

**Business Paper of a duly convened Ordinary Meeting of the  
Hawkesbury River County Council to be held at 6 Walker St, South Windsor on  
Thursday, 13 February 2014 commencing at 6.00pm**

**1. LEAVE OF ABSENCE**

**2. APOLOGIES**

**3. CONFIRMATION OF MINUTES**

Minutes of the Ordinary Meeting of the Council held on Thursday, **12 December 2013**  
to be confirmed or altered.

**4. DECLARATIONS OF PECUNIARY INTEREST**

## 5. REPORTS FROM COUNCIL'S OFFICERS:

### a) From the General Manager

To the Chairperson and Council Members

I submit these Reports for Council's consideration:

#### **ITEM GM 1. HRCC 2<sup>ND</sup> QUARTER FINANCIAL REVIEW 2013/14**

##### ***Reason for Report: Statutory***

The HRCC Financial Review for Q2 1<sup>st</sup> October 2013 to 31<sup>st</sup> December 2013 has been completed and is enclosed with this report. This period recorded a budget operating deficit of -\$56,037 (YTD -\$24,444). This was due to no additional invoicing for major grant projects in this period (Income -\$21,948). HRCC also carried a full complement of staff through this quarter, and as per previous years, the advance payment of January 2014 wages prior to the Xmas breakup.

HRCC is expected to return a surplus in the following quarter (Q3) as invoicing of all grant revenue recommences and wages cost will come down by comparison.

ENCLOSURE_GM1:	HRCC 2 <sup>nd</sup> Quarter Financial Review 2013/14
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##### ***Recommendations:***

1. *That the report be received and noted*

## **ITEM GM 2. REPORT ON MONEY'S INVESTED**

### ***Reason for Report: Statutory***

The report presented to the last Ordinary Meeting, displayed the total amount invested on 4 DECEMBER 2013, was \$1,100,000. The total amount in the transaction account on 4 DECEMBER 2013 was \$20,255.18

Since that report, the following investment decisions have been made:

On 9 December 2013 a term deposit of **\$500,000** was invested with AMP for a period of 183 days at 3.9% maturing on 10 June 2014.

On 16 December 2013 a term deposit of **\$200,000** was invested with AMP for a period of 182 days at 3.9% maturing on 16 June 2014.

On 19 December 2013 a term deposit of **\$100,000** was invested with AMP for a period of 180 days at 3.9% maturing on 17 June 2014.

On 3 February 2014 a term deposit of \$200,000 invested with ME Bank was recalled at maturity.

A term deposit of **\$300,000** remains invested with Bank of Sydney Ltd. for a period of 182 days at 3.9% maturing on 4 March 2014.

A term deposit of **\$500,000** remains invested with Bank of Queensland for a period of 196 days at 3.72% maturing on 7 April 2014.

A term deposit of **\$100,000** remains invested with Bank of Queensland for a period of 214 days at 3.72% maturing on 12 May 2014.

The total amount invested on 4 FEBRUARY 2014 is **\$1,900,000\***.

The total amount in our transaction account on 4 FEBRUARY 2014 is **\$281,179.88**

*\*This includes the Sydney Weeds Committees funding (\$447,457.99 at 31/12/2013) as per our role as "Lead Agency" for the NSW Weeds Action Program – Sydney Application and membership funds. This funding is quarantined against any HRCC operational or capital expenditure, and is specifically for the purposes of the SWC as per the MOU dated 23/8/2012 and guidelines established by agreement with the Department of Primary Industries.*

### ***Recommendation:***

1. *That the report is received and information noted.*

### **ITEM GM 3. HRCC REVENUE AND EXPENDITURE TRENDS REPORT 2014**

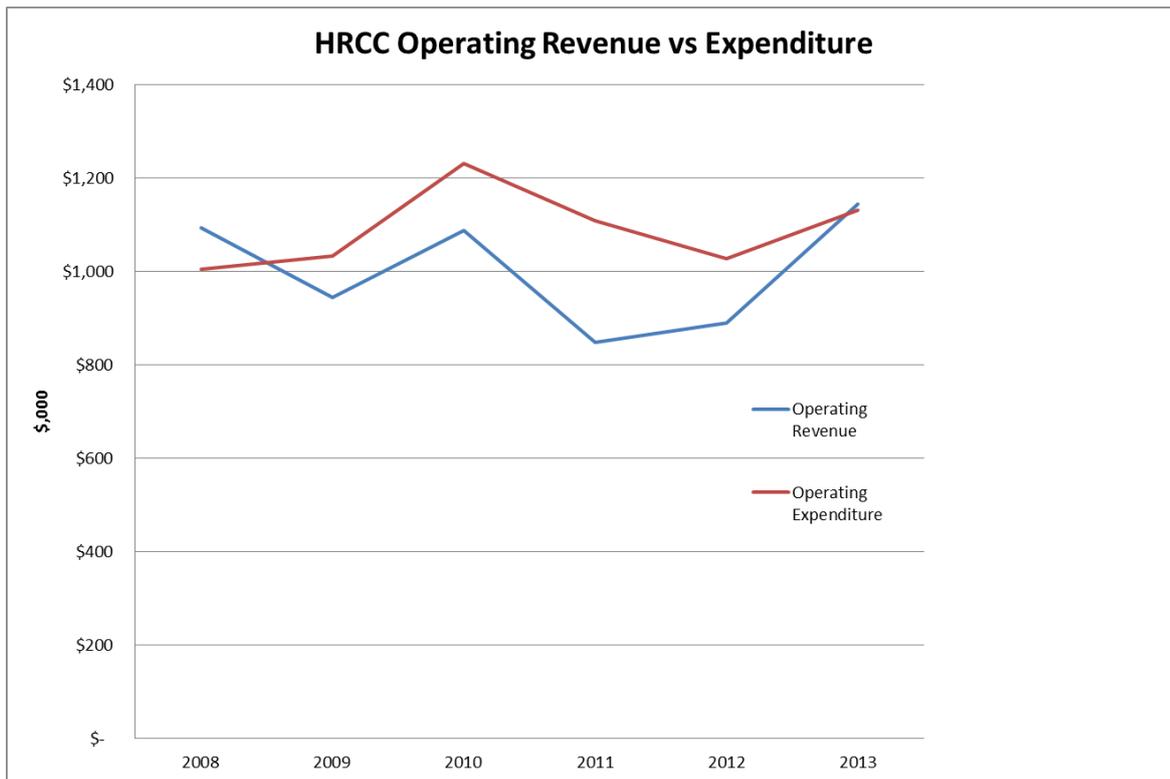
#### ***Reason for Report: Informative***

#### **Background**

The General Manager has completed a review of operating revenue received by HRCC since 2008. The Council's audited Financial Statements were used as a basis to collect the data for this time period. The focus of the review was on operating revenue, so grants received to purchase capital items, such as the Aquatic Weed Harvester were not included. In the past, this allowed Council to see the impact on operating costs quite clearly from increasing the build-up of capital items within the Council, without a revenue stream to pay for their on-going costs. It helped guide the recent strategy and creation of new grant programs which were balanced by funding to support mainly labour costs within Council.

Operating Expenditure was also tracked against Operating Revenue to provide an insight into Council's overall financial position.

These trends have been displayed in the figures below:



**Figure 1: HRCC Operating Actual Revenue vs Operating Expenditure**

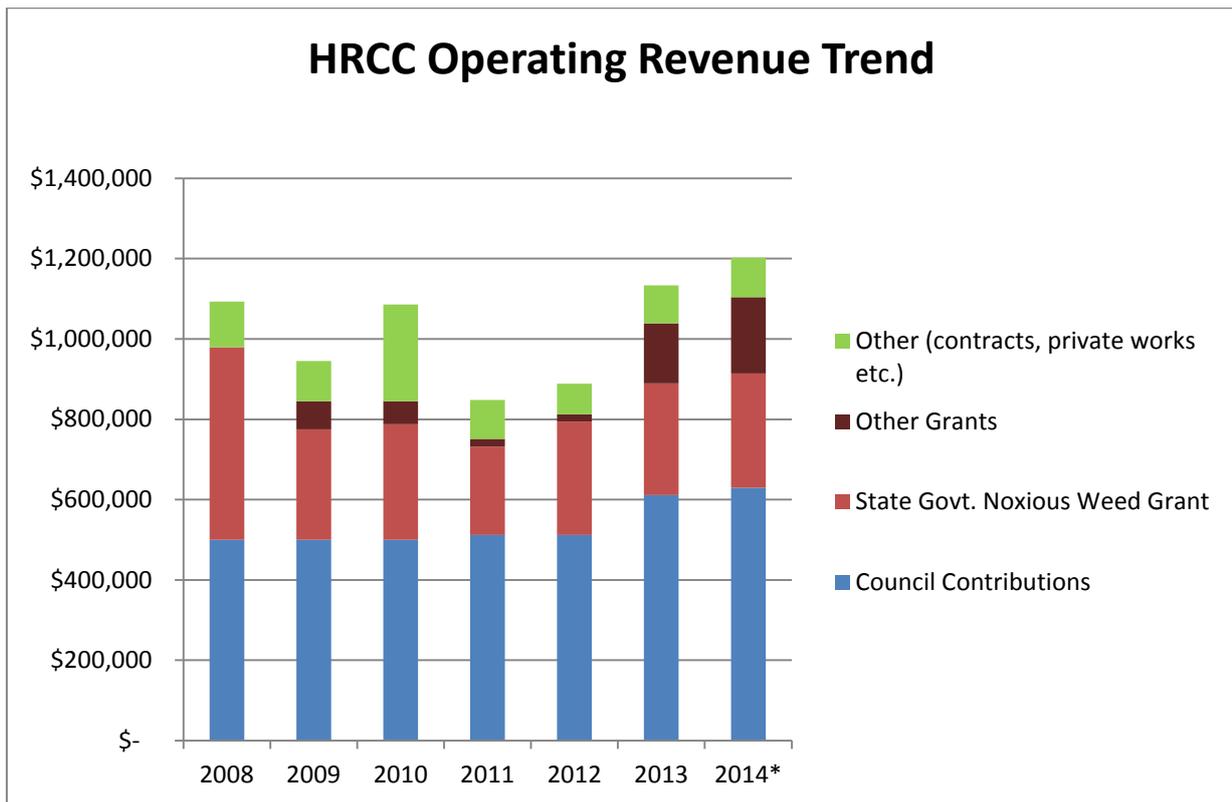


Figure 2: HRCC Operating Revenues, \*2014 forecast

The line graph above (Fig 1) clearly shows the impact the acquisition of the Aquatic Weed Harvester in 2009 had on the long term financial sustainability of Council. Grant programs such as the NSW DPI funded “Hawkesbury-Nepean Aquatic Weed Management Project”, matched by a 10% increase in Council contributions were specifically designed to address this issue when introduced in 2013. (see Fig 2) As this project is maintenance focused rather than reactive it will reduce the long term costs of river management.

HRCC management also re-structured the operations of the “aquatic team” to greatly reduce their costs over the past two years. This has led to a positive “closing the gap” by the end of 2012/13 FY. However, whilst the strategy has proved effective so far, it must be maintained for a number of years for the Council to reach a truly strong fiscal position. By that time, the effectiveness of the program should also be evident in the river environment itself, and that will be the most likely long term determinate of our future strategies.

### Potential Revenue Impacts

Whilst the current County Council system is in place, the Council contributions will remain stable with only CPI increases being necessary. In terms of the external grant landscape there may be some changes in the next few years.

- The NSW Weeds Action Program (NSW DPI) is due to finish in June 2015. This represents around 25% of our income and is our most important funding partner outside of our member Councils. Whilst there is strong indications that

the grant program will continue beyond 2015 it is still too far away to predict what sort of impact this will have.

- The transfer from HNCMA to Local Land Services in 2014 may have some impact. Currently we receive around 6% of our funds from their grant programs. It is still too early to tell how the LLS will approach the funding of weed management in our region. The outcome of the NSW Weeds Management Review currently being undertaken by the Natural Resource Commission is likely to have significant impact on their decision making.
- Generally public funding toward natural resource management has been continually declining for the past 10 years, and additionally there is increased competition from State Government organisations (such as NPWS) for existing funding pools. HRCC must therefore continue to broaden its revenue base by maintaining highly skilled and multi-disciplined workforce.

## **Conclusion and Response**

It is clear that good progress has been made to address financial sustainability of Council. However a number of key strategies that led to this must be maintained in the coming years to fully secure the future of HRCC:

- Results must be returned to the community and communicated clearly to them, our constituent councils and the other funding bodies to consolidate their investment in our organisation.
- The annual member Council and grant funded contributions should be increased by CPI to prevent a “real loss” as wages and maintenance costs still continue to climb.
- HRCC itself must not lock itself into a narrow vision of itself, and be prepared to respond to NSW Government and Local Government reforms as a “delivery organisation” for a range of natural resource management (NRM) and agricultural services. This will broaden the base of our grant funding and allow the development of a more multi-skilled workforce.
- HRCC has been steadily increasing the amount of private contract work undertaken by around 5% per annum. This must continue as it fosters a working culture of customer service, delivery, professional quality and a sense of opportunity and growth amongst staff.

As HRCC moves towards the development of the 2014/15 Operational Plan, these strategies will be implemented.

### ***Recommendation:***

1. *That the General Manager's report on Revenue and Expenditure Trends is received and noted.*



## **Financial Report Q2 Oct-Dec 2013/14**

HRCC has completed the financial report for the Q2 (Oct-Dec) 2013/14 FY. HRCC received the WAP Year 4 allocation for the Sydney region application during this period from the Department of Primary Industries to the value of \$876,705. HRCC was able to quickly start allocating grants to Councils and had committed dispersal of \$664,024 (75%) in WAP funds by the end of the reporting period.

HRCC has billed \$0 against SWC membership funds and the balance at the end of the reporting period remains at \$53,187.85.

### ***Recommendations:***

1. *That the report is received and noted.*

## **ITEM GM 5. SYDNEY WEEDS COMMITTEES (SWC) / HRCC REVISED MOU AND TRANSFER OF MEMBERSHIP FUNDS**

### ***Reason for Report: Decision Required***

#### **Background**

At the Council Meeting of 9 August 2012 it was resolved (#1539) to sign an MOU with the four regional sub-committees of Sydney for the purposes of the lead agency role for the Weeds Action Project (WAP) and the Sydney Weeds Committees Inc. membership funds.

Since that time HRCC has administered all funding in accordance with relevant legislation, the WAP guidelines and the MOU. The SWC has requested in writing the return of membership funds. As the original MOU clearly states HRCC is to administer their funds, a revised MOU is required to be in place prior to the transfer of funds.

At the Council meeting held on 12 December 2013 it was resolved (#1673) that:

1. A revised MOU is drafted, signed and implemented by all parties to replace the existing MOU of 9 August 2012.
2. HRCC returns Sydney Weeds Committees Inc. membership funds that it is currently administering on their behalf.

#### **Revision of MOU**

A revised MOU has been drafted and is enclosed with this report. If approved, the revised MOU will allow for the transfer of membership funds which are currently being administered by HRCC to the Sydney Weeds Committees Inc. It was important however to maintain the governance structure as defined by the WAP guidelines, and put into practice by the original MOU. Therefore, amendments seeking to transfer executive control of the WAP grant away from the lead agency have not been accepted. Amendments sought to change the agreement from the four regional committees to the Sydney Weeds Committees Inc. have not been accepted as this

organisation does not cover membership of all WAP project partners, for which the lead agency is responsible.

Therefore, revisions to the MOU are minor and are intended to:

1. Clarify that the MOU does not cover SWC membership funds, and
2. Confirm current reporting arrangements (ie to HRCC) for the WAP Project Officer.

A more detailed summary of changes is as follows:

- Amendment of overview to clarify that SWC membership funds do not form part of the MOU and that only the WAP Project Officer (i.e. not the SWC Executive Officer) is employed by the lead agency.
- Various amendment to clause 2.2 (Definitions) to include definitions of
  - funding agreement
  - NSW Weeds Action Program Guidelines
  - Sydney Weeds Committees Incorporated
- Amendment to clause 3 to clarify that the MOU applies only to the administration of the grant funds from the Sydney Region Weeds Action Project.
- Clauses 4.1, 4.2.1(a), 4.2.1(d) and 4.2.2(e) amended to clarify that the MOU applies to Weeds Action Project funds only (and not SWC membership/other funds).
- Clause 4.2.3 amended so it applies to WAP Project Officer only, and not SWC Executive Officer.
- Clause 4.5 amended to reflect that WAP Project Officer reports to the lead agency and not the steering group.
- The term “approve” has been removed from clause 4.5(c) (previously clause 4.5(d))
- Clause 7.4 deleted as it is no longer applicable
- Signatories page amended to remove reference to SWC membership funds
- Annexure A amended to reflect current names of other organisations
- Annexure B amended to include the salary and related costs associated with employment of the WAP Project Officer.

### **Calculation of SWC Membership Funds for Transfer**

A journal transfer is required to correct a previous accounting error regarding funds held by HRCC in respect of WAP Project Grant funds and Sydney Weeds Committees (SWC) Membership and other funds (including all sponsorship). HRCC assumed the lead agency role for the Sydney WAP Project in August 2012. Prior to this time, WAP Project Grant Funds and SWC Membership funds were administered by the SWC. Note that memberships funds includes all funds previously held by SWC other than WAP grant funds, and may include fees paid by SWC members and sponsorship revenue.

The original MOU between HRCC and the SWC requires HRCC to administer both grant funds (from NSW DPI) and membership funds (from SWC annual member fees). It is understood that SWC held the funds in two bank accounts, the balances of which

were transferred to HRCC in two payments of \$906,000 in December 2012, and \$76,013.25 in February 2013.

At the time, it was assumed that both payments were for grant funds and accounted for accordingly. At 30 June 2013, \$205,717.76 was held by HRCC in respect of grant funds, and \$54,889.68 in respect of SWC membership funds. (Source: HRCC Profit & Loss Statement July 2012 to June 2013)

Whilst no accountable data has ever been provided to HRCC on the source and structure of membership funds, it has since become evident that \$30,678.04 (\$205,717.76 - \$175,039.72) of membership and sponsor funds has been accounted for as grant funds. See Table 2 below:

**Table 2: Calculation for split between SWC and WAP funds.**

Unspent WAP Grant Funds at 30 June 2012 Source: "Sydney Weeds Action Project Funds spent from October 2010 to 30 <sup>th</sup> June 2013", Sydney Weeds Committee	\$107,803.96
Sydney Weeds Action Project grant allocation for 2012/13	\$856,157.00
Total Sydney WAP Grant Funds available for 2012/13	\$963,960.96
WAP funds spent during 2012/13 Source: "Sydney Weeds Action Project Funds spent from October 2010 to 30 <sup>th</sup> June 2013", Sydney Weeds Committee	\$788,921.24
Balance of WAP funds at 30/06/2013	\$175,039.72

A journal transfer is required to correct this error.

### **Process and Impact on HRCC**

1. The HRCC Chair and Deputy are to sign the MOU.
2. The Chair or Deputy of each Regional Weeds Committee is to sign the MOU.
3. Copies are to be provided by HRCC to all parties and original is to be filed in HRCC Council Minutes.
4. The HRCC General Manager will write to the SWC specifying the exact amount being held by HRCC of membership and other funds at that date (cognisant of this report and any other reportable expenditure against the membership funds since), and request an invoice be sent to HRCC for that amount. All transfers are GST exclusive.
5. HRCC to pay the invoice within 30 days upon receipt.

An additional administrative role is required by HRCC to facilitate the creation of a new MOU and transfer funds back to SWC. These tasks are outside of the HRCC Operational Plan 2013-14, existing MOU and lead agency role. On a cost recovery basis, this equates to 13 hours of work @ \$74 per hour + GST (\$962) and will be invoiced to SWC membership funds and paid prior to transfer of any funds.

ENCLOSURE_GM5:	MOU between HRCC and Four Regional Weeds Sub-Committees
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**Recommendations:**

1. *That the report is received and noted.*
2. *Council authorises the journal transfer of \$30,678.04 from WAP Project funds to SWC Membership funds.*
3. *Council delegates the Chair and Deputy Chair to sign the revised MOU dated 13 February 2014.*
4. *Council delegates the General Manager to administer the return of the SWC Membership funds to SWC Inc. in accordance with the process outlined in the Council report.*

**ITEM GM 6. LOCAL GOVERNMENT REFORM UPDATE**

***Reason for Report: Informative***

**Background**

The Future Directions for NSW Local Government (*Sansom et al*) report was released by the Independent Local Government Review Panel (The Panel) in April 2013. The report featured strong support for the expansion of “new look” County Council’s across NSW.

More specifically our County Council was recommended to be “retained” as were our member Council’s (with some proposed boundary adjustments).

There was strong opposition to the “new look” County Council approach from stakeholders during the period which followed the release of the report.

On 8 January 2014 the second and final report from the Panel “Revitalising Local Government” was released. The regional governance model proposed by the first report (new look County Councils) has been developed further and given the generic name of “Joint Organisations”(JO). The structure of which has been illustrated in Figure 3.

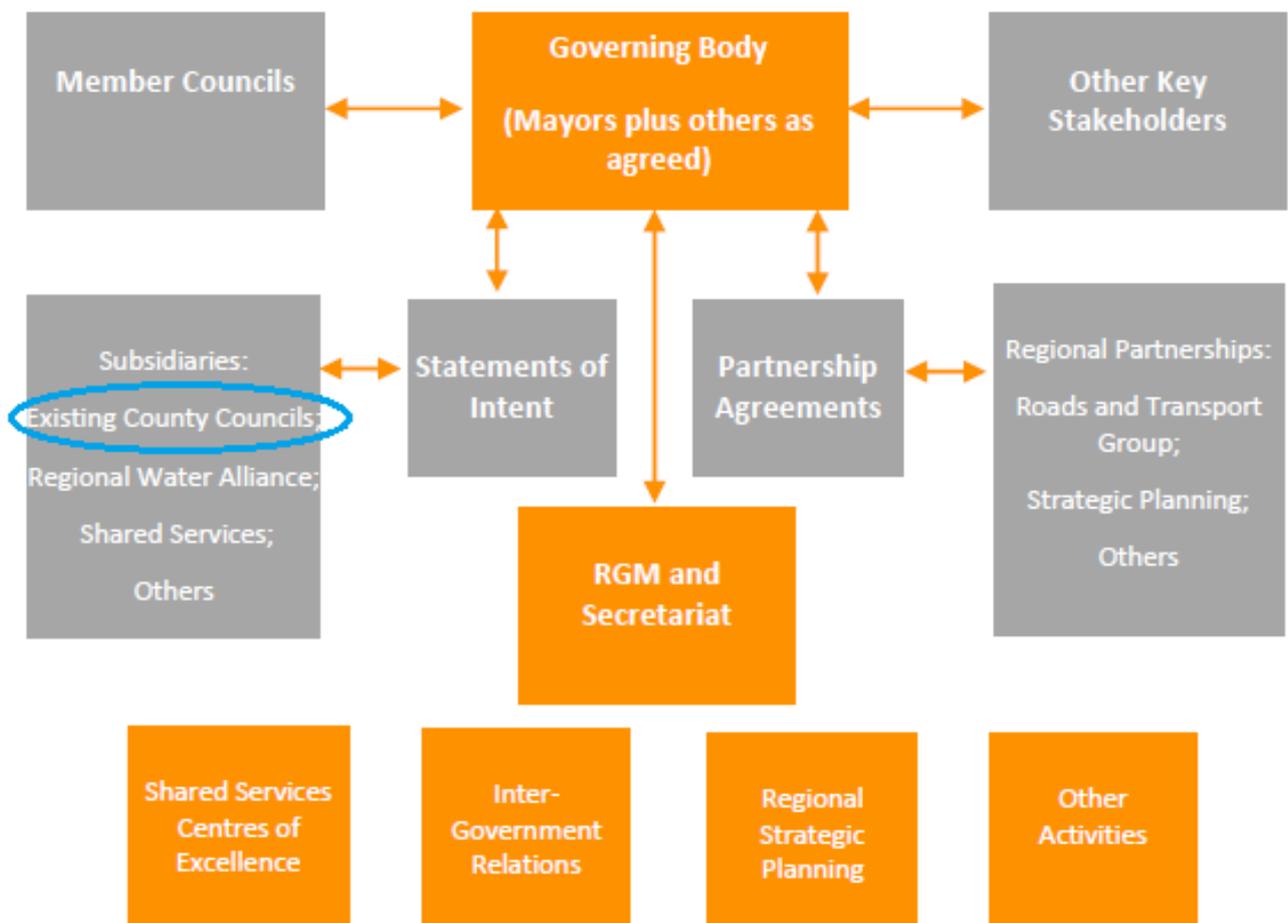


Figure 2: Model Structure for Joint Organisations. ILPGRP, Oct 13

## Impact on HRCC

HRCC has been specifically recommended to be either “retained” in its current role, or incorporated as a subsidiary of Western Sydney JO (ILPGRP, Oct 13, Pg 90). However the report also recommends deferring the development of any JO’s in metropolitan Sydney until all options for Council mergers have been considered. The geographical relationship between HRCC and a Western Sydney JO is shown in Figure 4.

The next steps in relation to the reform process fall under the responsibility of the NSW Division of Local Government. Submissions to the DLG on the recommendations of the Panel reports can be made up to 7 March 2014.

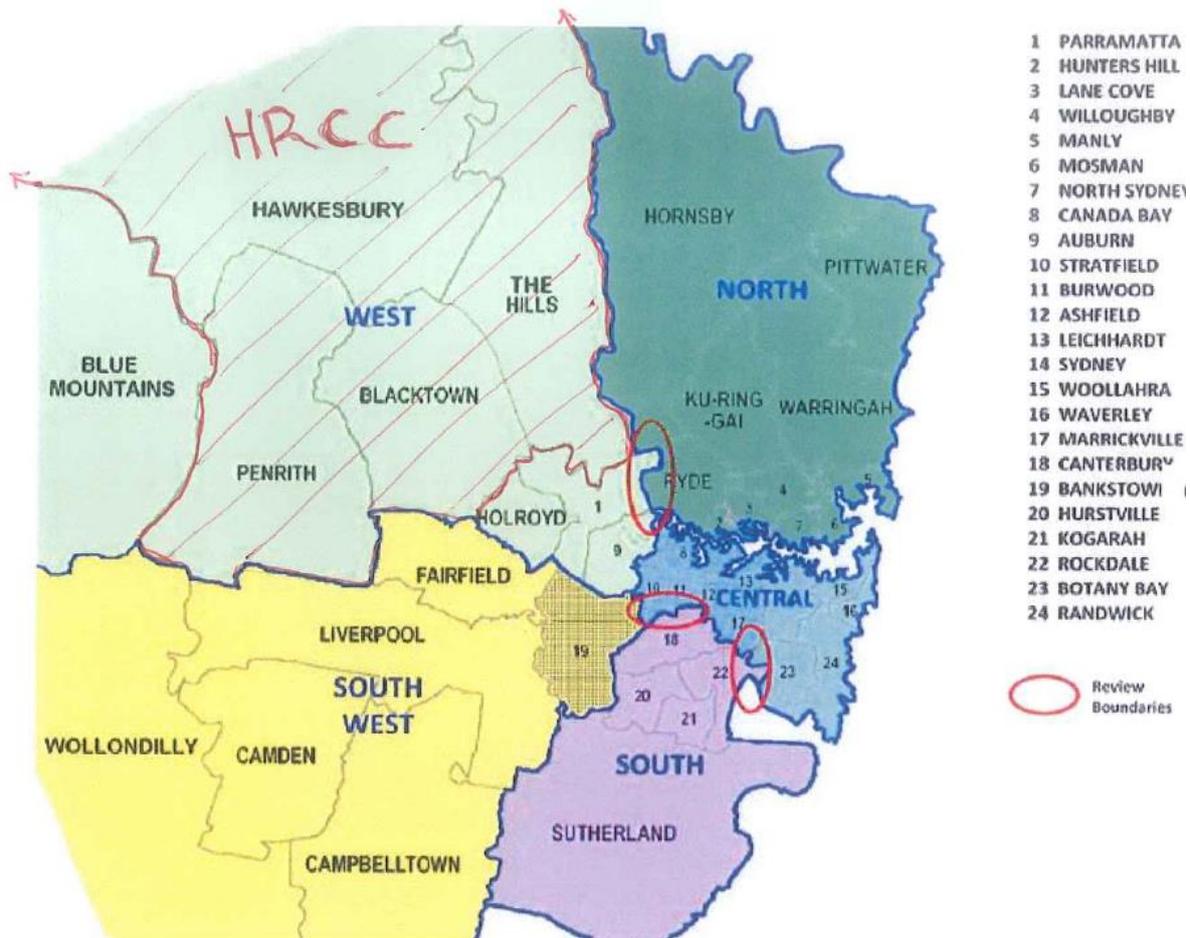


Figure 3: HRCC and the Proposed Western Sydney JO

**Recommendations:**

1. That the report is received and noted.

**ITEM GM 7. STAFFING**

**Reason for Report: Informative**

Since the last Council meeting held on 12 December 2013 Council has received the resignation of Mr Joshua Wilson.

HRCC currently employs a total of 12 people (at FTE of 11.5).

**Recommendation:**

1. That the report is received and noted.

## 5. REPORTS FROM COUNCIL'S OFFICERS:

### (b) Operations Manager

To the Chairperson and Council Members,

I submit the following for your consideration:

#### **ITEM OM1. OPERATIONAL REPORT**

##### ***Reason for Report: Statutory***

Dramatic periods of extremely hot weather have featured prominently in this reporting period. Aside from the hazards associated with working in hot conditions, plants shutdown to conserve water so planned work tasks are adjusted on the fly to keep crews active. The lack of rain has also had an effect on weed control activities. Soil moisture is very low, meaning plant growth has been slow, allowing the crews to target some woody weed species such as African olive and Green cestrum prior to expected flowering times and control them before a fresh crop of seeds can be produced.

##### **Blacktown LGA**

Green cestrum, African olive, Privet, Kangaroo thorn and African boxthorn have been treated in reserves including: Nurragingy, Bungarribee, Banks reserve, Twin gums reserve and Pearce reserve. Regeneration of native vegetation at Nurragingy reserve is progressing well. Staff discovered three young Kurrajong trees growing in the weed control zone. These trees are native to the Cumberland Plain vegetation community and are a sign of success from a weed controller's view.

The warmer months are traditionally prime times for aquatic weed control throughout the Blacktown LGA. Alligator weed has been the most prominent of the aquatics, with crews chasing infestations along the creeks and drainage lines in, Doonside, Blacktown, Prospect, Plumpton and Seven hills.

##### **Penrith LGA**

Target weed species this reporting period in Penrith was: African olive, Green cestrum, Alligator weed and St. John's wort. High volume herbicide application has been used by crews as well as bush regeneration techniques in sensitive areas. Areas treated include: Llandilo, Mulgoa, Luddenham, St. Clair, Penrith, Regentville and St. Marys. Green cestrum continues to be controlled at Llandilo along the banks of South creek where there are dense infestations. Alligator weed has been treated along waterfront parks and reserves in the area, most notably Tench reserve, Weir reserve, River road reserve and South Creek Park. A number of roadside culverts are annually targeted for Alligator weed – primarily around the St. Clair and Luddenham areas. Salvinia is also present in these areas and also at Crossman reserve (Wallacia), these infestations have been controlled using Salvinia weevils.

## Hawkesbury LGA

Aquatic weed control was the primary focus of weed control operations in the Hawkesbury over the last two months. Crews have continued treatment of aquatic weed species along the Hawkesbury River between North Richmond and Ebenezer. Senegal tea plant, Alligator weed, Salvinia and Water hyacinth have been the targeted weed species. These weeds were treated via low pressure herbicide application from council boats that have spray packs installed in them.

Terrestrial weed control in the area has treated woody weed species such as: Green cestrum, African olive, Broad leaf privet, Narrow leaf privet. Macquarie Park in Windsor continues to receive frequent visits from work crews as the Green cestrum infestation at this location is proving a challenge. Isolated pockets of St John's wort along roadsides in Richmond, Wilberforce, East kurrajong and Bowen Mountain have been sprayed to prevent seeding and localised spread of this fast moving weed.  
Operations

## The Hills Shire LGA

A diverse mix of weed species have been treated in the Hills Shire over summer. The usual woody weed targets such as Green cestrum, Privets, African olive and Boneseed have been treated in conjunction with a variety of aquatic weed species that receive annual treatment. Willow leafed primrose, Peruvian primrose, Alligator weed, Senegal tea plant and Salvinia have been treated by staff within the Shire's creeks, drainage lines and water bodies.

Work crews have concentrated on treating roadside weed growth. Areas treated were Middle Dural, Annangrove, Glenorie, Kenthurst, Maraylyla, Lower Portland and Sackville. Low pressure spot spraying and cut and paint were used to treat these weeds, all species treated were present in low numbers with the exception of Green cestrum in Lower Portland and Sackville, both of these areas have perfect growing conditions for this species.

## Inspections

Routine inspections are taking place in aquariums, florists, roadside stockpiles, plant nurseries, urban waterways and storm water infrastructure. Inspectors are now targeting the sale of aquatic weed species online at sites such as Gumtree and Ebay. Both of these internet sites have had local sellers offering noxious weed species for sale. Upon discussion with these sellers it has been detected that there is a gap in information delivery and awareness of aquatic noxious weed species, and aquatic weed awareness is still quite low amongst the general public.

ENCLOSURE_OM1-1:	HRCC Q2 Operational Report 2013-14
ENCLOSURE_OM1-2:	HRCC Q2 Operational Map 2013-14

## **Recommendation:**

1. *That the report is received and noted.*

## **ITEM OM2. HAWKESBURY-NEPEAN AQUATIC WEED MANAGEMENT PROJECT**

### ***Reason for Report: Informative***

### **Background**

The Hawkesbury River Aquatic Weeds Project is the first long term maintenance program focussed on aquatic weeds within the Hawkesbury Nepean River. 2012/13 was the first year of this partnership between DPI and HRCC as a four year project.

### **Year 2 Mid-Year Report (July – Dec 2013)**

Weed populations on the Hawkesbury-Nepean River are well controlled at the time of reporting. The weed control booms along the river have been regularly checked for weed collection and damage, little in the way of aquatic weed material or rubbish has been trapped by the booms, indicating that overall populations of noxious aquatic weed species are low at this point in time.

Surveillance of *Egeria* infestations at popular boating and recreational sites has found that this species has had a difficult time re-establishing after being decimated by high river flows over the past two years. Having said that – a short weed harvesting operation will take place at the Penrith rowing course during February, deep harvesting various submerged aquatic weeds that are beginning to reach the river surface and cause some entanglement to the rowing community.

The aquatic weed spraying program has continued along waterfront reserves and river stretches from Penrith downstream to Ebenezer. The primary target of this program is to reduce the occurrence of Senegal tea plant which is a class 1 noxious weed within our county. Alligator weed, Salvinia and Peruvian primrose were also treated by crews working from boats and the shoreline applying herbicide.

Overall condition of the river is good, low infestation levels of problem aquatic weeds have allowed full use of the many reserves and parks along the river without the worry of coming into contact with nuisance aquatic weeds. The river should remain stable now until next spring, should we not get decent rainfall over the coming months, this situation may change and weed populations will begin to build.

ENCLOSURE_OM2:	HN Aquatic Weed Operational Report Q1-Q2 2013-14
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### ***Recommendation:***

1. *That the report is received and noted.*

## 7. COUNCIL CORRESPONDENCE REPORT

From the Office of the General Manager, to the Chairperson and Members, I submit the following report on, correspondence of note, which has been received and sent by Council since the last Ordinary meeting:

1. **RECEIVED – 8 October 2013** – Letter from HCC GM, Mr Peter Jackson advising positions of Mayor (Clr. Kim Ford) and Deputy Mayor (Clr. Tiffany Tree) and HRCC Representatives Clr. Bob Porter and Clr. Warwick Mackay OAM.
2. **SENT – 19 December 2013** – Letter to Hon. Katrina Hodgkinson MP. Re: LLS Eligibility for election. Actioning #1667-2.
3. **SENT – 19 December 2013** – Letter to all member Council GM's advising 2014 HRCC Meeting Schedule. Actioning #1665-3.

### ***Recommendation:***

1. *That the report on Correspondences is received and information noted.*

## 8. GENERAL BUSINESS / QUESTIONS WITHOUT NOTICE

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