

**WARREN SHIRE COUNCIL**  
Report of the General Manager  
to the Ordinary Meeting of Council to be held in the  
Council Community Room, Warren on Thursday 25th March 2021

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**ITEM 4                      ORANA JOINT ORGANISATION**

**(L5-16.3)**

**RECOMMENDATION** that Council:

1. Note the ongoing concerns about the financial sustainability of the Orana Joint Organisation;
2. Resign its membership of the Orana Joint Organisation;
3. Make the relevant representations to the Orana Joint Organisation seeking agreement from all members Councils on this issue;
4. Work with the Orana Joint Organisation to write to the Minister for Local Government seeking the relevant legislation be enacted to dissolve the Orana Joint Organisation; and
5. Write letters of thanks to Narromine Shire Council and Mid-Western Regional Council for providing support as Chair and Executive Officer respectively of the Orana Joint Organisation.

**PURPOSE**

The purpose of this report is for Council to consider whether or not to resign its membership of the Orana Joint Organisation of Councils.

**BACKGROUND**

At a meeting of the Orana Joint Organisation held on the 24 February 2021, the purpose and future of the Orana Joint Organisation (JO) was discussed.

Whilst the function of the Orana JO had some merit and, for a long time, Warren Shire Council subscribed to the intent of the Orana JO, the Orana JO member Councils have reached a level of frustration to consider resigning from the organisation.

There are many reasons for this decision, however the Government led break-up of the former Orana Regional Organisation of Councils, separating the Far West Councils from the Orana Councils was the starting point. Dubbo Regional Council and Coonamble Shire Council resolved not to join the Orana JO which fundamentally undermined the Hub and Spoke model promoted by the State Government.

**REPORT**

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

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

The decision by Dubbo Regional Council and Coonamble Shire Council to not join the Orana JO meant that any financial burden fell to the other Councils. As time progressed it became clear that the requirements of the Local Government Act would be similar for JOs as for Councils. This is in

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relation to financial management and auditing as well as newer aspects of legislation such as the formation of Internal Audit, Risk and Improvement Committees. All of these regulatory aspects require significant financial expenditure. It was discussed that member Councils should not incur the financial burden to keep a JO sustainable or incur the risk of the JO trading insolvent.

At a meeting of the Orana JO held on the 24 February 2021, it was resolved:

*“That the Executive Officer write to each Council to present a report to their Council meeting to consider resigning from the Orana Joint Organisation and send a response back to the Executive Officer by the end of April.”*

The Executive Officer of the Orana JO has since written to Council requesting each Council consider resigning from the Orana Joint Organisation.

In order to dissolve the Orana JO, each member Council must first obtain a resolution to resign and then a request will be put to the Local Government Minister to dissolve the Orana Joint Organisation in accordance with Section 400ZC of the Local Government Act.

**FINANCIAL AND RESOURCE IMPLICATIONS**

Despite ongoing representation to the State Government, no appropriate funding model has been presented that is workable for the Council members of the Orana JO. To correctly manage the Orana Joint Organisation in line with the legislation, significant membership fee increases would be required which Board members do not feel is warranted.

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

**LEGAL IMPLICATIONS**

Detailed within the report.

**RISK IMPLICATIONS**

Detailed within the report, however it must be emphasised that the Orana JO could become insolvent without extra financial support.

**STAKEHOLDER CONSULTATION**

Consultation has been undertaken between Board Members.

**OPTIONS**

Nil.

**CONCLUSION**

The Orana JO has now reached a point of complete frustration of being a proclaimed body under the Act that is serving no purpose other than consuming unnecessary costs to keep the Orana JO a functioning entity.

It is time for Warren Shire Council to not be involved in the Orana JO.

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**LINK TO POLICY AND / OR COMMUNITY STRATEGIC PLAN**

5.1.4 Convey community issues to the Government

5.2.2 Timely and accurate reporting for efficient management and accountability

**SUPPORTING INFORMATION /ATTACHMENTS**

Nil.