the existing access driveway from Walker Street to proposed lot 1 boundary in accordance with consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve. The driveway is to be constructed in accordance with Council's engineering standards. All costs associated with the construction of the access driveway(s) shall be borne by the Applicant.
27. Prior to the issue of a Subdivision Certificate, the applicant must provide to Council a certificate from Essential Energy, or another energy provider, to the effect that:
 - a) suitable power supply is available to all lots in the subdivision, or
 - b) arrangements have been made for suitable power supply to be made to all lots in the subdivision.

28. Prior to the issue of the Subdivision Certificate, the applicant is to provide evidence to Council that arrangements have been made for:
 - a) the installation of fibre-ready facilities (or equivalent) to all lots so as to enable fibre to be readily connected to any premises that is being or may be constructed on those lots. Demonstrate that the carrier has confirmed in writing that they are satisfied that the fibre ready facilities are fit for purpose, and
 - b) the provision of fixed-line telecommunications infrastructure in the fibre-ready facilities to all lots demonstrated through an agreement with a carrier.
29. The person acting on the consent shall include on the final plan of subdivision any and all necessary easements required over access, water, sewer, stormwater, electricity and telecommunications mains.
30. The person acting on the consent is to lodge with Cowra Shire Council a Subdivision Certificate Application together with the final subdivision plan and a minimum of four copies for signature. All necessary information to support the certificate release and the necessary fee is required to be included with the Subdivision Certificate Application.

ADVICE

1. If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE IMMEDIATELY** and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.
2. The Applicant is required to obtain a Certificate of Compliance pursuant to Division 5 of Part 2 of Chapter 6 of the Water Management Act 2000 certifying that all works, fees and charges required in connection with the provision of water and sewerage to the development have been undertaken and complied with in full. The certificate shall include all relevant works verified by appropriate inspections, fees and charges that are currently being applied at the time of the issue of the Subdivision/Occupation Certificate (whichever occurs first).

Separate reticulated water and sewer mains and services must be physically provided to the development in accordance with Cowra Council Development Control Plan 2014 and Cowra Infrastructure and Operations Engineering Standards. Council will not issue the Subdivision/Occupation Certificate until the Compliance Certificate has been issued, verifying that all works have been satisfactorily completed.

Necessary inspections must be arranged at least 48 hours in advance. Contact Cowra Infrastructure and Operations on (02) 6340 2070.

CARRIED

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Michael Nobes, Bruce Miller and Ray Walsh

Against: Cr Peter Wright

3.11 Civic Square Redevelopment Plan 2021**RESOLUTION 226/21**

Moved: Cr Bruce Miller

Seconded: Cr Judi Smith

1. That Council notes the report by the Director – Environmental Services on the Draft Civic Square Redevelopment Plan.
2. That Council endorses the Draft Civic Square Redevelopment plan to go on public exhibition for a period of 42 days as per the Cowra Community Participation Plan 2020.

CARRIED

4 GENERAL MANAGER4.1 Round 1 2021-2022 Cowra Community Grants Program**RESOLUTION 227/21**

Moved: Cr Bruce Miller

Seconded: Cr Ray Walsh

That Council allocate funding under Round 1 of the 2021/2022 Cowra Community Grants Program to the following groups:

Category: Arts and Culture	Project	Funding Recommendation
Woodstock and District Progress Association	Printing our Progress - assist print Woodstock Tourist brochure, Village Community Plan 2020-2030 and Quarterly Newsletter.	\$570.90
		\$570.90
Category: Building and Facility Development		
Cowra Show Society Inc.	Assist purchase Pavilion Dividers and Display Stands.	\$1,922.00
Lachlan Valley Railway Society Co Op Ltd.	assist purchase of new interpretive signage for Rail Heritage Centre.	\$1,000.00
Cowra Masonic Centre	Assist painting of main entrance doors to hall and lodge room, three windows and ceiling over hall entrance.	\$2,000.00
Gooloogong Log Cabin	Assist with preparation and painting of the Gooloogong Log Cabin Hall's external windows.	\$2,000.00

Riding for the Disabled (NSW) Cowra Centre	Assist install water pipeline for RDA Centre to adjacent paddock.	\$1,426.44
Cowra Amateur Swimming Club	Assist with maintenance and improvements to clubhouse.	\$958.00
Cowra RSL Sub-Branch	Assist refurbish the Cenotaph area in Brisbane Street.	\$1,530.00
		\$10,836.44
Category: Sport and Recreation		
Upper Lachlan Bushwalkers	Fund First Aid training for 5 members @\$195 per person.	\$975.00
Cowra Little Athletics	Assist purchase 150 promotional drink bottles to encourage increased participation and registration.	\$630.00
Cowra Woodstock Racing Pigeon Club Inc.	Assist with upkeep and restoration of club equipment such as race baskets, feed trays, drinkers and replace club's laptop computer.	\$1,000.00
Cowra and District Junior Soccer Club	Assist purchase a new, full range of training bibs for players.	\$1,000.00
		\$3,605.00
Category: Small Capital Equipment		
Cowra Motorcycle Racing Club	Assist purchase new laptop and Office 365 software for use by Club Secretary and Officials for meeting scoring, club business and secretarial use.	\$1,000.00
Cowra Region Suicide Awareness Group Inc.	Assist purchase gazebo, gazebo sides, weight kit, 2 x trestle tables and a First Aid Kit.	\$643.00
Morongla Show Society Inc.	Assist purchase 4 x steel cupboards for equipment storage.	\$1,000.00
Cowra Nuts and Bolts	Assist purchase 4 x folding work tables and 10 stackable chairs.	\$1,000.00
		\$3,643.00
Total Funds Allocated	16 applications	\$18,655.34

CARRIED

Cr Ray Walsh left the meeting.

4.2 Request for Assistance - Cowra Business Chamber and Cowra Tourism Corporation
2021 Cowra Christmas Festival

RESOLUTION 228/21

Moved: Cr Judi Smith

Seconded: Cr Bruce Miller

That Council contribute \$30,000 to the Cowra Business Chamber and \$5,000 to Cowra Tourism Corporation to support the delivery of the 2021 Cowra Christmas Festival.

CARRIED

Cr Ray Walsh returned to the meeting.

5 DIRECTOR-CORPORATE SERVICES

5.1 Release of Closed Decisions

RESOLUTION 229/21

Moved: Cr Bruce Miller

Seconded: Cr Michael Nobes

That Council note the release of the resolution made in Closed Council at the Ordinary Council Meeting on 26 July and 23 August 2021:

Tender for Traffic Control Services within Cowra Shire 2021-2022 – Tender 3/2021

Resolution 185/21

Moved: Cr JA Smith

Seconded: Cr BE Miller

That Council accept the following tenders for traffic control works to establish a panel contract from 1 July 2021 to 30 June 2022 with an option to extend the contract period for a further 12 months: -

- **Care Traffic Management Pty Ltd**
- **Mid West Traffic Management (Orange) Pty Ltd T/A Mid West Traffic Management**
- **Go Traffic Pty Ltd**
- **SJC Trans Pty Ltd T/A SJC Traffic Management, and**
- **Work Control Pty Ltd**

Wyangala Water Treatment Plant – Interface Agreement

Resolution 186/21

Moved: Cr RA Fagan

Seconded: Cr RJ Walsh

That Council authorise the Mayor and General Manager to execute the Interface Agreement to transfer ownership of the completed Wyangala Water Treatment Plant to

Council to control and operate subject to satisfactory clarification of:

- **What is happening with the decommissioning of the existing plant; and**
- **The warranty period of the new plant and Council's potential exposure.**

Sale of Airport Land to REFSH Investments Pty Ltd

Resolution 209/21

Moved: Cr BE Miller

Seconded: Cr RA Fagan

1. **That Council accept the offer from REFSH Investments Pty Ltd to purchase lots 12 and 13 in the Cowra Airport subdivision for a sale price of \$68,750.00 each, excluding GST.**
2. **That the General Manager be authorised to complete any documentation required to give effect to this sale.**

Designation of Director Environmental Services as Senior Staff Position

Resolution 210/21

Moved: Cr Miller

Seconded: Cr JA Smith

1. **That, in accordance with section 322 of the Local Government Act 1993, Council designate the position of Director Environmental Services as a senior staff position.**
2. **That the designation is to take effect on the commencement in the role of the next Director Environmental Services.**

Wyangala Water Treatment Plant – Interface Agreement

Resolution 211/21

Moved: Cr RA Fagan

Seconded: Cr BE Miller

That Council authorise the Mayor and General Manager to execute the Interface Agreement to transfer ownership of the completed Wyangala Water Treatment Plant to Council to control and operate.

Cowra Low Lift Pump Station Upgrade Design & Construction Tender 13/2019 – Additional Expenditure

Resolution 212/21

Moved: Cr JA Smith

Seconded: Cr RJ Walsh

That Council transfer an additional \$105,284 from Council's Water Fund reserves to complete the Low Lift Pump station upgrade project:

- ***Upgrade electrical cabling and install additional Variable Speed Drive***
- ***Install pipe manifold to allow controlled backwashing of the river screens.***

CARRIED

5.2 Pecuniary Interest Returns for the Financial Year ended 30 June 2021

RESOLUTION 230/21

Moved: Cr Ray Walsh

Seconded: Cr Bruce Miller

That Council note the tabling of Pecuniary Interest Returns for Councillors and staff as at 30 June 2021:

Councillors - Cr Bill West, Cr Bruce Miller, Cr Michael Nobes, Cr Judith Smith, Cr Raymond Walsh, Cr Peter Wright, Cr Kevin Wright and Cr Ruth Fagan.

Staff - Mr Paul Devery, Mr Michael Jones, Ms Kate Alberry, Mr Dirk Wymer, Mr Mick Tedeschi, Ms Philippa Childs, Mr Dean Steward, Mr Luke Sheehan, Mr Glenn Oakley, Mr Roger Brooke, Mr Ponie De Wet, Ms Larissa Hackett and Mr MD Abutalha Talukdar.

CARRIED

5.3 Donation Request - Cowra & District Senior Citizens Club Inc.

RESOLUTION 231/21

Moved: Cr Judi Smith

Seconded: Cr Bruce Miller

That Council contribute the sum of \$1,465.96 from the Section 356 expenses budget to assist Cowra & District Senior Citizens Club Inc. with its water and sewer charges for 2020-21.

CARRIED

5.4 Donation Request - Cowra Medical Associates - Vaccination Clinic

RESOLUTION 232/21

Moved: Cr Ray Walsh

Seconded: Cr Bruce Miller

That Council waives the standard fees and charges incurred by the Cowra Medical Associates from its use of the Cowra Civic Centre as a COVID Vaccination Clinic and instead charges a flat fee of \$250.00 per day with the difference expensed against Council's COVID 19 expenditure line.

CARRIED

5.5 Australia Day - Councillor Representatives**RESOLUTION 233/21**

Moved: Cr Peter Wright
Seconded: Cr Michael Nobes

That Council endorses the continued involvement of Cr Walsh and Cr Miller on the Australia Day Committee until after the event on 26 January 2022

CARRIED

5.6 Donation Request - Cowra Eisteddfod Inc.**RESOLUTION 234/21**

Moved: Cr Ray Walsh
Seconded: Cr Bruce Miller

That Council provide a donation to ensure that Cowra Eisteddfod Inc. for its 2022 event only pays \$9,000 excluding GST plus CPI, for hire of the Cowra Civic Centre (based upon a maximum use of 20 days for the event) and that the final donation amount is deducted from the Section 356 expenses budget.

CARRIED

6 DIRECTOR-ENVIRONMENTAL SERVICES6.1 Development Application No. 96/2021, Lot 1 DP 1107908, 55 Mount McDonald Road Darbys Falls, dwelling, lodged by W M Anthony**RESOLUTION 235/21**

Moved: Cr Judi Smith
Seconded: Cr Bruce Miller

- 1. That Council notes that the reason for the decision is that the proposal largely complies with Section 4.15 of the Environmental Planning and Assessment Act 1979. The variation to Section 1.5 of Part F of the Cowra Development Control Plan 2014 is sufficiently justified and the application was publicly notified and no submissions were received.**
- 2. That Council approves a variation to Section 1.5g of Part F of the Cowra Council Development Control Plan 2014 to allow a dwelling and wastewater disposal system to be sited outside of a building envelope.**
- 3. That Development Application No. 142/2018 for the construction of a dwelling on Lot 1 DP 1107908, 55 Mount McDonald Road Darbys Falls be approved subject to the following conditions:**

GENERAL CONDITIONS

- 1. Development is to be in accordance with approved plans.**

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Proposed Site Plan Sheet No. 1 of 6 Reference No. 1015	New Age Developers 29 July 2021	Received 1 September 2021 Stamped No. 96/2021
Proposed Part Site Plan Sheet No. 2 of 6 Reference No. 1015	New Age Developers 29 July 2021	Received 1 September 2021 Stamped No. 96/2021
Proposed Floor Plan Sheet No. 3 of 6 Reference No. 1015	New Age Developers 29 July 2021	Received 1 September 2021 Stamped No. 96/2021
Proposed North and West Elevation Plan Sheet No. 4 of 6 Reference No. 1015	New Age Developers 12 September 2021	Received 14 September 2021 Stamped No. 96/2021(A)
Proposed South and East Elevation Plan Sheet No. 5 of 6 Reference No. 1015	New Age Developers 12 September 2021	Received 14 September 2021 Stamped No. 96/2021(A)
Section A-A Sheet No. 6 of 6 Reference No. 1015	New Age Developers 29 July 2021	Received 1 September 2021 Stamped No. 96/2021
BASIX Certificate No. 1227409S	CPC Land Developers Consultants Issued: 9 August 2021	Received 1 September 2021 Stamped No. 96/2021
Statement of Environmental Effects	-	Received 1 September 2021 Stamped No. 96/2021

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

2. The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).
3. The applicant shall take all reasonable measures to minimise the intensity and duration of light emitted from the dwelling and its surrounds that would be visible from Darby's Falls Observatory. This includes the use of floodlights and the production of glare associated with the use of outdoor lighting and potential spill light from the dwelling which may impact on the use of the observatory. Generally, for the use of outdoor lighting in the vicinity of community or scientific optical observatories, limiting spill light and the luminance of luminaries in the recommended direction will mitigate the adverse effect of direct light falling on the optical surfaces of the telescope.

Guidance can be sought from the **AS/NZS 4282:2019 Control of the Obtrusive Effects of Outdoor Lighting – Appendix A** and the design principles contained in the **Dark Sky Planning Guideline** published by the NSW Department of Planning & Environment (June 2016).

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE ISSUE OF A CONSTRUCTION CERTIFICATE

4. Prior to the issue of a Construction Certificate, the Applicant must obtain consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve.
5. Prior to the issue of a Construction Certificate, the applicant must submit to Cowra Shire Council an application to Install and Operate an On-Site Sewage Management System. The application must be accompanied by a report prepared by a suitably qualified professional including a geotechnical report to confirm that an On-Site Sewage Management System can operate in the proposed area.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF WORKS

6. The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the Building Code of Australia and applicable Council Engineering Standards prior to any building and or subdivision works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the case of building work and the applicable Council Engineering Standards in the case of subdivision works. This may entail alterations to the proposal so that it complies with these standards.
7. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the

case of building work.

8. The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of any works, a 'Notice of Commencement of Building or Subdivision Works' and 'Appointment of Principal Certifier'.
9. The Applicant is to obtain all relevant approvals to Install and Operate an On-Site Sewage Management System from Cowra Shire Council prior to commencing works to install the system and comply with any conditions of that approval. The works must be inspected by Council at the times specified below:
 - a) Tank Installation: When the tank is installed and prior to backfilling.
 - b) Absorption Trench: When void arching and stone void fill is in place prior to covering.

All work must be carried out by a licensed plumber or drainer and to the requirements of NSW Environment and Health Protection Guidelines, Plumbing Code of Australia and Australian Standard/ New Zealand Standard 1547:2000 On-Site Domestic Wastewater Management. The licensed plumber or drainer must notify Cowra Council at least 48 hours before each required inspection needs to be carried out.

10. Prior to the commencement of work on the site, all erosion and sediment control measures shall be implemented and maintained prior to, during and after the construction phase of the development. The erosion and sediment control measures are to comply with Part Q of Cowra Shire Council Development Control Plan 2014 at all times.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION

11. In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
 - (a) After excavation for, and prior to the placement of, any footings;
 - (b) In the case of a swimming pool, as soon as practicable after the barrier (if one is required under the Swimming Pools Act 1992) has been erected;
 - (c) Prior to pouring any in-situ reinforced concrete building element;
 - (d) Prior to covering of the framework for any floor, wall, roof or other building element;
 - (e) Prior to covering waterproofing in any wet areas;
 - (f) Prior to covering any stormwater drainage connections; and
 - (g) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out. Failure to obtain an inspection of the works at the times specified above may prevent an Occupation Certificate being issued for the development.

12. Any damage caused to footpaths, roadways, utility installations and the like by

reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.

13. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
14. All roofed and paved areas are to be properly drained in accordance with the Plumbing Code of Australia and discharge three metres clear of any building/structure in a manner that does not cause soil erosion or nuisance to adjoining properties.
15. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
16. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.
17. All plumbing work shall be carried out by a licensed plumber and drainer and to the requirements of the Plumbing Code of Australia. The licensed plumber or drainer must submit a Notice of Works form to Council prior to the commencement of any plumbing and drainage works and a Certificate of Compliance at the completion of the works. The plumbing and drainage works must be inspected by Council at the time specified below:
 - (a) Internal Drainage: When all internal drainage work is installed and prior to concealment. Pipes should be under water test.
 - (b) External Drainage: When all external drainage work is installed and prior to concealment. Pipes should be under water test.
 - (c) Water Supply: Hot and cold water supply pipework, when the pipework is installed and prior to concealment. Pipes should be under pressure test.
 - (d) Stormwater: When the stormwater and roof water drainage system has been completed.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

18. The Applicant must not commence occupation or use of the dwelling until a

Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.

19. Prior to the issue of the Whole Occupation Certificate, the applicant must construct an access driveway to the property from Mt McDonald Road in accordance with consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve. The driveway is to be constructed in accordance with Council's engineering standards. All costs associated with the construction of the access driveway(s) shall be borne by the Applicant.
20. Prior to the issue of any Occupation Certificate, provide a minimum of 45,000 litres of tanked water supply for domestic consumption or a larger volume of water supply in accordance with BASIX certificate commitments. In addition to the water supply required for domestic consumption and BASIX, an additional 10,000 litres of water supply shall be reserved for fire fighting purposes in accordance with the NSW Rural Fire Service requirements. Where the total volume is provided in a single tank, the draw off point for the domestic supply is to be located at or above the 10,000 litre level. The tank shall be fitted with a 65mm Storz fitting and ball or gate valve. Water tanks shall be generally located in close proximity to the dwelling-house and allow access for fire fighting vehicles.

Water tanks are not to be constructed of plastic if they are to be exposed to medium to high level bushfire risk. Further information relating to the location and design of water tanks and emergency fire fighting requirements for water tanks and connections can be downloaded from the NSW Rural Fire Service website, www.rfs.nsw.gov.au.

21. Prior to the issue of the Whole Occupation Certificate the Applicant shall provide Council with written confirmation from NSW Land and Property Information that the Restriction on the Use of the Land included on the land title of Lot 1 DP 1107908 numbered 5 in relation to the building envelope area has been removed from the property title.

ADVICE

If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE IMMEDIATELY** and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.

CARRIED

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Bruce Miller, Michael Nobes, Ray Walsh and Peter Wright

Against: Nil

6.2 Development Application No. 95/2021, Lot 5 DP 1250412, 9 Tokyo Terrace Cowra, dwelling, lodged by ARL Consulting

RESOLUTION 236/21

Moved: Cr Bruce Miller

Seconded: Cr Ray Walsh

1. That Council notes that the reason for the decision is that the proposal largely complies with Section 4.15 of the Environmental Planning and Assessment Act 1979. The variations to Sections 1.6 & 11.5 of Part E of Council's Development Control Plan 2014 are sufficiently justified and the application was publicly notified and no submissions were received; and
2. That Council approves variations to Sections 1.6 & 11.5 of Part E of Council's Development Control Plan 2014 for this development to allow for a maximum building height of 10m and a maximum front fence height of 1.5m; and
3. That Development Application No. 95/2021, for the construction of a dwelling on Lot 5 DP 1250412, 9 Tokyo Terrace Cowra be approved subject to the following conditions:

GENERAL CONDITIONS

1. Development is to be in accordance with approved plans.

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Site Analysis Plan Sheet No. 1-7 Issue B	CBD Designer Homes 17.09.2021	Received 17 September 2021 Stamped No. 95/2021(A)
Basement Floor Plan Sheet No. 2-7 Issue A	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021
Ground Floor Plan Sheet No. 3-7 Issue A	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021
Western, Eastern & Northern Elevations Sheet No. 4-7 Issue A	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021
Southern Elevation & Section A Sheet No. 5-7 Issue A	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021
Shadow Diagrams 9am & 12pm – 22 nd June Sheet No. 6-7	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021

Issue A		
Shadow Diagram 3pm – 22nd June & Stormwater Plan Sheet No. 7-7 Issue A	CBD Designer Homes 16.08.2021	Received 27 August 2021 Stamped No. 95/2021
BASIX Certificate No. 1226604S	LittleShrub Pty Ltd Issued: 6 August 2021	Received 27 August 2021 Stamped No. 95/2021
Statement of Environmental Effects	ARL Consulting September 2021	Received 17 September 2021 Stamped No. 95/2021(A)

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

2. The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).
3. Where the proposed building works necessitate the cutting-in of new stormwater outlets into the existing street kerb, the Applicant and plumbing/drainage contractor shall ensure that the following procedures are carried out:
 - (i) A kerb adaptor suitable for the particular kerb profile and capable of withstanding vehicle loadings is to be utilised;
 - (ii) The opening in the kerb is created by either a saw cut or bored hole only. Breaking out the kerb by impact methods is not permitted;
 - (iii) The kerb adaptor is to be kept flush with the top and outside face of the kerb; and
 - (iv) The fixing of the kerb adapter and filling in of side gaps is to be undertaken by the use of an epoxy resin. Mortar or concrete is not to be used.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE ISSUE OF A CONSTRUCTION CERTIFICATE

4. Prior to the issue of a Construction Certificate, the Applicant must obtain consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve.
5. Prior to the issue of a Construction Certificate, hydraulic engineer's designs are to be provided to the Principal Certifier for the rainwater tank and certified structural engineer's designs are to be provided to the Principal Certifier for all retaining walls that do not meet the criteria for exempt development under State Environmental Planning Policy (Exempt & Complying Development Codes) 2008.
6. Prior to the issue of a Construction Certificate, a separate application is to be made to Council, with the appropriate fee being paid, for the provision of a

suitably sized metered water service to the development.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF WORKS

- 7. The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the Building Code of Australia and applicable Cowra Shire Council Engineering Standards prior to any building and or subdivision works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the case of building work and the applicable Council Engineering Standards in the case of subdivision works. This may entail alterations to the proposal so that it complies with these standards.**
- 8. The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of any works, a 'Notice of Commencement of Building Works' and 'Appointment of Principal Certifier'.**
- 9. Prior to the construction of the footings for the front fence and side boundary fence walls, a 'peg-out' survey plan is to be submitted to the Principal Certifier which establishes the position of the property boundary and demonstrates that the development will be constructed entirely within the boundaries of the property in accordance with the approved plans.**
- 10. The Applicant is to obtain all relevant approvals to carry out sewerage work, to carry out stormwater drainage work and to carry out water supply work from Cowra Shire Council prior to commencing works to and comply with any conditions of that permit. All work shall be carried out by a licensed plumber and drainer and to the requirements of the Plumbing Code of Australia. The licensed plumber or drainer must submit a Notice of Works form to Council prior to the commencement of any plumbing and drainage works and a Certificate of Compliance at the completion of the works. The plumbing and drainage works must be inspected by Council at the time specified below:**
 - (a) Internal Drainage: When all internal drainage work is installed and prior to concealment. Pipes should be under water test.**
 - (b) External Drainage: When all external drainage work is installed and prior to concealment. Pipes should be under water test.**
 - (c) Water Supply: Hot and cold water supply pipework, when the pipework is installed and prior to concealment. Pipes should be under pressure test.**
 - (d) Stormwater: When the stormwater and roof water drainage system has been completed.**
- 11. Prior to the commencement of work on the site, all erosion and sediment control measures shall be implemented and maintained prior to, during and after the construction phase of the development. The erosion and sediment control measures are to comply with Part Q of Cowra Shire Council Development Control Plan 2014 at all times.**
- 12. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste**

Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building wastes generated on the construction site.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION

13. In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
- (a) After excavation for, and prior to the placement of, any footings;
 - (b) In the case of a swimming pool, as soon as practicable after the barrier (if one is required under the Swimming Pools Act 1992) has been erected;
 - (c) Prior to pouring any in-situ reinforced concrete building element;
 - (d) Prior to covering of the framework for any floor, wall, roof or other building element;
 - (e) Prior to covering waterproofing in any wet areas;
 - (f) Prior to covering any stormwater drainage connections; and
 - (g) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out. Failure to obtain an inspection of the works at the times specified above may prevent an Occupation Certificate being issued for the development.

14. All construction work shall be carried out within the confines of the property unless separate written permission is obtained from the relevant landowner and/or authority in control of the land. A copy of any written notices authorising off-site construction operations shall be submitted to Council prior to any operation commencing on the affected land.
15. Any damage caused to footpaths, roadways, utility installations and the like by reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.
16. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
17. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.

18. All roofed and paved areas are to be properly drained in accordance with the Plumbing Code of Australia and discharged to Council's Stormwater Management System on Tokyo Terrace.
19. As soon as is practical, and within a maximum of 7 days following the placement of any roofing material, all guttering and downpipes must be installed and connected to Council's drainage system.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

20. The Applicant must not commence occupation or use of the dwelling until a Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.
21. Prior to the issue of a Whole Occupation Certificate, the applicant must construct and seal/concrete/pave the access crossing(s) to the development site from Tokyo Terrace in accordance with consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve. All costs associated with the construction of the access driveway(s) shall be borne by the Applicant.

ADVICE

If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE IMMEDIATELY** and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.

CARRIED

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Bruce Miller, Michael Nobes, Ray Walsh and Peter Wright

Against: Nil

6.3 Comprehensive DCP Review Project

RESOLUTION 237/21

Moved: Cr Bruce Miller

Seconded: Cr Ray Walsh

1. That Council notes the findings of the public exhibition of the Draft Cowra Council Comprehensive Development Control Plan 2021.
2. That Council notes the amendments made to the Draft Council Comprehensive Development Control Plan 2021, detailed in this report, as a result of the comments received from public exhibition.
3. The Council approve the Cowra Council Comprehensive Development Control Plan 2021 in accordance with Clause 21(1)(b) of the Environmental Planning and

Assessment Regulation 2000.

4. That a notice of Council's decision to approve the Cowra Council Comprehensive Development Control Plan 2021 be published on the Cowra Council website (within 28 days) in accordance with the requirements of Clause 21(2) of the Environmental Planning and Assessment Regulation 2000.
5. That the Cowra Council Comprehensive Development Control Plan 2021 comes into effect on Monday 4 October 2021 and that this date be specified in the notice given in accordance with recommendation No. 4
6. That the Cowra Council Comprehensive Development Control Plan 2014 be repealed on commencement of the Cowra Council Comprehensive Development Control Plan 2021 in accordance with Clause 22(2)(a) of the Environmental Planning and Assessment Regulation 2000.
7. That a copy of the Cowra Council Comprehensive Development Control Plan 2021 be forwarded, within 28 days, to the Planning Secretary of the NSW Department of Planning, Industry and Environment in accordance with the requirements of Clause 25AB of the Environmental Planning and Assessment Regulation 2000.

CARRIED

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Bruce Miller, Michael Nobes, Ray Walsh and Peter Wright

Against: Nil

7 LATE REPORTS7.0 Mayoral Minute - Population Projections**RESOLUTION 238/21**

Moved: Cr Bill West

Seconded: Cr Judi Smith

That Council write to the local member, the Minister for Planning and the Central NSW Joint Organisation seeking support for:

- **A review of the projections issued by the Department over the last 20 years by LGA compared with the actual population changes over that period**
- **A clear explanation of the methodology used to arrive at the projections**
- **Acknowledgement of Council's objection to these figures being used to guide government and business investment decisions.**

CARRIED

8 MOTIONS WITHOUT NOTICEMotions Without Notice**RESOLUTION 239/21**

Moved: Cr Bruce Miller

Seconded: Cr Ruth Fagan

That the meeting consider a matter relating to the passing of former Councillor Mr Garry Starr that has been ruled by the Chair to be a matter of urgency.

CARRIED

8.1 Passing of former Councillor Garry Starr

RESOLUTION 240/21

Moved: Cr Ray Walsh

Seconded: Cr Bruce Miller

That the Mayor on behalf of Council write to Mrs Cathy Starr and family expressing condolences at the passing of Mr Garry Starr and acknowledging the wonderful contribution he made to Council and the Cowra community.

CARRIED

Motions Without Notice

RESOLUTION 241/21

Moved: Cr Bill West

Seconded: Cr Bruce Miller

That the meeting consider a matter relating to the eminent resignation of the Director - Environmental Services that has been ruled by the Chair to be a matter of urgency.

CARRIED

8.2 Resignation of the Director - Environmental Services

RESOLUTION 242/21

Moved: Cr Bill West

Seconded: Cr Ruth Fagan

1. **That Council note the resignation of the Director- Environmental Services, Ms Kate Alberry.**
2. **That Council extends its deep appreciation of Ms Alberry's contribution and commitment to Cowra Shire Council.**
3. **That Council extend best wishes to Ms Alberry in her future endeavours**

CARRIED

9 CONFIDENTIAL MATTERS

RESOLUTION 243/21

Moved: Cr Judi Smith

Seconded: Cr Bruce Miller

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

9 CONFIDENTIAL GENERAL COMMITTEE RECOMMENDATIONS - MONDAY, 13 SEPTEMBER 2021

9.1 Request for Water Account Adjustment – Assessment Number 26000

This matter is considered to be confidential under Section 10A(2) - b of the

Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with discussion in relation to the personal hardship of a resident or ratepayer.

9.2 Tender 4/2021 - Replacement of Plant 61 – Side Loading Garbage Compactor Truck

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10 CONFIDENTIAL REPORTS OF COUNCIL OFFICERS

10.1 Sale Price for Airport Lots

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.2 Request for Water Account Adjustment - Assessment Number 59224

This matter is considered to be confidential under Section 10A(2) - b of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with discussion in relation to the personal hardship of a resident or ratepayer.

10.3 Cowra Visitors Centre Lease of Reserve 190056

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.4 Tender for Cowra Drought Water Security Supply of DN375 PVC Pipe (RFT 5/2021)

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.5 Contract 8/2021 – Replacement of Roof – Waugoola House

This matter is considered to be confidential under Section 10A(2) - d(i) of the

Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.6 Tender for Sprayed Bituminous Surfacing Work in the Cowra Shire – Tender 7/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.7 Tender for Wet Plant Hire Panel for Billimari Pipeline in the Cowra Shire – Tender 10/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.8 Request for Tender for Heavy Patching Work on Council and TfNSW Roads within Cowra Shire 2021-2023 – Tender 12/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

CARRIED



MINUTES

**Extraordinary Council Meeting
Monday, 18 October 2021**

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**MINUTES OF COWRA COUNCIL
EXTRAORDINARY COUNCIL MEETING
HELD AT THE COWRA COUNCIL CHAMBERS, 116 KENDAL STREET, COWRA
ON MONDAY, 18 OCTOBER 2021 AT 5PM**

- PRESENT:** Cr Bill West (Mayor), Cr Judi Smith (Deputy Mayor), Cr Ruth Fagan, Cr Ray Walsh and Cr Peter Wright
- IN ATTENDANCE:** Paul Devery (General Manager), Michael Jones (Director - Corporate Services), Dirk Wymer (Director-Infrastructure & Operations), Larissa Hackett (Acting Director-Environmental Services)

I INTRODUCTION

1.1 Livestreaming and Recording

The Mayor advised that the meeting was being livestreamed and recorded.

1.2 Acknowledgement of Country

The Mayor delivered the Acknowledgment of Country.

1.3 Apologies and Applications for Leave of Absence by Councillors

Apologies

RESOLUTION 254/21

Moved: Cr Ruth Fagan

Seconded: Cr Ray Walsh

That the apologies received from Cr Kevin Wright (illness), Cr Bruce Miller (personal) and Cr Michael Nobes (medical) be accepted and leave of absence granted.

CARRIED

1.4 Disclosures of Interest

Nil

1.5 Public Forum

No members of the public in attendance.

2 GENERAL COMMITTEE RECOMMENDATION - MONDAY, 11 OCTOBER 2021

The Committee refers the following recommendation to Council:

ACTING DIRECTOR-ENVIRONMENTAL SERVICES REPORT

2.1 Development Application No. 100/2021, Lot 16 Sec 19 DP 758300, 118a Kendal Street Cowra, alterations to office premises & change of use to community facility, lodged by Marathon Health

RESOLUTION 255/21

Moved: Cr Judi Smith
Seconded: Cr Ray Walsh

1. That Council notes that the reason for the decision is that the proposal largely complies with Section 4.15 of the Environmental Planning and Assessment Act 1979. The application was publicly notified and no submissions were received; and
2. That Development Application No. 100/2021, for alterations to office premises & change of use to community facility on Lot 16 Sec 19 DP 758300, 118A Kendal Street Cowra be subject to the following conditions:

GENERAL CONDITIONS

1. Development is to be in accordance with approved plans.

The development is to be implemented in accordance with the plans and supporting documents stamped and approved and set out in the following table except where modified by any conditions of this consent.

Plan No./ Supporting Document	Prepared by/Reference Details	Cowra Shire Council Reference
Site Plan Sheet No. 1 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Existing Ground Floor Plan Sheet No. 2 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Existing & Proposed South Elevation Sheet No. 3 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Existing Sections a-a & b-b Sheet No. 4 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Proposed Ground Floor Plan Sheet No. 5 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Proposed Sections a-a & b-b Sheet No. 6 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021

Existing Section c-c Sheet No. 7 Job No. 95/21	Vision Town Planning Consultants 16 July 2021	Received 10 September 2021 Stamped No. 100/2021
Statement of Environmental Effects Version 2	Vision Town Planning Consultants 27 August 2021	Received 10 September 2021 Stamped No. 100/2021

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

2. The applicant shall comply with all relevant prescribed conditions of development consent under Part 6, Division 8A of the Environmental Planning and Assessment Regulation 2000 (see attached Advisory Note).
3. The development is required to comply with the requirements of the Disability (Access to Premises – Buildings) Standards 2010 and Section D of the Building Code of Australia – Disabled Access.
4. All signage approved under this consent is not to flash, move, be objectionably glaring or luminous, replicate any air traffic guide/warning or regulatory sign or be prejudice to the travelling aircrafts/public. Any additional sign and/or structure other than that which is permissible without consent is subject to obtain development consent issued by Council.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE ISSUE OF A CONSTRUCTION CERTIFICATE

5. Pursuant to Section 7.12 (formerly Section 94A) of the Environmental Planning & Assessment Act 1979, the monetary contribution set out in the following table is to be paid to Council prior to the issue of a Subdivision Certificate or Construction Certificate. The contribution is current as at the date of this consent and is levied in accordance with the Cowra Section 94A Contributions Plan 2016 adopted on 26 April 2016. The contribution payable will be calculated in accordance with the contributions plan current at the time of payment, and will be adjusted at the time of payment in accordance with the Consumer Price Index (CPI) (All Groups Index for Sydney) published by the Australian Bureau of Statistic (ABS). Contribution amounts will be adjusted by Council each financial year.

Contribution Type	Proposed Cost of Development ¹	Levy Percentage	Total Contribution	Contribution Rate Remains Current Until
Section 94A Contribution ²	\$135,073.75	0.5%	\$675.36	30 June 2022
Notes ¹ As shown on the Development Application/Construction Certificate Application/Complying Development Certificate Application ² Council's Section 94A Contributions Plan 2016 may be viewed during office hours at Council's Customer Service Centre, 116 Kendal Street Cowra, or on Council's website www.cowracouncil.com.au				

6. Prior to the issue of a Construction Certificate, a detailed on-street car parking plan including ramps (2) in accordance with the provisions of AS

2890.5-1993 and ASI428.1-2009 is required to be submitted and approved by the Principal Certifier.

7. Prior to the issue of a Construction Certificate, the Applicant must obtain consent from the roads authority pursuant to Section 138 of the Roads Act 1993 for the carrying out of works in a road reserve.

CONDITIONS TO BE COMPLIED WITH PRIOR TO THE COMMENCEMENT OF WORKS

8. The Applicant is to obtain a Construction Certificate from either Council or an Accredited Certifier, certifying that the proposed works are in accordance with the Building Code of Australia and applicable Cowra Shire Council Engineering Standards prior to any building and or subdivision works commencing. No building, engineering or excavation work is to be carried out in relation to this development until the necessary construction certificates have been obtained. It is the responsibility of the Applicant to ensure that the development complies with the Building Code of Australia and applicable engineering standards in the case of building work and the applicable Council Engineering Standards in the case of subdivision works. This may entail alterations to the proposal so that it complies with these standards.
9. The Applicant is to submit to Cowra Shire Council, at least two days prior to the commencement of any works, a 'Notice of Commencement of Building Works' and 'Appointment of Principal Certifier'.
10. All building rubbish and debris, including that which can be windblown, shall be contained on site in a suitable container for disposal at an approved Waste Landfill Depot. The container shall be erected on the building site prior to work commencing and shall be maintained for the term of the construction to the completion of the project. No building rubbish or debris shall be placed or permitted to be placed on any adjoining public reserve, footway or road. The waste container shall be regularly cleaned to ensure proper containment of the building waste generated on the construction site.

CONDITIONS TO BE COMPLIED WITH DURING CONSTRUCTION

11. In accordance with Clause 162A of the Environmental Planning and Assessment Regulation 2000, where Council is nominated as the Certifier, the works must be inspected by Council at the times specified below:
 - (a) After excavation for, and prior to the placement of, any footings;
 - (b) Prior to pouring any in-situ reinforced concrete building element;
 - (c) Prior to covering of the framework for any floor, wall, roof or other building element;
 - (d) Prior to covering waterproofing in any wet areas;
 - (e) Prior to covering any stormwater drainage connections; and
 - (f) After the building work has been completed and prior to any Occupation Certificate being issued in relation to the building.

Failure to obtain an inspection of the works at the times specified above may

prevent an Occupation Certificate being issued for the development. Where Cowra Council is required to carry out inspections the principal contractor for the building site, or the owner-builder, must notify Council at least 48 hours before each required inspection needs to be carried out.

12. All construction work shall be carried out within the confines of the property unless separate written permission is obtained from the relevant landowner and/or authority in control of the land. A copy of any written notices authorising off-site construction operations shall be submitted to Council prior to any operation commencing on the affected land.
13. Any damage caused to footpaths, roadways, utility installations and the like by reason of construction operations shall be made good and repaired to a standard equivalent to that existing prior to commencement of construction. The full cost of restoration/repairs of property or services damaged during the works shall be met by the Applicant.
14. All storage of goods and building materials and the carrying out of building operations related to the development proposal shall be carried out within the confines of the property. All vehicles must be parked legally and no vehicles are permitted to be parked over the public footpath. The unloading of building materials over any part of a public road by means of a lift, hoist or tackle projecting over the footway will require separate approval under Section 68 of the Local Government Act 1993.
15. Building activities and excavation work involving the use of electric or pneumatic tools or other noisy operations shall be carried out only between 7.00 am and 6.00 pm on weekdays and 8.00 am and 1.00 pm on Saturdays. No work on Sundays or Public Holidays is permitted.
16. Parking for disabled persons is to be provided and signposted in accordance with the approved plans and the requirements of Australian Standard 2890.6. The access linking such parking areas to their associated developments shall generally not have gradients steeper than 1:14.

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION OR COMMENCEMENT OF USE

17. The Applicant must not commence occupation or use of the premises until a Whole or Partial Occupation Certificate has been issued from the Principal Certifier appointed for the subject development.
18. Prior to the issue of the Whole Occupation Certificate the applicant must construct the ramps facilitating the proposed on-street disabled car park in accordance with the approved plan required under condition 6. All costs associated with the construction of the ramps shall be borne by the Applicant.
19. A Fire Safety Certificate completed by a competent fire safety practitioner shall be furnished to the Principle Certifier for all the Essential Fire Safety Measures specified in the current fire safety schedule for the building, prior to the issue of any Occupation Certificate. The Fire Safety Certificate must be

issued using the standard template form published by the NSW Government. A copy of the Fire Safety Certificate must be predominately displayed in the building and a copy submitted to Council by the Principle Certifier with the Occupation Certificate. An electronic copy of the Final Fire Safety Certificate (together with a copy of the current Fire Safety Schedule) shall also be forwarded to the Fire Commissioner via the following dedicated email address: afss@fire.nsw.gov.au

20. An Annual Fire Safety Statement completed by a competent fire safety practitioner for all the Essential Fire Safety Measures applicable to the building must be given to Council and a copy forwarded to the Fire Commissioner via the dedicated email address afss@fire.nsw.gov.au:
- (i) within 12 months after the date on which an annual fire safety statement was previously given, or
 - (ii) if a fire safety certificate has been issued within the previous 12 months, within 12 months after the fire safety certificate was issued, whichever is the later.

An Annual Fire Safety Statement must be issued using the standard template form published by the NSW Government. A copy of the Annual Fire Safety Statement (together with a copy of the current fire safety schedule) must also be prominently displayed in the building.

ADVICE

If, during work, an Aboriginal object is uncovered then **WORK IS TO CEASE IMMEDIATELY** and the Office of Environment & Heritage is to be contacted urgently on (02) 6883 5300. Under the National Parks and Wildlife Act 1974 it is an offence to harm an Aboriginal object or place without an 'Aboriginal heritage impact permit' (AHIP). Before making an application for an AHIP, the applicant must undertake Aboriginal community consultation in accordance with clause 80C of the NPW Regulation.

CARRIED

In Favour: Crs Bill West, Judi Smith, Ruth Fagan, Ray Walsh and Peter Wright
Against: Nil

3 GENERAL MANAGER

3.1 Assistance to Marathon Health to Establish Headspace

RESOLUTION 256/21

Moved: Cr Ray Walsh
Seconded: Cr Ruth Fagan

1. That Council note the decision from the 28 June 2021 Council meeting to provide financial assistance to Marathon Health.
2. That in accordance with section 356 of the Local Government Act

Council provide additional financial assistance to Marathon Health to assist in the relocation and establishment of a Headspace centre in Cowra.

- 3. That the scope of Council's agreement to provide additional assistance include:**
- Providing the property at 118 Kendal Street Cowra rent free for the period 1 December 2021 to 28 February 2022.**

CARRIED

The Meeting closed at 5.06 pm.

The minutes of this meeting were confirmed at the Council held on 25 October 2021.

.....
CHAIRPERSON

3 GENERAL COMMITTEE RECOMMENDATIONS - MONDAY, 11 OCTOBER 2021

File Number: D21/107

Author: Michael Jones, Director - Corporate Services

The Committee refers the following recommendations to Council:

DIRECTOR-CORPORATE SERVICES REPORT

3.1 Investments

RECOMMENDATION

That Council note the Investments and Financial Report for September 2021.

3.2 Donation Request - Cowra Breakout Association

RECOMMENDATION

That Council provides financial assistance to the Cowra Breakout Association up to the value of \$1,320 for the 12 month rental of a storage shed.

3.3 Draft Guidelines for Risk Management and Internal Audit for Local Councils in NSW

RECOMMENDATION

That the report from the Director – Corporate Services be put to the October 2021 Ordinary Council meeting with further discussion at next week's Information Meeting.

3.4 Section 355 Committee Draft Minutes - Cowra Youth Council

RECOMMENDATION

That the Minutes of the Cowra Youth Council ordinary meeting held on 13 September 2021 be noted.

DIRECTOR-INFRASTRUCTURE & OPERATIONS REPORT

3.5 Native Title Manager Notification to the Minister**RECOMMENDATION**

1. That Council nominates the following Council officers as its Native Title Managers:
Mr Dean Steward
Mrs Jenny Gardoll

2. That Council gives notice to the Minister for Water, Property and Housing of the name and contact details of Council's employed Native Title Managers, as required under Section 8.8 of the Crown Land Management Act 2016 (NSW).

3.6 Fixing Local Roads Round 3 Grant Funding**RECOMMENDATION**

That the Director – Infrastructure & Operation's report on the Fixing Local Roads Round 3 Grant Funding be received and noted.

4 GENERAL MANAGER

4.1 2022 Festival of International Understanding

File Number: D21/114

Author: Paul Devery, General Manager

RECOMMENDATION

That Council note and endorse the proposed format for the 2022 Festival of International Understanding.

INTRODUCTION

The Cowra Festival of International Understanding enters its 57th year in 2022 with a long and proud history of showcasing the cultures of the world to the Cowra community.

BACKGROUND

Conducting the Festival over the past few years with the ongoing COVID-19 pandemic has been a challenge. Even the choice of our close neighbours and friends from New Zealand as the guest nation for 2020 was not enough to stage a carnival and associated events. Council was pleased that the New Zealand High Commission agreed to extend their guest nation status into 2021 and Cowra was fortunate enough to be able to hold a very successful COVID-safe event earlier this year.

Securing a guest nation for 2022 has been particularly difficult with those embassies and/or high commissions contacted not being prepared to commit given the uncertainty over the pandemic.

As a result the Festival Working Party, comprising councillors West, Fagan and Nobes in conjunction with the Festival Co-ordinator has proposed an event along the following lines:

- During the pandemic so much of the world seems further away than ever and this festival will be an opportunity for the community to reconnect with each other.
- We're going to celebrate the proud history of the Festival of International Understanding, all our past and future guest nations and by extension, the cultural history and diversity of the Cowra region, including our rich Indigenous heritage.
- The Festival format will be similar to previous years with headline events including the Tree Planting, Peace Bell Ceremony, Opening Dinner, Parade, Carnival and Sporting Events.
- A number of school and community activities and competitions will be conducted in the weeks leading up to the festival and all community groups and organisations will be encourage to attend
- The Youth Ambassador program will continue
- Cowra Aboriginal and multicultural groups will be encouraged to participate
- Invitation to participate to be extended to all past guest nations and potential future guest nations.

The Festival will take place during the week beginning 28 March 2022 with the major events on the Friday, Saturday and Sunday, 1-3 April 2022.

Naturally the final arrangements will be dependent upon the restrictions that might be in place at the time, however the Festival Working Party is confident that the Cowra Shire community will be able to participate in an event that provides a welcome opportunity for re-connecting, recovering and renewing.

BUDGETARY IMPLICATIONS

Nil

ATTACHMENTS

Nil

5 DIRECTOR-CORPORATE SERVICES

5.1 First Quarterly Budget Review

File Number: D21/133

Author: Michael Jones, Director - Corporate Services

RECOMMENDATION

That the First Quarterly Budget Review for the quarter ended 30 September 2021 be adopted.

INTRODUCTION

The First Quarterly Budget Review for the period ended 30 September 2021 is presented to Council for adoption.

BACKGROUND

The First Quarterly Budget Review for the year ending 30 June 2022 was considered at the Information Session held on Monday 18 October 2021. Council reviewed the budget and noted that overall the result was satisfactory and demonstrated sound budgetary management on a significant range of activities in the three month period.

Fund	Original Estimate (\$000's)	1 st Quarter Variation (\$000's)	Revised Estimate for 30/06/22 (\$000's)
General	\$ 9,677 Surplus	\$3,198 Improvement	\$12,875 Surplus
Water	\$ 8,107 Surplus	\$880 Improvement	\$8,987 Surplus
Sewer	\$ 150 Surplus	\$12 Deterioration	\$138 Surplus
Waste	\$ 184 Surplus	\$110 Improvement	\$293 Surplus
Total	\$18,118 Surplus	\$4,175 Improvement	\$22,293 Surplus

BUDGETARY IMPLICATIONS

A \$4,175,000 improvement in the 2021-2022 Budget with a revised estimate of \$22,293,000 Surplus

ATTACHMENTS

1. First Quarterly Budget Review Statement for the period 01.07.21 to 30.09.21 [↓](#)

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/07/21 to 30/09/21

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COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for COWRA SHIRE COUNCIL for the quarter ended 30/09/21 indicates that Council's projected financial position at 30/6/22 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed: _____

Date:

Mr M Jones
Responsible Accounting Officer

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget Review for the quarter ended 30 September 2021

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRS		
Income				
Rates and Annual Charges	14,809	58	14,866	12,919
User Charges and Fees	12,650	18	12,669	1,248
Interest and Investment Revenues	382	-	382	54
Other Revenues	2,152	22	2,174	589
Grants & Contributions - Operating	7,021	282	7,304	1,023
Grants & Contributions - Capital	17,528	4,293	21,821	306
Net gain from disposal of assets	281	-	281	104
Total Income from Continuing Operations	54,822	4,674	59,496	16,243
Expenses				
Employee Costs	15,450	235	15,685	3,418
Borrowing Costs	1,029	-	1,029	249
Materials & Contracts	8,791	132	8,923	1,464
Depreciation	7,636	-	7,636	1,909
Other Expenses	3,798	132	3,929	1,185
Total Expenses from Continuing Operations	36,704	498	37,203	8,226
Net Operating Result from Continuing Operations	18,118	4,175	22,293	
Net Operating Result from All Operations	18,118	4,175	22,293	
Net Operating Result before Capital Items	590	(118)	472	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget Review for the quarter ended 30 September 2021

Income & Expenses - General Fund

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRS		
Income				
Rates and Annual Charges	7,223	20	7,243	7,243
User Charges and Fees	5,331	18	5,350	422
Interest and Investment Revenues	300	-	300	35
Other Revenues	644	3	647	110
Grants & Contributions - Operating	6,755	282	7,037	1,023
Grants & Contributions - Capital	8,432	3,330	11,762	211
Net gain from disposal of assets	281	-	281	104
Total Income from Continuing Operations	28,966	3,654	32,620	9,148
Expenses				
Employee Costs	12,356	220	12,577	2,672
Borrowing Costs	235	-	235	52
Materials & Contracts	(617)	104	(513)	(478)
Depreciation	4,313	-	4,313	1,078
Other Expenses	3,002	132	3,133	986
Total Expenses from Continuing Operations	19,289	456	19,745	4,311
Net Operating Result from Continuing Operations	9,677	3,198	12,875	
Net Operating Result from All Operations	9,677	3,198	12,875	
Net Operating Result before Capital Items	1,244	(132)	1,112	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget Review for the quarter ended 30 September 2021

Income & Expenses - Water Fund

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRS		
Income				
Rates and Annual Charges	1,859	-	1,859	125
User Charges and Fees	5,682	-	5,682	59
Interest and Investment Revenues	37	-	37	7
Other Revenues	6	-	6	2
Grants & Contributions - Operating	267	-	267	-
Grants & Contributions - Capital	9,032	903	9,935	13
Net gain from disposal of assets	0	-	-	-
Total Income from Continuing Operations	16,882	903	17,785	205
Expenses				
Employee Costs	1,127	5	1,132	270
Borrowing Costs	277	-	277	67
Materials & Contracts	4,555	18	4,573	853
Depreciation	2,246	-	2,246	561
Other Expenses	570	-	570	105
Total Expenses from Continuing Operations	8,775	23	8,798	1,856
Net Operating Result from Continuing Operations	8,107	880	8,987	
Net Operating Result from All Operations	8,107	880	8,987	
Net Operating Result before Capital Items	(925)	(23)	(948)	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget Review for the quarter ended 30 September 2021

Income & Expenses - Sewer Fund

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRS		
Income				
Rates and Annual Charges	2,886	-	2,886	2,672
User Charges and Fees	911	-	911	625
Interest and Investment Revenues	32	-	32	7
Other Revenues	22	-	22	3
Grants & Contributions - Operating	0	-	-	-
Grants & Contributions - Capital	64	-	64	22
Net gain from disposal of assets	0	-	-	-
Total Income from Continuing Operations	3,914	-	3,914	3,330
Expenses				
Employee Costs	424	2	426	103
Borrowing Costs	502	-	502	127
Materials & Contracts	1,814	10	1,825	341
Depreciation	830	-	830	207
Other Expenses	193	-	193	86
Total Expenses from Continuing Operations	3,764	12	3,776	864
Net Operating Result from Continuing Operations	150	(12)	138	
Net Operating Result from All Operations	150	(12)	138	
Net Operating Result before Capital Items	87	(12)	74	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Income & Expenses Budget Review Statement

Budget Review for the quarter ended 30 September 2021

Income & Expenses - Waste Fund

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRS		
Income				
Rates and Annual Charges	2,841	37	2,878	2,879
User Charges and Fees	727	-	727	143
Interest and Investment Revenues	13	-	13	4
Other Revenues	1,480	20	1,499	474
Grants & Contributions - Operating	0	-	-	-
Grants & Contributions - Capital	0	60	60	60
Net gain from disposal of assets	0	-	-	-
Total Income from Continuing Operations	5,060	117	5,177	3,560
Expenses				
Employee Costs	1,542	8	1,550	373
Borrowing Costs	16	-	16	4
Materials & Contracts	3,039	-	3,039	748
Depreciation	247	-	247	62
Other Expenses	33	-	33	8
Total Expenses from Continuing Operations	4,876	8	4,884	1,194
Net Operating Result from Continuing Operations	184	110	293	
Net Operating Result from All Operations	184	110	293	
Net Operating Result before Capital Items	184	49	233	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

**Income & Expenses Budget Review Statement
Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

Notes Details**INCOME****GRANTS & CONTRIBUTIONS - CAPITAL**

Increased by:

- \$2,001,180 for the Public Open Spaces Grant for river front upgrade, murals, village signs, and Aboriginal art
- \$902,805 for part of the Cowra drought water supply construction grant carried over from the previous year
- \$337,864 for reimbursement of the Gooloogong SES Shed carried over from the previous year.
- \$300,000 non-cash contribution for the construction of the new RFS Regional Headquarters carried over from the previous year.
- \$288,908 for the Fixing Local Roads round one grant projects carried over from the previous year.

EXPENDITURE

No material variations.

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2021

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2021/22	Approved Changes	Revised Budget 2021/22	Actual YTD figures
		September QBRs		
Capital Expenditure				
New Assets				
- Plant & Equipment	1,746	443	2,189	110
- Land & Buildings	4,933	852	5,785	1,036
- Infrastructure	9,415	1,442	10,857	288
- Other Assets	150	1,493	1,643	1
Renewal Assets (Replacement)				
- Land & Buildings	989	308	1,297	186
- Infrastructure	9,334	1,774	11,108	1,555
- Other Assets	1,234	443	1,677	354
Loan Repayments (Principal)	1,384	-	1,384	309
Total Capital Expenditure	29,185	6,755	35,940	3,840
Capital Funding				
Rates & Other Untied Funding	5,380	210	5,590	2,640
Capital Grants & Contributions	17,758	4,293	22,051	306
Reserves:				
- External Restrictions/Reserves	2,610	1,090	3,700	228
- Internal Restrictions/Reserves	1,533	1,162	2,695	665
New Loans	1,904	-	1,904	-
Total Capital Funding	29,185	6,755	35,940	3,840
Net Capital Funding - Surplus/(Deficit)	-	-	-	-

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/07/21 to 30/09/21

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

CAPITAL EXPENDITURE

LAND & BUILDINGS - NEW

Increased by \$337,864 due to carryover of Gooloogong SES Shed construction.

Increased by \$221,028 due to carryover of Torrington RFS Station construction.

Increased by \$125,601 due to carryover of RFS Regional Headquarters construction.

INFRASTRUCTURE - NEW

Increased by \$902,805 due to carryover of Cowra Emergency Drought Water Supply construction work.

Increased by \$625,525 due to inclusion of river front projects funded by Public Open Spaces grant.

OTHER ASSETS - NEW

Increased by \$1,375,615 due to inclusion of the Aboriginal art, village signs, and mural projects funded by Public Open Spaces grant.

INFRASTRUCTURE - RENEWAL

This increase is due to projects carried over from the 2020/21 financial year - see the Carryover Listing on page 16 for further detail.

CAPITAL FUNDING

GRANTS & CONTRIBUTIONS - CAPITAL

Increased by:

- \$2,001,180 for the Public Open Spaces Grant for river front upgrade, murals, village signs, and Aboriginal art
- \$902,805 for part of the Cowra drought water supply construction grant carried over from the previous year
- \$337,864 for reimbursement of the Gooloogong SES Shed carried over from the previous year.
- \$300,000 non-cash contribution for the construction of the new RFS Regional Headquarters carried over from the previous year.
- \$288,908 for the Fixing Local Roads round one grant projects carried over from the previous year.

RESERVES

Increased due to carryovers - see Carryover Listing on page 16 for further detail.

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement
for the period 01/07/21 to 30/09/21

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2021

Cash & Investments - Council Consolidated

(\$000's)	Original	Approved Changes	Revised	Actual
	Budget 2021/22	September QBRS	Budget 2021/22	YTD figures
Externally Restricted ⁽¹⁾				
Developer Contributions - General	44	69	113	113
Developer Contributions - Water	0	-	-	-
Developer Contributions - Sewer	126	(5)	121	121
Water Supplies	6,916	(1,353)	5,563	7,075
Sewerage Supplies	9,058	(621)	8,437	7,994
Capital Contributions	-	-	-	-
Domestic Waste Management	705	54	759	759
Total Externally Restricted	16,849	(1,856)	14,993	16,062
(1) Funds that must be spent for a specific purpose				
Internally Restricted ⁽²⁾				
Plant & Vehicle Replacement	2,674	(423)	2,251	2,251
Built Asset Replacement	1,062	(147)	915	915
Employees Leave Entitlement	1,109		1,109	1,109
Art Gallery	3		3	3
Bad Debts	62		62	62
Business Assistance	89	(30)	59	59
Caravan Parks	813		813	813
Civic Centre	12		12	12
Election	35		35	35
Environmental Projects	8		8	8
Fire Mitigation	16		16	16
Quarry Rehabilitation	372		372	372
IT Equipment	0		-	-
RMS Warranty	250		250	250
Saleyards	84		84	84
Statecover	153		153	153
Statewide	149		149	149
Waste	806	(89)	717	717
Depot Redevelopment	80		80	80
Pedestrian & Cycling Plan	50		50	50
Peace Precinct	8		8	8
Lachlan River Precinct	141		141	141
Financial Assistance Grants in Advance	2,616	(49)	2,567	2,567
Total Internally Restricted	10,592	(738)	9,854	9,854
(2) Funds that Council has earmarked for a specific purpose				
Unrestricted (ie. available after the above Restrictions)	3,862	(1,652)	2,210	5,476
Total Cash & Investments	31,303	(4,246)	27,057	31,392

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Cash & Investments Budget Review Statement

Comment on Cash & Investments Position

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$4,371,326

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.

COWRA SHIRE COUNCIL

Key Performance Indicators Budget Review Statement - Council specific KPI's

Budget review for the quarter ended 30 September 2021

(\$000's)	Current Projection		Actuals	
	Amounts	Indicator	Prior Periods	
	21/22	21/22	20/21	19/20

The Council monitors the following Key Performance Indicators:

1. Operating Performance Ratio

Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	472	1.25%	0.77%	3.01%
<u>Total continuing operating revenue ⁽¹⁾</u>	<u>37,675</u>			

2. Rates & Annual Charges, Interest & Extra Charges Outstanding Percentage *

<u>Rates & Extra Charges Outstanding</u>	<u>2000</u>	13.45%	14.49%	14.73%
Rates & Extra Charges Collectible	14,866			

* Includes Water Accounts raised in June not collectable until July.

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Contracts Budget Review Statement

Budget review for the quarter ended 30 September 2021

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value \$	Start Date	Budgeted (Y/N)	Notes
Volvo Commercial Vehicles	Supply of replacement side loading garbage compactor truck	372,814	27/09/21	Y	

COWRA SHIRE COUNCIL

Quarterly Budget Review Statement

for the period 01/07/21 to 30/09/21

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	87,569	Y
Legal Fees	650	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Carryover - 30th June, 2021					
GL	Description	Carryover Amount	Funding Source	Funding Amount	Unfunded Carryover
GENERAL FUND:					
General Manager's Department					
11077	Main Street Banners	9,413			9,413
10172	Civic Square Masterplan	26,350			26,350
10286	Cowra History Book - Cost of Goods Sold	35,575	GL 2081 - History Book Income	18,286	17,289
11849	Saluting their Service Expenditure	6,800	Unexpended Grant - Liability	6,800	-
11839	Install Automatic Door - Japanese Gardens	9,455	Unexpended Grant - Liability	9,455	-
11109	Drought Communities Phase 2 - Community Groups	33,385	GL 1555 - Drought Communities	33,385	-
Corporate Services					
11846	Woodstock Showground Expenditure - Phase 2	24,732	Unexpended Grant - Liability	24,732	-
11090	Collaboration - Central West Libraries	4,355	Unexpended Grants Reserve	4,355	-
10927	Local Projects Grant Expenditure	28,209	Unexpended Grants Reserve	28,209	-
23691	Revitalising Regional Libraries	16,000	Unexpended Grants Reserve	16,000	-
24184	Civic Centre - Technical Upgrades	19,618	GL 2093 - Local Roads & Community Infra	19,618	-
24167	Europa Park Upgrade - Drought Communities Phase 2	2,766	GL 2055 - Drought Communities	2,766	-
11822	CCC Digital Drama Series	10,000	Unexpended Grant - Liability	10,000	-
11830	Venue Hire - Civic Centre	3,390	Unexpended Grants Reserve	3,390	-
Environmental Services					
24205	NSW Planning Portal Equipment & Software	33,093	Unexpended Grant - Liability	33,093	-
11037	Local Heritage Fund	24,964			24,964
11038	Heritage Advisor	15,766			15,766
10467	Small Environmental Grants Program	13,151			13,151
10417	Re-write S94 Plans	10,769			10,769
10439	NSW Heritage Festival	25,000			25,000
10416	Disabled Access Incentive Fund	31,269			31,269
24113	Interpretive Signs - Warwick & WWI Memorial Grove	10,570			10,570
Tech Services, Bushfire & Building Maintenance					
10191	Crown Land - Plans of Management	68,160			68,160
10589	Design Expenses - Flood Study	21,263			21,263
23838	SES - Gooloogong Shed Extension	337,864	Unexpended Grant - Liability	337,864	-
23983	RFS - Torrington - New Station	221,028	GL 1989 - Torrington Station Reimbursement	221,028	-
24127	RFS - New Regional Headquarters - Cowra	125,601	Unexpended Grant - Liability	125,601	-
24180	Visitor Centre Roof & Ancillary Works	104,987	Unexpended Grant - Liability	44,551	-
			Built Asset Replacement Program Reserve	60,436	-
24181	Waugoola House Roof Replacement	142,376	Unexpended Grant - Liability	56,431	-
			Built Asset Replacement Program Reserve	85,945	-
11702	Council Building Mtce. - Rose Garden Kiosk	11,000			11,000
Cowra Works					
24124	RTR - Heavy Patching - Milburn Creek Road	13,500			
23933	RTR - Culverts - Saywaker Lane	11,000			
23934	RTR - Culverts - Myalla Road	12,500			
23935	RTR - Culverts - Ridgeland Road	5,500			
23936	RTR - Culverts - Sheppy Lane	5,500			
23937	RTR - Culverts - Nada Road	5,500			
24126	RTR - Culverts - Mylbie Lane	20,000			
24157	RTR - Middle Creek Rd - Resheeting	54,272			
24170	RTR - Porters Mt Rd - Rehabilitation (FLR)	33,549			
24171	RTR - Eagleview Rd - Rehabilitation (FLR)	24,608			
24172	RTR - Glen Logan Rd - Rehabilitation (FLR)	79,024			
24173	RTR - Glenriff Rd - Rehabilitation (FLR)	68,036			
24174	RTR - Sutherland Rd - Rehabilitation (FLR)	40,896			
24175	RTR - Fragaris Rd - Rehabilitation (FLR)	63,972			
24176	RTR - Pride of Oak Rd - Rehabilitation (FLR)	30,320			
24177	RTR - Wianamatta Rd - Rehabilitation (FLR)	29,520			
24178	RTR - Kirribilli Rd - Rehabilitation (FLR)	15,285			
24200	RTR - Airport Rd Widening	136,584			
	RTR - Heavy Patching Program	112,298			
	Total RTR & FLR Round 1	761,864	Unexpended Grant - Liability	472,956	-
			GL 2082 - Fixing Local Roads - Round 1	288,908	-
24197	George Campbell Bridge Replacement	26,118	GL 2096 - Federal Bridges Renewal Program	26,118	-
24185	Mulyan St Footpath Intersection	83,014	Unexpended Grant - Liability	13,669	-
			GL 2078 - Local Roads & Community Infra	69,345	-
10196	Growing Local Economies - Target Car Park Upgrade	82,160	GL 2051 - Growing Local Economies	82,160	-
23997	Growing Local Economies - Lachlan Hotel Car Park Upgrade	40,112	Unexpended Grant - Liability	1,995	-
			GL 2106 - Growing Local Economies	38,117	-
Cowra Services					
23060	Plant Purchases	422,763	Plant Replacement Reserve	422,763	-
11841	Weed Control - Bellevue Hill & POW Reserve	14,701	Unexpended Grant - Liability	14,701	-
11840	Weed Control - Woodstock Cemetery & Reserve	3,480	Unexpended Grant - Liability	3,480	-
11842	Weed Control - Morongla Cemetery & Reserve	4,000	Unexpended Grant - Liability	4,000	-
23946	Cowra Public Amenities Upgrade - Grant Exp	12,058	GL 1254 - Stronger Country Communities	12,058	-
24179	Village Park Facilities & Access Upgrade	182,076	GL 2076 - Stronger Country Communities	182,076	-
23947	Resurface & Cover Basketball Courts at Twigg Oval	147,408	GL 1255 - Stronger Country Communities	117,834	29,574
24186	Upgrade Airport Entrance & Seal Taxiway	18,093	GL 2094 - Local Roads & Community Infra	18,093	-
Total General Fund		3,224,756		2,910,218	314,538
WATER FUND:					
23727	Replace Telemetry System	263,609	Water Infrastructure Reserve	263,609	-
23843	Cowra High Level Reservoir Dosing/Re-Chlorination	122,812	Water Infrastructure Reserve	122,812	-
23844	High Lift Pump at River - Switch Board	36,870	Water Infrastructure Reserve	36,870	-
23847	WTP Office Extension	95,125	Water Infrastructure Reserve	95,125	-
24144	Construct Emergency Drought Supply	902,805	Unexpended Grant - Liability	389,149	-
			GL 1369 - Drought Water Supply	513,656	-
24147	Install Additional VSD on High Level Transfer Pump	15,000	Water Infrastructure Reserve	15,000	-
24151	Transfer Pump Refurbishment	85,000	Water Infrastructure Reserve	85,000	-
Total Water Fund		1,521,222		1,521,222	-
SEWER FUND:					
23733	Permanent Flow Gauging	52,000	Sewer Infrastructure Reserve	52,000	-
23915	Purchase - Dewatering Bins	20,000	Sewer Infrastructure Reserve	20,000	-
24136	Modify Young Rd Pump Station	5,000	Sewer Infrastructure Reserve	5,000	-
24137	New Package Plant Filtration & UV -Effluent Re-Use	200,000	Sewer Infrastructure Reserve	200,000	-
24139	Remediate Tertiary Ponds & Reinstate Wall	35,000	Sewer Infrastructure Reserve	35,000	-
24140	Replace WAS Pump	12,000	Sewer Infrastructure Reserve	12,000	-
24141	SN Return, Rotation Pipe Work & Pump Station	15,000	Sewer Infrastructure Reserve	15,000	-
24143	Upgrade UV Communication System	35,000	Sewer Infrastructure Reserve	35,000	-
Total Sewer Fund		374,000		374,000	-
WASTE FUND:					
23963	Air Conditioner for Recycling Shed	55,000	Waste Reserve	55,000	-
23964	New Staff Amenities Building Design	17,131	Waste Reserve	8,565	-
			Domestic Waste Management Reserve	8,566	-
24193	Electricity Upgrade - MRF	71,044	Loan Funding	71,044	-
Total Waste Fund		143,175		143,175	-
GRAND TOTAL		5,263,153		4,948,615	314,538

5.2 Draft Guidelines for Risk Management and Internal Audit for Local Councils in NSW

File Number: D21/136

Author: Michael Jones, Director - Corporate Services

RECOMMENDATION

- 1. That Council note the report from the Director – Corporate Services.**
 - 2. That Council writes to the Office of Local Government expressing in the strongest possible terms their objection to the proposal.**
-

INTRODUCTION

OLG is seeking the views and feedback of councils and other stakeholders on the draft Guidelines for risk management and internal audit for local councils in NSW prior to finalising them.

BACKGROUND

In 2016, the Local Government Act 1993 was amended to require councils to appoint an audit, risk and improvement committee (ARIC). The Office of Local Government (OLG) has since been working with councils and other key stakeholders and industry experts to develop the framework that will support the operation of ARICs and the establishment of a risk management and internal audit function in each council.

A discussion paper, A New Risk Management and Internal Audit Framework for Local Councils in NSW, was released in late 2019 on the proposed model. OLG received over 150 submissions from the local government sector and risk management and internal audit practitioners in response to the discussion paper. OLG has refined the proposed model in response to this feedback. A summary of the changes made to the original model proposed in the discussion paper is included in the attachments.

The new framework will be governed by regulations and Guidelines for risk management and internal audit for local councils in NSW. These will prescribe the minimum standards for each council's audit, risk and improvement committee, risk management framework and internal audit function.

OLG now requests further feedback from Councils. Submissions need to be provided to the OLG before COB 26 November 2021. The draft Guidelines are included in the attachments.

SUMMARY OF PROPOSED KEY CHANGES

In summary it is proposed that ARIC plays a greater hand's on role with regards to independent oversight of Councils Governance and Financial performance. Although Council already has an ARIC established, it is yet to set up an internal audit function. Furthermore, the proposed changes increase to scope and power of ARIC and limit the Councillors involvement. It could also be said that these changes overlap with the role of our external auditors play.

The following are some key relevant highlights from the proposal.

Timelines

- All councils have until 2024 to establish their risk management framework and internal audit function – attestation commences 2024.
- Councils have until 2027 to ensure ARIC membership complies with the Guidelines, allowing councils to transition into the new membership requirements as and when membership of existing ARICs expire – attestation commences 2027

Changes

- The establishment of an internal audit function which will report directly to ARIC.
- The ARIC chair in consultation with the GM to attest each year to Council's annual report.
- The role of ARIC is expanded to independently review and advise on the following aspects of the council's operations:
 - (a) compliance
 - (b) risk management
 - (c) fraud control
 - (d) financial management (although not new, it appears to a lot greater degree)
 - (e) governance
 - (f) implementation of the strategic plan, delivery program and strategies (new)
 - (g) service reviews (new)
 - (h) collection of performance measurement data by the council, and (new)
 - (i) any other matters prescribed by the regulation.
 - Additionally, there is a quarterly reporting requirement of ARIC to the governing body and GM.
- The make-up of ARIC changes to reflect a greater number of independent members and a reduction of Councillors. The Mayor is also excluded from sitting on ARIC.
- The ARIC chair to be prequalified as a chair under the NSW Government's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members.
- Councillors sitting on ARIC must meet certain eligibility criteria. (e.g. financial literacy)
- Councils are obliged under the Superannuation Guarantee Administration Act 1992 to make compulsory superannuation guarantee contributions on behalf of audit, risk and improvement committee chairs and voting members.
- ARIC must meet at least quarterly. (Currently 3 times per year). It is also anticipated that the ARIC chair would have a greater workload that currently with oversight of the internal audit function, communications with the GM and statutory reporting requirements. Accordingly, there would be an increase in the level of fees for the chair and independent members given the increased responsibilities.

BUDGETARY IMPLICATIONS

There is no budgetary impact for Council in the current financial year however, there will be an increased cost to Council in future years if these proposed changes go ahead. The value of that additional cost is unknown at this point and will depend on Council's approach to the

establishment of an internal audit function and the make-up and remuneration of ARIC independent members.

RECOMMENDATION

That Council note the report from the Director – Corporate Services. That Council writes to the Office of Local Government expressing in the strongest possible terms their objection to the proposal.

ATTACHMENTS

1. OLG Circular 21-26 [↓](#)
2. Summary of changes to the proposed new risk management and internal audit framework in response to submissions [↓](#)
3. Risk Management and Internal Audit for Local Councils in NSW –Draft Guidelines August 2021 [↓](#)
4. General Manager’s report to the Ordinary Council Meeting on 28 October 2019 on Proposed Internal Audit and Risk Management Framework [↓](#)
5. Submission to the Office of Local Government - New Risk Management and Internal Audit Framework for Local Councils in NSW - January 2020 [↓](#)



Circular Details	21-26 / 24 August 2021 / A572161
Previous Circular	19-20 A new internal audit and risk management framework for local councils in NSW – release of discussion paper
Who should read this	General Managers / Councillors / Council governance staff / Audit, risk and improvement committee members and internal audit personnel
Contact	Council Governance / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Response to OLG

New risk management and internal audit framework for councils and joint organisations

What's new or changing

- Sections 428A and 428B of the *Local Government Act 1993* (the Act) have been commenced. Under section 428A, all councils (including county councils) and joint organisations are required to have an audit risk and improvement committee (ARIC). Councils and joint organisations are permitted under section 428B to enter into arrangements with other councils or joint organisations to share ARICs.
- Under the transitional provisions of the Act, all councils (including county councils) and joint organisations must have either appointed an ARIC or entered into an arrangement with another council or joint organisation to share an ARIC before **4 June 2022**.
- The Office of Local Government (OLG) will be issuing *Guidelines for Risk Management and Internal Audit for Local Councils in NSW* to guide the operations of ARICs and to require councils to have a risk management framework and internal audit function to support and inform their operations.
- OLG has issued a draft of the Guidelines for a three-month consultation period. These have been developed based on the feedback received in response to OLG's *New Risk Management and Internal Audit Framework for Local Councils in NSW* discussion paper issued in September 2019.
- Councils, ARIC members and internal audit practitioners are encouraged to provide comment on the draft Guidelines.

What this will mean for your council

- As of **4 June 2022**, all councils (including county councils) and joint organisations must have an ARIC. As noted above, councils and joint organisations may enter into arrangements to share ARICs.
- Most councils already have an ARIC and will not need to take any further action to comply with section 428A.
- Councils or joint organisations that do not currently have an ARIC should take immediate steps to ensure they have one before 4 June 2022. This may include talking to a neighbouring council or their joint organisation about entering into an arrangement to share an ARIC.

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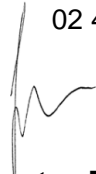
- Under the proposed Guidelines, councils and joint organisations are not required to establish a risk management framework and internal audit function that complies with the Guidelines until 30 June 2024. However, councils and joint organisations should start taking steps to establish a risk management framework and internal audit function or to transition their existing risk management and internal audit arrangements to comply with the Guidelines.
- The proposed Guidelines set out membership requirements for ARICs. Councils and joint organisations are not required to comply with these requirements until June 2027. This will allow councils and joint organisations five years to transition the membership of their existing ARICs to comply with the new requirements.
- The proposed Guidelines are available on OLG's website at [here](#). Information about the changes to the original model proposed in the discussion paper is also available on OLG's website.
- OLG is seeking the views of councils and others on the proposed Guidelines. Councils should inform their ARICs about the draft Guidelines to give ARIC members the opportunity to provide comment or to have input into the council's comment on the draft Guidelines.
- Submissions may be made to olg@olg.nsw.gov.au, labelled 'Draft risk management and internal audit guidelines' and marked to the attention of OLG's Council Governance Team.
- Submissions should be made before COB **26 November 2021**.

Key points

- Under section 428A of the Act, councils and joint organisations must appoint an ARIC to keep under review the following aspects of their operations:
 - compliance,
 - risk management,
 - fraud control,
 - financial management,
 - governance,
 - implementation of the community strategic plan, delivery program and strategies,
 - service reviews,
 - collection of performance measurement data by the council,
 - any other matters prescribed by the regulations.
- ARICs must also provide information to councils and joint organisations for the purpose of improving their performance.

Where to go for further information

- The draft Guidelines and a summary of the changes to the previously proposed model are available on OLG's website at www.olg.nsw.gov.au.
- For further information please contact the Council Governance Team on 02 4428 4100 or by email at olg@olg.nsw.gov.au.



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Summary of changes to the proposed new risk management and internal audit framework in response to submissions

Audit, Risk and Improvement Committees (ARIC)

- More 'principles-based' approach to reduce prescription and assist councils and ARICs to focus on desired outcomes
- New tiered ARIC model for metropolitan, regional and rural/remote councils and joint organisations and county councils with reduced prequalification requirements to better reflect the different needs of councils and their ability to attract ARIC members
 - enables a mix of prequalified, non-prequalified, independent and councillor members
 - new eligibility criteria for non-prequalified and councillor members
- More flexibility in ARICs' role:
 - ARIC provides limited assurance rather than full assurance – role and reporting terminology changed to reflect this
 - ARIC reviews all matters listed in s428A of the *Local Government Act 1993* over the council term, rather than annually, and focuses on systems/controls in place
 - more flexibility for councils to shape ARICs' role depending on council needs
- More information about ARICs' new assurance role in relation to integrated planning and reporting, service delivery and performance measurement
- Clearer links between the ARIC and the governing body to ensure the governing body receives maximum value from ARIC's expertise:
 - workplans developed by ARIC and noted by the governing body
 - new annual and four-yearly assurance meetings between the ARIC and governing body to discuss ARIC opinions, workplans, charter, terms of reference etc
 - councils can appoint a non-voting councillor member to their ARIC (optional)
- Reduced ARIC costs:
 - ARIC member fees at council's discretion
 - reduced external review requirements
- Revised term limits to make it easier to appoint ARIC members:
 - ARIC member terms coincide with council terms
 - longer maximum terms
 - possible exemption from term limits where a tier 1 council can't find new ARIC members
- New information about ARICs' role and key relationships with other stakeholders
- ARIC members can have more local government experience:
 - some independence requirements reduced
 - new ability to allow local community perspective/knowledge as a criteria for appointment to an ARIC
- Stronger ARIC member appointment and induction processes
- Enhanced leadership role for the chair over the ARIC and ARIC meetings
- More flexibility for councils regarding confidentiality of ARIC agendas and minutes
- ARIC given unrestricted access to general manager and senior staff only – access to other staff requires general manager's approval

- New 'further resources' section that provides examples/templates/information regarding implementation of ARICs

Risk management

- More 'principles-based' approach to remove prescription and assist councils to focus on desired outcomes
- Clarification on how risk management requirements apply to joint organisations and county councils, and the role of internal audit and ARICs in risk management
- New ability for shared arrangements for county councils and joint organisations to reduce costs
- More flexibility in implementation and workforce resourcing:
 - risk management refocused as a 'function' rather than a dedicated position so it can be shared with other council roles and fit into council's existing organisational structure
 - general manager can delegate risk management to any staff member
 - removed need for responsibilities to be included in senior staff contracts
- More accountability by the council to the governing body and ARIC for risk management:
 - ARIC reviews risk management framework each council term – highest risks reviewed as required
 - effectiveness of risk management framework formally discussed with the governing body and ARIC annually and each council term
- New 'further resources' section that provides examples/templates/information regarding risk management implementation

Internal audit

- More 'principles-based' approach to remove prescription and assist councils to focus on desired outcomes
- Clarification of dual reporting line to the ARIC and general manager
- More flexibility to implement the internal audit function within council's existing organisational structure and attract internal audit staff:
 - new tiered model for in-house and outsourced internal audit functions to reflect practical requirements of councils and the varied roles required of the head of internal audit function in different councils
 - specific role title for the head of the internal audit function removed
 - internal audit function can report to a staff member other than the general manager
 - detailed eligibility criteria for internal audit staff replaced with requirement that they be able to fulfil their role
 - ability to combine head of internal audit function role with any other role in council provided safeguards are met
- Shared arrangements simplified:
 - oversight by councillor committee and administrative committee removed
 - prescription of practical arrangements removed
- New ability for ARIC Chair to refuse a person's future access to internal audit information where they make unauthorised disclosures of internal audit information

- Performance review process streamlined to reduce costs:
 - removed annual review report by head of internal audit function to ARIC
 - ARIC conducts annual and four-yearly strategic assessment of internal audit function
- New 'further resources' section provides templates, examples, checklists, tools etc that can be used when performing audits and assessing the performance of the internal audit function

Attestation

- Annual attestation to key non-negotiable requirements of the Guidelines
- General manager to consult with ARIC on annual attestation before it is published (co-signing removed)
- Increased accountability and transparency:
 - Department of Planning, Industry and Environment's response to attestation exemption to be published in annual report
 - ARIC member details to be published in attestation certificate
 - Attestation certificate template clarifies what councils are attesting to

Implementation timeline

- All councils must appoint an ARIC from 4 June 2022
- All councils have until 2024 to establish their risk management framework and internal audit function – attestation commences 2024
- Councils have until 2027 to ensure ARIC membership complies with the Guidelines, allowing councils to transition into the new membership requirements as and when membership of existing ARICs expire – attestation commences 2027

RISK MANAGEMENT AND INTERNAL AUDIT for local councils in NSW

Guidelines

August 2021



**GUIDELINES FOR RISK MANAGEMENT AND INTERNAL AUDIT FOR LOCAL COUNCILS
IN NSW**

2021

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Background

Background

The *Local Government Act 1993* ('Local Government Act') and the *Local Government (General) Regulation 2005* ('Local Government Regulation') require each council in NSW to have:

- an audit, risk and improvement committee that continuously reviews and provides independent advice to the council on how it is functioning and managing risk
- a robust risk management framework that accurately identifies and mitigates the risks facing the council and its operations, and
- an effective internal audit function that provides independent advice as to whether the council is functioning effectively and the council's internal controls to manage risk are working.

These three mandatory governance mechanisms are a vital part of the NSW Government's plan to ensure that councils are doing things the best way they can for their communities and are on track to delivering their community's goals and objectives.

Communities themselves will ultimately be the greatest beneficiaries.

If implemented effectively, audit, risk and improvement committees, risk management and internal audit will lead to councils:

- achieving their strategic objectives in the most efficient, effective and economical manner
- having better and more efficient levels of service delivery
- having increased accountability and transparency
- achieving better decision-making and having the confidence to make difficult decisions
- having increased financial stability
- achieving and maintaining compliance with all laws, regulations, internal policies and procedures, and
- better safeguarding their public assets.

Purpose

These guidelines have been developed to assist councils, county councils and joint organisations to comply with statutory requirements under the Local Government Act and Local Government Regulation.

They also seek to strengthen risk management and internal audit practices in NSW councils by setting a minimum standard that reflects a 'best practice' approach.

The Guidelines have been issued under the Local Government Regulation (clause #tbc) which confers on the Secretary of the Department of Planning, Industry and Environment, ('Secretary DPIE'), the power to issue guidelines on the appointment and operation of audit, risk and improvement committees and the implementation by councils, county councils and joint organisations of risk management and internal audit activities.

Councils are required under the Local Government Regulation to comply with these Guidelines when establishing and operating their audit, risk and improvement committees, risk management framework and internal audit functions.

They replace the NSW Government's *Internal Audit Guidelines for Local Government in NSW* issued in 2010.

The three core requirements outlined in the Guidelines reflect international standards and the recommendations and opinions of internal audit practitioners, councils, councillors, audit, risk and improvement committee members, risk management practitioners, government agencies, experts and community members.

They are also informed by practices in other Australian jurisdictions and give effect to the recommendations of the:

- Independent Commission Against Corruption in its inquiries into Burwood Council (2011) and Botany Bay Council (2017)

- Local Government Acts Taskforce in its review of the *Local Government Act 1993* (2013)
- Independent Local Government Review Panel in its *Revitalising Local Government* inquiry (2013), and
- various performance audits and other reviews conducted by the NSW Auditor-General since 2010.

Based on these recommendations:

- the core requirements outlined in the Guidelines relating to the operation of a council's audit, risk and improvement committee have been modelled on the *Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08)* developed by NSW Treasury and best practice in the public and private sectors
- the core requirements relating to risk management have been modelled on the current Australian risk management standard, *AS/NZS ISO 31000:2018 Risk Management – Guidelines*, and
- the core requirements relating to a council's internal audit function have been modelled on the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing* (the 'International Professional Practices Framework') and best practice in the public and private sectors.

The framework balances these professional standards and best practice approaches with the unique structure, needs and operating environments of metropolitan, regional and rural councils, county councils and joint organisations across NSW.

The release of these Guidelines follows an extensive consultation process. The Office of Local Government thanks all the individuals, councils and bodies involved in the development of the risk management and internal audit regulatory framework.

Further resources

There has been a wide range of information and guidance developed in recent times by government agencies, experts, practitioners and other bodies to help organisations establish effective audit, risk and improvement

committees, risk management frameworks and internal audit functions.

As a starting point, a list of further resources has been included at the end of each core requirement. These resources provide practical information and tools such as examples, templates, checklists and sample documents that councils may find useful when implementing these Guidelines.

Terminology

When a joint organisation is applying these Guidelines, it should substitute the term "council" for "joint organisation", "governing body" for "board", "chairperson" for "mayor", "voting representative" for "councillor" and "executive officer" for "general manager" and "annual report" for "annual performance statement", where appropriate.

Where a county council is applying these guidelines, it should substitute the terms "county council" for "council" and "member" for "councillor", where appropriate.

Statutory framework

The Local Government Act and Local Government Regulation provide the statutory foundations and prescribe the desired outcomes for councils' audit, risk and improvement committees, risk management frameworks and internal audit functions.

Relevant provisions of the Local Government Act and Local Government Regulation are detailed below.

- ensuring, as far as possible, the financial sustainability of the council
- ensuring, as far as possible, that the council complies with the guiding principles of the Local Government Act
- keeping the performance of the council under review
- making the decisions necessary to ensure the council properly exercises its regulatory functions, and
- being responsible for ensuring that the council acts honestly, efficiently and appropriately.

Guiding principles of local government

The guiding principles of the Local Government Act (sections 8A, 8B and 8C) require each council to carry out its functions in a way that provides the best possible value for residents and ratepayers.

The guiding principles also specify that councils are to:

- spend money responsibly and sustainably, and align general revenue and expenses
- invest in responsible and sustainable infrastructure for the benefit of the local community
- effectively manage their finances and assets and have sound policies and processes for performance management and reporting, asset maintenance and enhancement, funding decisions, and risk management practices
- ensure the current generation funds the cost of its services and achieves intergenerational equity, and
- manage risks to the local community, area or council effectively and proactively.

Role of the general manager

The Local Government Act (section 335) provides that the general manager is responsible for:

- conducting the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council – this includes establishing the council's organisational structure and appointing and dismissing council staff (section 332)
- implementing, without undue delay, the lawful decisions of the council
- advising the governing body on the development and implementation of the council's plans, programs, strategies and policies, and
- ensuring that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their functions.

Role of the governing body

To achieve these guiding principles, the Local Government Act (section 223) provides that the role and responsibilities of the governing body include:

- directing and controlling the affairs of the council in accordance with the Local Government Act

The Local Government Regulation (clause 209) also requires the general manager to ensure that:

- the council complies with all legal financial obligations, including the keeping of accounting records
- effective measures are taken to secure the effective, efficient and economical management of financial operations within each division of the council's administration

- authorised and recorded procedures are established to provide effective control over the council's assets, liabilities, revenue and expenditure and secure the accuracy of the accounting records, and
- lines of authority and the responsibilities of members of the council's staff for related tasks are clearly defined.

Role of a joint organisation

The Local Government Act establishes joint organisations as a strategic regional body of councils.

The role and responsibilities of a joint organisation under the Local Government Act (section 400R) are to:

- establish regional priorities for the joint organisation area and strategies and plans to deliver these priorities
- provide regional leadership for the joint organisation area and advocate for strategic regional priorities, and
- identify and take-up opportunities for intergovernmental cooperation.

Joint organisations also deliver services and provide assistance to, or on behalf of, councils, and councils are able to delegate certain functions to their joint organisation (sections 355, 379 and 400S).

The Local Government Act (section 400Y) provides that the Executive officer of a joint organisation is to:

- conduct the day-to-day management of the joint organisation in accordance with the strategic regional priorities and other plans, programs, strategies and policies of the organisation, and
- appoint, direct and dismiss staff.

Audit, risk and improvement committee

The Local Government Act (section 428A) requires each council to establish an audit, risk and improvement committee to continuously

review and provide independent advice to the general manager and the governing body of the council on:

- whether the council is complying with all necessary legislation, regulations and other legal requirements
- the adequacy and effectiveness of the council's risk management framework, fraud and corruption prevention activities, financial management processes, and the council's financial position and performance
- the council's governance arrangements
- the achievement by the council of the goals set out in the council's community strategic plan, delivery program, operational plan and other strategies
- how the council delivers local services and how it could improve the performance of its functions more generally
- the collection of performance measurement data by the council, and
- any other matters prescribed by the Local Government Regulation (including internal audit).

The Local Government Act (section 428B) allows councils to establish a joint audit, risk and improvement committee with other councils including through joint or regional organisations of councils.

The Local Government Regulation (clause #tbc):

- requires each council to appoint an audit, risk and improvement committee comprising of a chair and two or more other persons as specified by these Guidelines
- allows councils and joint organisations to share committees
- requires the Chair and other members of an audit, risk and improvement committee to satisfy the eligibility requirements outlined in these Guidelines
- allows councils to appoint a councillor who satisfies the eligibility requirements outlined in these Guidelines as a non-voting member of its committee
- allows joint organisations to appoint a voting representative of the board who satisfies the eligibility requirements

- outlined in these Guidelines as a non-voting member of its committee
- requires each committee to operate in accordance with terms of reference adopted by the council, based on the approved Model Terms of Reference contained in these Guidelines, and
 - requires councils to provide their committee with direct and unrestricted access to the general manager and other senior staff and any information and resources necessary to undertake its role.

For the purposes of section 428A(2)(i) of the Local Government Act, councils' and joint organisations' audit risk and review committees are to also keep internal audit activities under review.

The requirements for audit, risk and improvement committees in these Guidelines are detailed in core requirement 1.

Risk management

The Local Government Regulation (clause #tbc) requires each council and joint organisation to implement a risk management framework that is consistent with the requirements specified in these Guidelines.

A council's general manager or a joint organisation's executive officer has overall responsibility for the implementation of the council's or joint organisations' risk management framework.

A council's audit, risk and improvement committee is to review and provide independent advice to the council on the implementation of its risk management framework under section 428A(2)(b) of the Local Government Act.

The requirements for risk management in these Guidelines are detailed in core requirement 2.

Internal audit

The Local Government Regulation (clause #tbc):

- requires each council's internal audit activities to operate in accordance with a charter adopted by the council, based on the approved Model Internal Audit Charter contained in these Guidelines
- allows councils and joint organisations to share the performance of internal audit activities
- specifies that a council's audit, risk and improvement committee is to oversee the council's internal audit activities
- requires that a member of the council's staff is appointed to direct internal audit activities – for shared arrangements this can be a staff member of one of the participating councils or joint organisation in the shared arrangement
 - requires this member of staff to report only to the audit, risk and improvement committee regarding internal audit activities
 - requires the general manager to consider the views of the chair of the council's audit, risk and improvement committee before making any decision affecting the employment of the staff member appointed to direct internal audit activities, and
 - requires the audit, risk and improvement committee to review the performance and efficacy of the council's internal audit activities once each council term and report to the governing body of the council on the outcome of its review and make recommendations.

The requirements for internal audit in these Guidelines are detailed in core requirement 3.

Annual attestation

The Local Government Regulation (clause #tbc) requires the general manager of a council or the executive officer of a joint organisation to publish each year an attestation statement in the council's or joint organisation's annual report indicating whether, during the preceding financial year, the council's or joint organisation's audit, risk and improvement committee, risk management framework and

internal audit function complied with these Guidelines.

An attestation certificate template is provided at **Appendix 1** and attestation requirements are highlighted with this symbol throughout these Guidelines.



The details of each member of the council's audit, risk and improvement committee must also be included in the attestation statement.

This is to ensure that the council takes independent assurance and risk management seriously and is accountable to the community for how it has implemented these requirements.

Compliance status is to be self-assessed by the general manager, in consultation with the audit, risk and improvement committee.

The general manager or executive officer must consider the views of the chair of the council's or joint organisation's audit risk and improvement committee on the content of the attestation statement when preparing the statement.

If the chair disagrees with the content of the attestation statement prepared by the general manager or executive officer, they may prepare their own report and submit this to the Secretary DPIE.

Exemptions

There may be times where a council or joint organisation will not be able to comply with all requirements relating to its audit, risk and improvement committee, risk management framework or internal audit function.

In these circumstances, the Local Government Regulation (clause #abc) confers on the Secretary DPIE the power to exempt the council or joint organisation from compliance with a requirement under these Guidelines where the council or joint organisation requests such an exemption. The Secretary DPIE may grant an exemption where they are satisfied that:

- the council or joint organisation cannot comply with the requirement because of temporary extenuating circumstances or resourcing constraints that will significantly impact the council's or joint organisation's budget
- the council or joint organisation is not able to enter into an agreement with another council to share the performance of internal audit activities, and
- current or proposed alternative arrangements will achieve outcomes equivalent to the requirement under these Guidelines.

Under the Local Government Regulation, a council's application to the Secretary for an exemption must be in the form and contain the information specified in these Guidelines.

Where the Secretary exempts a council from a requirement under these Guidelines, the council must publish the Secretary's approval for the exemption in their annual report.

A council is not prevented from applying for a further exemption when a previous exemption expires.

Accountability

Councils that are non-compliant with statutory requirements and are not granted an exemption may face enforcement action under the Local Government Act.

Monitoring

The NSW Auditor-General may undertake an assurance role in monitoring council's compliance with the core requirements outlined in the Local Government Act, Local Government Regulation and these Guidelines.

This may include conducting sector-wide performance audits, or compliance audits of individual councils and undertaking reviews of the statutory exemptions granted by the Secretary DPIE.

Core requirement 1:

Audit, risk and improvement committee

- Each council and joint organisation has an audit, risk and improvement committee that reviews the matters referred to in section 428A of the Local Government Act

Guiding principles for audit, risk and improvement committees

- ❖ An audit, risk and improvement committee is independent of the council
- ❖ The committee is equipped with the relevant expertise and has the access to council resources and information necessary to fulfil its role and responsibilities effectively
- ❖ Each council receives relevant and timely advice and assurance from the committee on the matters listed in section 428A of the Local Government Act
- ❖ The work of the committee is thoroughly planned and executed, risk-based and linked to the council's strategic goals
- ❖ The committee adds value to the council and is held accountable by the governing body for its performance
- ❖ The council is accountable to the community for complying with statutory requirements relating to the committee.

Role and functions

Under section 428A of the Local Government Act, each council (including county councils and joint organisations) must have an audit, risk and improvement committee to independently review and advise on the following aspects of the council's operations:

- (a) compliance
- (b) risk management
- (c) fraud control
- (d) financial management
- (e) governance
- (f) implementation of the strategic plan, delivery program and strategies
- (g) service reviews
- (h) collection of performance measurement data by the council, and
- (i) any other matters prescribed by the regulation.

The Committee must also provide information to the council for the purpose of improving the council's performance of its functions.

The Local Government Regulation (clause #tbc) also requires a council's audit, risk and improvement committee to review and provide advice on the council's internal audit activities.

The audit, risk and improvement committee's role also extends to any entities established by or operated by the council.

The exact nature of each audit, risk and improvement committee's role and the specific activities it reviews on behalf of a council under section 428A of the Local Government Act will vary depending on the council's needs, risks and business functions.

These activities are to be agreed by the audit, risk and improvement committee and the council during the development of the committee's terms of reference. Suggested activities are provided in **Appendix 2**.

Level of assurance

Audit, risk and improvement committees are to have an advisory and assurance role only. They are to exercise no administrative functions, delegated financial responsibilities or any management functions for a council.

It is expected that each audit, risk and improvement committee will provide independent advice to the council that is informed by the council's internal audit and risk management activities and information and advice provided by council staff, relevant external bodies and other subject matter experts.

Workplans

Strategic work plan

It is essential that the work of the audit, risk and improvement committee is thoroughly planned and executed to ensure that no

council activity or function is missed by the committee and that councils receive value for money from their assurance investment.

A council's audit, risk and improvement committee must develop a strategic plan every four years to ensure that all the matters listed in section 428A of the Local Government Act are reviewed by the committee and internal audit function over each council term.



The plan must be developed by the audit, risk and improvement committee in consultation with the governing body, general manager, the head of the internal audit function and senior managers (where appropriate) and adopted by the governing body of the council at the start of the council term.

To maintain the independence of the audit, risk and improvement committee, the governing body of the council must be careful when adopting the strategic workplan not to direct the committee's work over the council term.

Content

The nature of the strategic plan will be commensurate with the size and complexity of the council, as well as the council's risk profile, and consistent with the requirements of the International Professional Practices Framework.

At a minimum, it should document:

- the goals and expected outcomes of the audit, risk and improvement committee for the council term
- key organisational issues and risks faced by the council and how the committee will review these, and
- key performance indicators to measure progress across council terms.

When developing the council's strategic workplan, the audit, risk and improvement committee should consider at a minimum:

- the council's strategic objectives
- risks facing the council
- the work of other review activities or functions (for example, external and

performance audits, and reviews or audits by other government agencies)

- an assurance map of the council's assurance activities which may assist to determine where the Committee's and internal audit function's work should focus, and
- stakeholder expectations.

There should also be sufficient flexibility in the strategic plan to accommodate the need for additional audits on emerging risks from time to time.

The audit, risk and improvement committee may, in consultation with the council's governing body, vary the strategic work plan at any time to address new or emerging risks.

The governing body of the council may also, by resolution, request the committee to approve a variation to the strategic work plan. However, any decision to vary the strategic work plan will rest with the committee.

When considering whether to vary the strategic work plan, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the strategic workplan.

Review

The audit, risk and improvement committee must review the four-year strategic plan at least annually to ensure that it is dynamic, relevant and aligns with the council's risk profile.

This will also ensure that the council remains on track with its audits and any slippage in progress can be quickly addressed.

Annual work plan

A council's audit, risk and improvement committee must develop an annual work plan to guide its work over the forward year.



The annual work plan must be developed by the audit, risk and improvement committee in consultation with the governing body, general manager, head of the internal audit function and senior managers (where appropriate).

The annual work plan must be consistent with the requirements of the International Professional Practices Framework and identify:

- the internal audits that will be carried out during the year to support the work of the audit, risk and improvement committee
- the key goals, objectives and scope of the proposed audits
- the resources needed for each audit (for example, staffing, budget, technology), and
- key performance indicators to measure annual progress against.

The annual work plan must be flexible enough to allow it to be reviewed and adjusted as necessary throughout the year in response to any changes to the council's risks or operations.

The audit, risk and improvement committee may, in consultation with the council's governing body vary the annual work plan to address new or emerging risks.

The governing body of the council may also, by resolution, request the committee to approve a variation to the annual work plan. However, any decision to vary the annual work plan will rest with the committee.

When considering whether to vary the annual work plan, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the annual work plan.

Performance measurement

The performance of each council's audit, risk and improvement committee and internal audit function, as well as the council, must be able to be assessed to measure progress and improvement.

The audit, risk and improvement committee must establish key performance indicators for

the council's strategic four-yearly workplan and annual work plan to enable the council to gauge the:

- performance of the Committee and internal audit function and the value they are providing the council, and
- council's performance regarding the matters listed in s428A so that the council can assess whether it is improving each council term in these areas.

These key performance indicators are to be reviewed and reset by the audit, risk and improvement committee for each annual work plan and strategic four-yearly work plan to ensure they reflect the changing needs of the council and the increased capacity of the Committee and internal audit function as they mature.

The general manager, in consultation with the audit, risk and improvement committee, must ensure that a data collection or performance management system is established and maintained to collect the data needed to measure progress against these key performance indicators.

Providing advice to the governing body

Quarterly updates

Ongoing reporting by the audit, risk and improvement committee to the governing body (and general manager) is essential for accountability and will ensure that the governing body is kept abreast of matters considered by the Committee and any emerging issues that may influence the strategic direction of the council or the achievement of the council's goals and objectives.

It will also ensure strong linkages between the audit, risk and improvement committee, the governing body and the general manager and lead to a better functioning assurance mechanism.

The audit, risk and improvement committee must provide an update to the governing body of the council of its activities and opinions after every committee meeting.

The audit, risk and improvement committee must also provide its quarterly update to the general manager to ensure they are kept abreast of issues raised and can answer any questions the governing body may have about the committee's opinions and recommendations.

The mayor can request to meet with the Chair of the audit, risk and improvement committee at any time to discuss any issues relating to the work of the committee during the quarter.

The chair of the audit, risk and improvement committee can also request to meet with the mayor at any time.

Content

The nature and content of the audit, risk and improvement committee's quarterly updates is to be determined by the governing body and the committee.

It could simply be providing a copy of the audit, risk and improvement committee's meeting minutes to the governing body if appropriate, or something more formal such as a report for noting by the governing body, or a face-to-face meeting between the committee, governing body and general manager to discuss important issues that have been identified.

Whatever the nature and form the update takes, the governing body and general manager must be advised, at a minimum, of:

- any formal resolutions of the audit, risk and improvement committee
- the committee's assessment of any audits conducted, including any breaches or lack of controls that require an immediate response from the council
- progress on the implementation of corrective actions
- opportunities for longer-term improvement, and

- any key opinions or 'take-outs' from the committee's meeting.

Should the governing body require additional information, a request for the information may be made to the Chair by resolution. The Chair may only provide the information requested by the governing body where the Chair is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act.

Individual councillors are not entitled to request or receive information from the Committee.

Annual assessment

A council's audit, risk and improvement committee must provide an annual assessment to the governing body each year.



This will ensure that the governing body of the council is fully informed of the audit, risk and improvement committee's work and its opinion on how council is performing.

The annual assessment must include:

- a summary and assessment of the work the audit, risk and improvement committee performed to discharge its responsibilities during the preceding year
- an overview and assessment of the work of the internal audit function
- progress against key performance indicators
- advice on the appropriateness of the committee's terms of reference
- an independent assessment and advice on the matters considered by the committee during the year that, in the committee's opinion, and based on the level of risk facing the council, the governing body should be informed of, and
- other views or opinions of the council that the committee wishes to impart.

Before providing their annual assessment to the governing body, the audit, risk and improvement committee must provide a copy

of its annual assessment report to the general manager to enable them to develop an action plan to address any issues identified.

Both the audit, risk and improvement committee's annual assessment and the general manager's action plan can then be considered jointly by the governing body at an annual assurance meeting with the committee and the general manager.

Annual assurance meeting

It would be beneficial for the audit, risk and improvement committee, governing body and general manager to come together annually to discuss the committee's annual assessment of the council, how the council proposes to respond to the committee's recommendations for corrective actions and other important internal audit and risk management matters.

The governing body may wish to hold an extraordinary or additional meeting each year for this purpose.

The annual assurance meeting should also discuss:

- the audit, risk and improvement committee's annual plan and review priorities for the upcoming year, for the approval via resolution of the governing body
- any resourcing issues for the internal audit or risk management functions that the committee considers the governing body should be informed of
- any updated committee terms of reference, for approval via resolution by the governing body, and
- the general manager's annual assessment of the council's risk management function (see core requirement 2).

The mayor, chair of the audit, risk and improvement committee and general manager can invite observers or other participants to the meeting where appropriate.

Strategic assessment

A council's audit, risk and improvement committee must provide to the governing body of the council a comprehensive independent assessment every council term (i.e. four years) of all the matters listed in section 428A of the Local Government Act.



This will ensure that the governing body of the council is fully informed of the council's performance in relation to the matters specified in section 428A of the Local Government Act and what corrective actions are required to address any issues identified.

It will also provide the governing body with essential information that will assist with strategic decision-making and resource allocation during the next council term.

Before providing their strategic assessment to the governing body, the audit, risk and improvement committee must provide a copy of its report to the general manager to enable the general manager to develop an action plan to address any issues identified during the next council term.

Given the audit, risk and improvement committee's functional responsibility for the internal audit function of the council, the committee must also develop an action plan for the governing body to address any internal audit issues identified by the Committee.

The audit, risk and improvement committee's strategic assessment and the action plans can be considered jointly by the governing body at a strategic assurance meeting held every four years.

Strategic assurance meeting

It would be beneficial for the audit, risk and improvement committee, governing body and general manager to come together at the close of the council term or commencement of the new council term to discuss the committee's strategic assessment of the council, how the council proposes to respond to the committee's recommendations during the next

council term and any other important internal audit and risk management issues.

This discussion can also inform the strategic plans to be made through the integrated planning and reporting process for the next council term.

The governing body may wish to hold an extraordinary or additional meeting for this purpose.

The four-yearly assessment meeting could also discuss:

- the audit, risk and improvement committee's four-yearly strategic plan for the upcoming council term, for approval by resolution of the governing body
- a four-yearly review of the committee's terms of reference, for noting by the governing body and where applicable, an updated terms of reference for approval by resolution
- the governing body's four-yearly review of the committee's performance and action plan to address any issues identified, for approval by resolution of the governing body
- the Office of Local Government's determination of which tier the council is assigned to for the next council term for the purpose of structuring their committee.

Terms of Reference

It is important that each audit, risk and improvement committee has clear guidance on how it should serve the council, and that the council has input into how the committee will operate given its investment.

This will ensure there is no ambiguity between the council and the audit, risk and improvement committee, and that the council can measure the committee's performance.

The Local Government Regulation (clause #tbc) requires a council's audit, risk and improvement committee to operate according to terms of reference consistent with the approved Model Terms of Reference provided at Appendix 3.



The audit, risk and improvement committee's terms of reference can include additional provisions that are not inconsistent with the approved Model Terms of Reference or other requirements.

The terms of reference are to be approved by resolution of the governing body and reviewed annually by the audit, risk and improvement committee, and once each council term (i.e. four years) by the governing body.

Structure

Each council will have different audit, risk and improvement committee requirements depending on the council's size, needs, budget and the complexity of its operations.

For this reason, councils can either:

- establish an audit, risk and improvement committee for its own exclusive use, or
- share their committee with another council, county council or joint organisation under section 428B of the Local Government Act.

When deciding the most appropriate way to structure a council's audit, risk and improvement committee, the general manager should consider the viability and capacity of a shared committee to achieve its terms of reference given the:

- size of the council in terms of both staffing levels and budget
- geographical and functional distribution of the council's operations
- complexity of the council's core business
- risk profile of the council
- expectations of stakeholders, and
- likely demands placed on the committee by other councils in the shared arrangement.

Size and composition

Each council, county council and joint organisation has been categorised as a tier 1 (lowest), tier 2 (middle) or tier 3 (highest) council for the purposes of determining the size and composition of their audit risk and improvement committee.

These categories are detailed in **Appendix 4**.

This categorisation is based on:

- the population, population density and annual population growth or the local government area
- the proximity of the local government area to an urban or regional centre
- the council's financial status (including operating revenue and expenses)
- the grouping of the council with other similar councils according to the *Your Council* website
- the remuneration categories determined by the Local Government Remuneration Tribunal, and
- an understanding by the Office of Local Government of the council's overall performance and risk profile.

The Local Government Regulation (clause #tbc) requires each council to appoint an audit, risk and improvement committee that has three or more members according to the council's categorisation under these Guidelines as a tier 1, tier 2 or tier 3 council.



This is to ensure that the requirements of a council's audit, risk and improvement committee are appropriate for the council's size, risk profile, operational complexity, resources, and its ability to attract suitably qualified committee members.

While there are a number of significant differences in the size and composition of audit, risk and improvement committees established by councils under each tier, councils and joint organisations in all tiers must comply with the following requirements:

- the chair of the audit, risk and improvement committee must:
 - meet the independence requirements for committee members, and
 - be prequalified as a chair under the NSW Government's *Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members* ('prequalification scheme') (unless exemption applies)
- all other voting members must meet the independence requirements for committee members (see below)
- the Local Government Regulation (clause #tbc) allows each committee to have an optional non-voting councillor member that meets the committee's eligibility criteria for councillor members (see below), and
- the size and composition requirements of a committee are the same whether the committee is established by a council for its exclusive use or as part of a shared arrangement.

The minimum requirements for the composition of audit risk and improvement committees in each tier are set out below. It should be noted that these are the minimum requirements.

Councils can establish larger committees and include more prequalified committee members than required should they choose to do so.

Tier review

The tier each council has been placed in will be reviewed by the Office of Local Government each council term.

Any changes must be considered by councils as part of their four-yearly review of the audit, risk and improvement committee. Where a council is re-categorised by the Office of Local Government to a higher or lower tier, the council will need to review the structure and composition of its audit, risk and improvement committee to comply with the requirements of the tier it has been placed in.

The governing body of a council can determine via resolution to either:

- comply immediately – i.e. vacate all the redundant membership positions and appoint new members that comply with the new requirements at the same time, or
- comply later - stagger compliance by allowing existing members to complete their current terms and ensure any members appointed thereafter comply with the new requirement.

Where compliance is staggered, the council can request an exemption from the Secretary DPIE from complying with the new requirement in relation to the committee's composition as part of the attestation process.

Any exemption granted will apply for two reporting periods (i.e. two years).

Councils that are categorised in a higher tier may maintain their existing arrangements where they are reviewed by the Office of Local Government and placed in a lower tier should they choose to do so.

General purpose councils

Tier 1 councils

All councils that are categorised as a tier 1 council are required at a minimum to have an audit, risk and improvement committee that has:

- 3 independent voting members comprising:
 - 1 chair prequalified under the NSW Government's prequalification scheme
 - 2 independent persons that meet the eligibility criteria for non-prequalified committee members (see below), and
- (optional) 1 non-voting councillor that meets the eligibility criteria for councillor members (see below).

Exemptions

It is recognised that some small councils located in remote local government areas may find it difficult to attract and retain a

prequalified chair for their audit, risk and improvement committee.

Whilst prequalification is preferred, where a tier 1 council is unable to appoint a prequalified chair, the council can apply to the Secretary DPIE for an exemption from this requirement.

The council's application for an exemption must:

- be in writing
- outline the efforts the council has made to appoint a prequalified chair, and
- outline the reasons why the council has been unsuccessful.

The council must also demonstrate to the Secretary that any alternative chair recommended for appointment meets the following eligibility criteria:

- strong leadership qualities
- the ability to promote effective working relationships among audit, risk and improvement committee members and with the council's internal audit function and external auditor
- the ability to communicate complex and sensitive issues in a tactful manner to the governing body, general manager and council staff
- an understanding of the duties and responsibilities of the position
- a sound understanding of the council and local government
- functional knowledge in areas such as:
 - financial management and reporting
 - accounting
 - governance (including planning, reporting and oversight)
 - internal and external audit
 - performance management
 - human resources management
 - risk management
 - internal control frameworks
- they can lead effective committee meetings, and
- they have appropriate qualifications or membership to a certifying body (desirable).

Where a council is granted an exemption from this requirement by the Secretary, the exemption will apply for the duration of the chair's term.

Exemptions will only be granted in exceptional circumstances.

The Secretary may consult with the administrator of prequalification scheme when making its exemption determination.

Tier 2 councils

All councils that are categorised as a tier 2 council are required at a minimum to have an audit, risk and improvement committee that has:

- 3 voting members comprising:
 - 1 independent chair prequalified under the NSW Government's prequalification scheme
 - 1 independent member prequalified under the NSW Government's prequalification scheme
 - 1 independent person that meets the eligibility criteria for non-prequalified committee members (see below), and
- (optional) 1 non-voting councillor that meets the eligibility criteria for councillor members (see below).

Tier 3 councils

All councils categorised as a tier 3 council are required to have an audit, risk and improvement committee that has:

- 3-5 voting members comprising:
 - 1 independent chair prequalified under the NSW Government's prequalification scheme
 - A minimum of 2 independent members prequalified under the NSW Government's prequalification scheme, and
- (optional) 1 non-voting councillor that meets the eligibility criteria for councillor members (see below).

The audit, risk and improvement committee appointed by Tier 3 councils should be large enough to represent a balance of views and

experience, but also small enough to operate effectively.

The governing body is to determine the exact size of the audit, risk and improvement committee (3-5 members) in consultation with the chair of the committee and general manager, taking into account the needs and risk profile of the council, and likely workload of the committee.

County councils

Given their lower risk profile, resource base and operational complexity, county councils are categorised as either tier 1 or tier 2 councils for the purpose of establishing their audit, risk and improvement committee.

Whilst a tier 1 county council can establish an audit, risk and improvement committee for its own exclusive use, for administrative and cost efficiency, it is recommended that tier 1 county councils utilise the committee of a member council/s under an independent shared arrangement (see below).

Joint organisations

Given their lower risk profile, resource base and operational complexity, joint organisations are categorised as tier 1 councils for the purpose of establishing an audit, risk and improvement committee.

Where a joint organisation has not established an audit, risk and improvement committee within the joint organisation for its member councils as part of a joint organisation shared arrangement, for administrative and cost efficiency, it is recommended that a joint organisation utilise a committee established by one of its member councils as part of an independent shared arrangement (see below).

To ensure the audit, risk and improvement committee has an understanding of the interrelationships and needs of the joint organisation and its member councils, and of wider regional priorities, joint organisations must only enter into an independent shared arrangement with a member council/s.

Shared committees

Under the Local Government Act (section 428B) and Local Government Regulation (clause #tbc) councils can share an audit, risk and improvement committee. Council can:

- share their committee with another council/s, county council/s and/or joint organisation/s as part of an independent shared arrangement
- utilise a committee established by their joint organisation that is shared with all member councils
- for county councils - share their committee with a member council, or
- for joint organisation - share their committee with a member council.

These options allow councils to establish and operate their audit, risk and improvement committee in a more cost-effective way.

For all shared audit, risk and improvement committees:

- the committee must operate as an individual committee for each council in any shared arrangement and exercise their functions for each council individually
- a shared committee should only be established and utilised by councils where the committee can maintain a strong understanding of each participating council's assurance needs and is able to meet these needs
- a shared committee should only be established and utilised by councils where the committee can maintain an effective working and reporting relationship with the general manager and governing body of each participating council
- councils that are in different tiers but share their internal audit function can, but are not required to, also share their committee
- where a committee is shared by councils that are in different tiers, the requirements for the higher tier will apply to all participating councils (including joint organisations and county councils)
- councils that share their Committee, can but are not required to, also share the committee's secretariat, and

- councils should develop and sign a formal agreement with the other councils in the shared arrangement which outlines how the shared arrangement will operate and costs shared.

Where a joint organisation establishes an audit, risk and improvement committee to serve its member councils, it is at each member council's discretion whether they utilise the shared committee.

Shared councillor members

It is important to note that where an audit, risk and improvement committee is shared between councils as part of an independently established shared arrangement, or an arrangement established by a joint organisation, and the councils elect to have a councillor member on the committee, the councillor member will not be shared by councils.

To maintain the confidentiality of the business of each council in the shared arrangement considered by the shared committee:

- the governing body of each council is to appoint one councillor member to serve on the audit, risk and improvement committee for that council only
- the councillor member is to only attend committee meetings for their council, and
- the councillor member is to receive information pertaining to their council only.

For joint organisations, the elected councillor member will be a voting representative of the board.

Shared independent members

Unlike councillor members, the chair and independent members of shared audit, risk and improvement committees will serve all councils participating in the shared arrangement.

For audit, risk and improvement committees appointed as part of an independent shared arrangement, the councils in the shared

arrangement are to mutually agree to the independent members that will be appointed to these roles, and each council is to confirm their appointment by resolution.

For audit, risk and improvement committees appointed as part of an arrangement established by a joint organisation by its member councils, the board of the joint organisation will appoint the chair and independent members of the committee by resolution on behalf of member councils under delegation from the member councils.

Independence requirements

All audit, risk and improvement committee voting members must be independent to ensure they have no real or perceived bias or conflicts of interest that may interfere with their ability to act independently and can provide the council with robust, objective and unbiased advice about how the council is functioning.

Each council must ensure that the chair and any voting member appointed to the council's audit, risk and improvement committee meets the following independence criteria.



The independent voting committee member cannot:

- currently be a councillor of any NSW council
- be a non-voting representative of the board of a joint organisation
- be a candidate at the last election of the council
- be a person who has held office in the council during its previous term
- be currently employed by the council or a joint organisation, or been employed during the last 12 months
- conduct audits of the council on behalf of the Audit Office of NSW
- have a close personal or business relationship with a councillor or a person

who has a senior role in the council that may lead to a real or perceived conflict of interest

- currently, or within the last three years, provided any material goods or services (including consultancy, legal, internal audit and advisory services) to the council which directly affect subjects or issues considered by the audit, risk and improvement committee
- be (or have a close family member who is) a substantial shareholder, owner, officer or employee of a company that has a material business, contractual relationship, direct financial interest or material indirect financial interest with the council or a related entity which could be considered a real or perceived conflict of interest, or
- currently or have previously acted as an advocate of a material interest on behalf of the council or a related entity which could be considered a real or perceived conflict of interest.

Both the governing body of the council and the general manager must ensure that adequate procedures are in place to preserve the independence of the chair and members of the audit, risk and improvement committee.

Likewise, the chair and members must notify the governing body and/or general manager if a real or perceived threat to their independence arises.

Eligibility requirements

The persons appointed as a chair or a member of an audit, risk and improvement committee must possess the skills, knowledge and experience necessary to undertake their roles on the committee effectively and to ensure the committee is able to operate appropriately and effectively to support the council.

A poorly skilled audit, risk and improvement committee may not be able to provide the assurance needed by the council and may lead to sub-optimal outcomes that jeopardise the

council's capacity to achieve its strategic objectives.

Councils must ensure that the chair and other members of the council's audit, risk and improvement committee meet the below eligibility criteria.



Prequalified members

In addition to meeting the independence requirements listed above, prequalified audit, risk and improvement committee voting members must be sourced from the NSW Government's prequalification scheme.

Individuals that have been prequalified under the scheme have been assessed by an independent expert panel convened by the NSW Government as having the skills, knowledge and experience to perform the role as a chair or member of a council's audit, risk and improvement committee.

A person prequalified under the scheme as a 'committee member' can only be appointed as a member of an audit, risk and improvement committee – they cannot be appointed as the chair.

Similarly, only a person pre-qualified as a 'chair' can be appointed as the chair of an audit, risk and improvement committee. To preserve their independence, and as a condition of the prequalification scheme, prequalified members can be appointed to up to (#tbc) separate audit, risk and improvement committees in the NSW public sector and the NSW local government sector.

Non-prequalified members

In addition to meeting the independence requirements listed above, non-prequalified audit, risk and improvement committee voting members must satisfy the following eligibility criteria to be appointed as a committee member.

They must:

- have the qualities and personal attributes needed to serve the council effectively in their role as a committee member
- have a functional knowledge in areas that would provide a valuable contribution to the committee and council such as:
 - local government
 - internal audit and external audit
 - risk management
 - governance
 - performance management
 - financial management and reporting
 - accounting
 - human resources management
 - internal control frameworks
 - fraud and corruption prevention
 - IT/cyber security
 - the local community, or
 - another relevant subject matter, and
- undertake any training on the operation of audit, risk and improvement committees recommended by the chair based on their assessment of the skills, knowledge and experience of the committee member.

A member of an audit, risk and improvement committee must also demonstrate the following personal qualities and attributes:

- a commitment to the independence of their role
- integrity
- a capacity to dedicate sufficient time and energy
- financial literacy, including an ability to read or understand basic financial statements, ask pertinent questions about them, and interpret and evaluate answers
- an ability to give direct and honest opinions and offer different perspectives and constructive suggestions, and
- inquisitiveness and independent judgment.

Councils must undertake a criminal record and financial status (bankruptcy) check of an independent non-prequalified audit, risk and improvement committee member before their appointment.

Councillor members

Non-voting councillor members must satisfy the following eligibility criteria to be appointed as an audit, risk and improvement committee member. They must:

- be financially literate
- have a good understanding of one or more of the following that would provide a valuable contribution to the committee:
 - internal audit and external audit
 - risk management
 - governance
 - performance management
 - financial management and reporting
 - accounting
 - human resources management
 - internal control frameworks
 - fraud and corruption prevention
 - IT/cyber security
 - the local community, or
 - another relevant subject matter, and
- undertake any training on the operation of audit, risk and improvement committees recommended by the chair based on their assessment of the skills, knowledge and experience of the committee member.

The mayor cannot be appointed as a councillor member on a council's audit, risk and improvement committee.

Appointment

Audit, risk and improvement committee chairs and members are appointed by a resolution of the governing body of the council.

The governing body should first appoint the chair of the audit, risk and improvement committee, who is to then assist in the selection and appointment of the other independent committee members.

Skills mix

When selecting individual audit, risk and improvement committee members, the

governing body of the council is required to ensure that the committee has the appropriate mix of skills, knowledge and experience to successfully implement its terms of reference and add value to the council.

The audit, risk and improvement committee should have:

- at least one member with financial expertise (for example, a qualified accountant or auditor or other financial professional with experience of financial and accounting matters), and
- a mix of skills and experience in:
 - business
 - financial and legal compliance
 - risk management, and
 - internal audit, and
 - any specialised business operations of the council, where the committee would benefit from having a member with skills or experience in this area (for example, IT skills or experience where IT systems have an important role in the council's business).

All audit, risk and improvement committee members should have sufficient understanding of the council's financial reporting responsibilities to be able to contribute to the committee's consideration of the annual financial statements.

Each individual should also have sufficient time to devote to their responsibilities as an audit, risk and improvement committee member. Where possible, the governing body should ensure that at least one other audit, risk and improvement committee member is also qualified to act as the chair, if this is ever required.

Letter of appointment

The appointment of chairs and members of audit, risk and improvement committees should be formalised in an official letter of appointment signed by the mayor of the council.

The letter of appointment should set out the terms and conditions of the appointment including:

- duration of appointment
- role and responsibilities
- timing and location of meetings
- time commitment
- remuneration
- the management of conflicts of interest
- confidentiality
- performance appraisal, and
- termination of appointment.

Induction

Induction of all new audit, risk and improvement committee members is vital to ensure they 'hit the ground running' in their role.

The chair is to provide a thorough induction to each new member of the audit, risk and improvement committee to ensure they understand:

- the committee's role, responsibilities and terms of reference
- the business, operations, culture, risks and controls of the council, and
- the expectations of the council about their responsibilities and performance.

This will include providing new members with any background information or documentation necessary to ensure they understand the work of the audit, risk and improvement committee.

It may also be appropriate for more detailed information or presentations to be provided from various senior staff to assist the new member to understand the operations of the council and any key challenges.

New audit, risk and improvement committee members also have an obligation to ensure that they have an appropriate understanding of the council, including its:

- operations, functions, service delivery
- key areas of risk
- internal controls, and
- financial reporting systems.

The mayor, general manager and existing chair (where appropriate) will induct a new chair.

Membership terms

Voting members

To ensure the audit, risk and improvement committee continues to offer new perspectives and remains independent, it is important that committee members are rotated periodically to maintain a fresh approach and avoid any perceptions of bias or conflicts of interest.

Councils are to ensure that chairs and members serve the following time-limited terms to facilitate a rotation of knowledge and perspectives.



The initial term of membership on an audit, risk and improvement committee is four-years (one council term).

Audit, risk and improvement committee members can be reappointed for a further term but the total period of continuous membership on the committee cannot exceed eight years (two council terms). This includes any term as chair of the committee.

Individuals who have served an eight-year term (either as a member or chair) must have a two-year break from serving on the audit, risk and improvement committee before being appointed again.

Care is to be taken to ensure that membership renewal dates are staggered so knowledge of the council's operations, financial reporting structure and other important aspects are not lost to the audit, risk and improvement committee when members change.

Ideally, no more than one member should leave the committee because of rotation in any one year.

Exemptions

If a tier 1 council is unable to replace the chair or members of its audit, risk and improvement

committee when their maximum term limit has been reached, the council can seek the approval of the Secretary DPIE to extend their term or to reappoint the chair or committee member for a further term.

The council's request must:

- be in writing
- describe the efforts the council has made to appoint a different member, and
- explain why the council has been unsuccessful.

Exemptions will only be granted in exceptional circumstances.

Chair

To ensure that the committee maintains a fresh approach, the initial term of a chair of an audit, risk and improvement committee on any one audit, risk and improvement committee is four-years (one council term).

The chair can be reappointed as chair for a further term but the total period served by a chair cannot exceed eight years (two council terms).

Where the chair's term expires and another chair is appointed, it is the responsibility of the outgoing chair to ensure the incoming chair is fully briefed on the ongoing work of the audit, risk and improvement committee.

This includes advising the incoming chair of:

- any activity that may be relevant to the ongoing functioning of the committee, and
- any outstanding matters of high risk to the council and outstanding audit recommendations.

Councillor members

The initial term of a councillor member of an audit, risk and improvement committee is four years, coinciding with the term of the council.

The councillor member can be reappointed for another term (i.e. four-years), if re-elected at the council's next ordinary election, but the total period of continuous membership on the

committee cannot exceed eight years (two council terms).

The councillor member is to be appointed by the governing body at the first meeting of the council after the ordinary election.

The councillor member's term ends at the end of the council term.

Reappointment

Prior to approving the reappointment or extension of the chair or an independent member's term, the governing body of the council must undertake an assessment of the chair's or committee member's performance.

The council may engage an external reviewer to undertake this assessment if they choose.

In undertaking the assessment, the council, or any person appointed to undertake the assessment on behalf of the council, must consult with and consider the views of the chair (in the case of the reappointment or extension of the term of a committee member other than the chair), the general manager and any councillor member of the committee. The reappointment of members is also to be subject to the individual still meeting independence and eligibility requirements.

Fees

The fees a council pays to its chair and independent voting members of its audit, risk and improvement committee are to be agreed by the council and the Chair or member and reflect the time, commitment and responsibility involved in serving on the committee.

Chairs and members can serve on a committee on a voluntary basis if they choose to.

Councils should consider the fees payable under the prequalification scheme when determining the fees paid to prequalified chairs and members.

Superannuation

Councils are obliged under the *Superannuation Guarantee Administration Act 1992* to make compulsory superannuation guarantee contributions on behalf of audit, risk and improvement committee chairs and voting members

Roles of committee members

Chair

The position of the chair of an audit, risk and improvement committee is pivotal to the committee's effectiveness and is the focal point for the committee's relationship with the council, the internal audit function and external auditor.

The chair acts as the interface between the audit, risk and improvement committee and the general manager and other staff, the governing body, the external auditor, and the internal audit function.

Any individual audit, risk and improvement committee member who wishes to meet with the general manager or governing body of the council to discuss any issues relating to the committee's responsibilities is to do so through the chair of the committee, and vice versa.

To be successful in their role, a chair must:

- have strong leadership qualities
- have the personal courage to raise and deal with tough issues and express opinions frankly, and to support other committee members to do the same
- be able to recommend the appointment of committee members to the governing body
- maintain effective working relationships between committee members and with the council
- keep the governing body and general manager informed and brief them on the

strategic and technical aspects of internal audits and risk and control issues

- lead effective committee meetings including:
 - planning for and setting agendas for meetings, ensuring committee members are adequately informed of matters to be considered prior to meetings and allowing sufficient time for discussion of those matters at the meeting
 - ensuring the meeting runs smoothly and that the views of members are heard
 - focus the committee's deliberations on the most important issues
 - seek the input of advisers, observers and other experts to maximise committee deliberations
 - summarise discussion outcomes and actions, including assigning responsibility and timeframes for actions
- maintain an effective working relationship with the council's external auditor
- oversee the internal audit function and be alert to external accountability and internal audit concerns
- arrange for all committee members to maintain an up-to-date knowledge of the council and its activities, including any financial or regulatory developments, and
- know the strengths and weaknesses of the committee, and individual committee members and how this may affect the opinions of the committee.

Independent members

Independent audit, risk and improvement committee members are expected to be able to assess information provided to them about the council and to identify and assess key risks and issues.

Each member should be capable of making a valuable contribution to the committee.

To be successful in their role, a member must:

- take a professional approach to their responsibilities, including an appropriate commitment of time and effort

- know the business, culture and values of the council and take the time to understand changes that affect how the council operates and its risks
- have sufficient understanding of the council's financial reporting responsibilities to be able to contribute to the committee's consideration of the annual financial statements
- understand the role of the committee and the expectations of the council
- act in the best interests of the council
- take a professional approach
- be a good communicator and build effective relationships with the council and other committee members, and
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry.

Councillor members

Councillor members of audit, risk and improvement committees are non-voting members of committees. This is to ensure that decision making by the committee is independent of the council.

Councillor members of committees act as an important link between the governing body and the committee.

Their role is to:

- relay to the committee any concerns the governing body may have regarding the council and issues being considered by the committee
- provide insights into local issues and the strategic priorities of the council that would add value to the committee's consideration of agenda items
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee each council term.

Issues or information councillor members raise with or provide the audit, risk and improvement committee must relate to the matters listed in section 428A of the Local Government Act, the committee's terms of reference and issues being considered by the Committee.

Councillor members of audit, risk and improvement committees are not entitled to receive information about audit, risk and improvement committee activities outside of established reporting requirements.

Councillor members of audit, risk and improvement committees must conduct themselves in a non-partisan and professional manner.

Councillor members of committees must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

Where councillor members of audit, risk and improvement committees engage in such conduct or in any other conduct that may bring the committee and its work into disrepute, the chair may recommend to the council, that the councillor member be removed from membership of the committee.

Where the council does not agree to the chair's recommendation, it must give reasons for its decision in writing to the chair.

Key relationships

General manager

A key role of audit, risk and improvement committees is to act as an independent source of advice and opinion to both the governing body and the general manager, and to act as a forum for the resolution of any disagreements between the council and internal audit function.

The general manager, in turn, also has a key role in supporting the work and effectiveness of the audit, risk and improvement committee.

To be effective, audit, risk and improvement committees need to maintain a positive working relationship with the general manager (and vice versa) and view them as a significant source of advice and information about the council and its operations.

Chairs of audit, risk and improvement committees should meet regularly with general managers to discuss key issues and review performance.

External audit

There are strong linkages between the work of councils' audit, risk and improvement committees and their external auditor and committees should actively engage with the external auditor.

Councils' external auditor can offer valuable insights on issues such as the effectiveness of the council's risk, controls, financial reporting, and compliance frameworks.

For the external auditor, communication with the audit, risk and improvement committee can in turn facilitate an effective and efficient audit and assist the communication of matters arising from the external audit to the council.

Audit, risk and improvement committees should:

- provide input on, and discuss, planned financial and performance audit coverage
- monitor councils' responses to financial statement management letters and performance audit reports, including the implementation of audit recommendations
- provide advice to the council on action taken on significant issues raised in relevant external auditor reports or better practice guides, and
- have a voting-members only meeting with the external auditor at least once per year so that the committee can obtain the views of the external auditor without internal audit or management advisers being present.

Internal audit

The audit, risk and improvement committee should maintain a strong, positive relationship with the council's internal audit function and view it as a significant source of information about what is going on in the council.

The internal audit function can also assist the audit, risk and improvement committee to develop the annual and four-yearly workplans that will guide the committee's and internal audit function's work.

The chair of the audit, risk and improvement committee should routinely meet with council staff undertaking internal audit activities to discuss key issues and review performance if needed.

At least one private meeting should be held each year and any potential compromises to the internal audit activity's independence reported.

More information about this is provided in core requirement 3.

Meetings

The audit, risk and improvement must meet at least quarterly over the course of each year.

The chair of the audit, risk and improvement committee is to decide the frequency and timing of the committee's meetings and plan them annually in advance to ensure the availability of all members and observers.

Generally, meetings should correspond with major phases of the council's financial reporting, external audit and internal audit cycles.

For example, the audit, risk and improvement committee should meet to review the council's financial statements before they are certified by the council.

Audit, risk and improvement committee meetings should also correspond with meetings of the governing body, and allow

sufficient time between audit, risk and improvement committee meetings and council meetings for the committee to action any items and prepare any reports that are to be provided to the governing body at the council meeting.

Special meetings may be held, if needed, to review the council's financial statements prior to them being submitted to the governing body of the council, or to consider the audit, risk and improvement committee's annual or four-yearly assessments.

Audit, risk and improvement committee meetings can be held in person, by telephone or videoconference.

The audit, risk and improvement 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 or the general manager.

The governing body can also resolve to request the audit, risk and improvement committee to hold an additional meeting.

Where such a request is made, the chair can decide whether the additional meeting is required, taking into consideration the issues that the governing body has requested the audit, risk and improvement committee to consider at the meeting.

Proxies

As audit, risk and improvement committee members are appointed on the basis of their skills, knowledge and personal qualities, proxies are not permitted to attend meetings on behalf of members who are unable to attend.

Quorum

A quorum consists of a majority of audit, risk and improvement committee independent voting members.

Where the vote is tied, the chair is to have the casting vote.

Agenda

Forward agenda

The chair should prepare a 12-month forward meeting agenda to ensure that the audit, risk and improvement committee covers all its responsibilities at the appropriate time of the year.

For example, the forward agenda will set out, at the appropriate meeting, the various internal and external audit reports and management responses to be tabled and discussed.

It will also allocate appropriate time for a review of the progress of the internal audit function against the annual work plan, and to follow-up the implementation of corrective actions.

Meeting agenda

The chair of the audit, risk and improvement committee is to determine the agenda for each committee meeting.

It is recommended that the chair consult with other committee members, the general manager, the head of the internal audit function and external auditor prior to setting the agenda so that any urgent issues or risks that arise can be included.

The chair of the audit, risk and improvement committee is to decide an appropriate timescale for receiving the final agenda in the lead-up to the meeting.

Papers

The audit, risk and improvement committee is to decide in consultation with the general manager and the head of the internal audit function an appropriate timeframe for receiving papers and other necessary information to support agenda items to be considered at each committee meeting.

Minutes

Each audit, risk and improvement committee meeting must be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.

Audit, risk and improvement committee meeting minutes must:

- include a record of attendance
- cover each agenda item and document the discussion held and the outcome or conclusion from the discussions, including any recommendations, action points and/or allocation of tasks to relevant people
- be approved by the chair before circulation
- be provided to committee members, the governing body of the council, the general manager, the head of the internal audit function and external auditor
- be provided soon after the meeting date to ensure relevant individuals are made aware of any significant issues discussed at the meeting that need to be dealt with. The exact time period is to be determined by the committee and the general manager.

The minutes must be confirmed as an accurate record of the meeting at the next meeting of the audit, risk and improvement committee.

If any important details have been incorrectly recorded or omitted, they can be discussed and the minutes amended prior to confirmation at a subsequent meeting.

After the minutes are confirmed as an accurate record of the meeting, they must be signed by the chair.

All audit, risk and improvement committee members and observers should receive a copy of the minutes of all meetings.

Attendance of observers

Due to the sensitive nature of issues to be discussed, audit, risk and improvement committee meetings should not be open to the public.

In addition to audit, risk and improvement committee members, the general manager and the head of the internal audit function are to attend committee meetings as non-voting observers.

The NSW Auditor-General, as council's external auditor, or their representative, is to be invited to each committee meeting as an independent non-voting observer and can choose whether to attend.

The chair of the audit, risk and improvement committee can request the following people to attend a committee meeting or to meet with the committee in order to provide additional information relevant to its role:

- council's chief financial officer (or equivalent) given their knowledge of, and responsibility for, council's financial management
- the head of the council's risk management function
- senior managers
- any councillor
- any employee or contractor of the council, and/or
- any external independent expert or external party whose advice is needed (subject to confidentiality considerations).

These individuals must attend meetings where requested and, as far as is practicable, provide the information requested.

Observers have no voting rights at audit, risk and improvement committee meetings and can be excluded from a meeting by the chair of the committee at any time where necessary.

Private meetings

The audit, risk and improvement committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

In addition to attending audit, risk and improvement committee meetings, the committee can meet privately at any time with the head of the internal audit function and/or

external auditor without the general manager present. At least one private meeting must occur annually.

- ensuring new members receive appropriate induction, and
- managing expenditures relating to the committee.

Confidentiality

It is at the discretion of the governing body of the council whether audit, risk and improvement committee agendas, business papers, minutes and other reports are made available to the public.

Given the sensitivity of information it is likely to contain, it is recommended that all information pertaining to the audit, risk and improvement committee and internal audit activities is to be treated as confidential unless otherwise determined by the committee or a resolution of the council.

Shared arrangements

If the audit, risk and improvement committee has been established by a joint organisation, the executive officer of the joint organisation is responsible for organising secretariat support.

Councils that share their audit, risk and improvement committee can also share their secretariat function if they choose to.

Secretariat

The general manager of a council is to appoint a council employee/s to provide secretariat support to the audit, risk and improvement committee.

The main functions of this role are:

- liaising with the chair to prepare agendas for audit, risk and improvement committee meetings
- ensure that committee papers are of an appropriate standard and provided with enough time to allow appropriate review and consideration
- recording minutes of meetings
- providing assistance to the chair in arranging meetings and council site visits
- supporting the chair to prepare reports for the council
- arranging appropriate meeting facilities and equipment
- keeping members abreast of developments affecting the council that may relate to the work of the committee
- maintaining a record of when member's terms of appointment are due for renewal or termination

Access to council, staff, resources and information

It is essential for the audit, risk and improvement committee to be able to access the staff and information about the council it needs to review the matters listed in section 428A of the Local Government Act and the resources necessary to undertake its other responsibilities.

Council staff

A council's audit, risk and improvement committee must have direct and unrestricted access to the general manager and senior management of the council in order to fulfil its responsibilities.



Should the audit, risk and improvement committee need to meet with another council staff member or contractor to obtain information to fulfil its role, the chair of the committee is to obtain permission from the general manager before inviting the staff member or contractor to meet with the Committee.

Subject to the general manager's permission being given, the staff member or contractor must attend.

Any disputes between the general manager and audit, risk and improvement committee regarding access to council staff are to be resolved by the governing body.

Council resources and information

A council's audit, risk and improvement committee must have direct and unrestricted access to any council resources or information it needs to fulfil its responsibilities.



In its dealings with the council, the audit, risk and improvement committee should be mindful of the environment the council is operating in and the priorities that the general manager needs to manage.

The audit, risk and improvement committee should therefore keep to a minimum the demands it places on the council and utilise as far as is practicable, existing information to obtain the necessary level of assurance in relation to its responsibilities.

The audit, risk and improvement committee may only release council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the general manager, except when it is being provided to an external investigative, audit or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

After their engagement ends with a council, a chair or member of an audit, risk and improvement committee must not disclose or make use of any confidential information acquired in the course of their engagement with the council without the approval of the council.

External advice

The audit, risk and improvement committee can obtain any external legal or other professional/expert advice it needs to exercise its responsibilities. For example, where a council has implemented a specialised IT system, the committee can seek the expert opinion of an IT specialist to assist its review of its implementation.

To minimise the potential costs to council, the governing body and the chair of the audit, risk and improvement committee must agree at the start of each council term how costs are to be met, i.e.:

- the governing body will set a fixed budget at the start of each council term for external expenses, or
- the committee will seek the governing body's permission prior to engaging external advice.

Disputes

Members of an audit, risk and improvement committee should maintain an effective working relationship with each other and the council and try to resolve any differences they may have professionally.

In the event of a disagreement between the audit, risk and improvement committee and the general manager or other senior managers (for example, about findings or recommendations of audits), the dispute is to be resolved by the governing body of the council.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Secretary DPIE in writing.

Conduct

Audit, risk and improvement committee members are to be held to the same ethical and behavioural standards as other officials of

the council and must comply with the council's code of conduct.

As required under the council's code of conduct, audit, risk and improvement committee members (a well as any council officials attending as observers) must declare and appropriately manage any conflicts of interest they may have in matters being dealt with by the committee.

Declarations of conflicts of interest and the actions taken to manage them must be recorded in the minutes of meetings.

Councils should identify the chairs and members of audit risk and improvement committees as 'designated persons' for the purposes of the council's code of conduct and require them to complete and submit returns of their interests.

Complaints of breaches of the council's code of conduct by audit, risk and improvement committee members are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*.

Under the Procedures, the general manager is responsible for managing and resolving any code of conduct complaints made against audit, risk and improvement committee members.

However, to safeguard the independence of audit, risk and improvement committee members, the general manager must consult with the governing body of the council prior to taking disciplinary action against Committee members under the Procedures.

Prequalified audit, risk and improvement committee members are also required to comply with the code of conduct governing the prequalification scheme.

Any proven breaches of the council's code of conduct should be reported by the council to the administrator of the prequalification scheme so that action can also be taken under that scheme, where appropriate.

Insurance

It is at each council's discretion whether professional indemnity and public liability insurance is required for chairs and members of audit, risk and improvement committee members.

In some cases, the chair or a member of an audit, risk and improvement committee may already be covered by the council's professional indemnity and public liability insurance policies or by their own insurance.

This will need to be ascertained by the council and chair or member on a case-by-case basis having regard to the terms of any relevant insurance policy.

Where a council determines that professional indemnity or public liability is absent but required, the chair or member can obtain their own insurance, or the council can consider obtaining it on their behalf.

Learning and development

Audit, risk and improvement committee chairs and members are encouraged to keep informed of current developments and to maintain and develop the skills, knowledge and capabilities necessary to exercise their functions effectively.

Several professional development networks and programs are available, for example, through organisations such as:

- the Australian Institute of Company Directors
- Chartered Accountants Australia and New Zealand
- The Actuaries Institute, and the
- Local Government Professionals Association.

Audit, risk and improvement chairs and members are also encouraged to serve on more than one local government committee to

extend the breadth of their experience and understanding of councils and their operations and risks.

Review of Committee performance

It is important that the work of each council's audit, risk and improvement committee is regularly assessed, and the committee is held accountable for its performance.

This will ensure that the audit, risk and improvement committee is providing a valuable contribution to the council and enable the governing body to determine whether any changes to the committee's terms of reference or membership are required.

At least once each council term (i.e. four years) the governing body of the council is to conduct a review of the effectiveness of the audit, risk and improvement committee in conformance with the International Professional Practice Framework.



This will ensure that audit, risk and improvement committees are assessed consistently across all councils and allow councils to have confidence in the work of their committees.

To conduct the review, the governing body can:

- engage a suitably qualified external assessor or peer to undertake the review, or
- undertake the review itself and engage an external assessor or peer to conduct an independent evaluation of the findings.

The external assessor or peer should have specific skills relevant to the major risks of the council and a strong understanding of what constitutes best practice in relation to the operations and performance of audit, risk and improvement committees.

Review criteria

The review of the audit, risk and improvement committee's performance must consider:

- the appropriateness of the committee's terms of reference and whether these have been complied with
- the processes and procedures undertaken by the committee
- the collective performance of the committee – for example:
 - the quality and timeliness of assurance and advice provided by the committee to the governing body and general manager
 - the effectiveness of the committee in meeting its responsibilities
 - the relationship and quality of communication with the council and other stakeholders
- the individual performance of each member – for example, their:
 - understanding of the council, its key risk and internal controls
 - ability to act objectively and independently
 - preparation for committee meetings
 - contribution to the work of the committee through their participation in discussion and decision-making, skills and experience
- the performance of the chair, including whether the chair has (in addition to their performance as a member of the committee):
 - demonstrated positive leadership
 - maintained effective working relationships among audit, risk and improvement committee members and with the council, council's external auditor and the internal audit function
 - ensured the governing body and general manager was well informed and briefed on the strategic and technical aspects of internal audits and risk and control issues, and
 - lead effective committee meetings.
- the way the committee, external auditor, council and internal audit function work together to manage risk and support the council and how effective this is

- whether the committee has effectively reviewed the factors identified in section 428A of the Local Government Act and contributed to an improvement in these areas, and
- whether the composition of the committee is appropriate and whether the council should be assigned to a different tier under these guidelines.

When conducting the review, the governing body is to consider feedback on each member's performance by the chair and councillor member of the committee and the general manager.

Self-assessments by the chair and members of the audit, risk and improvement committee can also be used.

The governing body of council is also able to request the chair of the Committee to address the council and answer any questions about the operation of the committee.

The chair of the audit, risk and improvement committee is to develop an action plan for the governing body of the council to address any issues identified in the performance review and present it to the governing body at the four-yearly assessment meeting.

Annual attestation

It is important that councils are accountable to their communities for the efficacy of their internal controls and assurance mechanisms and the operations of their audit, risk and improvement committees.

The Local Government Regulation (clause #tbc) requires the general manager to attest each year in the council's annual report whether the council has complied with the following requirements in relation to its audit, risk and improvement committee, as detailed in these Guidelines:

- council's audit, risk and improvement committee is independent of the council and has three or more members according to the council's prescribed category as a tier 1, tier 2 or tier 3 council

- the chair and all members of the committee meet the eligibility and independence criteria required of their position, and have been appointed in accordance with prescribed membership term limits
- council's audit, risk and improvement committee operates according to terms of reference approved by the governing body of the council that are consistent with the approved Model Terms of Reference contained in these Guidelines
- council's audit, risk and improvement committee operates according to annual and four-yearly strategic plans endorsed by the governing body of the council
- council's audit, risk and improvement committee provides an annual assessment to the governing body each year, and a strategic assessment of all the matters listed in section 428A of the Local Government Act to the governing body each council term
- the council provides the committee with direct and unrestricted access to the general manager, senior management, council information and council resources so it can fulfil its responsibilities, and
- at least once each council term the governing body of the council reviews the effectiveness of the audit, risk and improvement committee.

Further information about annual attestation requirements is also detailed in the statutory framework section of these Guidelines.

Resignation of committee members

Where the Chair or a member of an audit, risk and improvement committee is unable to complete their term, or does not intend to seek reappointment after the expiry of their term, they should give sufficient notice to the chair (in the case of a committee member) and the governing body (in the case of the chair) prior to their resignation to enable the council to ensure a smooth transition to a new committee member.

The notice period is to be agreed by the governing body of the council and the committee.

A member of an audit, risk and improvement committee should have the opportunity to have an exit meeting with the Chair to discuss their reason for leaving and to provide feedback on their experience serving on the committee as well as any other issues.

Resigning chairs should have the opportunity to have an exit meeting with the mayor and general manager (if appropriate).

Dismissal of committee members

The governing body of a council can terminate via resolution the engagement of the chair or any member of the audit, risk and improvement committee under certain circumstances before the expiry of their terms.

Dismissal of any independent chair or member is to be reported to the Office of Local Government.

Prequalified members

A prequalified chair or member can be dismissed by the governing body before the expiry of their term where the chair or member has:

- breached the conditions of the prequalification scheme, or become ineligible under it
- breached the council's code of conduct
- performed unsatisfactorily or not to expectations, or
- declared, or is found to be in, a position of a conflict of interest which is unresolvable.

The council must also report the dismissal to the NSW government agency responsible for administering the prequalification scheme to ensure action can also be taken under the scheme, if necessary.

Non-prequalified members

A non-prequalified independent member of the audit, risk and improvement committee can be dismissed by the governing body before the natural expiry of their term where the chair or member has:

- breached the council's code of conduct
- performed unsatisfactorily or not to expectations
- declared, or is found to be in, a position of a conflict of interest with is unresolvable
- been declared bankrupt or found to be insolvent
- experienced an adverse change in business status
- been proven to be in a serious breach of their obligations under any NSW legislation, or
- experienced an adverse change in capacity or capability.

Councillor members

The position of a councillor member on an audit, risk and improvement committee can be terminated at any time by the governing body via resolution.

Further resources

The following resources may be useful to councils seeking more information about the establishment and operation of their audit, risk and improvement committee.

This is not an exhaustive list but provides a useful starting point for councils that seek to better understand what audit, risk and improvement committees do, and how they can be supported to add maximum value to councils.

[Audit Committees – A Guide to Good Practice \(3rd edition\)](#) – Auditing and Assurance Standards Board, Australian Institute of Company Directors and The Institute of Internal Auditors-Australia (2017)

Provides a checklist to assess the performance of audit, risk and improvement committees and members.

[Audit Committees – A Guide to Good Practice for Local Government](#) – Victorian Government, Department of Planning and Community Development (2011)

Provides detailed information on the activities audit, risk and improvement committees can perform in relation to external audit, financial management, risk management and internal audit.

[Audit Committee Guidelines – Improving Accountability and Performance](#) – The State of Queensland (Queensland Treasury and Trade) (2012)

Provides sample:

- letter of appointment for audit, risk and improvement committee members
- self-assessment questionnaire for committee members, external peer review checklist and management feedback questionnaire when assessing committee performance, and
- committee meeting agenda.

[Audit Committees \(RM-G2\)](#) – Australian Government, Department of Finance

Provides a list of professional peak bodies councils could contact to source audit, risk and improvement committee members.

[Chairing an Audit Committee](#) – KPMG

Provides information about the role of audit, risk and improvement committee chairs, particularly in relation to:

- leadership, and
- managing the work of audit, risk and improvement committee members.

[Code of Conduct: Audit and Risk Committee Chairs and Members](#) – NSW Treasury (2015)

Outlines the conduct requirements and ethical standards of members and chairs under the prequalification scheme.

[Dealing with Corruption, Fraud and the ICAC: the role of public sector Audit and Risk Committees](#) – Independent Commission Against Corruption (2020)

Provides information about the role of audit, risk and improvement committees and risk management in relation to fraud and corruption.

[Establishing a skills-based audit committee](#) – Institute of Internal Auditors-Australia (2020)

Provides an analysis matrix template to assess the skills mix of an audit, risk and improvement committee when appointing committee members.

[Guide for Audit & Risk Committees: Understanding Financial Statements](#) – NSW Treasury (2017)

Provides information on activities audit, risk and improvement committee can undertake when reviewing financial statements.

[How can audit committee members add value?](#) – PriceWaterhouseCoopers (2011)

Provides a checklist for measuring the performance of audit, risk and improvement committees

[Internal Audit and Risk Management Policy for the General Government Sector \(TPP-20-08\) – NSW Treasury \(2020\)](#)

Provides information on the NSW public sector risk management and internal audit policy, including:

- the operation of shared audit, risk and improvement committees in the NSW public sector
- matters to consider when deciding whether to enter into a shared arrangement, and
- recommended content for shared use agreements.

[Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members – Guidelines for Members and Agencies – NSW Treasury \(2020\)](#)

Provides information on the operation of the prequalification scheme.

[Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members – Scheme Conditions – NSW Treasury \(2020\)](#)

Provides information about the prequalification scheme's application process, including:

- the eligibility criteria for members and Chairs, and
- remuneration rates.

[Public Sector Audit Committees: Independent assurance and advice for Accountable Authorities – Australian National Audit Office \(2015\)](#)

Provides information about the role and functions of audit, risk and improvement committees, including:

- member roles and responsibilities
- how to foster good relationships between the council and committee, and
- checklists for:
 - secretariat actions
 - planning forward meeting agendas, and
 - assessing the performance of members.

[Service Delivery Review: A how to manual for local government \(second edition\) – Australian Centre of Excellence for Local Government \(2015\)](#)

Outlines the factors councils and audit, risk and improvement committees may consider when reviewing service delivery by the council.

[Setting up the Audit Committee – PriceWaterhouseCoopers \(2011\)](#)

Provides information on:

- how a council might assess the financial literacy of an audit, risk and improvement committee member, and
- best practice for inducting new committee members.

[The Role of the Audit Committee Chair – KPMG \(2019\)](#)

Provides information on the role of audit, risk and improvement committee chairs, particularly in relation to:

- running committee meetings, and
- overseeing risk management.

Core requirement 2:

Risk management

- Each council and joint organisation must implement a risk management framework that is consistent with current Australian standards for risk management

Guiding principles for risk management

- Each council must accept responsibility and accountability for risk management in the council
- Each council has a risk management framework that is appropriate for that council and is consistent with the accepted Australian risk management standard
- Risk management is an integral part of all council management, operations, functions and activities and it is clear who is responsible for managing each risk
- Each council supports the development of a positive risk culture
- Councils regularly review their risk management framework and can flexibly adapt their risk management activities to suit their operations and risk profiles
- Each council is accountable to the community for complying with its statutory obligation to adopt and maintain a risk management framework.

Standards

Each council must manage its strategic and operational risks and implement a risk management framework that is consistent with the current Australian risk management standard and appropriate for the council's risks.



It is recognised that each council will have different risk management requirements depending on its size, needs, budget, operational complexity and risk management maturity.

Councils have the flexibility under the Australian risk management standard to adapt the size, scope and delivery of their risk management framework provided it reflects the principles, key elements and processes set out in the standard for managing risks in any sized council or organisation.

Councils can adopt additional requirements that supplement those in the standard provided they do not conflict with the standard.

The current risk management standard at the time of the release of these Guidelines is *AS ISO 31000:2018 Risk Management – Guidelines*.

Under current licensing and copyright requirements, each council will need to purchase an individually licensed copy of *AS ISO 31000:2018* from Standards Australia to obtain a full copy of the standard.

The following is a summary of the definitions, principles, key elements and process of *AS ISO 31000:2018*.

Definitions

The definition of 'risk' and 'risk management' adopted by councils as part of their risk management framework will be the same as that adopted in the current Australian risk management standard.

At the time of printing, *AS ISO 31000:2018* defines:

- risk as the *"effect of uncertainty on objectives, where an effect is a deviation from the expected. It can be positive, negative or both, and can address, create or result in opportunities and threats"*, and
- risk management as *"coordinated activities to direct and control an organisation with regard to risk"*.

Principles

In summary, *AS ISO 31000:2018* requires a council's approach to risk management to be based on the following eight specific principles to ensure it is effective:

- **integrated** - risk management is integrated into all council activities and decision-making processes
- **structured and comprehensive** - risk management is a structured and comprehensive process that achieves consistent and comparable results

- **customised** - the risk management framework and process are customised to the council
- **inclusive** - risk management is inclusive of all stakeholders and enables their knowledge, views and perceptions to be considered
- **dynamic** - risk management is dynamic and able to respond to changes and events in an appropriate and timely manner
- **best available information** - risk management decisions are based on the best available information and takes into account any limitations and uncertainties
- **human and cultural factors** - risk management takes into account human and cultural factors, and
- **continual improvement** - risk management is continuously and periodically evaluated and improved through learning and experience.

Key elements

To achieve these principles, *AS ISO 31000:2018* requires each council to ensure its risk management framework demonstrates the following six elements:

Leadership and commitment

AS ISO 31000:2018 requires risk management to be supported by a positive culture that promotes and communicates risk management as part of everyday activities and decision-making.

The standard states that this culture can only exist when management (i.e. the governing body, general manager and senior staff) demonstrate strong leadership and commitment to risk management.

Practical measures the governing body and/or general manager can take under *AS ISO 31000:2018* to exhibit strong leadership in risk management are set out further below.

Integration

AS ISO 31000:2018 requires that risk management be fully integrated within a council and made part of the council's purpose, governance, leadership, strategy, objectives and operations.

Risk is to be managed in every part of the council's organisational structure and every council employee be responsible for managing risk.

Design

AS ISO 31000:2018 requires that the design of a council's risk management framework:

- is based on the unique needs, characteristics and risks of the council, and its external and internal context
- demonstrates the council's continual commitment to risk management
- assigns risk management roles, responsibilities and accountabilities within the council
- allocates appropriate council resources for risk management, and
- effectively documents and communicates risk management across the council.

Implementation

AS ISO 31000:2018 requires that each council implements its risk management framework by:

- developing a risk management plan that provides structure for how the council will implement its risk management policy and conducts its risk management activities, and
- ensuring the council's risk management activities are clearly understood and practiced.

The plan should identify decision makers for risk within the council and ensure risk management processes and arrangements are well understood by the council and practiced.

Evaluation

AS ISO 31000:2018 requires that each council regularly evaluates the effectiveness of its risk management framework and determines whether it remains suitable.

Improvement

AS ISO 31000:2018 requires that each council continually adapts and improves the design of its risk management framework and how it is integrated throughout the council to help the council move to a higher level of risk maturity.

Process

AS ISO 31000:2018 provides each council with a systematic process to identify, assess and prioritise risks, decide how they will be managed, and document and communicate them across the council.

The process defined in *AS ISO 31000:2018* consists of the following steps:

- defining the scope of the council's risk management activities to assist in planning the council's risk management approach
- establishing the internal and external context to ensure that the council understands the internal and external environment it operates in and how risk management will impact, and be impacted by these
- deciding the performance indicators the council will use to measure the effectiveness of its risk management framework and identify gaps between its actual and desired performance
- defining the council's risk criteria/appetite – that is, the amount and type of risk that the governing body is willing to take, or not take, in order to achieve its strategic plan and objectives
- conducting risk assessments to determine what risks need to be managed
- deciding risk treatment options
- developing risk treatment plans that document how controls will be implemented, and
- writing risk reports that will document and communicate the risk management

framework to all staff and be used by the council to regularly review the risk management framework.

County councils and joint organisations

County councils and joint organisations have a lower risk profile than larger and more operationally complex general-purpose councils.

However, they are still responsible for the expenditure of public money, providing services (in the case of county councils), and delivering outcomes on behalf of their member councils and regions (in the case of joint organisations), and need to identify and manage risks appropriately.

Given their lower risk profiles, county councils and joint organisations can share the administration of their risk management framework with another council to reduce costs.

Alternatively, joint organisations can undertake the coordination and administration of their member councils' risk management frameworks on behalf of the councils.

Any shared risk management function must operate as an individual resource for each council in the shared arrangement and fulfil the statutory requirements for each council individually.

A shared risk management function should only be established and utilised by a county council or joint organisation where the shared function can maintain a high level of understanding and fulfilment of each council's risk management needs, as well as effective working and reporting relationships with the general manager and senior staff of each council in the shared arrangement.

Councils that establish a shared risk management function should develop and sign a formal agreement with the other councils in the shared arrangement which outlines how

the shared arrangement will operate and costs are shared.

Resourcing

AS ISO 31000:2018 requires each council to ensure sufficient resources are allocated to implement the council's risk management framework and deliver the internal controls needed to ensure the council's risks are appropriately managed.

In practice, this responsibility will fall to the governing body and/or general manager of the council.

These resources include the necessary:

- human resources (with appropriate skills and experience)
- technology, equipment, tools and information management systems for managing risk
- documented processes and procedures, and
- professional development and training for staff to ensure they can fulfil their risk management responsibilities.

To ensure that the governing body and/or general manager makes informed budgeting decisions, the audit, risk and improvement committee is to advise of the resources it considers that the council needs to effectively implement its risk management framework, having regard to any budgetary constraints facing the council and the council's operational environment.

Roles and responsibilities

AS ISO 31000:2018 requires that each council assign risk management roles and responsibilities to all relevant roles within the council.

To ensure effective implementation, the standard also requires each council to

demonstrate strong leadership and commitment to risk management.

In practice, this will see the general manager, governing body and council staff take on the following responsibilities:

Governing body – strategic leadership

Consistent with the governing body's strategic leadership role under section 223 of the Local Government Act, the governing body is responsible for setting the foundational elements of council's risk management framework and the 'tone at the top'.

This includes approving via resolution the council's risk criteria/appetite – a statement that conveys how much risk will be tolerated by the governing body in the pursuit of the strategic objectives for the council, and how risk is to be managed and decisions made within this context.

The council's risk criteria/appetite is to be approved in consultation with the audit, risk and improvement committee.

General manager – operational leadership

Consistent with the general manager's role under section 335 of the Local Government Act to conduct the day-to-day management of the council, the general manager has ultimate responsibility and accountability for risk management in the council.

The responsibility is also specified in the Local Government Regulation (clause #tbc).

This includes:

- overseeing the council's risk management framework and ensuring it is effectively communicated, implemented and reviewed regularly
- approving the council's risk management policy, plans and risk reports (where applicable)
- promoting and championing a positive risk culture

- assigning authority and accountability for risk management at appropriate levels and to appropriate staff in the council, and ensuring they are held accountable for these responsibilities
- annually attesting that council's risk management framework complies with statutory requirements (see below), and
- approving the council's implementation of corrective actions recommended by the council's internal audit function, external audit and audit, risk and improvement committee.

Depending on the council's needs, resources and organisational structure, and to assist the integration of risk management across the council, the general manager may wish to delegate responsibility for key aspects of the council's risk management framework to a senior manager or group of senior managers established for this purpose.

The delegate would report to the general manager on risk management issues.

An example risk management policy is provided at **Appendix 5**.

Risk management function – oversight and facilitation

Each council is to establish a risk management function responsible for the day-to-day activities required to implement the council's risk management framework and provide specialist risk management skills and knowledge.

The council's risk management function is a key support to the general manager in meeting their risk management responsibilities and reports directly to the general manager or their delegate.

Each council will have the flexibility to establish its risk management function based on its structure, resourcing, risk management needs and risk management maturity.

Regardless of its structure and composition, the role and responsibilities of the risk management function should include:

- supporting the general manager by coordinating and providing clear and concise risk information, advice and/or reports that can be used in planning and decision-making
- coordinating the various activities relating to risk management within the council
- helping to build a risk management culture within the council, including facilitating and driving risk management at the strategic and operational level within the council and ensuring consistency in practice
- ensuring there are easily accessible systems and processes in place to enable all staff to conveniently undertake risk management in their day-to-day work
- ensuring risk management processes are applied consistently across the council
- organising appropriate staff risk management training and development
- developing and maintaining a risk reporting framework to enable regular advising/reporting of key risks, and the management of those risks, to the general manager or their delegate
- supporting council staff with their risk management obligations and providing staff with advice and tools to ensure risk management compliance
- implementing effective risk management communication mechanisms and information system/s
- establishing and maintaining an ongoing monitoring system to track the risk management activities undertaken within council and assessing the need for further action
- assessing risk management information for completeness, accuracy and consistency (for example, risk registers, risk treatment plans), and
- preparing advice or reports for the audit, risk and improvement committee and attending committee meetings (where requested).

In order to fulfil its role, the risk management function needs to:

- have a well-developed understanding of the council and its operations

- have the skills, knowledge and leadership qualities required to support and drive risk management
- have sufficient authority to intervene in instances where risk management efforts are being hampered by a lack of cooperation or through lack of risk management capability or maturity, and
- be able to add value to the risk management process by providing guidance and support in managing difficult risk, or risks spread across a number of the council's business units or operational areas.

Dual responsibilities

It is important that the risk management function is independent of line management to reduce the potential for management influence on the risks that are reported on, and to ensure independence.

Where risk management oversight or facilitation activities are performed by council staff with other council responsibilities, the council must put safeguards in place to limit any cognitive bias (which can lead to faulty risk assessments and decision-making errors).

Depending on the specific needs and circumstances of the council, these safeguards could include:

- the audit, risk and improvement committee being informed of the other council responsibilities the risk management function has, including reporting lines, responsibilities and expectations related to the role/s
- any potential issues or conflicts of interest arising from these other roles being formally documented and communicated to the committee
- risk management staff being prohibited from undertaking risk management evaluations and reviews in relation to the council operations they are responsible for, and/or
- the committee regularly assessing that the safeguards put in place are effective.

Internal audit function – review and assurance

Council's internal audit function is responsible for reviewing and providing advice to the audit, risk and improvement committee and the council on the effectiveness of the council's risk management framework.

Given the need to maintain the independence and objectivity of the internal audit function, the following boundaries are to apply with respect to the role of the internal audit function in relation to the council's risk management framework:

- it is to be clear that council management remains responsible for risk management
- the internal audit function is to provide advice and challenge and support management's decision-making, as opposed to taking risk management decisions themselves
- the internal audit function should not:
 - manage any of the risks on behalf of the council
 - set the council's risk criteria/appetite
 - impose risk management processes
 - decide or implement risk responses, or
 - be held accountable for risk management activities.

Audit, risk and improvement committee – advice and assurance

An audit, risk and improvement committee's role in relation to risk management is to support the governing body and general manager to ensure that the council's risk management framework is appropriate and operationally effective.

The breadth and depth of this assurance role is to be determined by the council and the audit, risk and improvement committee and could include:

- assessing whether risks at all levels are identified, assessed and reviewed regularly by the council

- being involved in the regular review of the council's risk register
- reviewing the integration of risk management into business planning and program implementation activities, and/or
- providing assurance in relation to the management of risk or governance arrangements on individual projects, programs or activities.

Appendix 4 provides further examples of the activities the audit, risk and improvement committee could perform in relation to risk management.

Review and reporting

Quarterly reporting

Each council is to ensure its risk management framework is regularly monitored and reviewed to ensure it is relevant, effective and complies with the current Australian risk management standard.

Each council is to base its ongoing monitoring and review process on its own needs, however, this should include at a minimum, providing quarterly advice from the risk management function to the general manager or their delegate.

This will ensure that risks are being correctly identified, prioritised and treated, and any emerging problems are known and rectified quickly.

Annual assessment

Each council's risk management function is to conduct an annual self-assessment of the council's risk management framework.

The annual self-assessment is to report to the general manager whether the council's risk management framework:

- complies with statutory requirements
- is sufficiently resourced
- operates effectively, this includes whether:

- the internal control framework appropriately reflects the council's risk criteria/appetite
- risks are formally considered when developing and implementing all council policies, programs, projects and other activities, including procurement
- risk management covers all relevant risk categories including strategic, operational, compliance, reputational and reporting risks
- major risks have been identified and assessed by the council and appropriate risk treatments have been implemented that reflect the council's risk criteria
- the council's internal controls are effective and appropriate
- the council's risk register and risk profile are current and appropriate
- risk information is captured and communicated in a timely manner across the council, enabling management and staff to carry out their responsibilities, and
- the council's risk management policies, procedures and plans are being complied with.

The general manager should discuss the annual assessment of the council's risk management function with the governing body and audit, risk and improvement committee at the council's strategic assurance meeting held each council term.

Strategic assessment

The Local Government Regulation (clause #tbc) requires that a council's audit, risk and improvement committee keep the implementation of a council's risk management framework under review and provide advice to the council on its implementation.

A council's audit, risk and improvement committee must provide an assessment of the effectiveness of the council's risk management framework to the governing body each council term, as part of the committee's four-yearly strategic assessment.



As part of the audit, risk and improvement committee's assessment of the council's risk management function, it should consider whether:

- the council is providing sufficient resources for risk management
- the council's risk management framework complies with statutory requirements, and
- the council's risk management framework operates effectively, is being complied with and supports the achievement of the council's strategic goals and objectives

The general manager is to develop an action plan for the governing body to address any risk management issues identified by the committee.

The audit, risk and improvement committee and general manager should discuss the strategic assessment and action plan with the governing body at the council's strategic assurance meeting held each council term.

Performance measures

To ensure the effectiveness of council's risk management activities can be regularly monitored and reviewed, each council must ensure that it:

- assigns performance targets to risk management activities that can be measured against goals and objectives, and
- can obtain the data needed to measure the impact of the council's risk management framework.

Annual attestation

The Local Government Regulation (clause #tbc) requires the general manager to attest each year in the council's annual report whether the council has complied with the following requirements in relation to its risk management activities:

- council has adopted a risk management framework that is consistent with current Australian risk management standards and appropriate for the council's risks, and
- the council's audit, risk and improvement committee reviews the implementation of the council's risk management framework and issues an assessment of the effectiveness of the council's risk management framework to the governing body each council term.

Further information on annual attestation requirements is provided in the statutory framework section of these Guidelines.

Further resources

The following resources may be useful to councils seeking more information about the establishment and operation of their risk management framework. They provide examples, checklists, samples, templates and other practical tools councils could use.

This is not an exhaustive list but provides a useful starting point for councils that seek further information.

[A Guide to Risk Management – The State of Queensland \(Queensland Treasury\) \(2020\)](#)

Provides guidance on how to apply the Australian risk management standard, including checklists for each stage of the risk management process.

[AS ISO 31000:2018 Risk Management – Guidelines – International Standards Organisation \(2018\)](#)

The current Australian risk management standard at the time of printing (for purchase from the International Standards Organisation)

[Audit Committee Guidelines – Improving Accountability and Performance – The State of Queensland \(Queensland Treasury and Trade\) \(2012\)](#)

Provides checklists of the matters audit, risk and improvement committees are to consider when reviewing a council's risk management framework and internal controls.

[Dealing with Corruption, Fraud and the ICAC: the role of public sector Audit and Risk Committees – Independent Commission Against Corruption \(2020\)](#)

Provides information about the role of risk management in relation to fraud and corruption.

[Risk Management Toolkit for Public Sector Agencies \(TPP 12-03\) – NSW Treasury \(2012\)](#)

Consists of three parts:

- Executive Guide (TPP 12-03a)
- Volume 1 – Guidance for Agencies (TPP 12-03b), and
- Volume 2 – Templates, Examples and Case Study (TPP 12-03c).

Provides detailed and practical advice on the various elements of the Australian risk management standards (ISO 31000), templates and worked examples.

[The Three Lines of Defence in Effective Risk Management and Control – Institute of Internal Auditors \(2013\)](#)

Outlines the three lines of defence approach to risk management and the role of management and internal audit in risk management.

[The Role of Internal Auditing in Enterprise-Wide Risk Management – Institute of Internal Auditors](#)

Outlines what enterprise risk management is, how it can be implemented and the role of internal audit in risk management.

[Victorian Government Risk Management Framework Practice Guide – Victorian Managed Insurance Agency \(2016\)](#)

Provides guidance on how to apply the Australian risk management standard, including examples of a risk appetite/criteria statement.

Core requirement 3:

Internal audit

- Each council and joint organisation must have an independent internal audit function that reports to the audit, risk and improvement committee and is consistent with current international standards for internal audit

Guiding principles for internal audit

- The internal audit function operates independently and with appropriate expertise in a manner that is appropriate for the council.
- The internal audit function has access to all council information necessary to fulfil its role and responsibilities
- The internal audit function is appropriately positioned in the council's governance framework to ensure its work complements the work of other internal and external assurance providers
- The internal audit function has a comprehensive work plan linked to the council's strategic objectives and current and emerging risks
- The audit, risk and improvement committee receives relevant and timely advice from the internal audit function to ensure the committee can fulfil its role and responsibilities
- The internal audit function operates in a manner consistent with accepted international standards
- The work of the internal audit function is thoroughly planned and executed, risk-based, client-focused and linked to the council's strategic goals
- The internal audit function adds value to the council and is held accountable by the committee and governing body for its performance, and
- Each council is accountable to the community for the effective implementation of its internal audit function.

Internal audit is defined in the International Professional Practices Framework issued by the Institute of Internal Auditors as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'.

A council's internal audit function must operate independently of the council and internal audit activities cannot be subject to direction by the council.



To ensure that the internal audit function remains independent from council management it must have a dual reporting line that reports:



- **administratively to the general manager or a sufficiently senior role in the council to ensure the internal audit function fulfils its responsibilities, and**
- **functionally to the audit, risk and improvement committee.**

Resourcing

The governing body and general manager of the council must ensure that the council's internal audit function is sufficiently resourced to effectively carry out its work. The chair of the audit, risk and improvement committee should be consulted on the resourcing required.

The audit, risk and improvement committee's resourcing recommendations are to be minuted by the committee.

Independence

Each council in NSW, (including county council and joint organisation) must have an internal audit function to provide an independent unbiased assessment of the council's operations and risk and control activities.



Internal audit charter

It is important that council's internal audit function has clear guidance on how it should serve the audit, risk and improvement committee and the council, and that the committee and council has input into how the internal audit function will operate.

This will ensure there is no ambiguity between the audit, risk and improvement committee, the council or the internal audit function and that the performance of the internal audit function can be assessed.

The Local Government Regulation (clause #tbc) requires each council to adopt an internal audit charter, consistent with the approved Model Internal Audit Charter (Appendix 6), to guide how internal audit will be undertaken by the council and measure its effectiveness.



The internal audit charter is to be developed by the audit, risk and improvement committee in consultation with the general manager and the head of the internal audit function and approved via resolution by the governing body of the council.

The Local Government Regulation (clause #tbc) allows councils to include additional provisions in their internal audit charter so long as they are not inconsistent with the approved Model Internal Audit Charter.

The audit, risk and improvement committee is to review the council's internal audit charter annually in consultation with the general manager and the head of the internal audit function.

Role of the general manager

Consistent with their role under the Local Government Act (section 355) to conduct the day-to-day management of the council, the general manager has administrative

responsibility for internal audit under the Local Government Regulation (clause #tbc).

This means that the general manager is responsible for:

- advising the governing body on the resources required for the effective functioning of the internal audit function
- ensuring appropriate administrative support is provided to support the work of the internal audit function - for example, access to council's human resources networks, payroll, work health and safety, office facilities and resources, council information etc
- ensuring that the internal audit function is appropriately positioned within the council to work with external bodies and internal business units and fulfil its role and responsibilities
- ensuring the internal audit function complies with the International Professional Practices Framework, and
- annually attesting, on behalf of the council, that the council is fulfilling its statutory obligations in relation to internal audit.

The general manager has no role in the performance of the internal audit function - for example, the conduct of internal audits, the audit techniques used, or the reporting of internal audit findings to the audit, risk and improvement committee.

Delegation

The general manager can, in consultation with the governing body of the council and the audit, risk and improvement committee, delegate their functions in relation to the oversight of the council's internal audit function to another role in the council that is sufficiently senior to ensure the internal audit function meets its responsibilities.

In making a delegation, consideration should be given to how the delegation will influence the internal audit function's ability to achieve the internal audit charter given the:

- seniority and expertise of the delegate and demands placed on them by their other roles and responsibilities in the council

- support available to the delegate to successfully execute their delegation in relation to internal audit
- complexity of the council's core business
- risk profile of the council
- expectations of stakeholders, and
- likely demands placed on the internal audit function.

Role of the audit, risk and improvement committee

Under the Local Government Regulation (clause #tbc), the audit, risk and improvement committee exercises functional oversight of a council's internal audit function to ensure it operates independently from the council.

This means that the audit, risk and improvement committee is responsible for:

- assisting the governing body to identify the resources necessary for the effective functioning of the internal audit function
- setting the annual and four-yearly work plans for the internal audit function, including the audits that will be completed
- assessing the findings and recommendations of completed audits and providing the committee's advice and opinion on issues raised to the general manager and governing body of the council
- developing the internal audit charter that will guide the work of the internal audit function and how it operates, and
- reviewing the performance of the internal audit function.

Structure

Each council will have different internal audit function requirements depending on the council's size, needs, budget and operational complexity and can either:

- establish an internal audit function for their own exclusive use, or
- share their internal audit function with another council, county council or joint organisation.

For cost and administrative efficiency, councils are also able to:

- establish an in-house internal audit function comprising of council staff/contractors, and/or
- outsource their internal audit function to an external provider/s – for example, a private sector accounting firm, internal audit firm, internal audit contractor etc.

These options will assist councils, county councils and joint organisations:

- to establish their internal audit function in the most cost-effective way
- in remote locations that may find it difficult to appoint or retain the staff necessary to support a stand-alone internal audit function
- to access a larger resource pool than would be available to a single council, and
- create efficiencies through common systems, shared knowledge and internal audit tools.

When deciding the most appropriate way to structure a council's internal audit function, the general manager should consider the viability and capacity of a shared internal audit function to achieve the council's internal audit charter given the:

- size of the council in terms of both staffing levels and budget
- geographical and functional distribution of the council's operations
- complexity of the council's core business
- risk profile of the council
- expectations of stakeholders, and
- likely demands placed on the internal audit function by other councils in the shared arrangement.

Whatever structure is adopted, the head of a council's internal audit function must:



- be a council employee and cannot be outsourced, other than through a shared arrangement with another council, and
- meet the eligibility and independence criteria for the position.

This is to ensure that the council retains strategic control of the internal audit function and can actively monitor its performance.

County councils

County councils may enter into a shared arrangement with one of their constituent councils or another county council.

Joint organisations

Joint organisations that do not host a shared internal audit function for the use of their member councils can enter into a shared arrangement with a member council.

In-house internal audit function

An in-house internal audit function is where internal auditors and other staff (where required) are employed by the council to conduct the internal audits and other activities in the audit, risk and improvement committee's annual and four-yearly strategic work plan.

The advantages of establishing an in-house internal audit function may include:

- council retaining ownership of internal audit information
- confidentiality of sensitive information contained in audits
- stronger direction and oversight by the council of the internal audit function with more direct control over the quality of audits conducted

- internal auditors having council-specific knowledge and experience that delivers better audit results
- greater agility to respond quickly to emerging issues, and
- the retention of corporate knowledge within the council.

Disadvantages may include:

- challenges attracting and retaining suitable staff
- specialist skills may not be available in-house
- reduced flexibility, and
- the need to provide council facilities and office space for internal audit personnel.

Councils that establish an in-house internal audit function are not limited to employing staff members and can supplement the internal audit team's work with audits undertaken by external providers where necessary.

Councils that have been categorised as a tier 2 or tier 3 council are encouraged to establish an in-house internal audit function given their:

- significant assets
- higher risk profiles
- higher levels of expenditure, and
- more complex transactions and operations.

Head of an in-house internal audit function

Each council's internal audit function must be led by a staff member with sufficient skills, knowledge, experience and integrity to ensure it undertakes its role appropriately, meets its responsibilities to the audit, risk and improvement committee and makes a valuable contribution to the council.

The head of an in-house internal audit function (described as the 'chief audit executive' in the International Professional Practices Framework) also needs to report to the general manager or a sufficiently senior role in the council that ensures the internal audit function fulfils its responsibilities.

For some councils with larger budgets and higher risks, the head of the internal audit function will require the support of a dedicated internal audit team to fulfil the internal audit charter.

For other smaller councils, their size and risk profile may not justify additional internal audit staff and the head of the internal audit function will be sufficient.

The head of the internal audit function may also have other council responsibilities outside of internal audit.

Role and responsibilities

For all in-house internal audit functions, regardless of size, the key responsibilities of the head of the internal audit function include:

- managing the day-to-day activities of the council's internal audit activities to ensure they add value to council
- managing the council's internal audit budget
- supporting the operation of the audit, risk and improvement committee
- approving internal audit project plans, conducting or supervising audits and assessments and providing independent advice to the committee
- monitoring the council's implementation of corrective actions that arise from the findings of audits
- fulfilling the committee's annual work plan and four-yearly strategic plan
- ensuring the council's internal audit activities comply with statutory requirements
- managing internal audit personnel and ensuring that they have the skills necessary to fulfil the role and responsibilities of the internal audit function (where appropriate), and
- contract management and oversight of supplementary external providers (where appropriate).

Eligibility criteria

To fulfil these responsibilities, the head of the internal audit function:

- must be a council employee and cannot be outsourced, other than through a shared arrangement with another council – this is to ensure that the council retains strategic control of the internal audit function and is able to actively monitor the performance of the internal audit function
- must be independent, impartial, unbiased and objective when performing their work and free from conflicts of interest
- should possess the following skills, knowledge and experience to effectively carry out their role:
 - the credibility to ensure they can negotiate on a reasonably equal footing with the general manager (or their delegate), governing body and audit, risk and improvement committee
 - the skills, knowledge and personal qualities necessary to lead credible and accepted internal audit activities in the council
 - strong experience overseeing internal audit
 - appropriate qualifications and professional certifications, and
 - local government experience (preferred).

The head of the internal audit function must also operate and conduct their internal audit activities in accordance with the International Professional Practices Framework, including its Code of Ethics.

As a council employee, the head of the internal audit function must comply with all relevant council policies and procedures as required by other council staff members, including the council's code of conduct.

Independence

It is important that the head of an in-house internal audit function has the functional independence to ensure that this role has the freedom necessary to independently assess and report on the way council operates. As a safeguard, the Local Government Regulation (clause #tbc) requires the general manager to consult with the chair of the audit, risk and improvement committee before

appointing or changing the employment conditions of the head of the internal audit function (including disciplinary measures).

Where dismissal occurs, the general manager must report to the governing body advising of the reasons why the head of the internal audit function was dismissed.

Where the chair of the audit, risk and improvement committee has any concerns about the treatment of the head of the internal audit function, or any action taken that may compromise the head of the internal audit function's ability to undertake their functions independently, they can report their concerns to the governing body of the council.

The head of the internal audit function is required to confirm at least annually to the audit, risk and improvement committee the independence of internal audit activities from the council.

Access to council staff and information

All internal audit personnel, including the head of an in-house internal audit function have direct and unrestricted access to council staff, the audit risk and improvement committee and council information and resources necessary to undertake their role and responsibilities.



All council staff and contractors should have unrestricted access to the head of the internal audit function to allow them to alert them to emerging risks or internal audit related issues.

Internal audit team

Any other staff members appointed to council's in-house internal audit function report directly to the head of the internal audit function.

As council employees, internal audit staff must comply with all relevant council policies and procedures including the council's code of conduct.

In-house internal auditors must also conduct internal audit activities in accordance with the International Professional Practices Framework.

Internal audit should be performed by professionals with an appropriate level of understanding of the council's culture, systems and processes to provide assurance that the internal controls in place are sufficient to mitigate the risks, that the governance processes are adequate and that organisational goals and objectives are met.

In-house internal auditors should therefore possess the following skills, knowledge and experience to effectively carry out their role:

- the skills, knowledge and experience necessary to conduct internal audit activities in the council – for example:
 - accounting
 - finance
 - economics
 - governance
 - management
 - law
 - taxation
 - fraud and corruption
 - IT
- effective interpersonal and communication skills to ensure they can partner with council staff effectively and collaboratively
- honesty, integrity and due diligence, and
- appropriate qualifications and professional certifications.

Local government experience or expertise is also strongly preferred.

Dual responsibilities

To ensure the internal audit function's independence and objectivity, it is best practice that the head of the in-house internal audit function and any other members of an in-house internal audit team have no other council responsibilities other than internal audit.

However, it is recognised that some councils may find it difficult to employ a stand-alone head of an in-house internal audit function or other supporting internal auditors due to the

cost involved, the council's location and/or that the size of the council's operations and risk profile or the council's organisational structure may not warrant stand-alone employees.

Councils can therefore combine the head of the internal audit function's role and/or the role of a member of the internal audit team with another council role or responsibilities provided there are adequate safeguards put in place by the council to limit any real or perceived bias or conflicts of interest that may lead to faulty decision-making and cognitive bias.

An internal audit role must not be combined with the role of the general manager, chief financial officer or risk management function as it will create conflicts of interest that cannot be resolved.

Councils can also share their head of the internal audit function with another council, county council or joint organisation as part of a shared arrangement.

Depending on the specific needs and circumstances of the council, safeguards could include:

- any potential issues or conflicts of interest arising from a dual role being formally documented in council's internal audit charter
- the audit, risk and improvement committee, or another suitably qualified and independent party, reviewing internal audit briefs, findings and recommendations before they are finalised where they concern any key risks overseen by the head of the internal audit function or internal audit team member in another role
- the head of the internal audit function or an internal audit team member not having responsibility for managing any risks or implementing any audit recommendations or corrective actions in their other role/s, and/or
- the committee including an assessment of the independence and objectivity (for internal audit purposes) of the head of the internal audit function or any internal audit team members with a dual role in their

annual assessment report to the governing body.

The endorsement of the governing body, in consultation with the audit, risk and improvement committee is also required before any combined roles can commence.

Where the head of the internal audit function has a dual role in a council, they are to remain independent and report functionally to the audit, risk and improvement committee on their internal audit responsibilities.

For other council responsibilities, the head of the internal audit function reports functionally through normal council reporting lines to the general manager.

Outsourced internal audit function

Where a council outsources their internal audit function, the internal audits required by the audit, risk and improvement committee are undertaken by an external provider such as an internal audit or accounting firm, or an individual practitioner.

Contract management is overseen by an employee within the council.

The advantages of using external providers for internal audit activities may include:

- flexibility
- access to a wide range of expertise and experience, especially outside of local government and provide expertise the council may not have
- provides a window to better practice methods that small councils may find difficult to access
- the ability to purchase services as and when required
- can increase internal audit's independence from the council
- overcoming challenges recruiting a head of an internal audit function or internal audit staff, and
- potential to negotiate lower fee-for-service costs.

Disadvantages may include:

- increased costs
- potential loss of corporate knowledge from the council
- difficulty building and maintaining professional relationships between council management and external contractors
- reduced oversight and control of internal audit activities
- additional in-house staff time required to source and manage external providers and contracts
- the external provider lacking council-specific knowledge
- internal audit coordinator is unlikely to be audit trained and may not have the knowledge to ensure audit quality is maintained, and
- potential confidentiality breaches.

Given their size, resources, geographical isolation, risk profiles and complexity of operations, tier 1 councils are encouraged, at a minimum, to establish an outsourced internal audit function.

Head of an outsourced internal audit function

Compared to the head of an in-house internal audit function which personally conducts or supervises internal audits and provides their personal opinions and recommendations to the audit, risk and improvement committee, the head of an outsourced internal audit function will, in practice, primarily be a coordination and administrative role.

The key responsibilities of any council staff member assigned responsibility for leading an outsourced internal audit function is to include:

- contract management
- managing internal audit budget
- ensuring the external provider completes internal audits in line with the audit, risk and improvement committee's annual plan and four-yearly strategic plan
- forward audit reports by the external provider to the committee
- act as a liaison between the external provider and the committee

- monitoring the council's implementation of corrective actions that arise from the findings of audits and reporting progress to the Committee, and
- assisting the committee to ensure the council's internal audit activities comply with statutory requirements.

To fulfil these responsibilities, the head of an outsourced function:

- reports functionally to the audit, risk and improvement committee
- must be free from conflicts of interest
- must be a council employee and cannot be outsourced, other than through a shared arrangement with another council, county council or joint organisation - this is to ensure that the council retains control of the internal audit function and is able to actively monitor the performance of the external provider
- should possess the following skills, knowledge and experience to effectively carry out their role:
 - a good understanding of the work of audit, risk and improvement committees and internal audit, and
 - the skills, knowledge and personal qualities necessary to manage the council's contract with the external provider and liaise between the external provider and the audit, risk and improvement committee.

As a council employee, the head of an outsourced function must comply with all relevant council policies and procedures as required by other council staff members, including the council's code of conduct.

Dual responsibilities

The head of an outsourced internal audit function can be assigned other roles and responsibilities in the council.

Where the head of an outsourced function has a dual role in a council, they are to remain independent and report functionally to the audit, risk and improvement committee in relation to their internal audit responsibilities.

For other council responsibilities, the head of an outsourced function reports functionally through normal council reporting lines to the general manager.

Councils can combine the head of an outsourced function's role with another council role or responsibilities provided that there are adequate safeguards put in place by the council to limit any real or perceived bias or conflicts of interest.

Depending on the specific needs and circumstances of the council, safeguards could include:

- any potential issues or conflicts of interest arising from a dual role being formally documented in council's internal audit charter
- the audit, risk and improvement committee endorsing the dual roles before they can commence
- the head of the outsourced function not having responsibility for managing any risks or implementing any audit recommendations or corrective actions in their other role/s, and/or
- the committee including an assessment of the independence and objectivity (for internal audit purposes) of the head of the outsourced function in their annual assessment report to the governing body.

External provider/s

It is important that any external provider engaged by a council is independent and can objectively assess and report on the way council operates.

To ensure the independence of an external provider, the head of the outsourced function is to ensure the external provider:

- does not conduct any audits on specific council operations or area that they have worked on within the last two years
- is not the same auditor conducting the council's external audit
- is not the auditor of any contractors of the council that may be possibly subject to the internal audit, and

- is able to meet the council's statutory internal audit obligations.

The head of the outsourced function must also consult with the audit, risk and improvement committee and general manager regarding the appropriateness of the skills, knowledge and experience of any external provider before they are engaged by the council.

Chair of the audit, risk and improvement committee

The chair of an audit, risk and improvement committee that oversees an outsourced internal audit function is likely to have greater responsibilities than that of an in-house internal audit function.

As the head of an outsourced function is largely a coordination/administrative role, committee members, and in particular the chair of the Committee, will do the 'heavy lifting' and be the primary source of advice on the findings and recommendations of audits conducted by the external provider and assurance to the council.

Councils that establish an outsourced internal audit function must ensure that their audit, risk and improvement committee has the capacity and capability to undertake this increased role.

Shared internal audit function

Under the Local Government Regulation (clause #tbc) councils can:

- share an internal audit function with another council or joint organisation as part of an independent shared arrangement
- utilise the internal audit function established by their joint organisation that is shared by member councils
- for county councils - share an internal audit function with a constituent council, or

- for joint organisations - share an internal audit function with a member council.

Councils can establish an in-house or outsourced internal audit function as part of a shared arrangement.

A shared internal audit function must operate as a standalone internal audit function for each participating council in the shared arrangement and satisfy statutory requirements for each participating council.

A shared internal audit function should only be established and utilised where all participating councils can be confident that the shared function can deliver a high level of understanding and fulfilment of each council's internal audit needs and maintain effective working and reporting relationships with each participating council in the shared arrangement.

Councils that establish a shared internal audit function should develop and sign a formal agreement with the other councils in the shared arrangement which outlines how the shared arrangement will operate and how costs will be shared.

Implementation

Given the administrative complexity of an internal audit function shared between councils and reporting to multiple governing bodies and general managers, the following arrangements are recommended:

- the internal audit function is hosted by one of the councils, county councils or joint organisations in the shared arrangement
- the head of the internal audit function and any other internal audit team members are employees of the host council
- the head of the internal audit function reports administratively to the general manager (or their delegate) of the host council, and
- the general manager of the host council can only appoint or dismiss the head of the internal audit function in consultation with the general managers and audit, risk and improvement committees of each participating council.

For internal audit functions established by joint organisations and shared between member councils it is recommended that:

- the internal audit function is physically located at the offices of the joint organisation or a member council
- the head of the internal audit function reports administratively to the executive officer of the joint organisation
- the head of the internal audit function and any internal audit staff are employees of the joint organisation, and
- the Executive officer of the joint organisation can only appoint or dismiss the head of the internal audit function in consultation with the general managers and audit, risk and improvement committees of each member council.

Head of a shared internal audit function

In-house function

The head of a shared in-house internal audit function needs to be able to:

- liaise with the governing body and general manager of each participating council about that council's internal audit activities
- implement the annual work plan and four-yearly strategic plan for each council
- conduct or oversee the individual audits of each council and monitoring the implementation of corrective actions
- manage any contractual arrangements with external providers on behalf of each council (where required)
- attend the audit, risk and improvement committee meetings of each respective council on behalf of that council, and
- maintain separate and confidential information for each council.

Outsourced function

The head of a shared outsourced internal audit function needs to be able to:

- manage contracts with external providers on behalf of all councils in the shared arrangement

- liaise with the audit, risk and improvement committee and general manager of each council
- coordinate the completion of audits by the external provider in line with each council's annual plan and four-yearly strategic plan
- provide audit reports by the external provider to the relevant committee and general manager and coordinate council responses
- monitor the implementation by each council of corrective actions that arise from the findings of audits and reporting progress to the committee
- assist each council's committee to ensure the council's internal audit activities comply with statutory requirements, and
- maintain separate and confidential information for each council.

Workplans

The work of each council's internal audit function will be guided by the strategic four-yearly workplan and annual workplan developed by the audit, risk and improvement committee (see core requirement 1).



Performing internal audits

It is essential that a council's internal audit function performs the council's internal audits to a high and consistent standard and that the findings and recommendations that arise from audits can be relied upon by the audit, risk and improvement committee and the council.

Each council's internal audits must be performed in accordance with the requirements of the International Professional Practices Framework.



The internal audit tools, techniques and methodologies used by the internal audit function must be approved by the audit, risk and improvement committee.

Where risk information or ratings are used during the internal audit process, they must be developed and applied consistently with the current Australian risk management standard.

Audit reports

The head of the internal audit function must provide the findings and recommendations of internal audits to the audit, risk and improvement committee at the end of each audit.

The audit, risk and improvement committee will determine whether audit reports should be distributed to committee members out-of-session as they are completed, or at each quarterly meeting of the committee.

Each internal audit report written must reflect the requirements of the International Professional Practices Framework.

This includes:

- necessary background information, including the objective and scope of the audit
- the audit processes and methodology used
- findings and recommendations based on the audit's objectives, prioritised according to their level of risk
- recommended remedial actions to address problems identified which have been prioritised according to risk, and
- a response or action plan from the general manager and/or responsible senior managers of the council.

The head of the internal audit function must provide a draft of each report to the responsible senior manager/s so that a response to each recommendation from each relevant business unit can be included in the final report that is submitted to the audit, risk and improvement committee.

The audit, risk and improvement committee must agree with the general manager the maximum time period the general manager has to approve and provide the council's response to the committee.

Responsible senior managers will have the right to reject recommended corrective action/s on reasonable grounds but should discuss their position with the head of the internal audit function or the chair of the audit, risk and improvement committee before finalising the council's position with the general manager. Reasons for rejecting the recommendation/s must be included in the final audit report.

For those recommendations that are accepted, responsible senior managers are required to ensure that:

- an action plan is prepared for each recommendation that assigns responsibility for implementation to a council staff member/s and timeframes for implementation
- all corrective actions are implemented within proposed timeframes, and
- the head of the internal audit function is provided regular updates, or as otherwise reasonably requested, in relation to the implementation of the internal audit action plan.

Where corrective actions are not implemented within agreed timeframes, the audit, risk and improvement committee can invite the responsible senior manager to explain why implementation has not occurred and how the resulting risk is being addressed in the interim.

The audit, risk and improvement committee can raise any concerns it may have about the council's response to internal audit reports with the general manager and in the committee's quarterly report to the governing body so that they are aware of the risks posed to the council.

Ongoing monitoring

The head of the internal audit function should establish an ongoing monitoring system to track the internal audits undertaken for the

council and follow-up council's progress in implementing corrective actions.

Compliance with regulatory requirements and internal audit standards could also be included as part of ongoing monitoring and self-assessment.

If necessary, any problems identified must be reported to the audit, risk and improvement committee and general manager to ensure they can be rectified quickly before their consequences escalate.

The audit, risk and improvement committee can raise any concerns it has that may arise between meetings with the governing body via an additional report where needed. The chair of the committee can also request to meet with the mayor.

This will ensure that the governing body is fully aware of significant emerging risks posed to the council.

Policies and procedures

The general manager, in consultation with the audit, risk and improvement committee, must develop and maintain policies and procedures to guide the operation of the council's internal audit function and the performance of internal audits.

These policies and procedures could include:

- the structure and resourcing of the internal audit function
- how internal audits will be conducted, reported, implemented and monitored
- audit methodology
- timeframes for reporting and council's response to recommendations
- how any internal audit-related disputes will be resolved
- the internal audit function's access to council staff, resources and information
- how the performance of the internal audit function will be reviewed
- communication between the audit, risk and improvement committee and internal audit function, and the internal audit function and the general manager, and

- information management including document retention, security and access to audit reports.

for consideration and action before their consequences escalate.

Providing advice to the audit, risk and improvement committee

Ongoing reporting to the audit, risk and improvement committee is essential to ensure that the committee is kept informed of matters considered by the internal audit function and any emerging issues that may require reporting to the governing body or general manager.

Quarterly updates

The head of the internal audit function is to ensure that the audit, risk and improvement committee is advised at each of the committee's quarterly meetings of

- the internal audits completed during that quarter
- progress in implementing the annual work plan, and
- progress made implementing corrective actions arising from any past internal audits.

The way this information is communicated is to be decided by the audit, risk and improvement committee in consultation with the head of the internal audit function.

Ongoing advice

The head of the internal audit function can meet with the chair of the audit, risk and improvement committee at any time, as necessary, between committee meetings.

This is particularly important to ensure that any urgent or emerging issues identified by the internal audit function can be quickly reported to the audit, risk and improvement committee

Internal audit documents

Internal audit documentation includes any information or documents produced or obtained by a council's internal audit function that relates to the internal audit activities of the council.

All internal audit documents:

- are for internal use only, subject to the requirements of the *Government Information (Public Access) Act 2009* (GIPA Act)
- are to remain the property of the audited council, including where internal audit services are performed by an external provider – all rights reside with the audited council
- must be documented, retained and controlled in accordance with the International Professional Practices Framework and council policies
- can be accessed by the audit, risk and improvement committee and external auditor without restriction
- can be accessed by the governing body via resolution, subject to the approval of the chair of the committee (any disputes can be referred to the Office of Local Government for resolution)
- subject to the GIPA Act, can only be released to an external party with the approval of the general manager and the chair of the committee, except where the information is being provided to an external oversight or investigative body for the purposes of informing that agency of a matter that may warrant its attention.

Any internal audit documentation provided to any individual, including members of the governing body, should be treated as strictly confidential.

The chair of the audit, risk and improvement committee may refuse to provide access to

internal audit documents or information to anyone who has previously released such information without authorisation.

Review of internal audit function performance

It is important that the work of each council's internal audit function is regularly assessed, and internal auditors held accountable for their performance.

This will ensure that the internal audit function is making a valuable contribution to the council and allows the audit, risk and improvement committee and the council to understand how the council is performing in relation to the matters listed in section 428A of the Local Government Act.

It will also ensure that the audit, risk and improvement committee and council can determine whether any changes to the internal audit function are required.

Annual assessment

The audit, risk and improvement committee must review the performance of the internal audit function each year and report its findings to the governing body as part of the committee's annual assessment.

The annual assessment is to ensure that any concerns regarding the operation of the internal audit function and compliance with the International Professional Practices Framework can be dealt with before they are identified in the four-yearly strategic review, by which time their consequences may have escalated.

An annual assessment will also encourage continuous improvement of the council's internal audit activity.

The audit, risk and improvement committee is to determine the nature of this assessment. It could be conducted, for example, via a self-

assessment performed by the head of the internal audit function.

More information about the audit, risk and improvement committee's annual assessments is provided under core requirement 1.

Four-yearly strategic assessment

A council's audit, risk and improvement committee is to provide an assessment of the effectiveness of the council's internal audit function to the general manager and governing body in each term of the council, as part of the committee's four-yearly strategic assessment.



This assessment is to occur regardless of whether the council has established an in-house or outsourced internal audit function, as the assessment focuses on how the council has implemented its internal audit function.

As part of the audit, risk and improvement committee's assessment of the council's internal audit function, it should consider:

- the views of an independent external party with strong knowledge of internal audit operation
- the independence of the internal audit function
- whether resourcing is sufficient
- whether the internal audit function complies with statutory requirements and the International Professional Practices Framework
- the appropriateness of annual work plans and strategic plans based on the risks facing the council
- progress against key performance indicators
- whether the internal audit function adds value and delivers outcomes for the council, and
- the appropriateness of the internal audit charter.

To ensure the views of the external party consulted are robust, the external party should have:

- strong skills, knowledge and expertise in internal audit

- a working knowledge of the International Professional Practices Framework, and
- no conflicts of interest that may result in bias or a lack of objectivity.

The audit, risk and improvement committee, in consultation with the general manager, is to develop an action plan for the governing body to address any internal audit issues identified by the committee.

The audit, risk and improvement committee's strategic assessment and action plan is to be discussed with the governing body and general manager at the strategic assurance meeting held each council term.

More information about the audit, risk and improvement committee's strategic assessment is provided under core requirement 1.

- make a public interest disclosure under the *Public Interest Disclosures Act 1994* to the:
 - Independent Commission Against Corruption (concerning corrupt conduct)
 - NSW Ombudsman (concerning maladministration)
 - NSW Auditor General (concerning serious and substantial waste of public money)
 - Office of Local Government (concerning serious and substantial waste in local government and breaches of pecuniary interest obligations), and/or
 - Information and Privacy Commissioner (concerning government information contraventions).

Reporting concerns about councillors or council staff

Given the nature of internal audit, there may times where the internal audit function identifies concerns about the conduct of council staff.

Where the head of the internal audit function has concerns regarding a staff member, they can:

- raise their concerns with the chair of the audit, risk and improvement committee (if it relates to the effectiveness of the internal audit function)
- report breaches of the council's code of conduct to the general manager, or by the general manager to the Mayor, as required by the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*
- report their concerns through the council's internal reporting policy, complaints handling policy or other associated protocols, and/or

Annual attestation

The Local Government Regulation (clause #tbc) requires the general manager to attest each year in the council's annual report whether the council has complied with the following requirements:

- council has an internal audit function that provides an independent unbiased assessment of the council's operations and risk and control activities
- council's internal audit function reports to the audit, risk and improvement committee on internal audit matters
- the internal audit function operates independently of the council
- council's internal audit function operates according to an internal audit charter, which is consistent with the approved Model Internal Audit Charter contained in these guidelines
- council has appointed an appropriately skilled and eligible staff member to direct the council's internal audit activities or is part of a shared arrangement where a participating council has appointed a staff member to lead internal audit
- internal audit activities are conducted in accordance with the International Professional Practices Framework

- council's internal audit function operates according to annual and four-yearly strategic plans adopted by the governing body of the council
- council provides the internal audit function with direct and unrestricted access to the general manager and other staff, council information and resources so it can fulfil its responsibilities, and
- at least once each council term (i.e. four years) the audit, risk and improvement committee conducts a review of the effectiveness of the council's internal audit function.

Further information on annual attestation requirements are detailed in the statutory framework section of these Guidelines.

Further resources

The following resources may be useful to councils seeking more information about the establishment and operation of their internal audit function.

This is not an exhaustive list but provides a useful starting point for councils that seek to better understand internal audit, how it can be used by councils to improve performance, and practical tools, examples and templates to adapt for their own use.

[International Professional Practices Framework \(mandatory guidance\)](#) – Institute of Internal Auditors (2017)

Outlines the mandatory requirements for undertaking internal auditing under the International Professional Practices Framework.

Consists of four parts:

- Core Principles for the Professional Practice of Internal Auditing
- Definition of Internal Auditing
- Code of Ethics, and
- International Standards for the Professional Practice of Internal Auditing

[International Professional Practices Framework \(recommended guidance\)](#) – Institute of Internal Auditors (2017)

Provides detailed guidance on how to implement the International Professional Practice Framework.

Consists of two parts:

- Implementation Guide – assists an internal audit function to apply the standards and understand how compliance will be measured by the audit, risk and improvement committee, and
- Supplemental Guide (Practice Guides) – provides detailed processes and procedures for the internal audit function.

[How can audit committee members add value?](#) – PriceWaterhouseCoopers (2011)

Provides a checklist for measuring the performance of an internal audit function.

[Internal Audit in Australia](#) – Institute of Internal Auditors Australia (2016)

Provides an overview of the role of internal audit and the internal audit function, including:

- the different types of work plans that can be used to guide internal audit activity
- the skills, knowledge, experience and qualifications/certifications required of internal auditors
- performing, reporting and monitoring internal audits, and
- how to review the performance of an internal audit function, including performance measures that could be used

[Practice Guide – Talent Management: Recruiting, Developing, Motivating and Retaining Great Team Members](#) – Institute of Internal Auditors (2015)

Provides guidance on how to establish an effective internal audit team (for purchase from the Institute of Internal Auditors).

[Quality Assessment Manual for the Internal Audit Activity](#) – Institute of Internal Auditors (2017)

Outlines how the performance of council's internal audit function can be assessed both internally and externally against the International Professional Practices Framework.

Implementation



Under the Local Government Act, all councils and joint organisations are required to appoint an audit, risk and improvement committee by June 2022.

Following June 2022, councils will have two years, until 30 June 2024, to comply with the risk management and internal audit requirements under these Guidelines and five years to comply with the audit, risk and improvement committee requirements.

Audit, risk and improvement committees

New Committees

Councils that currently do not have an audit, risk and improvement committee must appoint a Committee by June 2022 that complies with the requirements of these Guidelines.

Existing Committees

Councils that already have an audit, risk and improvement committee will already comply with the requirement under the Local Government Act to appoint a committee.

These councils will have until June 2027 (five years) to ensure the membership of their committees comply with these guidelines.

Additional transition time is provided to allow the terms of existing audit, risk and improvement committee members that may not otherwise be eligible for membership of the committee under the new requirements, to naturally expire.

Staged compliance will provide greater stability in the membership of existing committees, ensure the retention of corporate knowledge on the committee, and reduce demand on the prequalification scheme.

Risk management framework

Councils have until 30 June 2024 to ensure their risk management framework complies with these guidelines.

However, councils that already have a mature risk management framework are encouraged, for their own benefit, to comply sooner.

Internal audit function

As a transitional measure, councils will have until 30 June 2024 to ensure their internal audit function complies with these guidelines.

However, councils that already have an internal audit function are encouraged, for their own benefit, to comply sooner.

Attestation

Attestation requirements will commence in 2024 for risk management and internal audit, and 2027 for audit, risk and improvement committees.

All councils will be required to publish their attestation certificates commencing with their 2024-2025 annual report.

However, councils with more mature audit, risk and improvement committees, internal audit function and/or risk management frameworks are encouraged to consider publishing attestation certificates in their annual reports sooner.

Appendix 1:

Attestation template and Determination template

Internal Audit and Risk Management Attestation Statement for the [years] Financial Year for [council/joint organisation]

I am of the opinion that [council/joint organisation] has an audit, risk and improvement committee and risk management and internal audit processes that, excluding the exceptions outlined below, operate in compliance with the requirements set out in the *Local Government Act 1993* and *Local Government (General) Regulation) 2005*.

Specifically:

Audit, risk and improvement committee

Requirement	Compliance
[Council's/joint organisation's] audit, risk and improvement committee is independent of the [council/joint organisation] and has three or more members that comply with or exceed the minimum requirements for the [council's/joint organisation's] prescribed category as a [tier #tbc] council	[compliant or non/compliant]
The chair and all members of [council's/joint organisation's] audit, risk and improvement committee meet the eligibility and independence criteria required of their position, and have been appointed in accordance with prescribed membership term limits	[compliant or non/compliant]
[Council's/joint organisation's] audit, risk and improvement committee operates according to terms of reference approved by the [governing body of the council/board of the joint organisation] that are consistent with the approved Model Terms of Reference	[compliant or non/compliant]
[Council's/joint organisation's] audit, risk and improvement committee operates according to annual and four-yearly strategic plans endorsed by the [governing body of the council/board of the joint organisation]	[compliant or non/compliant]
[Council's/joint organisation's] audit, risk and improvement committee provides an annual assessment to the [governing body/board of the joint organisation] each year, and a strategic assessment of all the matters listed in section 428A of the Local Government Act to the [governing body/board] each council term	[compliant or non/compliant, include date of last strategic assessment provided]
The [council/joint organisation] provides the audit, risk and improvement committee with direct and unrestricted access to the [general manager/executive officer], senior management, [council/joint organisation] information and [council/joint organisation] resources so it can fulfil its responsibilities	[compliant or non/compliant]
At least once each council term the [governing body of the council/board of the joint organisation] reviews the effectiveness of the audit, risk and improvement committee.	[compliant or non/compliant, include date of last review]

Membership

The chair and membership of the audit, risk and improvement committee are:

Independent chair	[name]	[start term date]	[finish term date]
Independent member	[name]	[start term date]	[finish term date]
Independent member	[name]	[start term date]	[finish term date]
Independent member ¹	[name]	[start term date]	[finish term date]
Independent member ¹	[name]	[start term date]	[finish term date]
[Councillor/board] member ¹	[name]	[start term date]	[finish term date]

Risk Management

Requirement	Compliance
[Council/joint organisation] has adopted a risk management framework that is consistent with current Australian risk management standards and appropriate for the [council's/joint organisation's] risks	[compliant or non/compliant]
[Council's/joint organisation's] audit, risk and improvement committee is responsible for reviewing the implementation of [council's/joint organisation's] risk management framework and issues a strategic assessment of the effectiveness of the [council's/joint organisation] risk management framework to the [governing body/board] each council term.	[compliant or non/compliant, include date of last strategic assessment provided]

Internal Audit

Requirement	Compliance
[Council/joint organisation] has an internal audit function that provides an independent unbiased assessment of the [council's/joint organisation's] operations and risk and control activities	[compliant or non/compliant]
[Council's/joint organisation's] internal audit function reports to the audit, risk and improvement committee on internal audit matters	[compliant or non/compliant]
[Council's/joint organisation's] internal audit function operates independently of the [council/joint organisation] and internal audit activities are not subject to direction by the [council/joint organisation]	[compliant or non/compliant]
[Council's/joint organisation's] internal audit function operates according to an internal audit charter, which is consistent with the approved Model Internal Audit Charter	[compliant or non/compliant]
[Council/joint organisation] has appointed an appropriately skilled and eligible staff member to direct the [council's/joint organisation's] internal audit activities or is part of a shared	[compliant or non/compliant]

¹ Delete row if optional member not appointed

Requirement	Compliance
arrangement where a participating [council/joint organisation] has appointed a staff member to direct shared internal audit activities	
Internal audit activities are conducted in accordance with the International Professional Practices Framework	[compliant or non/compliant]
[Council's/joint organisation's] internal audit function operates according to annual and four-yearly strategic plans developed by the [council's/joint organisation's] audit, risk and improvement committee and endorsed by the [governing body of the council/board of the joint organisation]	[compliant or non/compliant]
[Council/joint organisation] provides the internal audit function with direct and unrestricted access to the [council/joint organisation] staff, [council's/joint organisation's] audit, risk and improvement committee, [council/joint organisation] information and resources so it can fulfil its responsibilities	[compliant or non/compliant]
At least once each council term [council's/joint organisation's] audit, risk and improvement committee reviews the effectiveness of the [council's/joint organisation's] internal audit function and reports this to the [governing body of the council/board of the joint organisation].	[compliant or non/compliant]

Departures from regulatory requirements

I advise that the audit, risk and improvement committee, risk management and internal audit activities for [council/joint organisation] depart from the requirements set out in the *Local Government Act 1993* and *Local Government (General) Regulation 2005* in the following ways:

Non-compliance	Reason	Alternative measures being implemented	Exemption granted by the Chief Executive of the Office of Local Government
[regulatory requirement]	[detailed description of reasons giving rise to the non-compliance]	[detailed description of the practicable alternative measures implemented to achieve equivalent level of assurance]	[yes/no]

These processes, including the alternative measures implemented, demonstrate that [council/joint organisation] has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within [council/joint organisation].

[signed]
 [name and position]
 [date]

[Council/joint organisation] compliance with mandatory risk management and internal audit requirements

I am advised that [council/joint organisation] has not complied with the following requirements with respect to the operation of its [audit, risk and improvement committee/risk management/internal audit processes] (omit where relevant):

Requirement	Reason for non-compliance
[regulatory requirement]	[detailed description of reasons giving rise to the non-compliance]

I note that the following alternative arrangements have been implemented to achieve outcomes equivalent to the requirement/s:

Summary of alternative arrangements	How they will achieve equivalent outcomes
[summary of alternative arrangement]	[summary of how they will achieve equivalent outcomes]

I am satisfied that these alternative arrangements will achieve outcomes equivalent to the requirement/s.

This exemption from the requirements of the *Local Government (General) Regulation 2005* is valid for the financial year/s of [years].

[signed]
[name and position]
[date]

[Office of Local Government contact officer contact details]

Appendix 2:

Audit, risk and improvement committee – role and responsibilities

Under section 428A of the Local Government Act, each council (including county councils and joint organisations) must have an audit, risk and improvement committee to independently review and provide advice to the council regarding the following aspects of council's operations:

- (a) compliance
- (b) risk management
- (c) fraud control
- (d) financial management
- (e) governance
- (f) implementation of the strategic plan, delivery program and strategies
- (g) service reviews
- (h) collection of performance measurement data by the council, and
- (i) any other matters prescribed by the regulation (i.e. internal audit).

The committee must also provide information to the council for the purpose of improving council's performance of its functions.

The audit, risk and improvement committee and council are to agree on the specific activities the committee is to review based on the council's needs, risks and business functions.

The following is a list of activities audit, risk and improvement committees and councils should consider as part of the committee's 'audit', 'risk' and 'improvement' roles based on the requirements of section 428A of the Local Government Act.

This is not an exhaustive list and audit, risk and improvement committees and councils are encouraged to carefully consider the council's business operations, service delivery, financial management processes, internal audit function, external accountability requirements, risk management framework, governance arrangements and integrated planning and reporting framework to maximise the advice and assistance the committee can provide to the council.

Audit

Internal audit

section 428A(2)(i)

Principle

Council has an effective internal audit function and receives maximum value from its internal audit activities.

Committee's role

- Provide overall strategic oversight of internal audit activities
- Act as a forum for communication between the governing body, general manager, senior management, the internal audit function and external audit
- Coordinate as far as is practicable, the work programs of internal audit and other assurance and review functions
- Advise the general manager and governing body of the council:
 - whether the council is providing the resources necessary to successfully deliver the internal audit function
 - if the council is complying with internal audit requirements, including compliance with the International Professional Practices Framework
 - if the council's internal audit charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the council are suitable
 - of the strategic four-year plan and annual work plan of internal audits to be undertaken by the council's internal audit function
 - if council's internal audit activities are effective, including the performance of the head of the internal audit function and internal audit function
 - of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
 - of the implementation by council of these corrective actions

- on the appointment of the head of the internal audit function and external providers, and
- if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities

External audit

Principle

Council receives maximum value from its external audit activities.

Committee's role

- Act as a forum for communication between the governing body, general manager, senior management, the internal audit function and external audit
- Coordinate as far as is practicable, the work programs of internal audit and external audit
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations
- Provide advice to the governing body and/or general manager on action taken on significant issues raised in relevant external audit reports and better practice guides

Risk

Compliance framework

section 428A(2)(a)

Principle

Council has an effective compliance framework that ensures it is complying with its legal obligations and other governance and

contractual requirements when undertaking its functions.

Committee's role

Advise the general manager and governing body of the council of the adequacy and effectiveness of the council's compliance framework, including:

- if the council has appropriately considered legal and compliance risks as part of the council's risk management framework
- how the council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

Risk management

section 428A(2)(b)

Principle

Council has an effective risk management framework and internal controls that successfully identify and manage the risks it faces.

Committee's role

Advise the general manager and governing body of the council:

Risk management framework

- whether the council is providing the resources necessary to successfully implement its risk management framework
- if the council has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- whether the council's risk management framework is adequate and effective for identifying and managing the risks the council faces, including those associated individual projects, programs and other activities
- if risk management is integrated across all levels of the council and across all processes, operations, services, decision-making, functions and reporting

- of the adequacy of risk reports and documentation, for example, the council's risk register and risk profile
- whether a sound approach has been followed in developing risk management plans
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if council has taken steps to embed a culture that is committed to ethical and lawful behaviour
- if there is a positive risk culture within the council and strong leadership that supports effective risk management
- of the adequacy of staff training and induction in risk management
- how the council's risk management approach impacts on the council's insurance arrangements
- of the effectiveness of council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

Internal control framework

- if the internal controls in place are appropriate for the risk council faces
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- if the council's monitoring and review of controls, including policies and procedures, is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately

Fraud and corruption control framework

section 428A(2)(c)

Principle

Council has an effective fraud and corruption control framework in place that minimises the incidence of fraud and corruption.

Committee's role

Advise the general manager and governing body of the council of the adequacy and effectiveness of the council's fraud and corruption prevention framework and activities, including whether the council has:

- a fraud and corruption policy
- clearly defined responsibilities for managing fraud and corruption
- risk-based preventative and detective controls
- policies, systems and processes to respond to, investigate and report suspected fraud and corruption
- employee awareness/education measures
- robust third-party management systems
- appropriate processes and systems in place to capture and effectively investigate fraud-related information
- regular review of the fraud and corruption control framework and reporting,
- implemented applicable guidance and other better practice measures by the Independent Commission Against Corruption.

Financial management framework

section 428A(2)(d)

Principle

Council has an effective financial management framework, sustainable financial position and positive financial performance.

Committee's role

Advise the general manager and governing body of the council:

External accountability and financial reporting framework

- if council is complying with accounting standards and external accountability requirements
- of the appropriateness of councils accounting policies and disclosures
- of the implications for council of the findings of external audits and performance audits and council's

- responses and implementation of recommendations
- whether the council's financial statement preparation procedures and timelines are sound
 - the accuracy of the council's annual financial statements prior to external audit, including:
 - management compliance/representations
 - significant accounting and reporting issues
 - the methods used by the council to account for significant or unusual transactions and areas of significant estimates or judgements
 - appropriate management signoff on the statements
 - if effective processes are in place to ensure financial information included in the council's report is consistent with signed financial statements

Financial management framework

- if the council's financial management processes are adequate
- the adequacy of cash management and credit card use policies and procedures
- if there are adequate controls over financial processes, for example:
 - appropriate authorisation and approval of payments and transactions
 - adequate segregation of duties
 - timely reconciliation of accounts and balances
 - review of unusual and high value purchases

Financial position and performance

- if policies and procedures for management review and consideration of the financial position and performance of the council are adequate

Grants and tied funding policies and procedures

- if council's grants and tied funding policies and procedures are sound.

Governance framework

section 428A(2)(e)

Principle

Council has an effective governance framework to ensure it is appropriately directing and controlling the management of the council.

Committee's role

Advise the governing body and general manager if the council's governance framework is sound, including the council's:

- decision-making processes
- implementation of governance policies and procedures
- reporting lines and accountability
- assignment of key role and responsibilities
- committee structure
- management oversight responsibilities
- human resources and performance management activities
- reporting and communication activities
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge.

Improvement

Strategic planning

section 428A(2)(f)

Principle

Council has an effective framework that ensures it achieves its strategic plans and objectives under the integrated planning and reporting (IP&R) framework.

Committee's role

Advise the general manager and governing body of the council:

- of the adequacy and effectiveness of the council's IP&R processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and

- whether the council is successfully implementing and achieving its IP&R objectives and strategies.

Service reviews and business improvement

section 428A(2)(g) and s428A(3)

Principle

Council has an effective framework to ensure it is delivering services and conducting its business and functions to an expected standard.

Committee's role

- Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- Advise the general manager and governing body of the council:
 - if council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
 - if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - how the council can improve its service delivery and the council's performance of its business and functions generally

Committee's role

Advise the general manager and governing body of the council:

- if council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- the performance indicators council uses are effective, and
- of the adequacy of performance data collection and reporting.

Performance data and measurement

section 428A(2)(h)

Principle

Council's performance management framework ensures council can measure its performance and if it is achieving its strategic goals.

Appendix 3:

Model Terms of Reference for audit, risk and improvement committees

Model Terms of Reference for local government audit, risk and improvement committees

[Council/joint organisation] has established an audit, risk and improvement committee in compliance with section 428A of the *Local Government Act 1993* and clauses (#tbc) of the *Local Government (General) Regulation 2005*. These terms of reference set out the Committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Objective

The objective of [council's/joint organisation's] audit, risk and improvement committee is to provide independent assurance to [council/joint organisation] by monitoring, reviewing and providing advice about the [council's/joint organisation's] governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

Independence

The Committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and provide [council/joint organisation] with robust, objective and unbiased advice and assurance.

The Committee is to provide an advisory and assurance role only and is to have no administrative function, delegated financial responsibility or any management functions of the [council/joint organisation]. The Committee will provide independent advice to the [council/joint organisation] that is informed by the [council's/joint organisation's] internal audit and risk management activities and information and advice provided by [council staff/joint organisation], relevant external bodies and subject matter experts.

The Committee must at all times ensure it maintains a direct reporting line to and from the [council's/joint organisation's] internal audit function and act as a mechanism for internal audit to report to the [governing body/board] and [general manager/executive officer] on matters affecting the performance of the internal audit function.

Authority

[Council/joint organisation] authorises the Committee, for the purposes of exercising its role and responsibilities, to:

- access any information it needs from the [council/joint organisation]
- use any [council/joint organisation] resources it needs
- have direct and unrestricted access to the [general manager/executive officer] and senior management of the [council/joint organisation]
- seek the [general manager's/executive officer's] permission to meet with any other [council/joint organisation] staff member or contractor
- discuss any matters with the external auditor or other external parties
- request the attendance of any employee at committee meetings, and
- obtain external legal or other professional advice. [Detail any prior approval needed or pre-determined budget for costs].

Information and documents pertaining to the Committee are confidential and are not to be made publicly available. The Committee may only release [council/joint organisation] information to external parties that are assisting the Committee to fulfil its responsibilities with the approval of the [general manager/executive officer], except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention. [change if documentation is to be made available to the public]

Composition and tenure

The Committee consists of [tier 1 – one independent prequalified voting Chair, two independent voting members and one non-voting councillor/board member] [tier 2 – one independent prequalified voting Chair, one independent prequalified voting member, one independent voting member and one non-voting councillor/board member] [tier 3 – one independent prequalified voting Chair, two independent prequalified voting members and one non-voting councillor member/board member], in accordance with the *Guidelines for risk management and internal audit in local councils in NSW*.

[If applicable - council/joint organisation has been granted an exemption by the Secretary of the Department of Planning, Industry and Environment from the requirement that the Chair of the Committee be prequalified under the NSW Government's *Audit and Risk Committee Independent Chairs and Members Prequalification Scheme*.]

The [governing body/board] is to appoint the Chair and members of the Committee. The Chair is counted as one member of the Committee. Current committee members are:

[name]	Independent chair (voting)
[name]	Independent member (voting)
[name]	Independent member (voting)
[name]	[Councillor/board] member (non-voting) (if applicable) [cannot be the mayor]

All committee members are to meet the independence and eligibility criteria prescribed in the *Guidelines for risk management and internal audit in local councils in NSW*.

Members will be appointed for a four-year period. Members can be reappointed for a further term, but the total period of continuous membership cannot exceed eight years. This includes any term as Chair of the Committee. Members who have served an eight-year term (either as member or Chair) must have a two-year break from serving on the Committee before being appointed again. To preserve the Committee's knowledge of [council/joint organisation], ideally, no more than one member should leave the Committee because of rotation on any one year.

Specific member terms and conditions are to be disclosed in a letter of appointment. New members will be thoroughly inducted to their role and receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

Prior to approving the reappointment or extension of the Chair's or an independent member's term, the [governing body/board] is to undertake an assessment of the Chair's or committee member's performance. Reappointment of the Chair and members is also to be subject to the individual still meeting independence and eligibility requirements.

Members of the Committee are to possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of [council/joint organisation], the environment in which [council/joint organisation] operates, and the contribution that the Committee makes to the [council/joint organisation]. At least one member of the Committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a local government environment. All members should have sufficient understanding of the [council's/joint organisation's] financial reporting responsibilities to be able to contribute to the Committee's consideration of the [council's/joint organisation's] annual financial statements.

[Add any relevant details about shared arrangements, if applicable].

Role

In accordance with section 428A of the *Local Government Act 1993*, the role of the Committee is to review and provide independent advice to the [council/joint organisation] regarding the following aspects of the [council's/joint organisation's] operations:

- compliance
- risk management
- fraud control
- financial management
- governance
- implementation of the strategic plan, delivery program and strategies
- service reviews
- collection of performance measurement data by the [council/joint organisation], and
- internal audit.

The Committee must also provide information to the [council/joint organisation] for the purpose of improving [council's/joint organisation's] performance of its functions.

The Committee's specific audit, risk and improvement responsibilities under section 428A are outlined in Schedule 1 to this charter.

The Committee will act as a forum for the [council's/joint organisation's] internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The Committee will have no power of direction over external audit or the manner in which the external audit is planned or undertaken but will act as a forum for the consideration of external audit findings.

The Committee is directly responsible and accountable to the [governing body of the council/board of the joint organisation] for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of the [council/joint organisation] rests with the [governing body/board] and [general manager/executive officer].

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the [governing body of the council/board of the joint organisation] from time to time.

Responsibilities of members

Independent members

The Chair and members of the Committee are expected to understand and observe the requirements of the *Guidelines for risk management and internal audit for local government in NSW*. Members are also expected to:

- make themselves available as required to attend and participate in meetings
- contribute the time needed to review and understand information provided to it
- apply good analytical skills, objectivity and judgement
- act in the best interests of the [council/joint organisation]
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry
- maintain effective working relationships with the [council/joint organisation]
- have strong leadership qualities (Chair)
- lead effective committee meetings (Chair), and
- oversee the [council's/joint organisation's] internal audit function (Chair).

[Councillor/board] members (if applicable)

To preserve the independence of the Committee, the [councillor/board] member of the Committee is a non-voting member. Their role is to:

- relay to the Committee any concerns the [governing body/board] may have regarding the [council/joint organisation] and issues being considered by the Committee
- provide insights into local issues and the strategic priorities of the [council/joint organisation] that would add value to the Committee's consideration of agenda items
- advise the [governing body/board] (as necessary) of the work of the Committee and any issues arising from it, and
- assist the [governing body/board] to review the performance of the Committee.

Issues or information the councillor member raises with or provides to the Committee must relate to the matters listed in Schedule 1 and issues being considered by the Committee.

The [councillor/board] member of the Committee must conduct themselves in a non-partisan and professional manner. The [councillor/board] member of the Committee must not engage in any conduct that seeks to politicise the activities of the Committee or the internal audit function or that could be seen to do so.

If the [councillor/board] member of the Committee engages in such conduct or in any other conduct that may bring the Committee and its work into disrepute, the Chair of the Committee may recommend to the [council/joint organisation], that the [councillor/board] member be removed from membership of the Committee. Where the [council/joint organisation] does not agree to the Committee Chair's recommendation, the [council/joint organisation] must give reasons for its decision in writing to the Chair.

Conduct

Independent committee members are required to comply with the [council's/joint organisation's] code of conduct and be held to the same ethical, behavioural and conduct standards as officials of the council.

Complaints or breaches of [council's/joint organisation's] code of conduct by an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The [general manager/executive officer] must consult with the [governing body/board] before taking any disciplinary action against an independent committee member in response to a breach of the [council's/joint organisation's] Code of Conduct.

Prequalified Committee members are also required to comply with the code of conduct governing the NSW Government's *Audit and Risk Committee Independent Chairs and Members Prequalification Scheme*.

Conflicts of interest

Once a year, Committee members will provide written declarations to the [council/joint organisation] stating that they do not have any conflicts of interest that would preclude them from being members of the Committee. Independent committee members are 'designated persons' and must also complete and submit returns of interest.

Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest that may have at the start of each meeting, before discussion of the relevant agenda item or issue, and when the issue arises. Where committee members and observers are deemed to have a pecuniary or a significant non-pecuniary conflict of interest, they are to remove themselves from Committee deliberations on the issue. Details of any conflicts of interest should also be appropriately minuted.

Standards

Committee members are to conduct their work in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and [current Australian risk management standard], where applicable.

Workplans

The work of the Committee is to be thoroughly planned and executed to ensure that all [council/joint organisation] activities and functions are reviewed. The Committee must develop a strategic plan every four years to ensure that all matters listed in Schedule 1 are reviewed by the Committee and the internal audit function over each [council/joint organisation] term. The strategic plan must be reviewed at least annually to ensure it remains appropriate.

The Committee may, in consultation with the [council's/joint organisation's] [governing body/board], vary the strategic work plan at any time to address new or emerging risks. The [governing body/board] of the [council/joint organisation] may also, by resolution, request the Committee to approve a variation to the strategic work plan. However, any decision to vary the strategic work plan must be made by the Committee.

The Committee must also develop an annual workplan to guide its work, and the work of the [name of internal audit function], over the forward year.

The Committee may, in consultation with the [council's/joint organisation's] governing body, vary the annual work plan to address new or emerging risks. The [governing body/board] of the [council/joint organisation] may also, by resolution, request the Committee to approve a variation to the annual work plan. However, any decision to vary the annual work plan must be made by the Committee.

When considering whether to vary the strategic or annual work plans, the Committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the workplan.

Assurance reporting

The Committee must regularly report to the [council/joint organisation] to ensure that the [council/joint organisation] is kept informed of matters considered by the Committee and any emerging issues that may influence the strategic direction of the [council/joint organisation] or the achievement of the [council's/joint organisation's] goals and objectives.

The Committee will provide an update to the [governing body/board] and [general manager/executive officer] of its activities and opinions after every Committee meeting.

The Committee will provide an annual assessment to the [governing body/board] and [general manager/executive officer] each year on the Committee's work and its opinion on how [council/joint organisation] is performing.

The Committee will provide a comprehensive assessment every council term of all the matters listed in Schedule 1 to the [governing body/board] and [general manager/executive officer].

The Committee may at any time report to the [governing body/board] or [general manager/executive officer] on any other matter it deems of sufficient importance to warrant their attention. The Mayor and Chair of the Committee may also meet at any time to discuss issues relating to the work of the Committee.

Should the [governing body/board] require additional information, a request for the information may be made to the Chair by resolution. The Chair may only provide the information requested by the [governing body/board] where the Chair is satisfied that it is reasonably necessary for the [governing body/board] to receive the information for the purposes of performing its functions under the Local Government Act. Individual [councillors/board members] are not entitled to request or receive information from the Committee.

Administrative arrangements

Meetings

The Committee will meet at least [number] times per year, [including a special meeting to review the [council's/joint organisation's financial statements]].

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 [general manager/executive officer] or the [governing body/board].

Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted if a member is unable to attend a meeting.

A quorum will consist of a majority of independent voting members. Where the vote is tied, the Chair has the casting vote.

The Chair of the Committee will decide the agenda for each committee meeting. Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the Committee.

The [general manager/executive officer] and [head of the internal audit function] are to attend committee meetings as non-voting observers. The external auditor (or their representative) is to be invited to each committee meeting as an independent observer. The Chair can request the

[council's/joint organisation's] [Chief Finance Officer or equivalent], [head of risk management function or equivalent], [senior managers or equivalent], any [councillors/board members], any employee/contractor of the council and any subject matter expert to attend committee meetings. These individuals must attend and provide any information requested, where possible. Observers have no voting rights and can be excluded from a meeting by the Chair at any time.

The Committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

The Committee must meet separately with both the [name of internal audit function] and the [council's/joint organisation's] external auditor at least once per year.

Dispute resolution

Members of the Committee and the [council's/joint organisation's] management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way via discussion and negotiation.

In the event of a disagreement between the Committee and the [general manager/executive officer] or other senior managers, the dispute is to be resolved by the [governing body of the council/board of the joint organisation].

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Secretary of the Department of Planning, Industry and Environment in writing.

Secretariat

The [general manager/executive officer] will appoint a [council/joint organisation] employee/s to provide secretariat support to the Committee. The secretariat will ensure the agenda for each meeting and supporting papers are circulated after approval from the Chair at least [number] weeks before the meeting and ensure that minutes of meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within [agreed timeframe] of the meeting to each member.

Resignation and dismissal of members

Where the Chair or a Committee member is unable to complete their term, or does not intend to seek reappointment after the expiry of their term, they should give [agreed timeframe] notice to the Chair and [governing body/board] prior to their resignation to enable the [council/joint organisation] to ensure a smooth transition to a new committee member.

The [governing body/board] can terminate via resolution the engagement of any Chair or independent committee member before the expiry of their term where the individual has:

- breached the conditions of, or become ineligible under the NSW Government's *Audit and Risk Committee Independent Chairs and Members Prequalification Scheme*
- breached the council's Code of Conduct
- performed unsatisfactorily or not to expectations
- been declared bankrupt or found to be insolvent
- experienced an adverse change in business status
- been proven to be in a serious breach of their obligations under any legislation, or
- declared, or is found to be in, a position of a conflict of interest which is unresolvable.

The position of a [councillor/board] member on the Committee can be terminated at any time by the [governing body/board] via resolution.

Review arrangements

At least once every council term the [governing body/board] must conduct an external review of the effectiveness of the Committee.

These terms of reference are to be reviewed annually by the Committee and once each council term by the [governing body/board]. Any substantive changes are to be approved by the [governing body/board].

Further information

For further information on [council's/joint organisation's] audit, risk and improvement committee contact [name] on [email address] or by phone [phone number].

Reviewed by Chair of the audit, risk and improvement committee
[signed]
[date]

Reviewed by [council/joint organisation] or in accordance with a resolution of the governing body
[signed]
[date]
[resolution reference]
Next review date: [date]

Schedule 1 – Audit, risk and improvement committee responsibilities

[Note: each council/joint organisation is to determine the responsibilities of its Committee related to each matter listed in section 428A of the Local Government Act 1993 and list them in Schedule 1 to the Committee's terms of reference. Suggested responsibilities are provided below and further detailed in core requirement 1 and Appendix 2 of these Guidelines.]

Audit

Internal audit

- Provide overall strategic oversight of internal audit activities
- Act as a forum for communication between the [governing body/board], [general manager/executive officer], senior management, the internal audit function and external audit
- Coordinate, as far as is practicable, the work programs of internal audit and other assurance and review functions
- Review and advise the [council/joint organisation]:
 - on whether the [council/joint organisation] is providing the resources necessary to successfully deliver the internal audit function
 - if the [council/joint organisation] is complying with internal audit requirements, including conformance with the International Professional Practices Framework
 - if the [council's/joint organisation's] Internal Audit Charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the [council/joint organisation] are suitable
 - of the strategic four-year plan and annual work plan of internal audits to be undertaken by the [council's/joint organisation's] internal audit function
 - if [council's/joint organisation's] internal audit activities are effective, including the performance of the head of the internal audit function and internal audit function
 - of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
 - of the implementation by [council/joint organisation] of these corrective actions
 - on the appointment of the head of the internal audit function and external providers, and
 - if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities

External audit

- Act as a forum for communication between the [governing body/board], [general manager/executive officer], senior management, the internal audit function and external audit
- Coordinate as far as is practicable, the work programs of internal audit and external audit
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations
- Provide advice to the [governing body/board] and/or [general manager/executive officer] on action taken on significant issues raised in relevant external audit reports and better practice guides

Risk

Risk management

Review and advise the [council/joint organisation]:

- if the [council's/joint organisation's] has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- whether the [council/joint organisation] is providing the resources necessary to successfully implement its risk management framework
- whether the [council's/joint organisation's] risk management framework is adequate and effective for identifying and managing the risks the [council/joint organisation] faces, including those associated individual projects, programs and other activities
- if risk management is integrated across all levels of the [council/joint organisation] and across all processes, operations, services, decision-making, functions and reporting
- of the adequacy of risk reports and documentation, for example, the [council's/joint organisation's] risk register and risk profile
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if [council/joint organisation] has taken steps to embed a culture which is committed to ethical and lawful behaviour
- if there is a positive risk culture within the [council/joint organisation] and strong leadership that supports effective risk management
- of the adequacy of staff training and induction in risk management
- how the [council's/joint organisation's] risk management approach impacts on the [council's/joint organisation's] insurance arrangements
- of the effectiveness of [council's/joint organisation's] management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

Internal controls

Review and advise the [council/joint organisation]:

- whether [council's/joint organisation's] approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- whether [council/joint organisation] has in place relevant policies and procedures and that these are periodically reviewed and updated
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- if the [council's/joint organisation's] monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately

Compliance

Review and advise the [council/joint organisation] of the adequacy and effectiveness of the [council's/joint organisation's] compliance framework, including:

- if the [council/joint organisation] has appropriately considered legal and compliance risks as part of the [council's/joint organisation's] risk management framework
- how the [council/joint organisation] manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

Fraud and corruption

Review and advise the [council/joint organisation] of the adequacy and effectiveness of the [council's/joint organisation's] fraud and corruption prevention framework and activities, including whether the [council/joint organisation] has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

Financial management

Review and advise the [council/joint organisation]:

- if [council/joint organisation] is complying with accounting standards and external accountability requirements
- of the appropriateness of [council's/joint organisation's] accounting policies and disclosures
- of the implications for [council/joint organisation] of the findings of external audits and performance audits and [council's/joint organisation's] responses and implementation of recommendations
- whether the [council's/joint organisation's] financial statement preparation procedures and timelines are sound
- the accuracy of the [council's/joint organisation's] annual financial statements prior to external audit, including:
 - management compliance/representations
 - significant accounting and reporting issues
 - the methods used by the [council/joint organisation] to account for significant or unusual transactions and areas of significant estimates or judgements
 - appropriate management signoff on the statements
- if effective processes are in place to ensure financial information included in the [council's/joint organisation's] report is consistent with signed financial statements
- if the [council's/joint organisation's] financial management processes are adequate
- the adequacy of cash management policies and procedures
- if there are adequate controls over financial processes, for example:
 - appropriate authorisation and approval of payments and transactions
 - adequate segregation of duties
 - timely reconciliation of accounts and balances
 - review of unusual and high value purchases
- if policies and procedures for management review and consideration of the financial position and performance of the [council/joint organisation] are adequate
- if [council's/joint organisation's] grants and tied funding policies and procedures are sound.

Governance

Review and advise the [council/joint organisation] regarding its governance framework, including the [council's/joint organisation's]:

- decision-making processes
- implementation of governance policies and procedures
- reporting lines and accountability
- assignment of key role and responsibilities
- committee structure
- management oversight responsibilities
- human resources and performance management activities
- reporting and communication activities
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge

Improvement

Strategic planning

Review and advise the [council/joint organisation]:

- of the adequacy and effectiveness of the [council's/joint organisation's] IP&R processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether the [council/joint organisation] is successfully implementing and achieving its IP&R objectives and strategies.

Service reviews and business improvement

- Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- Review and advise the [council/joint organisation]:
 - if [council/joint organisation] has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
 - if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - how the [council/joint organisation] can improve its service delivery and the [council's/joint organisation's] performance of its business and functions generally

Performance data and measurement

Review and advise the [council/joint organisation]:

- if [council/joint organisation] has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- if the performance indicators [council/joint organisation] uses are effective, and
- of the adequacy of performance data collection and reporting.

Appendix 4:

Council categories

Tier 1

General purpose councils

Definition:

- ❖ **Local government area is in a remote location with a population of <20,000 persons**
- ❖ **Local government area is predominantly rural or agricultural in nature with low population growth.**

- Balranald Shire Council
- Bellingen Shire Council
- Berrigan Shire Council
- Bland Shire Council
- Blayney Shire Council
- Bogan Shire Council
- Bourke Shire Council
- Brewarrina Shire Council
- Cabonne Council
- Carrathool Shire Council
- Central Darling Shire Council
- Cobar Shire Council
- Coolamon Shire Council
- Coonamble Shire Council
- Cootamundra-Gundagai Regional Council
- Cowra Shire Council
- Dungog Shire Council
- Edward River Council
- Federation Council
- Forbes Shire Council
- Gilgandra Shire Council
- Glen Innes Severn Council
- Greater Hume Shire Council
- Gunnedah Shire Council
- Gwydir Shire Council
- Hay Shire Council
- Hilltops Council
- Inverell Shire Council
- Junee Shire Council
- Kyogle Council
- Lachlan Shire Council
- Leeton Shire Council
- Liverpool Plains Shire Council
- Lockhart Shire Council
- Moree Plains Shire Council
- Murray River Council
- Murrumbidgee Council
- Muswellbrook Shire Council
- Nambucca Valley Council
- Narrabri Shire Council

- Narrandera Shire Council
- Narromine Shire Council
- Oberon Council
- Parkes Shire Council
- Snowy Valleys Council
- Temora Shire Council
- Tenterfield Shire Council
- Upper Hunter Shire Council
- Upper Lachlan Shire Council
- Uralla Shire Council
- Walcha Council
- Walgett Shire Council
- Warren Shire Council
- Warrumbungle Shire Council
- Weddin Shire Council
- Wentworth Shire Council
- Yass Valley Council

County councils

Definition:

- ❖ **County council is small in size and has lower operating revenue and expenses compared to other county councils**

- Castlereagh-Macquarie County Council
- Central Tablelands Water County Council
- Hawkesbury River County Council
- New England Tablelands (Noxious Plants) County Council
- Upper Hunter Council Council
- Upper Macquarie County Council

Joint organisations

Definition:

- ❖ **All joint organisations**

- Canberra Region Joint Organisation
- Central NSW Councils Joint Organisation
- Far North Coast Joint Organisation
- Far South West Joint Organisation
- Hunter Joint Organisation of Councils
- Illawarra Shoalhaven Joint Organisation
- Mid North Coast Joint Organisation
- Namoi Joint Organisation
- New England Joint Organisation
- Northern Rivers Joint Organisation
- Riverina and Murray Joint Organisation
- Riverina Joint Organisation

Tier 2

General purpose councils

Definition:

- ❖ **Local government area is part of a regional urban centre that has a population <1,000,000 persons**
- ❖ **Local government area has a population of <20,000 persons or a population density of >30 persons/km² and is predominantly urban in nature**

- Albury City Council
- Armidale Regional Council
- Ballina Shire Council
- Bathurst Regional Council
- Bega Valley Shire Council
- Broken Hill City Council
- Byron Shire Council
- Cessnock City Council
- Clarence Valley Council
- Coffs Harbour City Council
- Dubbo Regional Council
- Eurobodalla Shire Council
- Goulburn Mulwaree Council
- Griffith City Council
- Kempsey Shire Council
- The Council of the Municipality of Kiama
- Lismore City Council
- City of Lithgow Council
- Maitland City Council
- Mid-Coast Council
- Mid-Western Regional Council
- Orange City Council
- Port Macquarie-Hastings Council
- Port Stephens Council
- Queanbeyan-Palerang Regional Council
- Richmond Valley Council
- Shellharbour City Council
- Shoalhaven City Council
- Singleton Council
- Snowy Monaro Regional Council
- Tamworth Regional Council
- Tweed Shire Council
- Wagga Wagga City Council
- Wingecarribee Shire Council

County councils

Definition:

- ❖ **County Council provides essential utility services to the regional area and has higher revenue and operating expenses compared to other county councils**
- Goldenfields Water County Council
- Riverina Water County Council
- Rous County Council

Tier 3

General purpose councils

Definition:

- ❖ **Local government area is part of, or on the fringe of, an urban centre that has a population >1,000,000 persons and population density of 600 persons/km²**
- ❖ **Local government area has a population of > 20,000 persons or population density of >30 persons/km² or 90% of LGA population is urban**

- Bayside Council
- Blacktown City Council
- Blue Mountains City Council
- Burwood Council
- City of Canada Bay Council
- Camden Council
- Campbelltown City Council
- Canterbury-Bankstown Council
- Central Coast Council
- Cumberland Council
- Fairfield City Council
- Georges River Council
- Hawkesbury City Council
- The Hills Shire Council
- The Council of the Shire of Hornsby
- The Council of the Municipality of Hunters Hill
- Inner West Council
- Ku-ring-gai Council
- Lake Macquarie City Council
- Lane Cove Municipal Council
- Liverpool City Council
- Mosman Municipal Council
- Newcastle City Council

- Northern Beaches Council
- North Sydney Council
- Council of the City of Parramatta
- Penrith City Council
- Randwick City Council
- Council of the City of Ryde
- Strathfield Municipal Council
- Sutherland Shire Council
- Council of the City of Sydney
- Waverley Council
- Willoughby City Council
- Wollondilly Shire Council
- Wollongong City Council
- Woollahra Municipal Council

DRAFT

Appendix 5:

Example risk management policy



Example risk management policy

Purpose

The purpose of this policy is to express [council's/joint organisation's] commitment to implementing organisation-wide risk management principles, systems and processes that ensure the consistent, efficient and effective assessment of risk in all [council's/joint organisation's] planning, decision-making and operational processes.

Risk management framework

[Council/joint organisation] provides critical services and infrastructure to the residents, ratepayers and visitors to [area]. [Council/joint organisation] also has service agreements and contractual obligations with government and non-government agencies and organisations and has its own strategic goals and objectives that it seeks to achieve on behalf of the [area] community.

It is therefore incumbent on [council/joint organisation] to understand the internal and external risks that may impact the delivery of these services, contracts and strategic objectives and have processes in place to identify, mitigate, manage and monitor those risks to ensure the best outcome for [council/joint organisation], staff and the community. It is also our responsibility to ensure the efficient, effective and ethical use of resources and services by ratepayers, residents, staff and visitors.

[Council/joint organisation] has developed a risk management framework consistent with [Australian standard] to assist it to identify, treat, monitor and review all risks to its operations and strategic objectives and apply appropriate internal controls.

[Council/joint organisation] is committed to the principles, framework and process of managing risk as outlined in [Australian standard] and commits to fully integrating risk management within the [council/joint organisation] and applying it to all decision-making, functions, services and activities of the [council/joint organisation] in accordance with our statutory requirements.

Responsibilities

[Council/joint organisation] aims to create a positive risk management culture where risk management is integrated into all everyday activities and managing risks is an integral part of governance, good management practice and decision-making at [council/joint organisation]. It is the responsibility of every staff member and business area to observe and implement this policy and [council's/joint organisation's] risk management framework.

All staff are responsible for identifying and managing risk within their work areas. Key responsibilities include:

- being familiar with, and understanding, the principles of risk management
- complying with all policies, procedures and practices relating to risk management
- alerting management to risks that exist within their area, and
- performing any risk management activities assigned to them as part of their daily role.

Risk management is a core responsibility for all senior staff/management at [council/organisation]. In addition to their responsibilities as staff members, senior staff/management are responsible for:

- ensuring all staff manage their risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken
- encouraging openness and honesty in the reporting and escalation of risks
- ensuring all staff have the appropriate capability to perform their risk management roles
- reporting to the [general manager/executive officer] on the status of risks and controls, and
- identifying and communicating improvements in [council's/joint organisation's] risk management practices to [council's/joint organisation's] risk management function.

[Council's/joint organisation's] risk management function is available to support staff in undertaking their risk management activities.

To ensure [council/joint organisation] is effectively managing its risk and complying with its statutory obligations, [council's/joint organisation's] audit, risk and improvement committee and internal audit function is responsible for reviewing the [council's/joint organisation's]:

- risk management processes and procedures
- risk management strategies for major projects or undertakings
- control environment and insurance arrangements
- business continuity planning arrangements, and
- fraud control plan.

Monitoring and Review

[Council/joint organisation] is committed to continually improving its ability to manage risk. [Council/joint organisation] will review this policy and its risk management framework at least annually to ensure it continues to meet the requirements of the *Local Government Act 1993*, *Local Government (General) Regulation 2005*, and the [council's/joint organisation's] requirements.

Further information

For further information on [council's/joint organisation's] risk management policy, framework and process, contact [name] on [email address] or by phone [phone number].

[signed – General Manager/Executive officer]
[name]
[date]
[review date]

Appendix 6:

Model Internal Audit Charter

Model Internal Audit Charter for local councils in NSW

[Council/joint organisation] has established the [name of internal audit function] as a key component of the [council's/joint organisation's] governance and assurance framework and in compliance with the *Guidelines for risk management and internal audit in local councils in NSW*. This Charter provides the framework for the conduct of the [name of internal audit function] in [council/joint organisation] and has been approved by the [governing body/board] taking into account the advice of the [council's/joint organisation's] audit, risk and improvement committee.

Purpose of internal audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve a [council's/joint organisation's] operations. It helps a [council/joint organisation] accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes².

Internal audit provides an independent and objective review and advisory service to provide advice to the [governing body/board], [general manager/executive officer] and audit, risk and improvement committee about the [council's/joint organisation's] governance processes, risk management and control frameworks and its external accountability obligations. It also assists the [council/joint organisation] to improve its business performance.

Independence

[Council's/joint organisation's] [name of internal audit function] is to be independent of the [council/joint organisation] so it can provide an unbiased assessment of the [council's/joint organisation's] operations and risk and control activities.

[Name of internal audit function] reports functionally to the [council's/joint organisation's] audit, risk and improvement committee on the results of completed audits, and for strategic direction and accountability purposes, and reports administratively to the [general manager/executive officer] to facilitate day-to-day operations. Internal audit activities are not subject to direction by the [council/joint organisation] and the [council's/joint organisation's] management has no role in the exercise of the [council's/joint organisation's] internal audit activities.

The audit, risk and improvement committee is responsible for communicating any internal audit issues or information to the [governing body/board]. Should the [governing body/board] require additional information, a request for the information may be made to the Chair by resolution. The Chair may only provide the information requested by the [governing body/board] where the Chair is satisfied that it is reasonably necessary for the [governing body/board] to receive the information for the purposes of performing its functions under the Local Government Act. Individual [councillors/board members] are not entitled to request or receive information from the committee.

² As defined by the International Standards for the Professional Practice of Internal Auditing (2017)

[Detail any delegations made by the general manager/executive officer regarding their internal audit responsibilities].

The [general manager/executive officer] must consult with the Chair of the [council's/joint organisation's] audit, risk and improvement committee before appointing or changing the employment conditions of the [head of internal audit function]. Where dismissal occurs, the [general manager/executive officer] must report to the [governing body/board] advising of the reasons why the [head of internal audit function] was dismissed.

Where the chair of the [council's/joint organisation's] audit, risk and improvement committee has any concerns about the treatment of the [head of internal audit function], or any action taken that may compromise the [head of internal audit function's] ability to undertake their functions independently, they can report their concerns to the [governing body/board].

The [head of internal audit function] is to confirm at least annually to the audit, risk and improvement committee the independence of internal audit activities from the [council/joint organisation].

Authority

[Council/joint organisation] authorises the [name of internal audit function] to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information that the [head of the internal audit function] considers necessary to enable the [name of the internal audit function] to fulfil its responsibilities.

All records, documentation and information accessed while undertaking internal audit activities are to be used solely for the conduct of these activities. The [head of internal audit function] and individual internal audit staff are responsible and accountable for maintaining the confidentiality of the information they receive during their work.

All internal audit documentation is to remain the property of [council/joint organisation], including where internal audit services are performed by an external third-party provider.

Information and documents pertaining to the [name of the internal audit function] are not to be made publicly available. The [name of the [internal audit function]] may only release [council/joint organisation] information to external parties that are assisting the [name of the internal audit function] to fulfil its responsibilities with the approval of the [general manager/executive officer], except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

Role

The [name of internal audit function] is to support the [council's/joint organisation's] audit, risk and improvement committee to review and provide independent advice to the [council/joint organisation] in accordance with section 428A of the *Local Government Act 1993*. This includes conducting internal audits of [council/joint organisation] and monitoring the implementation of corrective actions.

The [name of internal audit function] is to also play an active role in:

- developing and maintaining a culture of accountability and integrity
- facilitating the integration or risk management into day-to-day business activities and processes, and
- promoting a culture of high ethical standards.

[Name of internal audit function] has no direct authority or responsibility for the activities it reviews. [Name of internal audit function] has no responsibility for developing or implementing procedures or systems and does not prepare records or engage in [council/joint organisation] functions or activities (except in carrying out its own functions).

[Head of internal audit function]

Option 1: In-house internal audit function

[Council's/joint organisation's] [name of internal audit function] is to be led by a member of [council's/joint organisation's] staff with sufficient skills, knowledge and experience to ensure it fulfils its roles and responsibilities to the [council/joint organisation] and its audit, risk and improvement committee. The [head of internal audit function] must be independent, impartial, unbiased and objective when performing their work and free from any conflicts of interest.

Responsibilities of the [head on internal audit function] include:

- managing the day-to-day activities of the [name of internal audit function]
- managing the [council's/joint organisation's] internal audit budget
- supporting the operation of the [council's/joint organisation's] audit, risk and improvement committee
- approving internal audit project plans, conducting or supervising audits and assessments and providing independent advice to the audit, risk and improvement committee
- monitoring the [council's/joint organisation's] implementation of corrective actions that arise from the findings of audits
- fulfilling the Committee's annual work plan and four-yearly strategic plan
- ensuring the [council's/joint organisation's] internal audit activities comply with the *Guidelines on risk management and internal audit in local councils in NSW*, and
- contract management and oversight of supplementary external providers (where appropriate).

[Details of any dual responsibilities and independence safeguards]

[Details of any shared arrangements]

Option 2: Outsourced internal audit function

[Council's/joint organisation's] [name of internal audit function] is to be led by a member of [council's/joint organisation's] staff with sufficient skills, knowledge and experience to ensure it fulfils its roles and responsibilities to the [council/joint organisation] and its audit, risk and improvement committee. The [head of internal audit function] must be independent, impartial, unbiased and objective when performing their work and free from any conflicts of interest.

Responsibilities of the [head on internal audit function] include:

- contract management
- managing the internal audit budget
- ensuring the external provider completes internal audits in line with the audit, risk and improvement committee's annual plan and four-yearly strategic plan
- forwarding audit reports by the external provider to the audit, risk and improvement committee
- acting as a liaison between the external provider and the audit, risk and improvement committee
- monitoring the [council's/joint organisation's] implementation of corrective actions that arise from the findings of audits and reporting progress to the audit, risk and improvement committee, and
- assisting the audit, risk and improvement committee to ensure the [council's/joint organisation's] internal audit activities comply with the *Guidelines on risk management and internal audit in local councils in NSW*.

GENERAL MANAGER'S REPORT TO THE ORDINARY COUNCIL MEETING TO BE HELD ON MONDAY 28 OCTOBER 2019.

Author: General Manager

Item No: 2.

Subject: Proposed Internal Audit and Risk Management Framework

Precis: This report advises Council of the release by the Office of Local Government of a new internal audit and risk management framework to apply from March 2021 and seeks feedback from councillors to inform a submission.

Budget: Nil

Recommendations:

- 1. That Council note the release by the NSW Office of Local Government of the proposed new internal audit and risk management framework for local councils in NSW.**
- 2. That councillors provide relevant feedback on the proposed framework by 15 November 2019 to either the General Manager or Director Corporate Services.**

2. Proposed Internal Audit and Risk Management Framework

In 2016 amendments were made to the NSW Local Government Act requiring Councils to establish an Audit Risk and Improvement Committee (ARIC) by March 2021. These amendments also enable the making of future regulations to mandate a risk management framework and internal audit function in all Councils and set a minimum standard of compliance.

The Office of Local Government has developed a draft internal audit and risk management framework and is inviting submissions until 31 December 2019.

The proposed changes include the following core requirements:

- Appoint an independent Audit, Risk and Improvement Committee Note – this appears to include removal of councillors from the committee
- Establish a risk management framework consistent with the current Australian risk management standards
- Establish an internal audit function mandated by an Internal Audit Charter
- Appoint internal audit personnel and establish reporting lines
- Develop an agreed internal audit work program
- How to perform and report internal audits
- Undertake ongoing monitoring and reporting
- Establish a quality assurance and improvement program
- Councils can establish shared internal audit arrangements

The proposed framework entails significant change to the current framework, will require increased resources and will therefore come at a greater cost.

GENERAL MANAGER'S REPORT TO THE ORDINARY COUNCIL MEETING TO BE HELD ON MONDAY 28 OCTOBER 2019.

The mandatory establishment of 128 ARIC Committees across the state at the same time as the Office of Local Government is seeking feedback on an IPART report into the compliance and reporting burden on local government seems at odds with a compliance and burden reducing objective. In addition the requirement for Joint Organisations to establish such committees seems entirely unnecessary and only adds to the risk and perception JO's may drift towards becoming another tier of government.

No reasonable person is arguing against the need for appropriate independent governance oversight of aspects of Council operations. It is however arguable that the framework being proposed goes well beyond what is necessary, desirable and cost effective to achieve that objective.

The proposed framework is deserving of appropriate scrutiny and Councillors are asked to review the documentation and provide any feedback to either the General Manager or Director Corporate Services by 15 November 2019 to enable a draft submission to be prepared.

Attachments:

- | | |
|--------------|--|
| Attachment A | Circular 19-20 from the NSW Office of Local Government |
| Attachment B | Snapshot Guide – A new risk management and internal audit framework – September 2019 |
| Attachment C | Discussion Paper - A new risk management and internal audit framework – September 2019 |

Paul Devery
General Manager
22 October 2019



Office of the Mayor

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8 January 2020

Office of Local Government
ATTN Council Governance Team

E: olg@olg.nsw.gov.au

Submission: A New Risk Management and Internal Audit Framework for local councils in NSW

General Comments

Council's fundamental objection to the proposed framework is that it significantly undermines the role of elected councillors. The Snapshot Guide states that the role of the ARIC by 2026 is to include

"... compliance, fraud control, financial management, governance, integrated planning and reporting, service reviews, performance measurement data and performance improvement in compliance with section 428A of the Local Government Act."

Nobody is arguing that Council can and should strive to improve their operations yet to respond with the proposed framework is an extraordinary over-reach. At the very least the Mayor should be a member of the ARIC committee with the option of having at least one other councillor whilst acknowledging the chair is to be independent.

One can only ask the question – what is the role of an elected councillor?

This overbearing, bureaucratic framework is in stark contrast to the Government's claim to be reducing red tape and is clearly developed with little understanding of local government and the way in which Councils work with their communities every day providing services and facilities. Local government is substantially different to State Government. Councils operate on a local level with a wide range of capacity and challenges that vary from community to community across the State. It is neither desirable nor practical to impose a state agency framework over local government when the desired outcomes can be achieved with much less prescription, much less cost and a much less heavy handed approach.

Whilst Council has sought to respond to the questions asked of submission writers it should be noted Councils starting position is that the entire framework should be reviewed. Council's responses to questions asked should not in any way be seen as an endorsement of the general approach proposed by the framework. It is also noted this framework appears to have been developed without direct input from local government.

Response to Submission Questions

Will the proposed framework achieve the outcomes sought?

- Whilst the proposed framework **may** achieve the intended outcome of reforming the audit and risk management processes in the sector it will come at a high cost and in an inefficient manner.
- The proposed prescription using Enterprise-wide Risk Management principles as per ISO31000 as the standard approach to risk management ignores other models for managing risk that could inform a more rounded approach.
- The proposed framework is overly prescriptive on how councils should run their audit and risk management functions. A principles based regulation is likely to achieve an optimum result based on each council's risk management framework maturity level and resourcing level. The regulations can then define a minimum standard of requirements. For an example, instead of requiring that ALL aspects of the Council operations should be reviewed and signed off by the ARIC on an annual basis, the Guidelines may require that certain key risks are considered at least once every year and/or Council term subject to risk status. It is not practical to audit every aspect of Council operations on an annual basis due to resource constraints.
- The Local Government Sector has unique processes and procedures which are not always similar to the State Government processes and procedures nor to the private sector. Therefore, the requirement that ARIC members should not have recent local government experience is likely to deprive the councils of current and relevant skills. The proposed framework should consider defining alternative risk treatment strategies to address the risk of any conflict of interests which may arise from an ARIC member having recent experience in Local Government.

What challenges do you see for your council when implementing the proposed framework?

- The fundamental concern Council has is the diminishing role afforded elected councillors as outlined above and removing the community voice that is paramount to a democracy.
- The proposed framework is likely to impose a substantial additional cost on Council. A rough estimate indicates an increased annual cost for Cowra Council in the vicinity of \$200,000 per annum or requiring a 3% increase in Council's General rate revenue. Is the Government proposing to finance this major impost or should our ratepayers have to suffer a loss of service in other areas?
- The potential conflict created by the proposed role of the Chief Audit Executive with the role of General Manager is not consistent with the Local Government Act and should be clarified to avoid dual reporting lines.
- Costs associated with the provision of information to the ARIC. The costs associated with the work required for the ARIC to provide assurance on the broad range of requirements stated under section 428A. The work involves the assurance provider's cost or carrying out the work and the cost of staff time in responding to the assurance provider's enquiries. This should be understood in the context of the recent changes to the sector whereby the Auditor General (NSW) is also carrying out service review from time to time on various aspects of council operations.

While this process can be useful, it inevitably imposes an additional compliance burden on councils ie more red tape.

- The proposed timeline for implementing the new framework does not appear to take into account transitional arrangements for council which currently have an existing audit and risk management framework with contracts for independent members of the Committees still running.
- Ability to attract suitably qualified independent members to regional areas.
- Without Councillors involvement in the governance process they will assume the ARIC is responsible, which it cannot be. This builds on the point made above that this framework diminishes the role of the elected member. This raises the potential for a conflict with the aims of the Local government Act.

Does the proposed framework include all important elements of an effective internal audit and risk framework?

- Whilst the proposed framework appears to be comprehensive it is clearly over prescriptive and should refer instead to the AS 31000.2018 risk management principles allowing flexibility for Council's to meet the desired outcomes.
- As discussed above, there are areas where the responsibility of the ARIC, the General Manager and the Council need to be further clarified.
- Internal Audit's role in governance is to provide assurance that internal controls (mitigation strategies) are operating as expected. This needs to be clarified.

Is there anything you don't like about the proposed framework?

- The prescriptive nature of the frameworks
- The significant cost to impose the framework
- The potential undermining of the role of elected councillors. We agree with the proposed number of independent members of the committee however consider there should be at least two councillors, including the Mayor, on the committee. Elected members provide valuable insight and guidance in relation to the unique need and requirements of local government, as well as the specific needs of the community in which the council operates
- The varying levels of authority the framework bestows upon the ARIC. In all instances the major work of the ARIC eg internal audit plans should be endorsed by the ARIC but must be approved by the elected council.
- The challenges of establishing a suitable pool of applicants for the independent member roles. The criteria are too onerous and will undoubtedly limit the pool of suitable applicants.
- The structural conflict created by the role of Chief Audit Executive. Having this role report functionally to the committee and administratively to the general manager is not a tenable scenario and should be addressed. The ARIC should have no role in resolving conflict between Council officials.

- The obvious lack of understanding of the local government sector contemplated by the framework and the attempt to impose a state agency framework.
- The notion that Joint Organisations should be subject to this framework is objectionable when viewed against the rationale for creating them in the first place. It was made clear in the development of the JOs and indeed in the enabling legislation that we did not want to create another level of government. JOs were formed to agree on regional priorities and to facilitate intergovernmental collaboration. Imposing this framework on the JOs is considered completely unnecessary and will likely contribute to the current challenges they already face in their relevance and effectiveness.

Can you suggest any improvements to the proposed framework?

- Remove all of the prescriptive content and allow Council's to exercise appropriate autonomy and flexibility in ensuring the desired outcomes are achieved from a risk management principles perspective. In short – start again.

As a final comment I would make the observation that from a risk management approach this proposed framework itself, the burden associated with its implementation and the questionable value that might ensue, is arguably an unacceptable risk to the efficient functioning of a local Council.

Council appreciates the opportunity to make a submission and trust our comments will be afforded due consideration



Cr Bill West
Mayor

cc Member for Cootamundra, Ms Steph Cooke MP
LGNSW President, Ms Linda Scott

5.3 Release of Closed Decisions

File Number: D21/135

Author: Michael Jones, Director - Corporate Services

RECOMMENDATION

That Council note the release of the resolutions made in Closed Council at the Ordinary Council Meeting on 27 September 2021:

Request for Water Account Adjustment – Assessment Number 26000

RESOLUTION 244/21

Moved: Cr Judi Smith

Seconded: Cr Ray Walsh

That Council approve a credit adjustment to the value of \$5,485.72 to the water account (Assessment Number 26000) on the grounds of extenuating circumstances.

Tender 4/2021 - Replacement of Plant 61 – Side Loading Garbage Compactor Truck

RESOLUTION 245/21

Moved: Cr Ray Walsh

Seconded: Cr Ruth Fagan

That:

- 1. Council accept the tender from Volvo Commercial Vehicles for the Volvo FE Euro 6 Auto with the Superior Pak body at the tendered price of \$410,095.40 (GST inclusive) and also accept the trade-in offered of \$32,000 (GST inclusive) for Council's current Plant 61 2016 Dennis Eagle Elite II side loading garbage compactor truck.**
- 2. Volvo Commercial Vehicles be notified of their successful offer and the unsuccessful tenderers be notified.**

Sale Price for Airport Lots

RESOLUTION 246/21

Moved: Cr Bruce Miller

Seconded: Cr Judi Smith

That lots 6, 7, 8, 11, 14, 16 and 18 in the Cowra Airport subdivision be offered for sale at a price of \$62.50 exc GST per square metre.

Request for Water Account Adjustment - Assessment Number 59224

RESOLUTION 247/21

Moved: Cr Ray Walsh

Seconded: Cr Michael Nobes

That Council declines the request to issue a credit adjustment for Assessment Number 59224 and instead engages the owner to set up a repayment schedule.

Cowra Visitors Centre Lease of Reserve 190056**RESOLUTION 248/21**

Moved: Cr Bruce Miller

Seconded: Cr Judi Smith

That:

- 1. Council approve a rent rebate of 71.6% to be applied to the current market rent for Reserve 190056 for the initial term of the lease agreement, for the period from 1 January 2022 to 31 December 2026.**
- 2. Council approve a rent rebate of 71.6% to be applied to the current market rent for the period from 1 January 2027 to 31 December 2031. This relates to the option period included in the lease.**

Tender for Cowra Drought Water Security Supply of DN375 PVC Pipe (RFT 5/2021)**RESOLUTION 249/21**

Moved: Cr Ray Walsh

Seconded: Cr Michael Nobes

That Council:

- 1. Accept the tender from IPEX Pipelines for RFT 5/2021 (Cowra Drought Water Security – Supply of DN375 PVC Pipe) to the value of \$3,374,126.40 (including GST).**
- 2. Authorise the General Manager to execute any documentation required to award Contract 5/2021 (Cowra Drought Water Security – Supply of DN375 PVC Pipe).**

Contract 8/2021 – Replacement of Roof – Waugoola House**RESOLUTION 250/21**

Moved: Cr Bruce Miller

Seconded: Cr Ruth Fagan

That Council

- 1. Accept the tender from Consenth Solutions Pty Ltd for Contract 8/2021 Replacement of Roof – Waugoola House for the lump sum of \$246,349.87 including GST.**
- 2. Authorise the General Manager to execute any documentation required to award Contract 8/2021 Replacement of Roof – Waugoola House.**

Tender for Sprayed Bituminous Surfacing Work in the Cowra Shire – Tender 7/2021**RESOLUTION 251/21**

Moved: Cr Judi Smith

Seconded: Cr Ruth Fagan

That Council accept the tender submission from State Asphalt Services for sprayed bituminous surfacing works for the 2021/22 season.

Tender for Wet Plant Hire Panel for Billimari Pipeline in the Cowra Shire – Tender 10/2021**RESOLUTION 252/21**

Moved: Cr Bruce Miller

Seconded: Cr Michael Nobes

- 1. That the Director Infrastructure & Operations report for Tender 10/2021 Billimari Pipeline Wet Plant Hire Panel as presented be noted.**
- 2. That Council accepts the tenders received from the following seven (7) companies for the 2021 – 2024 Billimari Pipeline Wet Plant Hire Panel:**

Connor Earthmoving Orange P/L
Cooper Civil Crushing P/L
Hibbo Constructions P/L
Lockinda Transport P/L
PTS Group P/L
Spicer Constructions P/L
Tysons Excavations and Plumbing P/L

Request for Tender for Heavy Patching Work on Council and TfNSW Roads within Cowra Shire 2021-2023 – Tender 12/2021**RESOLUTION 253/21**

Moved: Cr Judi Smith

Seconded: Cr Ruth Fagan

That Council accept the tender from Downer EDI Works Pty Ltd for RFT 12/2021 ‘heavy patching/pavement rebuilding works’ to establish a contract from 30 June 2021 to 30 June 2022 with an option to extend the contract period for a further 12 months.

INTRODUCTION

Councillors will recall the above decisions made at the Ordinary Council meeting on 27 September 2021. These decisions have now been released by Chairman.

BUDGETARY IMPLICATIONS

Nil.

ATTACHMENTS

Nil

5.4 Draft Sport and Recreation Plan 2021

File Number: D21/163

Author: Michael Jones, Director - Corporate Services

RECOMMENDATION

That Council place the Draft Sport and Recreation Plan 2021/2022 - 2030/2031 on public exhibition for a period of 28 days, seeking comments from the public, sporting groups and interested persons.

INTRODUCTION

The Draft Sport and Recreation Plan 2021/2022 - 2030/2031 has been prepared and is presented to Council to be placed on public exhibition for a period of 28 days.

BACKGROUND

Formal Sport & Recreation planning in the Cowra Shire has now been in place for over 10 years. During this time, participation in sport and recreation activities has been a strong feature of the Cowra community and Council has committed significant resources to both new facilities as well as maintenance of existing areas.

An active, sustainable sport and recreation community relies on strong partnerships between Council and the committed community volunteers that operate the many sport and recreation organisations in the shire. Similarly, partnerships have been developed and maintained with other relevant government and sport and recreation industry providers outside the shire area, ensuring that sport and recreation continues to prosper in Cowra.

The draft Cowra Sport and Recreation Plan (2021/22 - 2030/31) was developed through a public consultation process, with relevant stakeholders with facilitation support by Otium Planning Group Pty Ltd. The draft plan is presented to Council's information for comment and feedback, with the view that it is tabled at the Ordinary Council Meeting on Monday 25th October 2021 for endorsement to be placed on public exhibition for 28 days.

Following public exhibition any comments or submissions received from the public or sporting groups will then be included in a final report to be submitted to Council in November 2021.

BUDGETARY IMPLICATIONS

Nil

ATTACHMENTS

1. Draft Sport & Recreation Plan 2021 for Public Exhibition [↓](#)

2021 +
sport
recreation
strategy
2030

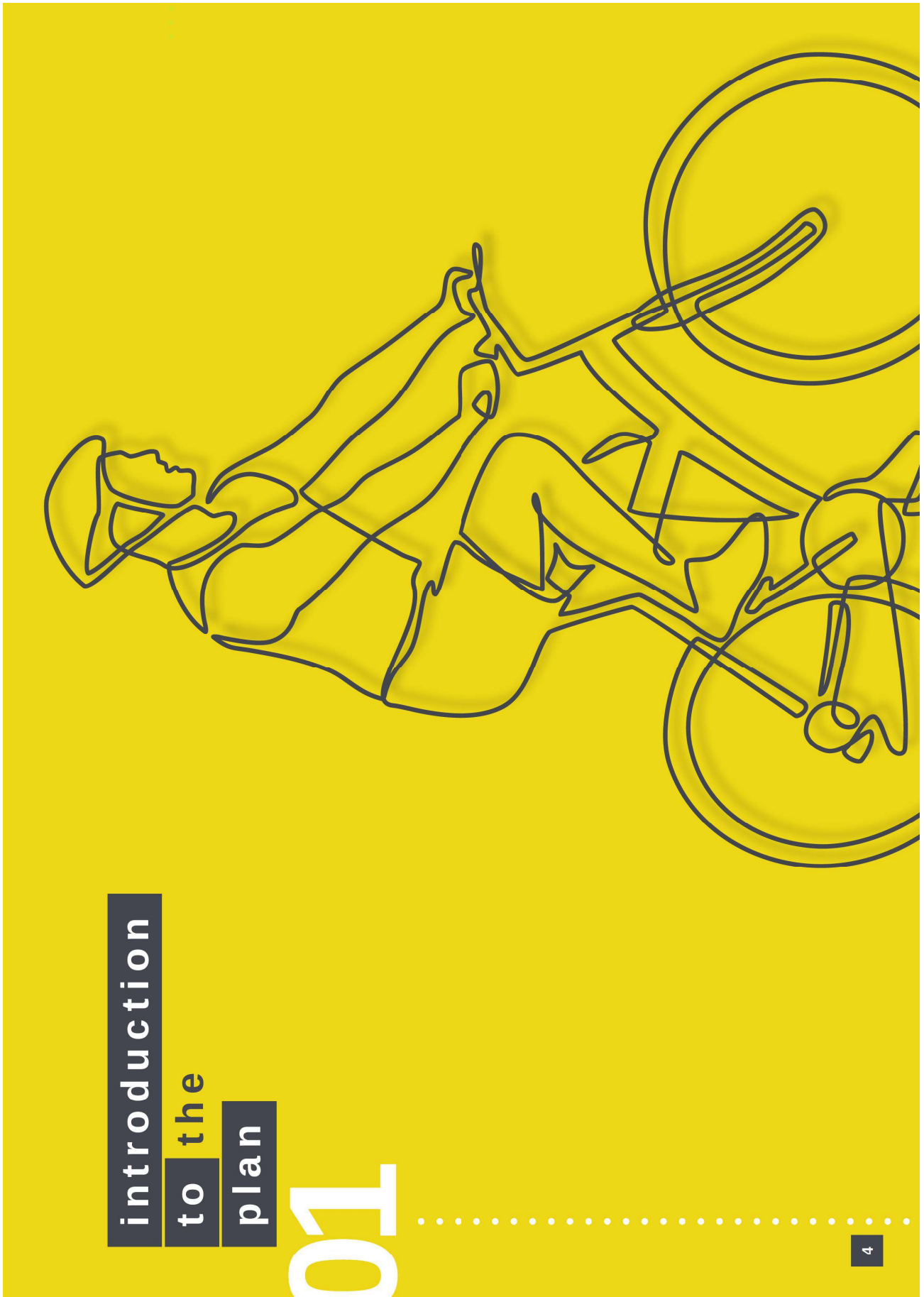
Quality sport and recreation facilities and services that enhance community capacity to provide diverse participation opportunities and encourage active lifestyles



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introduction
to the
plan

01

4

Introduction to the plan

Sport and recreation is a proven vehicle for creating active communities with the potential to realise many social, health and economic benefits across the whole of the Cowra Shire. The contribution of sport and recreation to improving individual health and wellbeing has been well-documented with increasing evidence supporting the significant physical and mental health benefits to be gained from regular participation across all life stages. Similarly, the social benefits are also widely known with many rural communities such as ours, grounded in a strong sporting culture and community pride in the performance of our sporting teams and athletes. The diversity of sport and recreation opportunities available in Cowra Township, and also within our many villages, undoubtedly contributes to the appeal of living in the Shire, enriching the lifestyles of our residents.

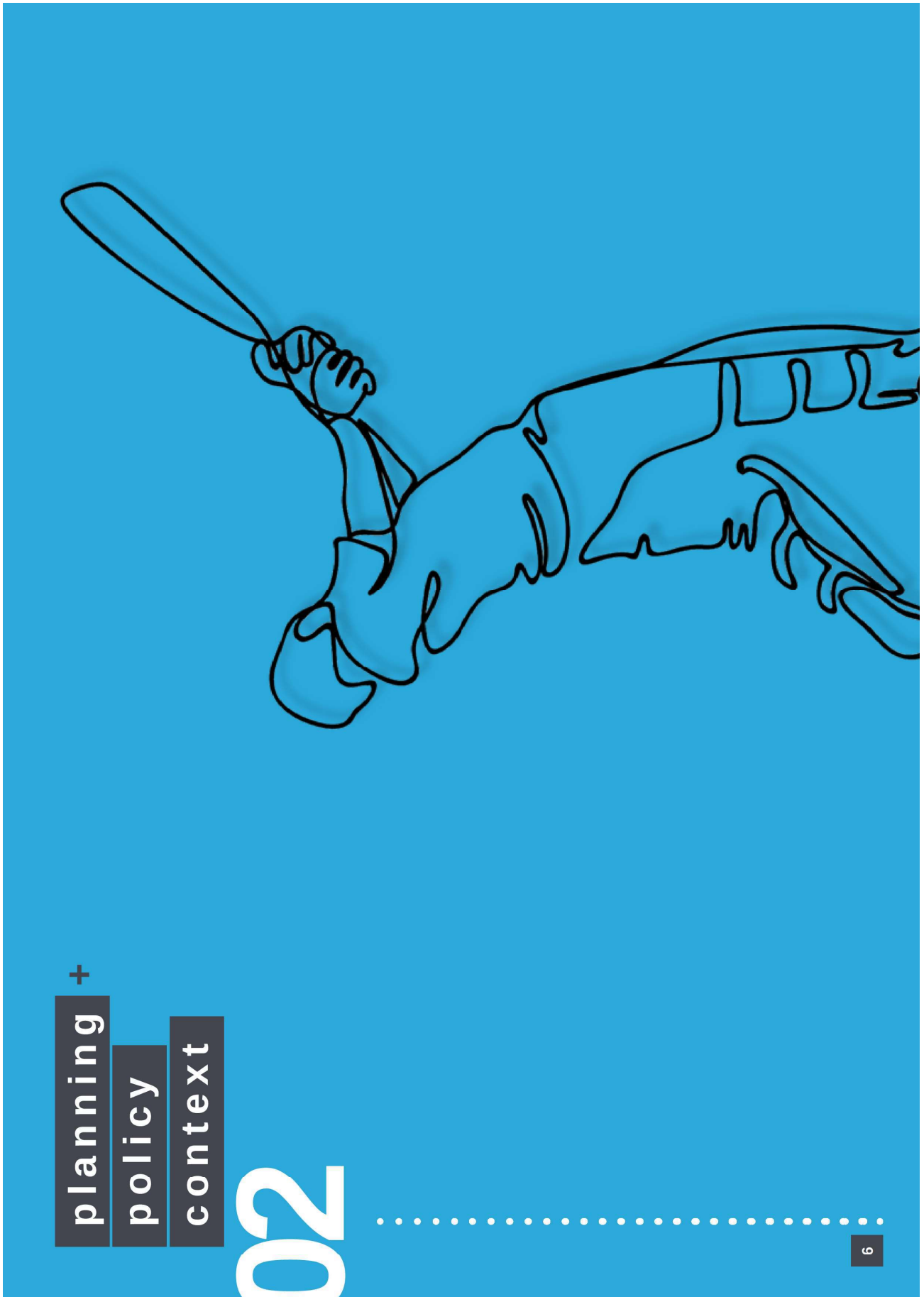
Cowra Council plays a fundamental role in leading planning for the provision and management of facilities to enable sport and recreation activities to operate and flourish within the Shire. An active, sustainable sport and recreation community relies on strong partnerships between Council, the Cowra Sport and Recreation Committee, and the dedicated community volunteers that run sport and recreation clubs in the region. Similarly, partnerships must be maintained with other relevant government and sport and recreation industry providers. A co-operative approach led by Council will provide well-planned, coordinated and integrated facilities and programs that stimulate community involvement and participation and ensure sport and recreation continues to prosper across the Cowra Shire.

The 2021-2031 Cowra Sport and Recreation Plan builds on a strong history of local government sport and recreation planning and extends the planning horizon to a more strategic ten year term. The Plan outlines Cowra Council's aspirations and strategies for supporting the provision of infrastructure and delivery of sport and recreation services across the Shire. The associated Implementation Plan details the key actions Council will commit to undertaking to achieve our community aspirations in the sport and recreation sphere.

The Cowra Sport and Recreation Plan 2021 aims to provide strategic direction for the Cowra Shire's primary sporting facilities and recreation precincts. The scope of this plan does not, and is not intended to cover small parks and other areas used primarily for passive recreation, such as the Cowra Peace Precinct, and does not apply to sporting facilities and recreation areas which are not under the care and control of Cowra Council.

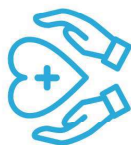
Cowra Council plays a fundamental role in leading planning for the provision and management of facilities to enable sport and recreation activities to operate and flourish within the Shire





Alignment with Cowra Community Strategic Plan

The Cowra Community Strategic Plan (2006-2036) provides the long-term direction for the Cowra Shire Council in serving the Cowra community. The alignment of sport and recreation objectives with the Community Strategic Plan is essential to ensure that efforts to improve sport and recreation infrastructure and services are contributing to the achievement of these broader community goals.



Health + well-being

The contribution that sport and recreation makes to the health and wellbeing of the community is evident in many areas. It is widely acknowledged that maintaining healthy levels of regular physical activity can contribute to improved physical and mental health outcomes and overall feelings of wellbeing. Connection to our natural environment through accessing pathways and trails to enjoy walking, running or cycling is also a significant contributor to positive health outcomes and complements the benefits of more structured sports participation. To enjoy our unique country lifestyle and be fit and healthy, we need a range of community facilities, services and programs that cater for all age groups and abilities. The provision of inclusive, accessible sport and recreation infrastructure and services that cater for a diversity of interests will enhance the health and wellbeing of the Cowra Shire community.



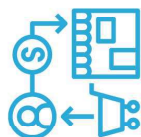
Lifestyle

Cowra has a distinctive country lifestyle. Access to and enjoyment of our sporting, recreational, cultural and heritage facilities together with our natural environment is key to a sense of community and wellbeing. Effective asset management of our sport and recreation infrastructure to maintain quality standards, combined with investing in our sporting clubs and volunteers, will build participation in community life and increase opportunities for sport and recreation participation. Capitalising on the lifestyle benefits of sport and recreation also presents Cowra as an attractive place to live, especially for families, and increases the likelihood of our young people returning to live in the region.



Governance

Communication between Council, other levels of government and the sport and recreation community is fundamental for effective consultation. Purposeful partnerships are needed between Council and other sport and recreation stakeholders to share responsibility for planning and service provision. Council aims to improve governance and sustainability in the sector by supporting clubs to prepare strategic plans and facilitating the Cowra Sport and Recreation Council as a consultative body. Funding opportunities for sport and recreation will be maximised to enable infrastructure renewal and development, and enhance the sustainability and performance of the sector.



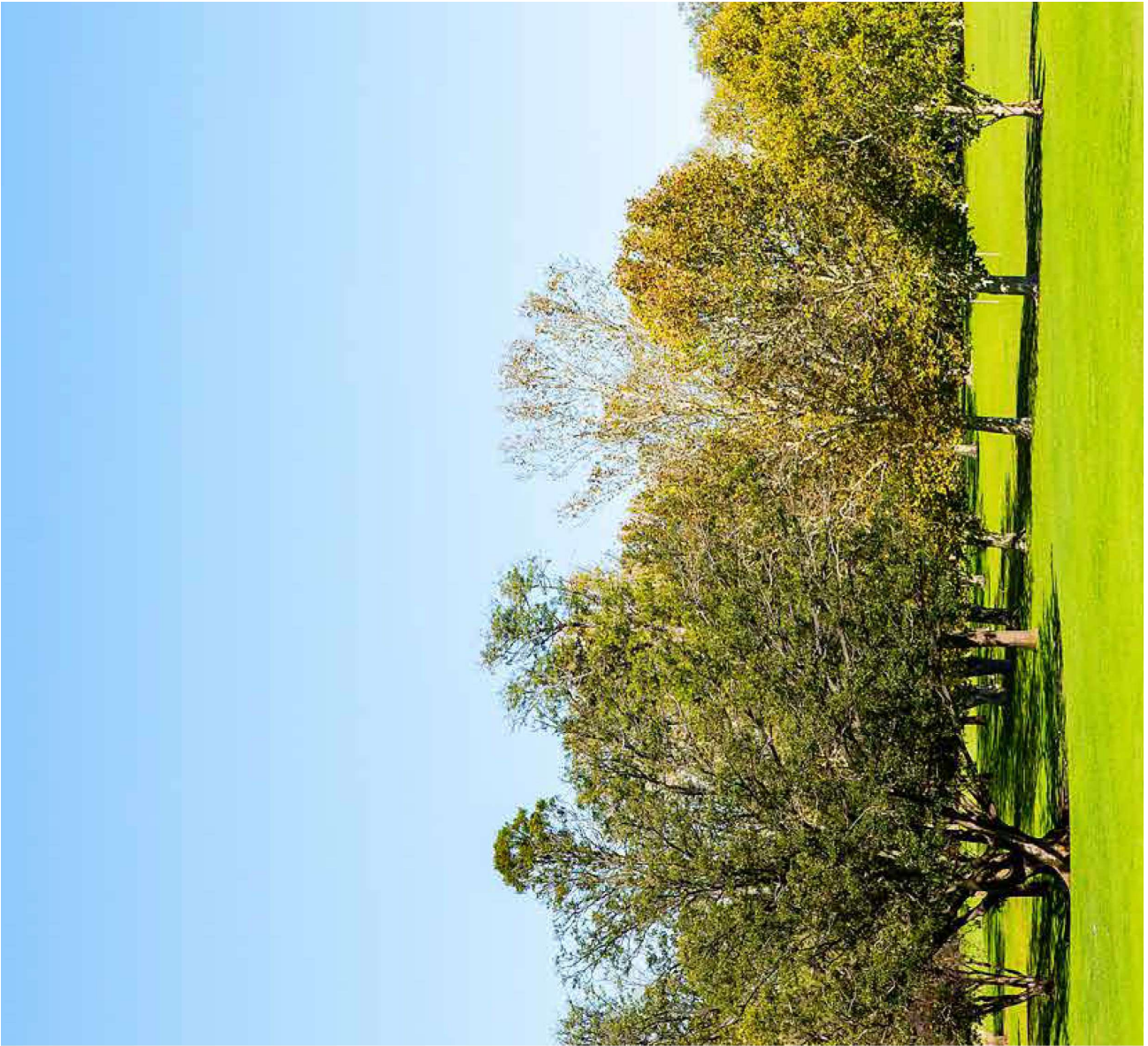
Business + industry

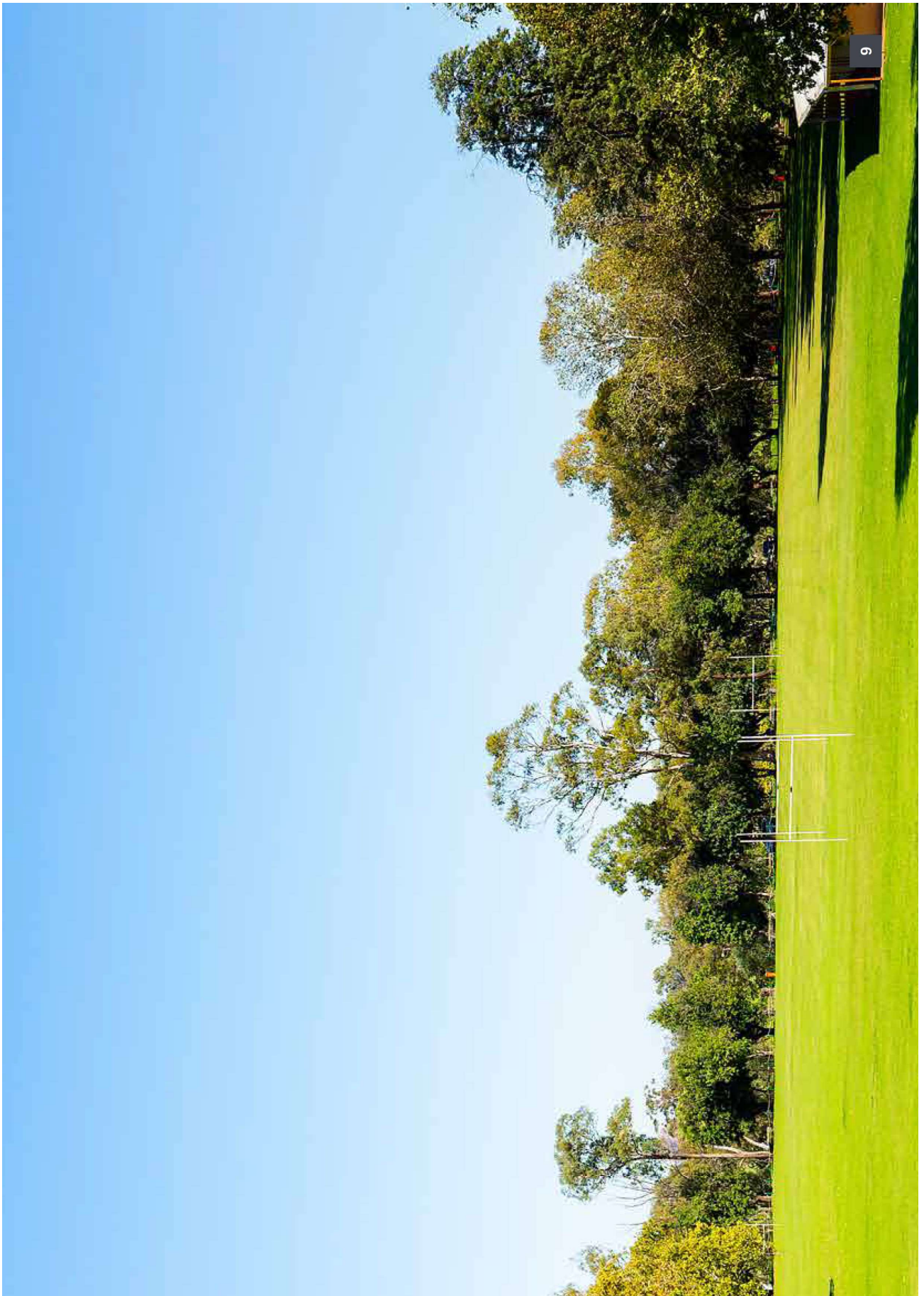
Cowra needs a strong and vital economy to provide opportunity and build its desirable country lifestyle. Sport and recreation activities and infrastructure development contribute to the local economy through generating employment, increasing the customer base for local businesses and attracting visitors to Cowra. Exploration of opportunities to create tourism and economic growth through sport and recreation programs, services and events also holds the potential to provide both positive economic and social outcomes for the Shire.

Integration with Council policy

The Cowra Sport and Recreation Plan 2021-2031 is intended to be read in conjunction with other relevant Council policy and planning documents ensuring an integrated and streamlined approach to managing the maintenance, renewal and replacement of sport and recreation infrastructure, and initiation of new sport and recreation infrastructure projects and the provision of programs and activities. Related documents include:

- Delivery Program (2017/18-2021/22) and Operational Plan (2021-2022)
- Long Term Financial Plan (2021-2030)
- Disability Inclusion Action Plan (2017)
- Cowra Local Strategic Planning Statement (2020)
- Cowra Shire Village Action Plans (2020)
- Cowra Community Participation Plan 2020
- Asset Management Framework 2021-2030 (Draft)









Community consultation

The stakeholder consultation and engagement phase of the strategic planning process was led by sport and leisure consultants, Otium Planning Group. Consultations were undertaken with a diverse range of internal and external stakeholders including sport and recreation clubs, primary and secondary schools, local government Councillors and employees, neighbouring Councils, NSW Office of Sport Western and Orana Region, youth and seniors groups, and the general community.

Consultation methods were planned to maximise participation in the engagement process and included the use of one-on-one interviews, user-group surveys, community surveys, school surveys and workshops.

 Stakeholder engagement has included a diverse range of internal and external sport and recreation stakeholders across the Cowra Shire 

Building on our strengths

In presenting a new ten year strategic plan for Sport and Recreation in the Cowra Shire, it is important to acknowledge the work that has been done up to this point in time as it provides a strong foundation for moving forward and building on the sport and recreation opportunities available to the Cowra community.

We aim to build on our strengths of:

- Facilities that support participation in a diverse range of sport and recreation activities
- Well-maintained ovals, playing surfaces, aquatic centre and parks
- Effective bookings procedures for sports facility users
- Co-located sporting facilities that enable efficient precinct management of assets and support multi-use principles of operation
- Access to natural environments with Lachlan River frontage, Wyangala Dam foreshores, and plenty of open spaces
- Affordable sport and recreation for children and families through the provision of playing fields for junior sport free of charge and reduced entry fees to the Aquatic Centre for low income households
- A diverse network of sport and recreation clubs servicing the Cowra community with a committed volunteer base and strong history of producing talented athletes.

Planning Principles

The following key principles underpin Council's planning for the provision of sport and recreation facilities, services and programs:

- A holistic planning approach – sport and recreation crosses over many areas of Council governance requiring an integrated management approach.
- Access and equity – all members of the community will have the opportunity to participate in sport and recreation.
- Innovation – seeking innovative solutions to new challenges that emerge due to population change and sport and recreation trends.
- Minimise duplication of resources. Efficient use of community assets is critical to maximising the benefits of limited resources. Where possible, opportunities will be explored to increase sharing of existing facilities.
- Environmental and economic sustainability – ensuring sport and recreation initiatives preserve natural resources, achieve sustainable environmental outcomes and support the local economy.
- Responsible asset management – a sustainable approach to sport and recreation asset management with a focus on supporting multi-use and shared facilities and being financially viable.
- Social and cultural wellbeing – using sport and recreation as a vehicle for bringing the community together and providing opportunities for social interaction and healthy lifestyles.
- Positive partnerships with individuals and groups – working collaboratively with the community, government agencies, sport and recreation bodies and the private sector in planning provision and management of sport and recreation.



sport +
recreation
in Cowra

04

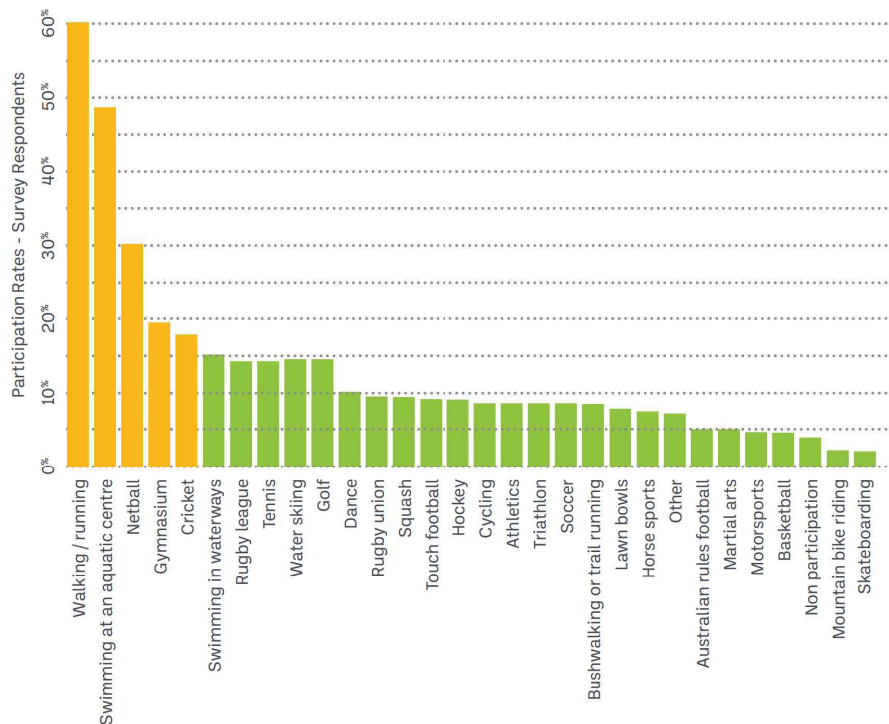
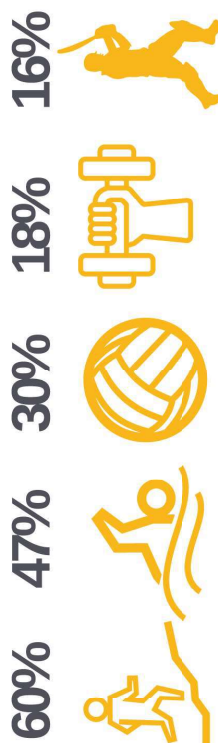


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Understanding sport + recreation participation

Consideration of the nature of sport and recreation participation in Cowra informs decisions about where to focus our efforts and invest resources to maximise the benefits to the community.

National trends in sport and recreation participation in Australia show a growing preference for participation in individual, informal sport and recreation activities that fit around busy lifestyles. This trend appears to be reinforced through our community survey results where three out of five of the most popular activities for regular participation fell into this category. Of all people surveyed, participation rates were highest in the following sport and recreation categories:



The graph to the right of page shows the total activity and the percentage of people who participated regularly in each of the activities. Activities listed in the "other" category included, yoga, league tag, fishing, camping, kayaking, target/rifle shooting, aqua zumba, table tennis and horse riding. Some people responded that they didn't participate in sport or recreation activities. The reasons indicated were they're spectators, watched television, played computer games or spent time with their animals.

Statistics on club membership obtained through sports organisation surveys demonstrate strong club participation continues to be a feature of the Cowra sport and recreation landscape. Generally, most club membership remained fairly stable between 2017-2019 with growth seen in motorcycling, tennis and netball. Declining membership was reported in junior soccer, most noticeably in female players in the 13-18yr age bracket, and in senior cricket. Based on the 16 membership survey responses (2019 membership year), the highest participation sports in Cowra were:

- Cowra Netball - 350
- Cowra & District Junior Rugby League - 280
- Cowra & District Junior Soccer - 277

Further insights into sport and recreation participation in the Cowra Shire can be gained through considering the uptake of the NSW Government's Active Kids Vouchers – The Active Kids Voucher scheme provides up to two \$100 vouchers per child for school aged children to help with the costs of participating in sport. 2019 was used as the comparative year due to the unknown impact of the COVID pandemic lockdown measures on 2020 participation.

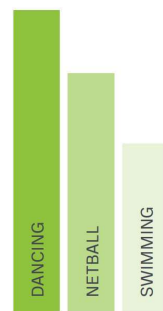
5,717
Vouchers created since program started

1,833
Vouchers created in 2019

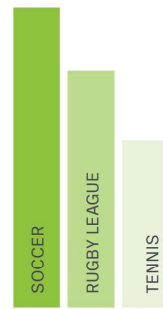
62%
Population uptake in 2019



Gender Breakdown of Active Kids Voucher Use



Top Voucher Use - Girls



Top Voucher Use - Boys



Top Girl Activities



Top Boy Activities



“ The NSW Government’s Active Kids Voucher scheme identified rugby league as one of the top activities for both males and females in the Cowra Shire. ”

strategic

sport + recreation

planning

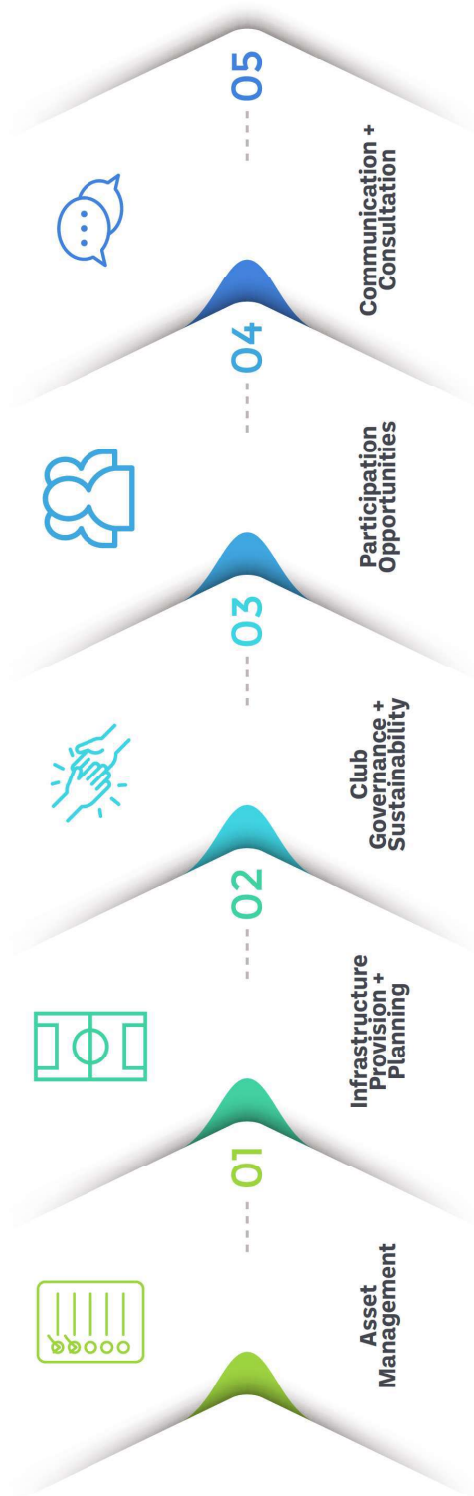
05



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Strategic Planning Themes

Five strategic themes were identified through the stakeholder consultation and engagement process, providing the framework for the 2021-2031 Cowra Sport & Recreation Plan and guiding future actions towards the achievement of clear sport and recreation aspirations for the Cowra Shire community.





Strategic Planning Theme 1 Asset Management

Our aspiration for Asset Management is to provide safe, accessible sport and recreation infrastructure proactively maintained to a high standard

Rationale

Well-managed assets provide the foundation for sport and recreation activities supporting safe participation, enhancing enjoyment and standards of performance. Council maintains a broad network of sport and recreation assets across the Shire ensuring the Cowra community and visitors to the area have a wide variety of activities to choose from.

Our assets

The scope of asset management in the current plan is defined by Council-owned and managed assets that provide for sport and active recreation pursuits within the Shire. A description of these assets, including a location map, is shown in the following pages.

Council also acknowledges the importance of walking and cycling pursuits to the Cowra Shire community and remains committed to ensuring residents and visitors can continue to enjoy these vital sport and recreation activities. Strategic infrastructure planning for walking paths and cycling routes in the Cowra Shire has already been completed and is outlined in the following Council policy documents:

- Lachlan River Masterplan (2011)
- Cowra Shire Pedestrian & Cycleways Plan (2014)
- Cowra Peace Precinct Environmental Management Plan + Masterplan (2010)

Implementation Plan

No.	Action	Timeframe	Responsibility	Performance Measure(s)
1.1	Prepare asset management plans for individual sporting precincts in accordance with Council's Asset Management Framework	1-3 years	Infrastructure and Operations	Asset Management Plans for Edgell Park Precinct, River Park Precinct, Mulyan Recreation Precinct, West Cowra Recreation Ground and Col Stinson Park Recreation Precinct
1.2	Undertake bi-annual audits (autumn and spring) of sport and recreation facilities to ensure safety & accessibility standards, user's needs and regulatory standards are being met.	Bi-annually	Infrastructure and Operations	Facilities are deemed fit-for-purpose High standard of playing surfaces is maintained Safety issues are rectified within one month of reporting

West Cowra Recreation Ground

The West Cowra Recreating Ground is Cowra's primary sporting facility for senior rugby league. The playing field is surrounded by a greyhound racing track. The Edgar Newham Grandstand overlooks the sporting ground. The ground also contains a number of on-site amenities and a large undercover area used by spectators of sporting activities.

Sport and Recreation Activities

- Rugby League
- League Tag
- Summer Soccer
- Greyhound racing
- Touch Football
- Training / various sports

Key Site Features

1. Site entry
2. Edgar Newham Grandstand
3. Site amenities
4. Canteen facilities / Undercover arena
5. Scoreboard
6. Greyhound racing track
7. Greyhound boxes
8. Perimeter access road
9. Rugby league playing field (Sid Kallas Oval)
10. Site Shed
11. Lighting towers





River Park Precinct + Aquatic Centre

The River Park Precinct is an expansive precinct of land adjoining the eastern banks of the Lachlan River and used for a multitude of sporting and recreation purposes. The northern end of the precinct is occupied by Holmen Oval (cricket) and three junior rugby league fields. The southern end of the precinct is used primarily for cricket (Twigg Oval), basketball and athletics. Located centrally within the precinct is the Cowra Aquatic Centre, which contains an olympic sized swimming pool and a smaller pool for children. Parking in the area occurs formally within a dedicated area accessed from Taragala Street, however there is also a perimeter access road on the western side of the precinct that also provides for parking opportunities.

Sport and Recreation Activities

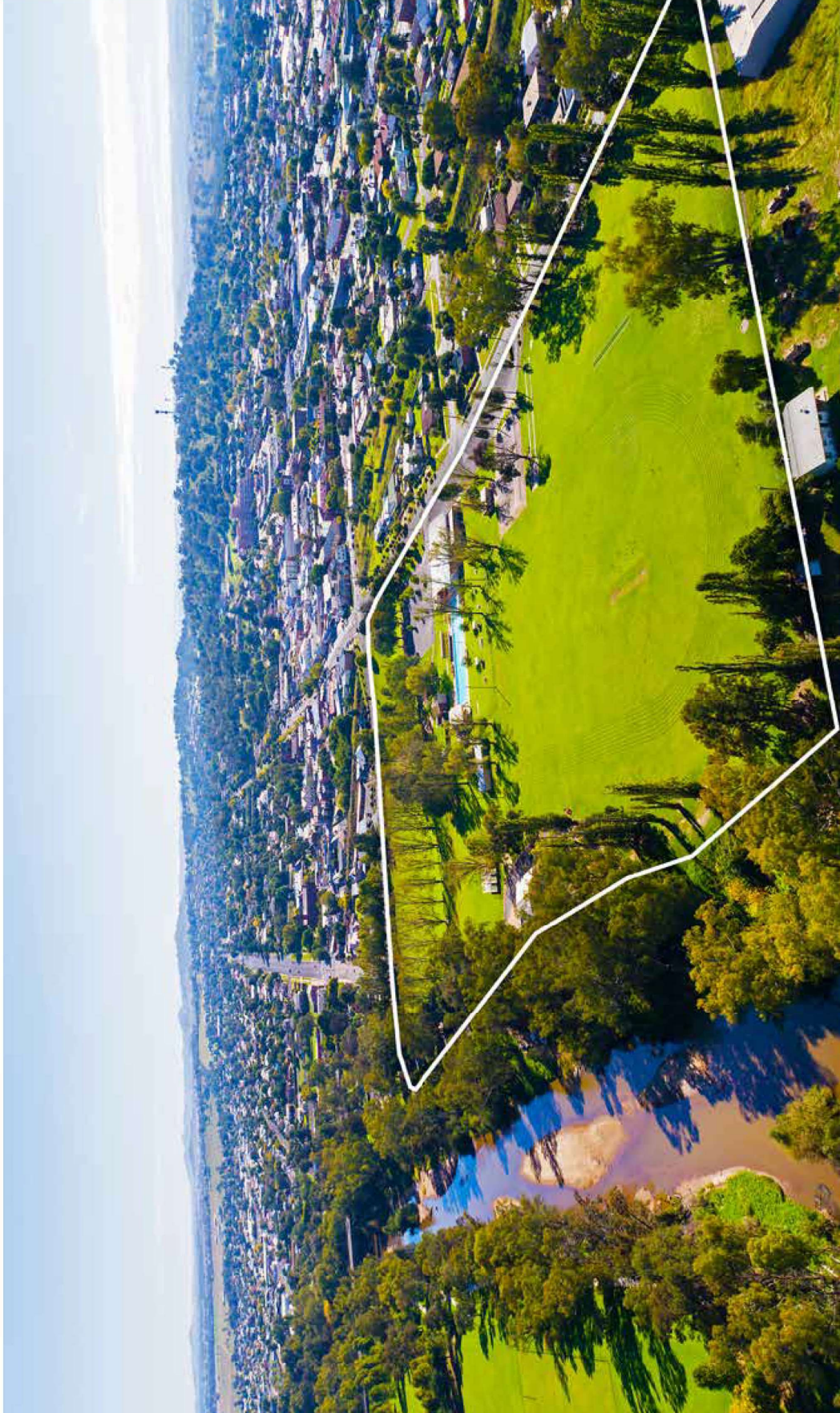
- Rugby League
- Swimming
- Athletics
- Cricket / Cricket Nets
- Basketball
- Playground

Key Site Features

1. Junior rugby league fields
2. Cricket - Holman Oval
3. Cricket - Twigg Oval
4. Cricket practice nets
5. Athletics - Track
6. Athletics - Jump
7. Athletics - Throw
8. Basketball COLA
9. Cowra Aquatic Centre
10. Car parking areas
11. Playground area
12. Triathlon Storage
13. Perimeter access road
14. Club storage shed



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Edgell Park Precinct

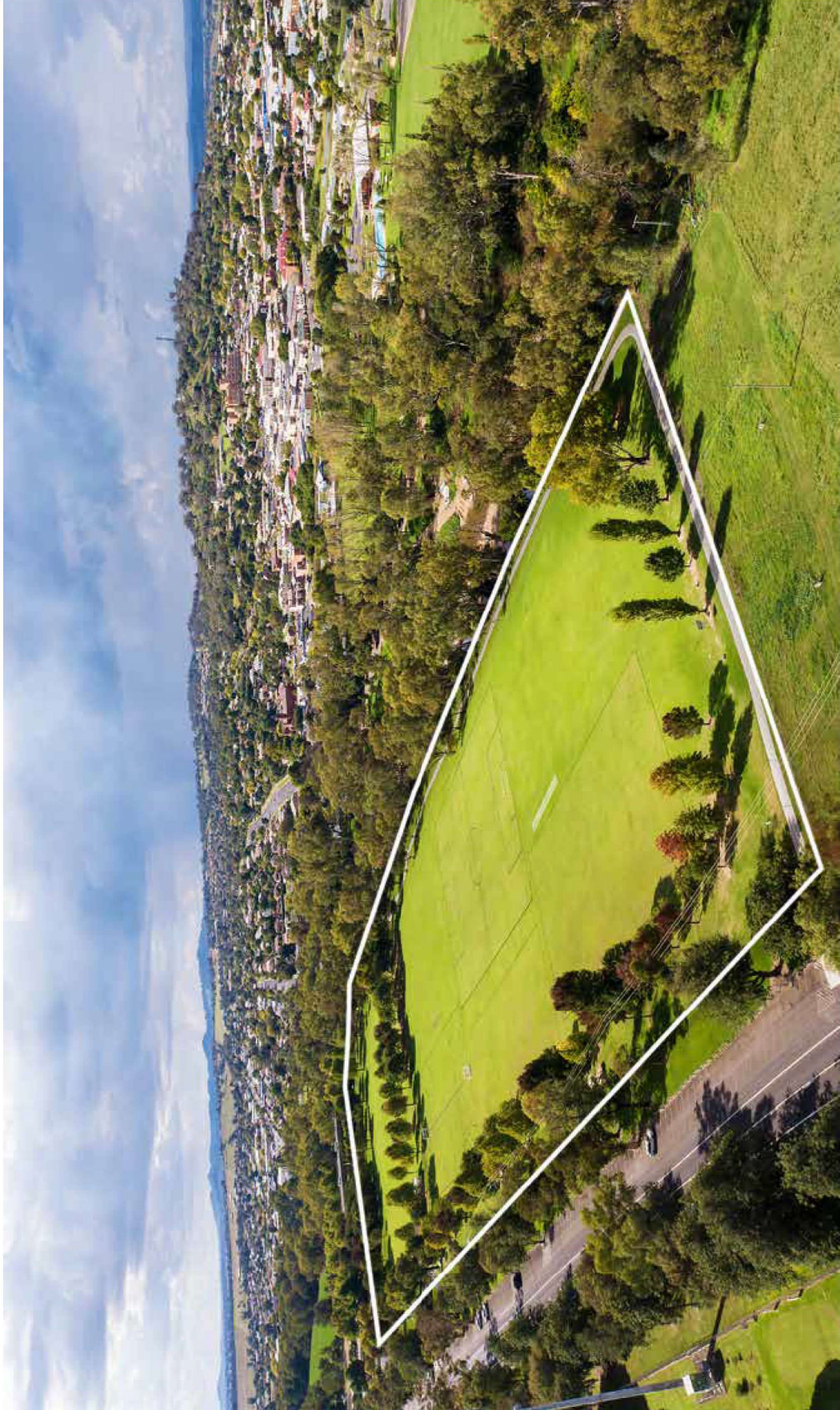
The Edgell Park Precinct is an expansive precinct of land adjoining the western banks of the Lachlan River and used for a multitude of sporting and recreation purposes. The northern end of the precinct is occupied by Oliver Oval (cricket) and two grassed hockey fields. The southern end of the precinct is used primarily for junior and senior soccer, cricket (Raudonikis and McPherson Ovals) and also a golf practice range. There is an existing amenities facility located centrally within the precinct. Car parking is situated along the Lachlan Valley Way (Boorowa Road) also within dedicated areas at the northern end of the precinct.

Sport and Recreation Activities

- Soccer
- Hockey
- Cricket
- Golf practice
- Passive recreation (shared paths)

Key Site Features

1. Carparking areas
2. Amenities building
3. Driver reviver shed
4. Fockey fields
5. Soccer fields
6. Cricket - Raudonikis Oval
7. Cricket - McPherson Oval
8. Cricket - Oliver Oval
9. Walking and cycling paths
10. Golf practice area
11. Caravan dump site
12. Electric vehicle charging station





Col Stinson Park Recreation Precinct

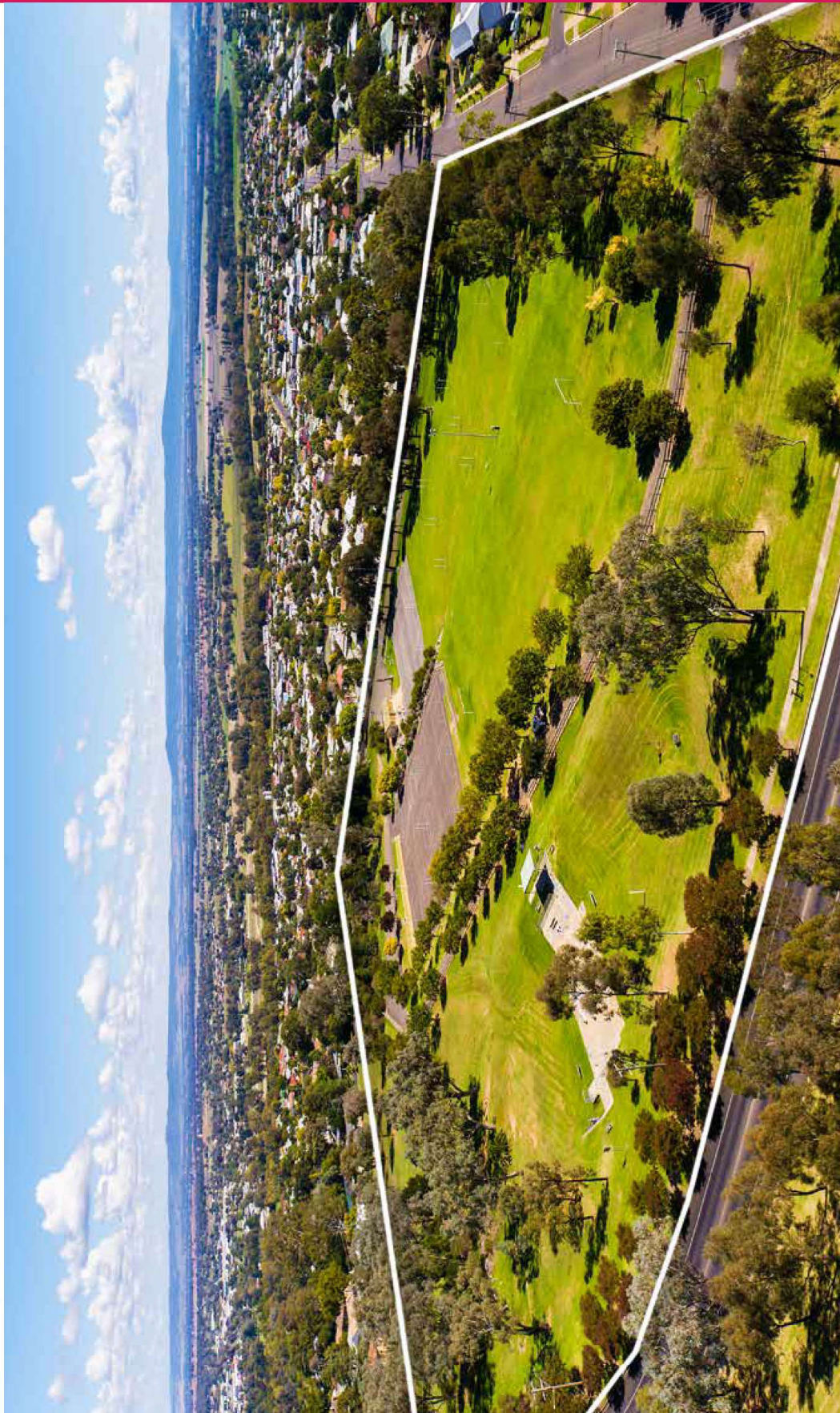
Col Stinson Park is a beautiful precinct of land located within north Cowra, and is used for multiple sporting and recreation purposes including netball, soccer and skateboarding / BMX and scooter riding. There are a total of 9 hard surface netball courts, and these are supplemented by a further 9 grassed surface netball courts. The soccer field is a full sized playing field. The Cowra Skate Park is located within the existing stormwater detention basin between the soccer field and Binnii Creek Road. Car parking occurs in a dedicated parking area to the west of the canteen building, and also informally along the internal access road.

Sport and Recreation Activities

Netball
Soccer
Skateboarding / BMX / Scooter riding

Key Site Features

1. Site entry
2. Internal access road
3. Car parking areas
4. Hardstand netball courts
5. Grassed netball courts
6. Skate park
7. Site amenities
8. Soccer field
9. Detention basin
10. Lighting





Mulyan Recreation Precinct

The Mulyan Recreation Precinct is comprised of two separate sporting facilities - Mulyan Oval and Rodwell Oval. Mulyan Oval is Cowra's primary sporting facility for junior and senior AFL. Mulyan Oval is also used for junior and senior cricket, and contains an existing canteen building and informal car parking area. Rodwell Oval is a dedicated cricket oval and contains a cricket practice net facility as well.

Sport and Recreation Activities

- Cricket
- Cricket practice
- Australian rules football

Key Site Features - Mulyan Oval

1. Site entry
2. Site amenities
3. AFL playing field
4. Cricket Oval
5. Car parking area

Key Site Features - Rodwell Oval

1. Site amenities
2. Cricket oval
3. Cricket practice nets





Strategic Planning Theme 2 Infrastructure Provision + Planning

Rationale

The provision of suitable infrastructure and effective planning for future needs is essential to maintain and grow sport and recreation within the Cowra Shire. This strategic theme is concerned with how we can improve the utilisation and suitability of community sport and recreation infrastructure and better plan for infrastructure development to meet future participation demand.

It is acknowledged that the responsibility for managing, maintaining, upgrading and renewing the breadth of sport and recreation infrastructure across the Shire is a shared responsibility. However, as the major provider, Council is well-positioned to work co-operatively with the sport and recreation sector and schools to make the best use of limited resources, avoid duplication of facilities, and maximise the capacity of our infrastructure to support sport and recreation services.

A fundamental consideration in infrastructure provision is the current and future trends in sport and recreation participation and how well our existing infrastructure caters for these types of participation.

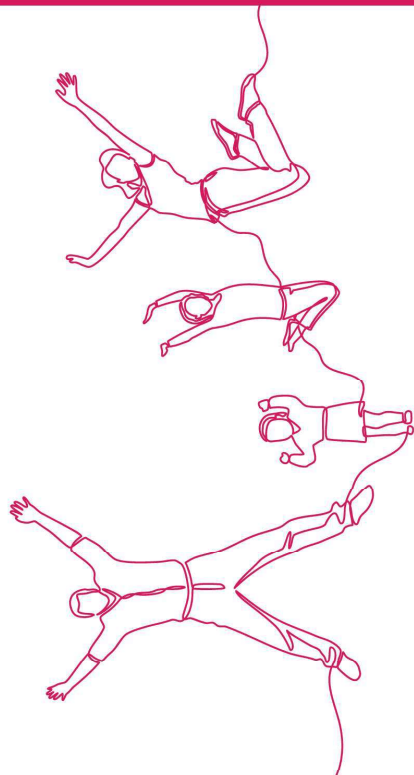
Effective planning for infrastructure provision will ensure Council can:

- Continue to provide infrastructure that supports current activities and maintains quality standards;
- Improve the suitability and access of our existing infrastructure to ensure that people of all ages and abilities can use the facilities and participate in the activities on offer.
- Address gaps in sport and recreation infrastructure arising from changing participation needs.

A key action for infrastructure provision and planning will be the preparation of detailed Precinct Master Plans for each of the major sporting precincts in the Shire. The plans will detail the level and nature of use, suitability standard of the facilities, and priorities for infrastructure refurbishment and renewal, providing a strong foundation for Council to scope future capital works projects and source external funding. Master Plans will be informed by recent and future community consultation, asset management plans, utilisation audits, participation data and Council resources.

“ Our aspiration for Infrastructure Provision + Planning is to provide a sustainable network of sport and recreation infrastructure that meets diverse needs of sporting organisations, schools and recreational users and anticipates future demand. ”





Implementation Plan

No.	Action	Timeframe	Responsibility	Performance Measure(s)
2.1	Manage the equitable allocation of sport and recreation facilities to ensure they remain accessible for the whole community	Ongoing	Infrastructure and Operations	Satisfaction with booking system Satisfaction with access to facilities
2.2	Develop an objective assessment framework to prioritise proposals for major infrastructure projects across the Cowra Shire	<1 year	Corporate Services	Prioritisation Framework completed Major Capital Works assessed against framework
2.3	Develop Precinct Master Plans for major sporting precincts with specific consideration to providing facilities that encourage female, youth and seniors participation and increase connectivity	1-3 years	Infrastructure and Operations	Precinct Master Plans completed for River Park, Cowra Aquatic Centre, Edgell Park, Co. Stinson Park, West Cowra Recreation Ground and Mulyan Oval
2.4	Monitor implementation of Village Action Plans with respect to sport and recreation facilities and programs	Ongoing	Infrastructure and Operations	Relevant sport and recreation actions in Village Action Plan addressed
2.5	Investigate construction of a mountain bike facility to support the new club in Cowra	1-3 years	Infrastructure and Operations	Recommendations presented to Cowra Sport & Recreation Committee (CSRC) and Council
2.6	Undertake an Indoor Sports Facility study to assess supply and demand and identify strategies to increase accessibility to indoor facilities, including aquatic facilities	3-5 years	Infrastructure and Operations	Study report presented to CSRC and Council



Strategic Planning Theme 3 Club Governance + Sustainability



Our aspiration for club governance and sustainability is a local sport and recreation sector with the capacity and capability to maintain and grow participation



Rationale

Many sport and recreation opportunities in Cowra are made available to the community through volunteer-based sports clubs. The dedication of these volunteers in shouldering responsibility for club administration, coaching and officiating roles ensures that sporting activities and events can continue to run.

From the feedback received through consultations, it is clear that clubs are seeking further support from Council to assist them to maintain and improve the governance of their clubs and access more funding through grants. The Cowra Sport and Recreation Council can also play a role in supporting new clubs to get established and assisting struggling clubs to revitalise their activities.

Implementation Plan

No.	Action	Timeframe	Responsibility	Performance Measure(s)
3.1	Maximise funding opportunities for sport and recreation through: <ul style="list-style-type: none"> • Donations Policy • Community Grants Program • Sourcing external funding to deliver on plans • Assisting Clubs to source grant funding 	Ongoing	Corporate Services General Manager	No. of Donation applications submitted & amount of funding allocated No. of Community Grant applications submitted & level of funding allocated Level of external funding secured for sport and recreation projects No. of club applications supported
3.2	Develop a club sustainability program to build club capacity & capability to deliver sport & recreation activities for the Cowra Shire with a focus on: <ul style="list-style-type: none"> • Club-level strategic planning • Grant-writing skills • Volunteer management 	1-3 years	Corporate Services	Club Sustainability Program developed Level of Club participation Satisfaction of clubs with support provided



Strategic Planning Theme 4 Participation opportunities

Our aspiration for participation opportunities is accessible sport and recreation activities and events that cater for all ages, abilities and a diversity of interests



Rationale

The Cowra community benefits from a diverse range of sport and recreation activities and services that support participation in active recreation, health and fitness programs, social sport and competitive sport.

Council supports local sports organisations and community health services to promote active living and deliver sport and recreation activities and events. The provision of financial and in-kind assistance to support community health and wellbeing programs and high-level representative athletes will also be maintained.

Implementation Plan

No.	Action	Timeframe	Responsibility	Performance Measure(s)
4.1	Provide support to clubs seeking to grow or re-invigorate participation and establish new sport and recreation activities in the Cowra Shire	Ongoing, as required	Corporate Services	Clubs report increase in participation
4.2	Promote the Active Kids Voucher Scheme to encourage children and young people to participate in sport and recreation	Bi-annually	Corporate Services	Improvement in uptake of Voucher Scheme in Cowra Shire
4.3	Plan and deliver place activation events to increase the use of sport & recreation facilities (eg. Skate Park competition)	Annually	Corporate Services	Minimum of one event conducted per year
4.4	Provide support within available resources for community health and wellbeing initiatives aimed at increasing physical activity	As required	Corporate Services	Minimum of one initiative supported per year
4.5	Plan and implement promotional strategies to encourage increased physical activity and sports participation	Ongoing	Corporate Services	Promotional plan completed Promotional strategies implemented



Strategic Planning Theme 5 Communication + consultation

Our aspiration for communication and consultation is an informed sport and recreation sector that shares resources and expertise

Rationale

Effective communication and working relationships between Council and the sport and recreation sector are central to achieving our aspirations for sport and recreation across all strategic themes. Feedback from sports clubs, schools and service providers showed strong support for the re-establishment of the Cowra Sport and Recreation Committee. This body will provide a forum for regular consultation, information sharing and collaboration on sport and recreation initiatives.

Implementation Plan

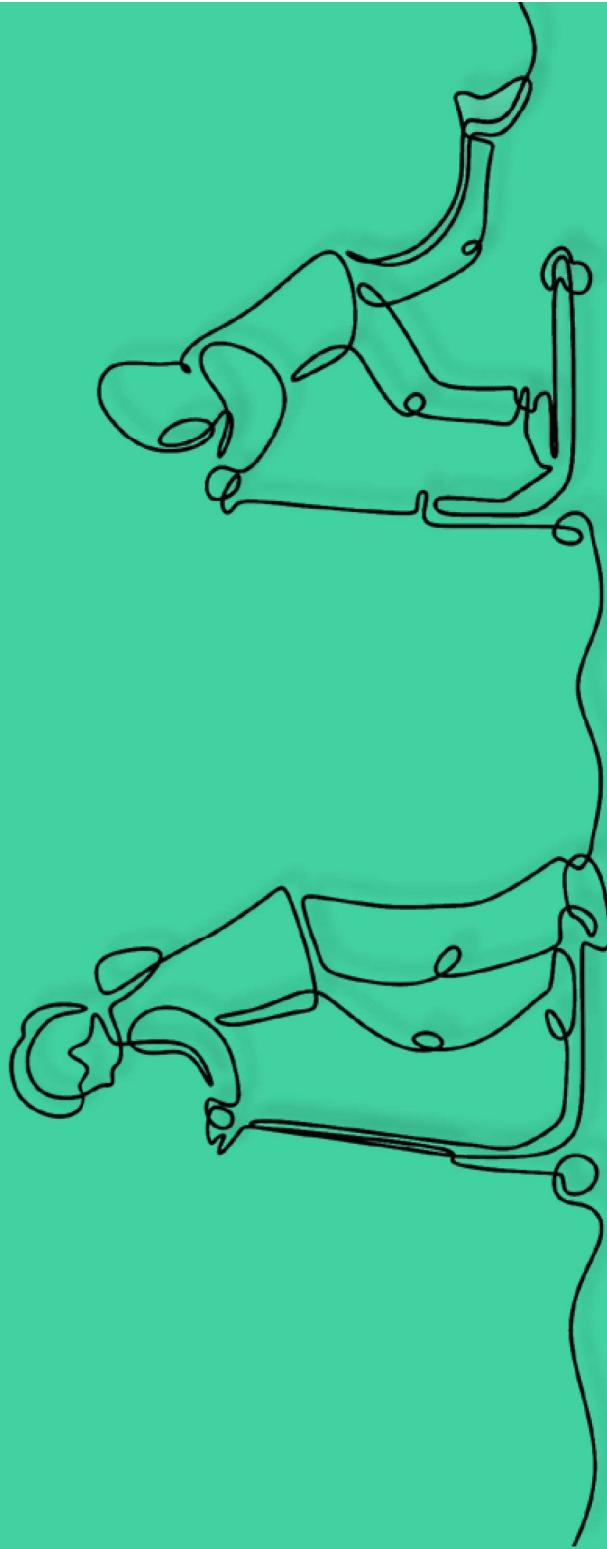
No.	Action	Timeframe	Responsibility	Performance Measure(s)
5.1	Re-establish an expanded Cowra Sport and Recreation Committee as a consultative body to Council with broad representation from the sector	Immediate	Corporate Services	Instrument of delegation completed Members appointed to Cowra Sport & Recreation Committee Minimum of 3 meetings held per year & minutes reported to Council Broad representation from sports facility user-groups maintained
5.2	Maintain effective communication and working relationships between Council and sport and recreation stakeholders at local, regional and State levels	On-going	Corporate Services, Infrastructure and Operations	No. of meetings held Satisfaction with Council service levels
5.3	Collate sports participation and facility utilisation data across the Shire annually to inform infrastructure and service delivery plans	Annually	Corporate Services	Information distributed in a timely manner Updates on Sport & Recreation Plan implementation provided to stakeholders annually
5.4	Inform sport and recreation organisations about grant funding opportunities, cross-sport program initiatives, implementation of the Cowra Sport & Rec Plan and other relevant Council projects	Ongoing	Corporate Services	Report presented to Cowra Sport & Recreation Committee
5.5	Investigate platforms to facilitate sharing of information within Cowra's sport & recreation community, including the establishment of an online Cowra Sports Hub	3-5 Years	Corporate Services	Report presented to Cowra Sport & Recreation Committee

“ A priority action for Council is to develop a club sustainability program to build club capacity and capability to deliver sport and recreation activities for the Cowra Shire. ”



Summary
Sport and Recreation
Facility Priorities 2021-2031

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	River Park Precinct & Cowra Aquatic Centre	Edgell Park Precinct	West Cowra Recreation Ground	Col Stinson Park Recreation Precinct	Mulyan Recreation Precinct	Additional Priorities
<1 yr	<p>RP1. Construction of COLA for new basketball court (Funded and due for completion Aug 2021)</p> <p>RP2. Construction of paths from basketball court to toilets (disability access)</p> <p>RP3. Renewal of athletics long jump track at Twigg Oval</p>					<p>AP1. Croquet Ground, Brougham Park: Minor kitchen renovations, brickwork repairs to external Clubhouse walls, and installation of a disabled access toilet facility.</p>
1-3 yrs	<p>CAC1. Replacement of 50m and toddler's pools due to significant structural issues (Council approved and 50% funding allocated in LTFP)</p> <p>CAC2. Installation of splash pad to provide increased recreation for young children (Council approved and 50% funding allocated in LTFP)</p>		<p>WCRG1. Renovations to existing change rooms to improve suitability for female use</p>	<p>CSP1. Major Netball facility upgrade including relocation of 6 bitumen courts, construction of new amenities building, incorporating club room, additional parking and public toilets for Skate Park users</p> <p>CSP2. Installation of covered picnic tables at Skate Park</p>	<p>MP1. Lighting upgrade to improve access for training and competition</p>	<p>AP2. Mountain Bike Facility: Investigate construction of a mountain bike facility to cater for the new Club in Cowra</p>
3-5 yrs	<p>RP4. Installation of lighting at Holman &/or Twigg Ovals for training (Rugby league) and twilight competition (Cricket, Little Athletics)</p>	<p>EP1. Installation of lighting to support evening training for soccer and hockey</p>			<p>MP2. Mulyan Oval amenities upgrade to refurbish facilities and improve suitability for female use</p>	
5-10 yrs	<p>RP5. Refurbishment of Holman Oval amenities</p> <p>RP6. Upgrade of amenities for Twigg Oval</p>	<p>EP2. Major upgrade of amenities building to accommodate female change facility, additional toilets, storage and shared club room</p> <p>EP3. Increase parking spaces on Edgell Park side of Lachlan Valley Way</p>	<p>WCRG2. Investigate major upgrade of grandstand and associated amenities due to ageing infrastructure</p>	<p>CSP3. Installation of covered picnic tables and additional shade structure at Cowra Skare Park (20yr anniversary in 2027)</p>	<p>MP3. Upgrade of Rocwell Oval public toilet block</p>	<p>AP4. Investigate construction of a bridge between River Park and Edgell Park to develop a connected, multi-use sporting precinct and improve accessibility to the Lachlan River foreshores and recreational pathways.</p>

NB: Masterplans are to be developed for each precinct and future projects will be assessed against Council's Sport and Recreation Prioritisation Framework. These factors, combined with the nature and availability of funding opportunities, will influence the overall scope of developments and prioritisations of projects.



Prepared by
Cowra Shire Council

6 DIRECTOR-INFRASTRUCTURE & OPERATIONS

6.1 NSW Waste and Sustainable Materials Strategy 2041

File Number: D21/145

Author: Dirk Wymer, Director-Infrastructure & Operations

RECOMMENDATION

That Council

- 1. Receive and note the information provided on the NSW Waste and Sustainable Materials Strategy 2041; and the employment of a Waste and Energy Sustainability Officer.**
- 2. Approve an additional budget allocation for the Waste and Energy Sustainability Officer to be confirmed at the appropriate quarterly review.**

INTRODUCTION

The Department of Planning, Industry and Environment have released the NSW Waste and Sustainable Materials Strategy 2041; Stage 1: 2021–2027. The NSW targets defined in the strategy are:

- reduce total waste generated by 10% per person by 2030
- have an 80% average recovery rate from all waste streams by 2030
- significantly increase the use of recycled content by governments and industry
- phase out problematic and unnecessary plastics by 2025
- halve the amount of organic waste sent to landfill by 2030
- reduce litter by 60% by 2030 and plastics litter by 30% by 2025
- triple the plastics recycling rate by 2030

BACKGROUND

Key elements of the NSW strategy document are as follows:

To help achieve our targets of halving food waste to landfill and achieving net zero emissions from organics in landfill by 2030, we will require the separate collection of:

- *food and garden organics from all NSW households by 2030*
- *food waste from targeted businesses and other entities that generate the highest volumes of food waste, including large supermarkets and hospitality businesses, by 2025.*

To minimise the impact of landfill gas emissions, the NSW Government will:

- *require landfill gas capture for landfills over a certain size and all expanded or new landfills, with exemptions for certain circumstances*
- *require net zero emissions for landfills that are subject to an environment protection licence by a prescribed timeframe.*

The new initiatives for the diversion of food organics and garden organics (FOGO) from landfills will increase the amount of source-separated organics, mainly food organics, from which nutrients and energy can be recovered. Currently, most source separated organics are composted and used as a fertiliser and soil conditioner in agriculture and horticulture. Another option is to use anaerobic digesters.

Mandating the source-separated collection of food and garden organics will increase the available feedstock for anaerobic digestion facilities. Part of our funding for organics will support investment in anaerobic digestion facilities to help reduce the financial barriers for this technology.

Council has been advised by NSW EPA Chief Executive Officer Tracy Mackey ‘Local councils play a vital role in protecting their environments and communities from the risks of waste. Under the Strategy, local government will remain pivotal in creating circular economy opportunities and ensuring waste is sustainably managed – from increasing the collection and processing of organic waste streams to tackling litter and illegal dumping in public spaces. An estimated \$206 million will be invested into programs and initiatives that local councils will be able to access.’

Funding programs will include:

- *\$6 million for the Landfill Consolidation and Environmental Improvements Grant Program to support regional councils to improve community safety and amenity through better site security and access, litter control and overall supervision and operations of landfills.*
- *Landfill consolidation programs will complement upgrades requiring gas capture at landfills at an investment of \$7.5 million*
- *\$38 million in litter prevention programs to protect our natural environment and waterways.*

In summary; over the next five years Council will need to address the changing external regulatory environment that has been introduced by the NSW Waste Strategy, and have completed enough strategic planning to be competitive in applying for the various grant funding streams available to implement the strategy. Council needs to develop a waste management strategy including strategic plans for the:

- reduction in contamination of kerbside recycling service
- commercial and kerbside collection of FOGO
- reduction in contamination of FOGO
- recovery of nutrients and energy from FOGO
- potential landfill gas collection

Council can either:

- a. Engage a consultant to develop the Cowra Council Waste Strategy; and attempt to implement the various identified strategic projects with existing internal resources.
- b. Employ a Waste Sustainability Project Office with the capability to prepare the strategy in-house and deliver the community education and projects identified in Council’s strategy.

Cowra Council has already adopted a long term strategic direction; collecting and managing the waste of its community on its own landfill and Materials Recycling Facility site. Option (b) is the preferred option to provide the appropriate planning for the management of waste to meet the NSW Waste and Sustainable Materials Strategy targets.

Option (b) allows the position description to be broadened to include:

- the Project Management of Council’s participation in the current and future energy projects being undertaken through Central NSW JO. The current project being EV charging stations – potential locations and grant funding opportunities
- the business management of the CDS and recycling; with day to day management of the sale of recycled material and liaison with Cleanaway, the current provider of CDS sorting material.

BUDGETARY IMPLICATIONS

The proposed new position will be graded through Council's salary system with the expected annual salary in the \$86,000 per annum range. If Council is successful in recruiting a suitable applicant in 2021/22 the position will need to be funded as a budget variation through the quarterly review process; or included in future Operational Plans if recruited after June 2022.

ATTACHMENTS

- I. NSW Waste and Sustainable Materials Strategy 2041 [↓](#)



Department of Planning, Industry and Environment

NSW Waste and Sustainable Materials Strategy 2041

Stage 1: 2021-2027

dpie.nsw.gov.au





Acknowledgement of country

The Department of Planning, Industry and Environment acknowledges the traditional custodians of the land and pays respect to Elders past, present and future.

We recognise Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to place and their rich contribution to society.

Find out more:

www.dpie.nsw.gov.au

Title: NSW Waste and Sustainable Materials Strategy 2041

Subtitle: Stage 1: 2021-2027

First published: June 2021

Acknowledgements

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Minister's message



The Honourable Matt Kean MP
Minister for Energy and Environment

New South Wales is committed to playing its part in making the transition to a circular economy over the next 20 years.

Without action now, and without sustained action over the next two decades, we will have more waste than we can safely manage, and our environment and community will be at risk.

Transitioning to a circular economy means we use our resources efficiently and make them as productive as possible. We will end up with less waste and emissions, less harm to our environment and more jobs. The move will boost innovation and help drive our economy forward.

We can create a circular economy by designing out materials that end up in landfill or as litter, reusing or repairing products before they are thrown out, and recycling material so it can be used multiple times in manufacturing or building.

At the same time, we need to make sure we have the services and infrastructure in place to deal with our waste safely so it does not become a problem for future generations.

The NSW Government cannot make this transition alone – we need to work with consumers, industries and other governments to make it a reality.

Throughout this strategy, we have outlined the actions we will take over the next six years – the first phase of our strategy – to deliver on our long-term objectives. We have also set out our plan to tackle plastics in the *NSW Plastics Action Plan*, which sits alongside this strategy.

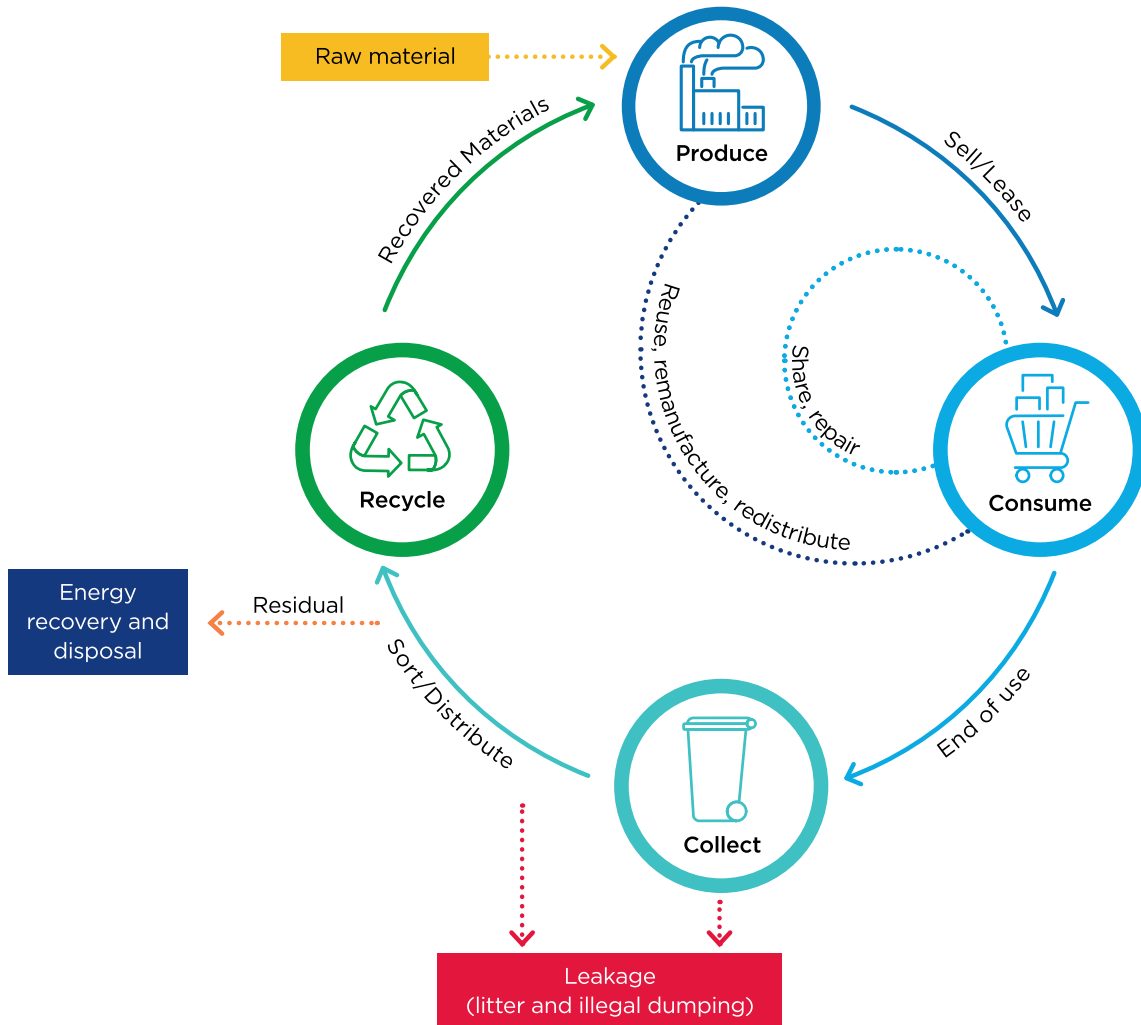
These actions are backed by \$356 million in funding to help deliver priority programs and policy reforms.

Some of our key reforms include:

- phasing out problematic single-use plastic items
- financial incentives for manufacturers and producers to design out problematic plastics
- having government agencies preference recycled content and invest in research and pilots for recycling innovation
- introducing tighter environmental controls for energy from waste in NSW, with further consideration of planning and infrastructure needs underway
- mandating the source separation of food and garden organics for households and selected businesses
- incentivising biogas generation from waste materials.

These are important first steps on our journey to 2041 – a journey we will take together.

Figure 1: Circular economy



Purpose of the strategy

The NSW *Waste Avoidance and Resource Recovery Act 2001* commits the NSW Government to refreshing and updating its waste strategy every five years – to review and continually improve the state’s policies and targets for waste reduction and landfill diversion. This strategy updates our previous *Waste Avoidance and Resource Recovery Strategy 2014–2021*.

As well as waste reduction and recycling, this *NSW Waste and Sustainable Materials Strategy 2041: Stage 1 – 2021–2027* focuses on the environmental benefits and economic opportunities in how we manage our waste. This document sets out the actions we will take in the first stage of the strategy to carry us through to 2027.

During 2021, we will move on our highest priority actions and lay the foundations for actions that will begin progressively from July 2022, when the full strategy stage one funding package begins.

To complement this strategy, we have also released the:

- *NSW Plastics Action Plan*, which sets out how we will phase out problematic plastics, tackle litter from plastic items like cigarette butts, and support innovation and research
- *NSW Waste and Sustainable Materials Strategy: A guide to future infrastructure needs*, which sets out the investment pathway required for NSW to meet future demand for residual waste management and recycling.

Tracking and reviewing our progress

In 2019, New South Wales agreed to a set of targets as part of the National Waste Policy Action Plan. In this strategy, we commit to adopting these targets as the NSW targets. During the first stage of our strategy, we will measure our progress towards these targets to ensure we are on track.

The targets are to:





- reduce total waste generated by 10% per person by 2030
- have an 80% average recovery rate from all waste streams by 2030
- significantly increase the use of recycled content by governments and industry
- phase out problematic and unnecessary plastics by 2025
- halve the amount of organic waste sent to landfill by 2030.

Consistent with our commitments to the National Waste Policy Action Plan, we will also continue to improve our data collection and reporting.

In addition to these targets, we will:

- introduce a new overall litter reduction target of 60% by 2030 and a plastic litter reduction target of 30% by 2025, as set out in the *NSW Plastics Action Plan*
- set a goal to triple the plastics recycling rate by 2030, as set out in the *NSW Plastics Action Plan*
- reaffirm our commitment to the goal of net zero emissions from organic waste by 2030, as laid out in the *NSW Net Zero Plan Stage 1: 2020–2030*
- establish new indicators to help us track our progress on infrastructure investment and the cost of waste services
- develop a new measure of the emissions performance of our waste and materials management. This will help us to track our performance across the lifecycle of materials.

We will report on our progress annually and we will review the strategy prior to 2027.

<p>5 YEAR TARGETS</p> 	<p>Phase out problematic and unnecessary plastics by 2025</p>	<p>Plastic litter reduction target of 30% by 2025</p>	
<p>10 YEAR TARGETS</p> 	<p>Reduce total waste generated by 10% per person by 2030</p>	<p>80% average recovery rate from all waste streams by 2030</p>	<p>Introduce a new overall litter reduction target of 60% by 2030</p>
<p>SUB-TARGETS - PLASTICS</p> 	<p>Eliminate problematic and single use plastics by 2025</p>	<p>Triple the plastics recycling rate by 2030</p>	
<p>SUB-TARGETS - ORGANICS</p> 	<p>Halve the amount of organic waste sent to landfill by 2030</p>	<p>Net zero emissions from organics to landfill by 2030</p>	



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Part 1

Context and background

Global action is shifting us towards a circular economy

The global economy consumes 90 billion tonnes of primary materials each year. This is projected to double by 2060¹. However only 9% of this material is recycled². This is impacting the world around us, with an estimated 150 million tonnes of plastics now in the marine environment³.

Countries have started to tackle the waste challenge by changing how they manage the lifecycle of materials. In contrast to the traditional linear economy, which has a “take, make, dispose” model of production, a circular economy aims to eliminate waste and reduce the continual use of new resources. Circular systems employ reuse, sharing, repair, refurbishment, remanufacturing and recycling to use resources efficiently and minimise the creation of waste, pollution and carbon emissions. The circular economy aims to keep products, equipment and infrastructure in use for longer.

Circular economy policies in Europe and the United Kingdom have led a significant shift towards more producer responsibility, resource recovery systems that are set up to preserve and improve the value of materials, and strong economic incentives to avoid the generation of waste⁴. The United Nations has endorsed a set of Sustainable Development Goals for 2030, with specific goals aimed at protecting the environment and encouraging responsible consumption and production⁵.

Meanwhile, many other countries have taken bold steps to protect their environments from the negative impacts of waste, starting with bans on the types of material they import.

Since 2018, China and other nations throughout Asia have stopped importing recyclable waste. This has forced waste and resource recovery businesses throughout the world, including in NSW, to rethink their business models and deal with waste closer to where it is generated.



The circular economy

A circular economy is an economic system aimed at minimising waste and promoting the continual reuse of resources. The circular economy aims to keep products, equipment and infrastructure in use for longer, thus improving the productivity of these resources. Waste materials and energy should become input for other processes: either a component or recovered resource for another industrial process or as regenerative resources for nature (e.g. compost). This regenerative approach contrasts with the traditional linear economy, which has a ‘take, make, dispose’ model of production.

The circular economy is based on three key principles:

- design out waste and pollution
- keep products and materials in use
- regenerate natural systems.

1

Australia is taking responsibility for its own waste

In 2018, the Australian Government led the development of the National Waste Policy, followed by a supporting action plan in 2019. This policy is based on circular economy principles and contains targets and actions to which each level of government has committed. Off the back of the policy, the Australian Government has already passed new legislation to strengthen the nation's product stewardship laws and provided funding for a range of resource recovery projects.

An agreement by the Council of Australian Governments in 2020 to ban the export of unprocessed plastic, paper, glass and tyres also signalled that Australia would take greater responsibility for managing and processing the waste it generated. Joint investments in reprocessing infrastructure by the federal, state and territory governments and industry will help us to bridge the gap in capacity to take the waste we used to export and remanufacture it locally.

NSW has led the way

The NSW Government's *Waste Less, Recycle More* initiative has played a fundamental role in how citizens, businesses and councils avoid, reduce, reuse, recycle and safely dispose of waste.

Through the *Waste Less, Recycle More* initiative, the NSW Government has:

- invested more than \$800 million in waste and resource recovery programs since 2013
- contributed to a 43% reduction in litter
- established 91 community recycling centres
- added 2.5 million tonnes of new recycling capacity
- provided free help to more than 30,000 small businesses to reduce waste
- invested \$52 million in proactive enforcement and compliance programs through the NSW Environment Protection Authority (EPA).



Shredded paper at a recycling station at Wetherill Park industrial estate

To target the most serious, organised and high-profile waste crimes, the NSW Government established the Waste Crime Task Force, which has been operating since 2017. The strong regulatory presence combined with robust regulatory controls ensure that the waste and resource recovery initiatives funded by *Waste Less, Recycle More* achieve their objectives.

Through the Return and Earn container deposit scheme, which recovers high-quality beverage containers for remanufacturing, over 5 billion containers have been collected since 2017 at over 600 sites. These containers may have otherwise ended up in as litter⁶.

Other waste and resource recovery initiatives funded by the NSW Government include:

- \$35 million (co-funded with the Australian Government) to support new recycling and remanufacturing projects that will help NSW prepare for the waste export ban
- \$10 million for grants under the Circular Solar program to improve recycling of solar panels and battery systems
- \$105 million since 2013 to keep food and garden organic waste out of landfill
- \$207 million since 2013 for local government to boost recycling and regional collaboration for waste management
- \$130 million since 2013 to combat illegal dumping and litter through education, capacity building, prevention and enforcement.

NSW has also led the way in using a levy on waste disposed to reduce the amount of waste being landfilled and to promote recycling and resource recovery. The proceeds of the levy have funded the *Waste Less, Recycle More* program.

NSW's early adoption of regulations for management of stockpiles at resource recovery facilities, sorting requirements at construction and demolition facilities, and specifications around waste products that can be applied to land, have set the state apart in best-practice waste management.

Now is the time to plan for our future waste needs

In 2019 we released our Circular Economy Policy Statement, which set out the guiding principles we would adopt as we transition towards a circular economy. In 2020, we released our *Net Zero Plan Stage 1: 2020-2030*, which set out our strategy for reducing and offsetting carbon emissions, including from waste, to achieve net zero emissions by 2050.

We must now build on these strong foundations and comprehensively plan for NSW's future waste needs.

The challenges ahead

NSW is running out of space to deal with residual waste

NSW, with its large economy and population, creates around one-third of Australia's total waste⁷. Over the next 20 years, NSW waste volumes are forecast to grow from 21 million tonnes in FY2021 to nearly 37 million tonnes in FY2041⁸. Even though we currently recycle about two-thirds of our waste, our ambition is to continue to increase that proportion. We also need safe and adequate disposal options for the material we cannot recycle.

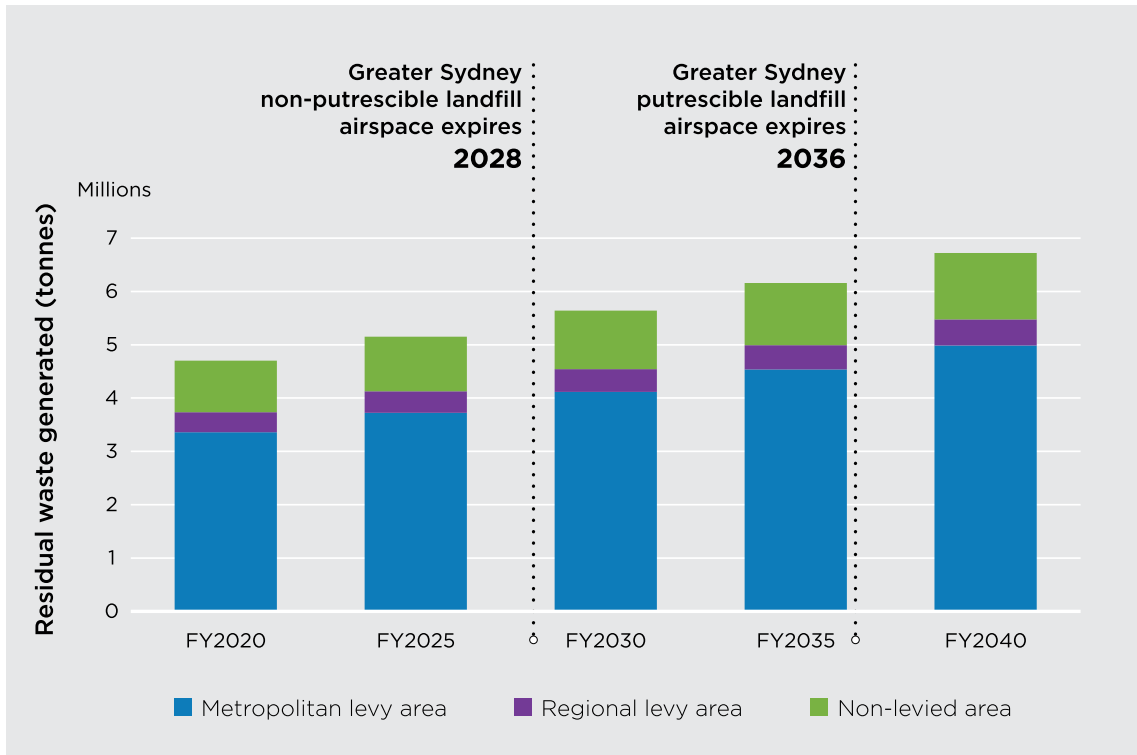
The challenge is to manage this material so that we can avoid the worst of its impacts. This means we need strategies to reduce the volume of waste we generate; reuse, repair and recycle what we can't avoid; and make sure that we have enough capacity to safely dispose of the material we cannot recycle.

At our current rates of generation and recycling, the putrescible landfills (which accept household waste) servicing Greater Sydney are likely to reach capacity within the next 15 years. The non-putrescible landfills (which accept inert commercial and construction wastes) will reach capacity within this decade. In some regional areas, like Coffs Harbour and Port Macquarie, landfill capacity is also likely to expire this decade.

There are also looming capacity constraints for hazardous waste treatment and landfill. The only landfill that can accept contaminated wastes

1

Figure 2: Projected residual waste (household and commercial) by levy area, under ‘business as usual’



in NSW will reach capacity in 2031 and there are emerging capacity constraints for liquid waste treatment.

Rural and regional communities have specific challenges regarding access to safe disposal options. As trucks need to travel long distances to collect small amounts of waste, some waste services can be cost-prohibitive for regional councils⁹. Some Aboriginal and remote communities do not have regular collection services at all.

Recycling is under pressure

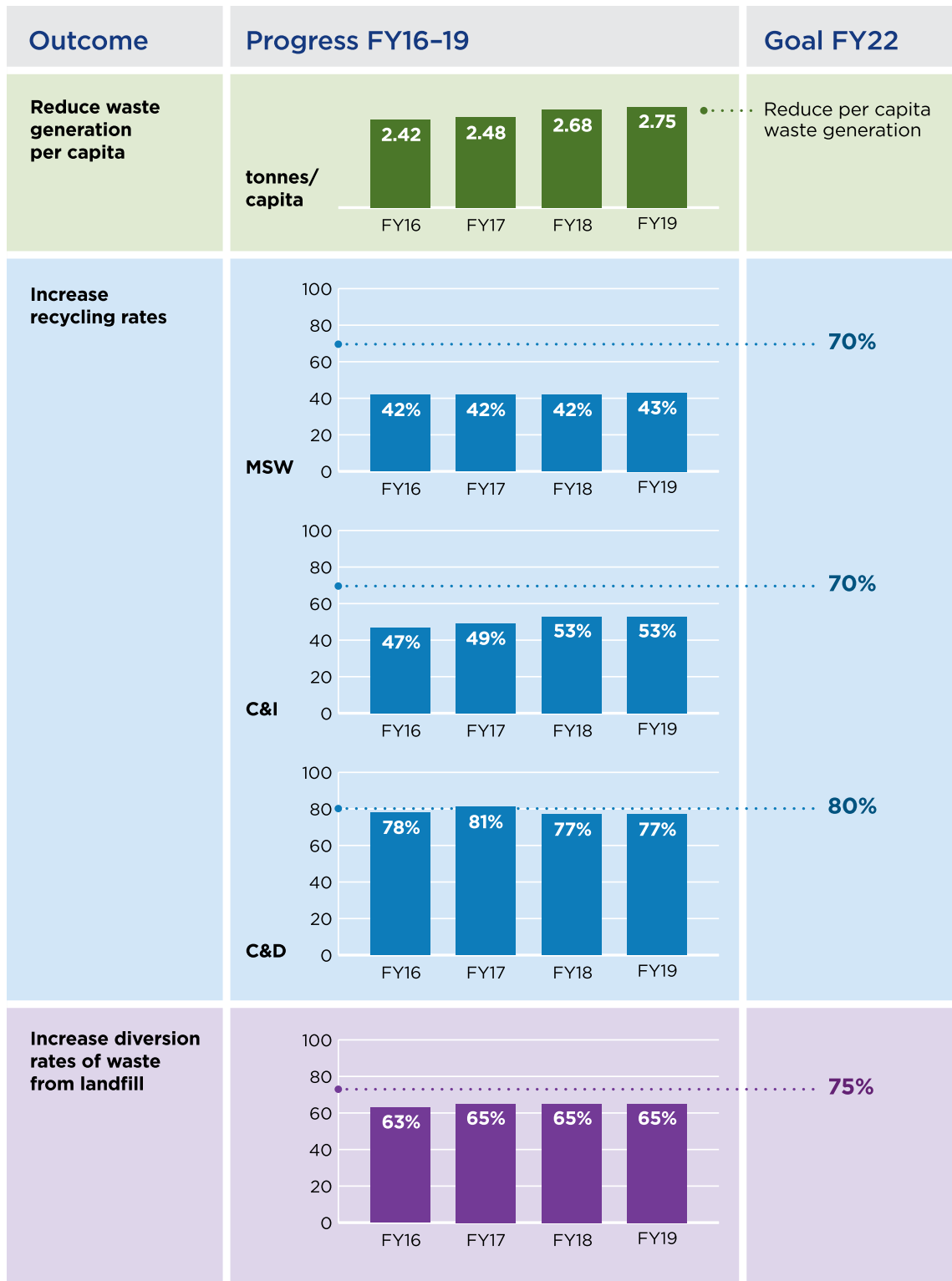
Since 2018, recycling has faced arguably its biggest challenges. Demand for recycled materials, particularly from the household and commercial waste streams, have steadily contracted with the closure of export markets. This has led to a glut of recycled materials and a decline in their value, particularly for poorly sorted or hard-to-recycle paper and plastic.

In NSW, this has seen the resource recovery industry start to transition to more resilient business models, focused on value-adding and the production of high-quality, well-sorted recycled materials. As the prices for recycled material have declined but the cost of sorting and processing has increased, costs for councils, ratepayers and businesses are also under pressure.

In 2014, NSW set a target of diverting from landfill 75% of all waste by FY2021. However, as of FY2019 (the most current published statistics), we are falling short of the target, reaching only 65%.

Construction and demolition recycling has performed the best at a rate close to 80%, followed by commercial and industrial recycling at 53%. Municipal solid waste (mostly household waste) has plateaued at just over 40% for the last four years. This strategy provides an opportunity to refocus our efforts and consider developments since 2014.

Figure 3: Performance against NSW Waste Avoidance and Resource Recovery targets



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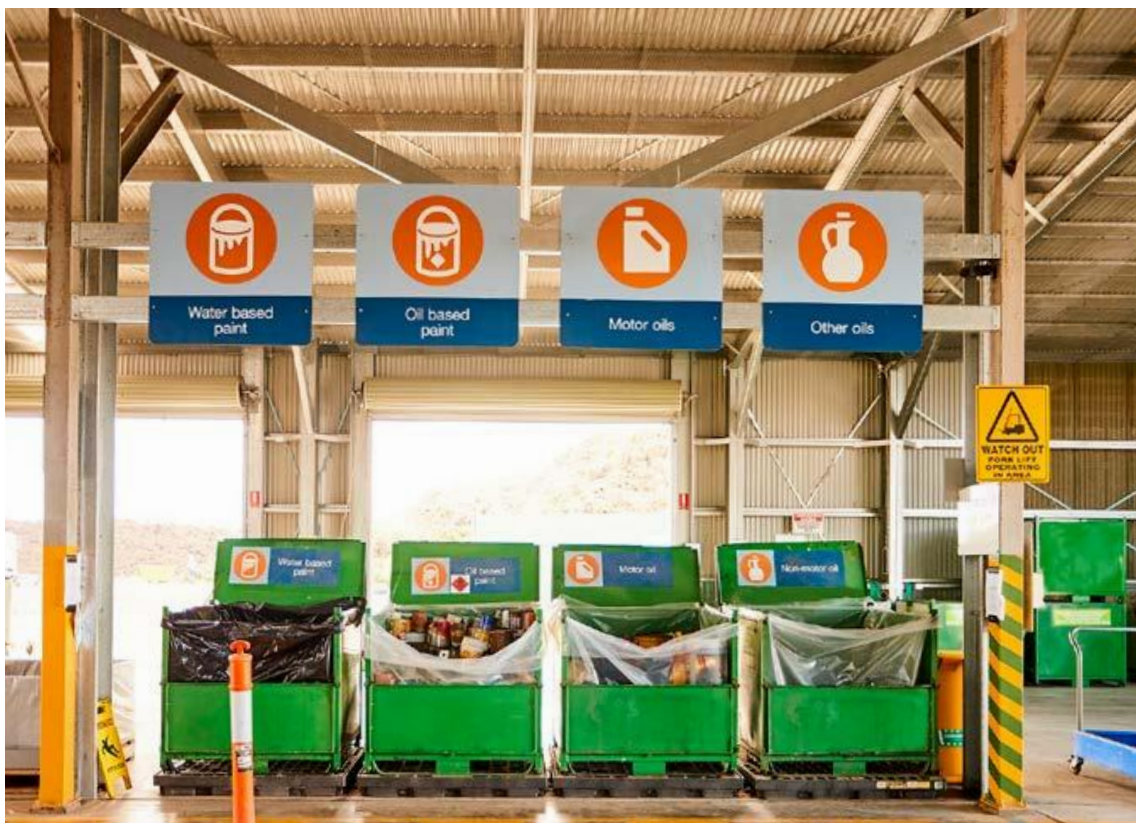
Waste and materials usage significantly contribute to carbon emissions

In 2020, the NSW Government released the *Net Zero Plan Stage 1: 2020-2030*, which sets out how we will reduce our emissions by 35% by 2030, reaching net zero emissions by 2050. As part of the plan, the NSW Government committed to setting a target of net zero emissions from organic waste to landfill by 2030.

In FY2019, an estimated 2.5 million tonnes of organic waste (such as food organics, garden organics, timber and textiles) was sent to landfill¹⁰. Emissions from organic waste decomposing in landfill make up more than 2% of total net annual emissions in NSW¹¹. Increased diversion of organics from landfill and processing technologies like composting and anaerobic digestion are an important first step towards reducing emissions from waste.

However, emissions from landfill are only a small fraction of the emissions associated with how we use our resources. It is estimated that nearly half of global emissions are attributable to the use and management of materials and products¹². Recent modelling suggests that Australia could reduce carbon emissions by 165 million tonnes per year by 2040 through transitioning to a circular economy¹³.

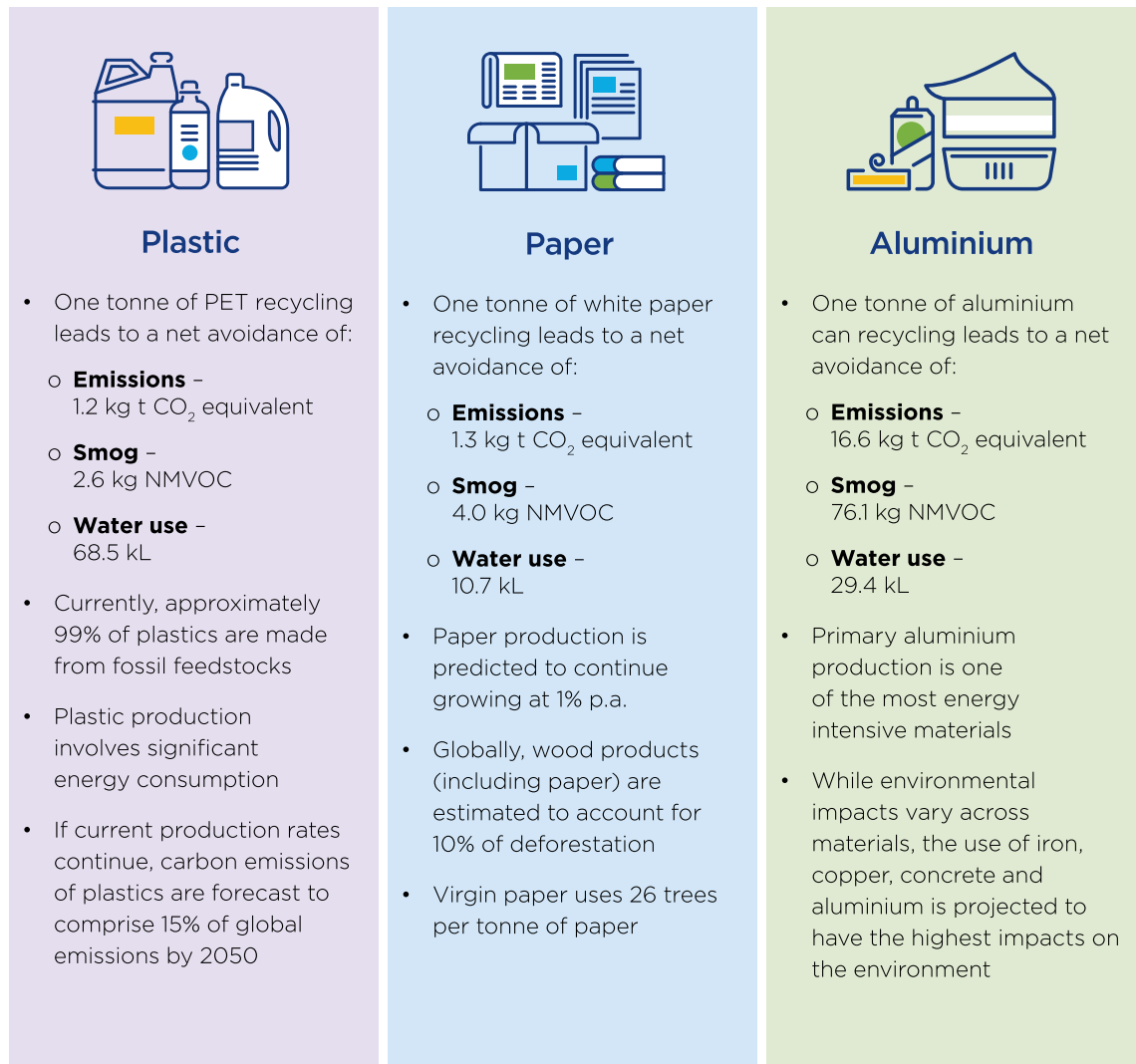
By adopting a circular economy approach, we can increase our carbon efficiency by designing out waste, using less energy-intensive materials in production, increasing the lifespan of buildings and products and reusing or recycling materials to avoid emissions associated with raw material extraction and production.



Recycling bins - Community Recycling Centre

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Figure 4: Carbon dividend of recycling materials¹⁴



Waste can damage our environment

The accelerating pace of natural resource extraction and production and manufacturing is taking its toll on our environment. Our consumption habits are driving greenhouse gas emissions higher, reducing natural habitats, biodiversity and the productivity of our soils, and increasing the amount of air, water and terrestrial pollution.

Australia’s annual consumption of virgin material is around 43 tonnes per capita, which is higher than the United States and United Kingdom¹⁵.

The more material we consume, the greater the impact on the environment.

NSW generates almost 2.8 tonnes of solid waste per person each year¹⁶. Waste that is poorly managed and disposed of can lead to environmental and human health problems for current and future generations. For example, landfill sites require ongoing management to prevent waste from affecting soils and waterways.

Waste that is littered or dumped illegally can reduce the amenity of public spaces and pose risks to wildlife, marine ecosystems, agricultural

1



production and human health. Dumped materials may include harmful and hazardous substances such as toxic chemicals or asbestos.

Plastics are particularly problematic. They are lightweight and versatile, but they can be complex and expensive to recycle. In the natural environment, they can kill wildlife if ingested, accumulate other chemical pollutants and negatively impact on soils. In NSW, we consume 1.1 million tonnes of plastic but send around 650,000 tonnes of it to landfill each year, and that amount is growing. The more virgin plastic we use, the more fossil fuels we consume, increasing our carbon footprint.

In FY 2020, an estimated 575 million items of plastic litter generated in NSW made its way into our waterways and terrestrial and marine environments¹⁷. This plastic breaks down over time into small particles, which are being found in the world's highest mountains and in our deepest oceans.

We can harness the economic opportunities of the circular economy

While keeping materials and products out of landfill makes good environmental sense, reuse, repair and recycling also benefits the NSW economy. Moving to a circular economy will stimulate growth in the resource recovery sector as well as creating new industries and jobs through innovation and investment in circular goods and services.

The circular economy represents a growth opportunity, with the global value of the sector forecast to be \$4.5 trillion by 2030 and \$25 trillion by 2050¹⁸.

Closer to home, analysis has shown that increasing Australia's recovery rate by 5% could add \$1 billion to Australia's gross domestic product (GDP) and lift wages by 0.1%. Likewise, a 5% improvement in material efficiency could increase GDP by \$24 billion and increase wages by 2.7%¹⁹. Other analysis has shown that adoption of a circular economy in a few critical sectors could deliver an additional \$210 billion in GDP and 17,000 jobs by FY2048²⁰.

The importance of the circular economy to NSW's future is recognised in the *NSW 2040 Economic Blueprint*. One of the 'megatrends' for the next 20 years is the need to change the way we produce and consume to reduce our impact on the environment. The blueprint identifies developing a strategy for the circular economy as critical to delivering on sustainability objectives and harnessing strong employment growth in the environmental goods and services sector²¹.



2

Part 2

Our plan

This strategy sets out three focus areas.

1. **Meeting our future infrastructure and service needs**

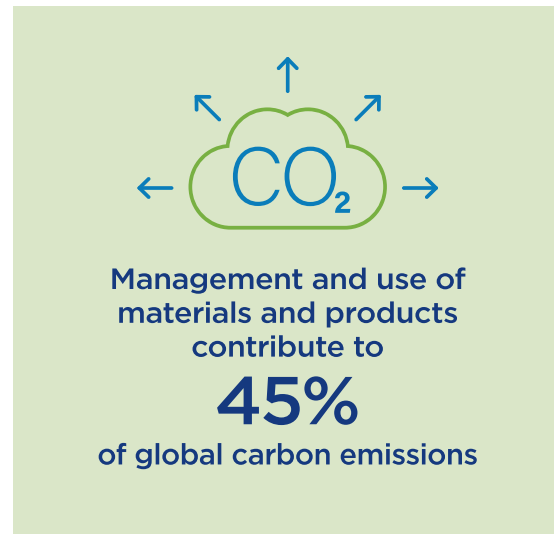
As waste volumes continue to grow, infrastructure and services will need to keep pace. We need to ensure we have the capacity to meet our critical future needs, such as residual waste capacity, as well as stimulating investment in a pipeline of innovation.

2. **Reducing carbon emissions through better waste and materials management**

Transitioning to a circular economy means increasing our resource efficiency and reducing our carbon footprint. If we can make our materials more productive by improving their durability through design, reusing or repairing them, recycling and remanufacturing them or extracting their embodied energy, we can reduce our reliance on emissions-intensive virgin materials.

3. **Building on our work to protect the environment and human health from waste pollution**

If poorly managed, waste can cause enormous damage to our natural environment and threaten the health and well-being of our community. Pollution from waste can be caused by littering, illegal dumping and mishandling of hazardous wastes, and it costs NSW millions of dollars each year. Maintaining strong regulations will help to stop this waste pollution, while engaging with businesses and consumers will help to drive positive behaviour change.





Focus area:

Meeting our future infrastructure and service needs

NSW already has a network of waste and resource recovery infrastructure, but we will need to expand and modernise it to meet the challenge of developing a circular economy. We need a strong pipeline of infrastructure investment to maintain and improve capacity to collect, sort, process and dispose of waste.

Getting the right infrastructure in the right place will be critical to recover, reuse and extend the life of most materials. While this investment will largely be driven by industry, the NSW Government has a role to play to support those looking to invest in the right place at the right time.

To support this infrastructure pipeline, the NSW Government will:








- strategically plan for critical waste infrastructure, working closely with local governments and industry, with a focus on co-locating businesses in precincts that support circular economy and clean technology activities

- help local governments to jointly procure waste services at scale to underpin investment in new infrastructure
- review and update planning instruments to make it easier to develop waste and circular economy infrastructure.

Recovery and recycling infrastructure must keep pace with demand

We analysed material flows to identify recovery infrastructure needs for regions in NSW. The analysis showed there is enough capacity for some types of infrastructure, however, we need additional investment in new or upgraded facilities between 2021 and 2030 to prevent shortfalls.

Figure 5: High-level recovery infrastructure needs to service NSW in 2030

Structure Type	Greater Sydney	Rest of NSW
 <p>Materials recovery facilities (MRFs)²²</p>	<ul style="list-style-type: none"> ● No new facilities required if pipeline facilities come online, only MRF upgrades to improve quality of sorted materials 	<ul style="list-style-type: none"> ● New MRF in non-levied area and capacity enhancements in the regional levy area
 <p>Plastics</p>	<ul style="list-style-type: none"> ● Secondary processing facilities needed for pelletising and flaking of mixed plastics – could be aligned to MRF expansions in both Greater Sydney and regional areas 	
 <p>Paper/Cardboard</p>	<ul style="list-style-type: none"> ● Beneficiation and source separation facilities to address paper quality – can be achieved through MRF upgrades or standalone facilities in both Greater Sydney and regional areas 	
 <p>Glass</p>	<ul style="list-style-type: none"> ● No immediate priorities if pipeline glass facilities come online 	<ul style="list-style-type: none"> ● Targeted small-scale glass crushing and quality control
 <p>Organics²³</p>	<ul style="list-style-type: none"> ● New facilities to process combined food and garden organics (FOGO) and some food-only processing (such as anaerobic digestion) ● New organics transfer stations to move material outside urban areas for processing and small-scale onsite solutions in high population areas and industry centres 	<ul style="list-style-type: none"> ● New FOGO processing facilities and minor food-only processing (anaerobic digestion) in the Shoalhaven and Hunter regions, and the NLA ● Additional small-scale onsite solutions across all regions
 <p>E-waste</p>	<ul style="list-style-type: none"> ● New facilities for separating and sorting, removing contaminants and washing, flaking or pelletising plastics in e-waste ● New capacity for downstream processing of material fractions ● New facilities for repair and reuse 	
 <p>Tyres</p>	<ul style="list-style-type: none"> ● Significant new processing capacity required 	

Legend

- Sufficient existing infrastructure or only minor improvements required by 2030.
- Some new infrastructure required to support policy or market changes by 2030.
- Significant new infrastructure required to meet demand by 2030.

Critical residual waste infrastructure is urgently needed

Even if NSW significantly improves its waste avoidance and recycling performance, we will still need new capacity to manage residual waste. Our highest priority is to extend the life of our current landfills by reducing the volumes of waste we must manage, either through avoidance or recycling.





Eliminating our residual waste completely in the next 20 years is a significant challenge. It would need unprecedented national- and international-

level action and a fundamental shift in the way the global economy operates. While the world is starting to transition towards a circular economy, it will take time.

As we support this transition, we must also plan for how we can continue to provide a way to safely manage our residual waste into the future so that we protect our environment and the health of the community.

Analysis undertaken for the NSW Government shows that under the 'business as usual' scenario, a mix of potential solutions is needed.

Figure 6: Potential mix of residual waste infrastructure needs by region

Potential mix of residual waste infrastructure needs*		
Region	2030	2040 (if 2030 needs are met)
 Greater Sydney	<ul style="list-style-type: none"> Additional non-putrescible landfill capacity to accept >3 million tonnes per annum (tpa) Additional putrescible landfill capacity to accept >500,000 tpa At least one large-scale regional energy recovery facility and medium-scale 'dirty MRF' required to reduce the need for additional landfill capacity in this decade 	<ul style="list-style-type: none"> Additional non-putrescible landfill capacity to accept >1.2 million tpa Additional putrescible landfill capacity to accept >1.1 million tpa At least three large-scale regional energy recovery facilities and one medium-scale 'dirty MRF' required to reduce the need for additional landfill capacity in this decade
 Hunter	<ul style="list-style-type: none"> Nil 	<ul style="list-style-type: none"> Additional landfill capacity to accept >300,000 tpa or a medium-scale energy recovery facility
 Northern Rivers	<ul style="list-style-type: none"> Additional landfill capacity to accept up to 100,000 tpa) or an equivalent medium-scale energy recovery facility 	<ul style="list-style-type: none"> Nil
 Coffs Harbour	<ul style="list-style-type: none"> Additional landfill capacity to accept up to 25,000 tpa 	<ul style="list-style-type: none"> Nil

* Note: infrastructure may be located outside the region

2

The role of energy from waste

Recovering energy from waste can be a legitimate and necessary residual waste management option where it can deliver positive outcomes for the community and the environment and assist in lowering our carbon footprint and reducing the need for landfill. Energy recovery can reduce emissions by replacing more carbon-intensive fuels and by stopping harmful methane emissions from materials in landfill.

We want to support energy recovery where it makes sense to do so and where it is used to manage residual waste, not as an alternative to recycling.

Thermal energy from waste facilities are the most common technology. These generate some electricity as well as heat and steam. Other types of energy recovery include anaerobic digestion and gas capture.

The *NSW Energy from Waste Policy Statement* sets out the policy framework and technical criteria that energy from waste facilities must meet. The policy has been updated to reflect the latest advice on air emissions standards from the

Office of the NSW Chief Scientist and Engineer and ensures NSW has the strictest air emission standards in the world where energy from waste is allowed.

The NSW Government is considering further strategic planning needs for energy from waste infrastructure to ensure such projects protect the environment and human health into the future, and maximise efficiencies for waste innovation, management, and energy recovery.

Regional precincts that are located on arterial transport routes have enormous potential to become circular economy precincts, where energy recovery sits at the centre of a network of complementary industries that can create jobs and drive innovation. The first of these is located in the Parkes Special Activation Precinct, which sits alongside the Inland Rail route, the 1,700 km freight network that will connect Victoria, NSW and Queensland. The NSW Government has already commenced a market-sounding exercise and will continue working with proponents to identify opportunities for energy from waste development in the precinct.



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The NSW Government will also identify opportunities for co-locating suitable energy recovery facilities in our proposed Clean Manufacturing Precincts. The Clean Manufacturing Precincts are a part of the government's Net Zero Plan and will catalyse the growth of low-emissions industries around world's best practice energy technology. In these precincts, energy recovery facilities can help make the most efficient use of waste materials and provide valuable steam and heat. We can also use these facilities to help attract other circular economy businesses.

Coordinating waste and resource recovery infrastructure planning

Given the environmental and commercial complexity of these types of facilities, particularly high impact projects like putrescible landfills or energy recovery facilities, the planning lead time is often close to 10 years.

Starting from 2021, the NSW Government will conduct a series of feasibility assessments and engage with the community, local government and proponents about the suite of infrastructure investment needed to help us manage our waste into the future.

We will take on a coordination role so that we can attract the right investment at the right time. Our early priority will be to ensure there is a pipeline of residual waste management infrastructure, but we will also target complementary recycling and reprocessing infrastructure to help meet our capacity gaps. This will involve coordinating functions across government, such as investment attraction, planning, environmental licensing and grant funding.



**The Clean Manufacturing Precincts
are a part of the government's**

Net Zero Plan



New plastics recycling facility

- Cleanaway, Pact and Asahi Beverages have joined forces to close the loop on plastic recycling
- With financial support from the NSW and federal governments, a new recycling plant is being built in Albury which will recycle the equivalent of 1 million PET plastic bottles every year
- Cleanaway will provide the plastic waste to be recycled
- Pact will provide technical and packaging expertise
- Asahi Beverages and Pact will buy recycled plastic from facility to use in new plastic packaging

2

Facilitating joint procurement of household waste services

To complement our new strategic planning role for waste and resource recovery infrastructure, we will begin consultation on the design of a new service to facilitate local government joint procurement of waste services such as the collection and processing of waste from household bins.

We want to make it easier for local councils to come together to procure waste services that deliver good value for ratepayers and help to achieve better waste and recycling outcomes.

Some councils already choose to procure jointly, but the process can often be cumbersome, costly and time consuming. Councils that tender for waste services individually are often at a disadvantage because of their relatively small purchasing power.

By consolidating local government waste volumes and approaching the market with scale, we can attract investment in new infrastructure and services. This can help remove barriers to entry for new investors, increase competition in the waste services sector and put downward pressure on costs for councils and households.

This approach will allow state and local governments to work collaboratively on steering strategic planning for waste infrastructure and services to meet state and local needs. It can also promote innovation in waste service delivery by providing opportunities to trial and scale up new ideas and provide a forum to test standardisation of services where appropriate.

The NSW Government will fund the new joint procurement facilitation service. It will be voluntary for councils to participate and the service will provide access to expert commercial, legal and policy advice.

In its initial phase, the service will target major waste contracts for the Greater Sydney region to align them with critical infrastructure needs. In subsequent phases, the service will be broadened to regional councils.



Upgrading the Moruya MRF

- SUEZ's Moruya MRF in regional NSW processes domestic recyclables from Eurobodalla Council
- In 2018, SUEZ received a *Waste Less, Recycle More* grant to install new equipment to increase the recovery of paper, and reduce contamination in the paper and plastic outputs
- The new equipment means that SUEZ has reduced the contamination in its paper output from 6% to under 1.5%, diverted over 2,000 tonnes of paper in 2020, and were able to supply approximately 300 tonnes of higher quality mixed plastic as a result of having less paper in the container stream.

We will work in partnership with local government to design a facilitation service that meets the needs of councils and helps deliver better waste services and infrastructure for communities. Consultation on the service design will look at options for governance, the role of the service in the tender process, streamlining regulation and tender approvals processes, optimisation of service areas and alignment with infrastructure planning and investment attraction.



Focus area: Reducing carbon emissions through better waste and materials management

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If we can increase the efficiency of our resources, we generate less carbon emissions. We can do this by using less carbon-intensive materials in our buildings and products, reducing the amount of virgin material we need by reusing and repairing products, recycling materials and recirculating the gas and energy generated by waste through our economy.

The NSW Government will implement a set of initiatives to drive carbon emissions reduction that will be supported by new grant programs and complementary regulation.

Mandating food and garden organics collection for all NSW households and select businesses

We can reduce the amount of organic material going to landfill by collecting it separately and processing it at special organic waste facilities. Many councils already provide a separate bin to collect garden organics from households and some (less than a third) also collect food organics²⁴.

Other organic material, like textiles and timber, finds its way into household bins. Audits of residential kerbside residual waste bins in the waste levy area in NSW show that:

- the proportion of food and garden organics waste overall was 41% in 2019
- councils that provided a separate food and garden organics collection service had a far lower proportion of food and garden organics in their residual waste bin (25%) compared to councils with only garden organics (41%) or no organics collection (54%)²⁵.

To help achieve our targets of halving food waste to landfill and achieving net zero emissions from organics in landfill by 2030, we will require the separate collection of:

- food and garden organics from all NSW households by 2030
- food waste from targeted businesses and other entities that generate the highest volumes of food waste, including large supermarkets and hospitality businesses, by 2025.

We will consult with councils, businesses and service providers on the best way to transition to these new arrangements, including the need for phasing in or grandfathering existing contracts, managing the different needs of high-density housing, and working with service providers to ramp up processing capacity.



North East Waste FOGO

- Six councils in the North East Waste region of NSW now have food organics and garden organics (FOGO) services
- Diverting 50,000 tonnes of organics from landfill every year, the FOGO services also annually reduce carbon emissions by 75,000 tonnes of CO₂-e, reduce disposal costs by \$5.5 million and save valuable landfill space
- Supported by *Waste Less, Recycle More* grants for collections and new processing facilities
- The organics are processed into compost and returned to local soils, which sequesters carbon, improves soil health, increases water retention and boosts crop yields.

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To help with the transition, the NSW Government will invest \$65 million over five years from FY2023. This funding will support the rollout of new collection services, the development of more processing capacity and a statewide education campaign that will help households adjust to the changes and improve their recycling habits.

The donation of surplus food to food rescue organisations also minimises food waste and the resulting emissions that would otherwise be generated from this waste if it was landfilled. In addition, the distribution of the rescued food to needy people and communities provides significant social benefits. It is estimated that only 8% of available food from supermarkets is donated. A pilot with OzHarvest working with Woolworths found training staff to identify more food for redistribution resulted in a 37% increase in donations.

To encourage more surplus food donation, the NSW Government will require large supermarkets to report on their surplus food donation to food rescue organisations. We will provide \$4 million in funding for food donation infrastructure, refrigerated vans, fridges, freezers and other equipment to store and keep food fresh for redistribution.

Supporting circular design to reduce carbon-intensive materials and increase recycling

If we can design our buildings, infrastructure, products and even entire precincts so that they rely on fewer raw materials, are more durable and can be easily repaired and use more recycled content and recovered energy, then we can reduce our carbon footprint.

By looking at the lifecycle costs and benefits of the materials we use, we can better assess their impacts, not only on price and performance but on emissions and the broader environment.

We can also reduce our carbon emissions by planning for our future needs. Materials used in construction are often locked away for decades, but when it comes time to replace buildings and infrastructure, that material needs to be recycled or disposed of. A circular built environment could save 3.6 million tonnes of CO₂ per year across Australia and deliver \$29 billion in direct economic benefits to NSW per year by 2040²⁶.

Digital record keeping of the material in our buildings and infrastructure - commonly referred to as 'digital twins' or 'materials passports' - would allow us to identify when and how much

material will reach its end of life and gives us an opportunity to plan for its management. It can also help us identify gaps in recycling capacity for those materials and support investment in innovation and infrastructure to meet that future demand.

To help catalyse a shift to circular design that reduces our carbon emissions, the NSW Government will establish a new \$37 million *Carbon Recycling and Abatement Fund*. The fund will support innovative circular economy approaches that manage waste and materials more efficiently and reduce emissions.

Through this new fund we will support projects to:

- trial the innovative use of low-carbon recycled materials, such as cement made with coal ash
- trial new approaches to reducing waste and improving recycling of waste generated through construction and demolition activities – such as modular design, digital materials passports, and novel uses of ‘products as a service’
- help businesses co-locate in areas like the Clean Manufacturing Precincts and Special Activation Precincts where they can beneficially re-use each other’s by-products, reducing their waste and carbon footprints
- support the recovery of biogas from waste materials (see below for more details).

As part of our NSW Plastics Action Plan, we will also establish a new \$10 million *Circular Materials Fund* that will provide a financial incentive for producers to design out or replace carbon emissions-intensive virgin plastic with lower carbon-intensity recycled materials. This will help improve materials efficiency, increase use of recycled content and deliver a measurable carbon dividend for NSW.

We will continue support for our popular Bin Trim program, providing advisory services, rebates and grants for small and medium enterprises to manage their waste more efficiently, reduce the amount of waste they send to landfill and reduce their carbon footprint.



There is an opportunity to use waste locally that is currently being sent interstate and overseas for recycling.

Around 60% of plastics recovered in FY2019 was exported out of NSW for recycling³⁰. This means that NSW missed out on the jobs and economic benefits associated with the recovery of this material. Transporting the material long distances also generated pollution and greenhouse gas emissions.

Creating local demand for recycled material also helps divert material from landfill.

There are opportunities to increase government procurement of local recycled material such as:

- plastic, glass and rubber in asphalt
- coal ash and glass in concrete and road base
- compost as a soil amendment
- plastic and rubber in indoor and outdoor furniture and soft surfaces.

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The NSW Government will work with the property and infrastructure sectors to develop tools and guidance to promote circular design and practices, including new circular design guidelines for buildings and infrastructure. These guidelines will provide practical advice around how to achieve circular design in the built environment and will be incorporated into relevant government planning instruments.

Leading the way to stimulate circular investment and innovation

The NSW Government can use its purchasing power to stimulate circular economy innovation and demand for recycled content recycling markets. We can reduce the environmental impacts of the materials we use by designing for durability and reuse, and by incorporating recycled content. We can also help create jobs in NSW. For every 10,000 tonnes of material, recycling generates three times as many jobs as landfill disposal²⁷.

Building on our net zero commitments to reduce government carbon emissions, we will require NSW Government departments to preference products that contain recycled content, including building materials and office fit outs and supplies, on an 'if not, why not' basis. This will not only

drive better waste and recycling outcomes, but it will potentially reduce our carbon footprint by using fewer virgin materials. Agencies will need to preference recycled content where there is no significant additional cost or negative impacts on performance and the environment.

Where there are gaps in cost and quality or the absence of standards, we will work with industry to meet the increased demand for quality recycled material. Through the new \$13 million *Circular Innovation Fund*, we will support research into new technologies and uses for recycled material and provide opportunities to pilot them in government projects.

The standards that government develops through this process will also be available for local governments to adopt, providing them with more confidence to use recycled content in their own procurement.

To support purchasing decisions and the market response, we will publish a directory of recycled material suppliers, along with a register of upcoming government infrastructure and construction projects that will procure recycled material. This will help industry plan for the pipeline of demand.

To demonstrate the NSW Government's commitment to supporting recycling markets, we will report annually on the use of recycled content in government procurement and its associated impact on emissions and waste reduction.

Additionally, we will demonstrate our leadership in adopting circular economy practices by:

- identifying opportunities to embed circular design principles in new NSW Government buildings, infrastructure and precincts
- requiring that all NSW Government-owned and leased buildings over 1,000 square metres obtain and publish a NABERS²⁸ Waste Rating by 2026, to drive waste avoidance and recycling in government operations.



Requiring gas capture technology at all landfills

Legacy methane emissions from organics in landfill can continue for 25 years or more²⁹. To stop these harmful emissions, many landfills in NSW have already put in place infrastructure to capture landfill gas for flaring or for power generation. To minimise the impact of landfill gas emissions, the NSW Government will:

- require landfill gas capture for landfills over a certain size and all expanded or new landfills, with exemptions for certain circumstances
- require net zero emissions for landfills that are subject to an environment protection licence by a prescribed timeframe.

To complement these regulatory measures, we will invest \$7.5 million to support the installation of landfill gas capture infrastructure.

In addition, we will explore the introduction of a waste levy rebate for landfills that have landfill gas capture infrastructure installed. The levy rebate could be based on the amount of landfill gas captured and set at differential rates to encourage landfill operators to capture as much of the gas as possible. This could encourage

installation of new infrastructure, the upgrade of existing equipment and changes to management practices to maximise capture rates.

The requirements could also incentivise further development of potential emerging technologies including low-flow flaring or bio-filter systems that could be used for smaller landfills, and mobile gas capture and offsite cleaning and storage systems that would require minimal infrastructure at landfill sites.

Recovery of energy from waste through biogas production

The new initiatives for the diversion of food and garden organics from landfills will increase the amount of source-separated organics, mainly food organics, from which nutrients and energy can be recovered. Currently, most source-separated organics are composted and used as a fertiliser and soil conditioner in agriculture and horticulture.

Another option is to use anaerobic digesters. Anaerobic digesters produce biogas through the same decomposition process that occurs in landfills, but in a more accelerated and controlled environment. Biogas, whether captured from landfills or generated through anaerobic



Penrith Community Recycling Centre

digesters, is a renewable energy source that can be converted directly into heat. It can also be a direct substitute for natural gas in electricity generation, heating, cooking and as a fuel for vehicles. The digestate from the anaerobic digestion process can be further processed into fertiliser products.

As biogas is produced from fresh organic material (as opposed to fossil fuel-derived natural gas), substituting natural gas or other fossil fuels with biogas and its derivatives, like biomethane, can further reduce emissions.

Anaerobic digestion is a mature technology in Europe, but there is a relatively low uptake of this technology in Australia. The key challenges include the high investment cost, difficulties in securing feedstock and revenue sources for biogas and digestate products, and the lack of favourable policy conditions.

Mandating the source-separated collection of food and garden organics will increase the available feedstock for anaerobic digestion facilities. Part of our funding for organics will support investment in anaerobic digestion facilities to help reduce the financial barriers for this technology.

In addition, the *Carbon Recycling and Abatement Fund* will include funding to support biogas recovery from waste.

We will also look at establishing a new regulatory framework to further incentivise the uptake of anaerobic digestion facilities and biogas production. This could include:

- creating a market-based instrument requiring landfills and thermal energy from waste facilities to surrender a minimum amount of biogas from waste certificates a year
- streamlining planning approval processes for anaerobic digestion infrastructure, particularly where they are co-located with high energy or heat users or energy producers
- supporting emerging uses for biogas – for example, the conversion of biomethane into renewable hydrogen and graphite.



Kroghsminde Biogas Plant

- The Kroghsminde Biogas Plant in Ølgod, Denmark processes nearly 70 tonnes per day of organic waste, such as grass silage, manure and bedding materials, from nearby farms³¹
- The plant digests the waste through an anaerobic process, producing biomethane which is used to generate 3 GWh of electricity per year, and a biofertiliser, which is transported back to the nearby farms where it is used to improve soil health
- The plant has resulted in:
 - reduced GHG emissions from agriculture (one dairy farmer recorded -0.82kg of CO₂ per litre of milk produced)
 - a 20–30% increase in crop yields from use of the biofertiliser, and
 - job creation and supplementary income for farmers.





Focus area: Building on our work to protect the environment and human health from waste pollution

Pollution from waste can have long-term impacts on the environment and human health.

Pollution can be caused by illegal dumping, littering and contamination from hazardous materials like asbestos. It can also be caused by poorly managed waste, where noise, odour and emissions can cause harm to the surrounding community.

We have a strong regulatory framework that sets the rules and standards for how individuals and businesses can handle waste. We also have strong compliance and enforcement backing up this regulation to make sure polluters are held accountable.

Stopping illegal dumping

Illegal dumping of waste poses a risk to human health and the environment, especially if the waste is hazardous (such as asbestos waste). Illegal dumping reduces amenity in areas of the community and burdens local councils and other land managers with clean-up costs.

Using a combined approach of stakeholder engagement, education, regulation and enforcement, the NSW Government has partnered with public land managers, local councils and the community to combat illegal dumping. The NSW EPA co-funds and supports Regional Illegal Dumping squads (RID squads) and programs with member councils. RID squads are regionally-based teams that specialise in investigating and preventing illegal dumping. RID squads have increased the regulatory focus on illegal dumping, and this has led to a reduction in illegal dumping in RID squad areas.

The EPA's Waste Crime Taskforce (WCT) is responsible for investigating and prosecuting offenders for serious waste crimes. The WCT runs strategic compliance campaigns to target opportunistic dumpers, illegal dumpers and organised networks of unlawful waste operators.

Rates of illegal dumping and identified illegal dumping hotspots in NSW are monitored using data sources like RIDonline. RIDonline is an online reporting database that records illegal dumping incidents in NSW and allows tracking of the success of illegal dumping prevention programs. Over 98,000 illegal dumping incidents have been reported in RIDonline since it launched in 2015. Reduced rates of illegal dumping have been recorded in locations where illegal dumping programs have been undertaken.

To continue successful programs, including maintaining the critical work of the RID squads and the RIDonline reporting system, we will provide an additional \$16 million in funding. We will also introduce new measures to move to a modern regulatory approach to combat illegal dumping. Legislative measures may include:

- requiring electronic waste docketts at waste receiving facilities to minimise the opportunity to falsify docketts
- a requirement for the generator to pay disposal fees directly to waste facilities to ensure the waste is transported to the facility and not illegally dumped
- working to strengthen the investigation and enforcement powers of EPA officers to combat illegal dumping and increase the penalties for waste crime offences.

Managing hazardous wastes

There are many hazardous substances used in everyday commercial and industrial settings. There are also legacy substances like asbestos that persist in our community. Once they reach the end of their useful life and become hazardous wastes, these substances need to be handled, treated and disposed of or stored according to appropriate standards to minimise risks to human health and protect the environment.



Litter in NSW has fallen by
43% since 2014,
 exceeding the state's target of
40% by 2020

There are already strong policy approaches and statutory requirements to ensure the safe handling, storage, transport, treatment and recycling (where safe to do so) or disposal of hazardous and harmful wastes. For example, the EPA has been leading the coordination of the NSW Asbestos Coordination Committee (NACC) since 2018. The NACC brings together NSW state agencies and organisations to improve the management, monitoring and response to asbestos issues in NSW. We will invest \$5 million in the continued operation of the NACC.

The NSW Government's Asbestos Strategy, released in 2019, sets out priority areas where we will continue to work to reduce mismanagement of asbestos waste. These include:

- closing loopholes and increasing transparency in the transport of asbestos waste
- reducing cost of disposal
- minimising profitability and increasing penalties for unlawful and improper asbestos waste disposal (such as illegal dumping).

Our regulations require businesses to track the movements of hazardous controlled wastes into, within and out of NSW. This allows us to monitor the generation and handling of these wastes.

The NSW Government is leading the establishment of a nationally consistent tracking and data system, which will improve the quality

of data and give us better oversight of hazardous waste movement in NSW and other jurisdictions. This will greatly increase our capability to detect and address potential illegal and dangerous stockpiling and support legitimate operators. We will also investigate using GPS to track vehicles transporting asbestos waste.

The new tracking and data system will be a critical part of our strategic infrastructure planning and will assist in identifying critical hazardous waste infrastructure needs. We will work with industry to encourage more investment to fill identified gaps.

In conjunction with the tracking system, we will also investigate establishing a scheme for accredited waste assessors to assist with waste characterisation and classification and a product stewardship scheme for high-risk hazardous wastes like flammable waste solvents.

Helping the community deal with problematic and hazardous wastes

Households and businesses commonly use items like batteries, paints and gas bottles, but they can be difficult and/or costly to recycle or treat. When people dispose of these items in regular kerbside recycling, they can contaminate other waste streams or even cause fires at recycling facilities.

To help stop problematic wastes from being illegally dumped or sent to landfill, we have invested \$127 million in household problem waste programs. This includes establishing and servicing 95 Community Recycling Centres (CRCs) around NSW, with another 15 in development. Since 2014, these CRCs have accepted more than 11,300 tonnes of waste, partnering with industry-led product stewardship schemes like Paintback to fund the recycling and treatment of these wastes.

The NSW Government will continue to support these important community resources, with more than \$50 million in funding. We will continue providing support for the popular Household Chemical CleanOut events, which provide safe collection and disposal of harmful chemicals like garden, pool and hobby chemicals, household cleaners and poisons. We will also investigate a new product stewardship scheme for waste solvents.

7 LATE REPORTS

8 CONFIDENTIAL MATTERS

RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

9 CONFIDENTIAL GENERAL COMMITTEE RECOMMENDATIONS - MONDAY, 11 OCTOBER 2021

9.1 Replacement of George Campbell Bridge – Contract 2/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10 CONFIDENTIAL DIRECTOR-INFRASTRUCTURE & OPERATIONS

10.1 Cowra Information & Neighbourhood Centre Inc - 15 Vaux Street, Cowra

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.2 Tender for Cowra Drought Water Security – Rural Pipeline Construction (RFT 11/2021)

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.3 Tender Cowra Aquatic Centre Project Management Services – Tender 9/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

10.4 Tender Cowra Materials Recycling Facility and Pound Facility Upgrade – Tender 6/2021

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.