



NEW ENGLAND COUNTY COUNCIL
ABN 35 514 070 354

19th April 2025

NOTICE OF MEETING

An Extraordinary Meeting of the New England County Council, is to be held in the offices of the New England Weeds Authority, **2/129 Rusden Street, Armidale NSW 2350** on:

Tuesday 20th May at 11:00 am

The meeting Agenda and Business Paper are attached.

Yours sincerely

Renee Irvine
ACTING GENERAL MANAGER

**EXTRAORDINARY MEETING OF NEW ENGLAND COUNTY
COUNCIL HELD IN COUNCIL'S OFFICES ON 20 MAY 2025**

EXTRAORDINARY MEETING AGENDA

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EXTRAORDINARY MEETING BUSINESS PAPER

The Chair advises that while the meeting was not being live-streamed, an audio recording of the meeting will be available on the County Council's website.

1. **PRESENT**
2. **APOLOGIES**
3. **DECLARATION OF INTEREST**
4. **MINUTES OF EXTRAORDINARY MEETING.**
5. **INTERIM ADMINISTRATOR'S MINUTE**
6. **MATTERS OF URGENCY – ANY OTHER BUSINESS**
7. **NEXT MEETING – To be advised**

CLOSE:

**EXTRAORDINARY MEETING OF NEW ENGLAND COUNTY
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Recommendation:

That the Minutes of the ExtraOrdinary Meeting of the New England County Council held on 16th April 2025, which have been distributed to all members, are taken as read and confirmed as a true record.

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING

1. **PRESENT:** Interim Administrator – John Rayner
 Acting General Manager – Renee Irvine
2. **APOLOGIES:** N/A
3. **DECLARATION OF INTEREST:** N/A
4. **ADMINISTRATORS' MINUTES:**

Administrator's Minute Extraordinary Council Meeting April 2025

- **Suspension of Council**

On 17th March 2025 the Minister for Local Government advised the Interim Administrator

In accordance with section 438O of the *Local Government Act 1993* (the Act) I have now amended the order that currently suspends New England County Council (Council), which took effect on 17 December 2024 by extending the period during which Council is suspended for a further period of 3 months, that is from 17 March 2025 until 17 June 2025.

I have considered your report of 17 February 2025 about your administration of Council. Based on your observations and advice, and considering each of the criteria listed in section 413E of the Local Government (General) Regulation 2021, I have formed the view that the extension of the period of suspension was necessary to allow you to continue your work to restore the proper and effective functioning of Council before its potential dissolution.

The Minister also reappointed Mr John Rayner PSM Interim Administrator to 17th June

25.

RESOLVED 16/25

1. That the report received and noted

Moved Interim Administrator – John Rayner

Carried

EXTRAORDINARY MEETING OF NEW ENGLAND COUNTY COUNCIL HELD IN COUNCIL'S OFFICES ON 20 MAY 2025

- **Proposal to Dissolve New England County Council**

As previously reported to Council, through July 2024 each of the constituent Councils resolved unanimously that the NECC be dissolved. In October 2024 each Council resolved to submit a proposal under Sec 383 (1) of the Local Government Act to the Minister for Local Government to dissolve the NECC and transfer the responsibilities under the NSW Biosecurity Act to the constituent Councils. The decisions taken by each Council was unanimous.

On 12th December 2024 Armidale Regional Council submitted a formal Proposal to the Minister under Section 383(1) of the Local Government Act to dissolve the New England County Council.

The Proposal has been advertised by the Minister and he will consider submissions.

Should the Proposal progress it is understood the following steps will occur:

- The Minister for Local Government will seek the views of the Minister for Agriculture
- The Minister for Agriculture will seek assurances from her department that the constituent Councils have the capacity to meet obligations under the Biosecurity Act and respond to the minister for agriculture accordingly.
- The Minister for Local Government will take a decision on whether NECC will be dissolved.
- The decision of the Minister for Local Government will go to the Executive Council of Cabinet prior to seeking the Governor's approval of the necessary Proclamation.

It is expected that if all goes to plan, the Proclamation will occur towards the end of May announcing the NECC will be dissolved shortly thereafter.

RESOLVED 17/25

1. That the report be received and noted.

Moved Interim Administrator – John Rayner

Carried

- **Lease 21 Waller Avenue Armidale**

At the March Council Meeting it was resolved

- That Council endorse the leasing of the property if a satisfactory offer to purchase is not received.
- That the Interim Administrator and the Acting General Manager be authorised to execute all documents associated with the lease or sale of 21 Waller Avenue Armidale.

Following consultation with the constituent Councils a lease has been entered into with Hillgrove Mines Pty Ltd.

Conditions of lease include:

- Commencing 14th April 2025
- Two-year term with an option to renew for a further 2 years

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- Outgoings met by tenant
- Rent \$115,000 per annum

RESOLVED 18/25

1. That the action taken in entering the lease with Hillgrove Mines P/L be endorsed.

Moved Interim Administrator – John Rayner

Carried

- **Finances**

The Acting General Manager is constantly monitoring the Council's cash position.

The sale of a number of assets has injected approximately \$80,000 and should the Weeds Action Plan Grant be received in April or early May 2025 and subject to not receiving any extraordinary expenses, NECC should be financial up until dissolution.

The Interim Administrator is keeping the Office of Local Government informed of the financial position.

RESOLVED 19/25

1. That the report be received and noted.

Moved Interim Administrator – John Rayner

Carried

- **Sale of 21 Waller Avenue Armidale**

A reasonable offer to acquire this property has been received.

The constituent Councils have been consulted and do not have any objections to the proposal.

Negotiations on the acquisition have commenced.

RESOLVED 20/25

1. That the report be received and noted.
2. That authority be delegated to the Interim Administrator to negotiate a satisfactory acquisition of the property.

Moved Interim Administrator – John Rayner

Carried

- **Audit of 2023/24 Financial Statements**

The Acting General Manager and Interim Administrator provided a Representation Letter to the Audit Office in connection with the audit of the financial statements of New England County Council for the year ended 30 June 2024, so the auditor could express an opinion on whether the financial statements of the Council give a true and fair view in accordance with:

- the Local Government Act 1993 (the LG Act)

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- the Australian Accounting Standards
- the Local Government Code of Accounting Practice and Financial Reporting 2023–24 (the Code).

The following is the statement provided to the Audit Office.

Statement by Councillors and Management made pursuant to Section 413 (2c) of the Local Government Act 1993 (NSW)

During preparation of the 2022-23 financial statements, issues were identified within Council's internal control environment and its maintenance of appropriate books and records.

These issues persisted into the 2023-24 year. The reinstatement of controls commenced following the appointment of the Manager Finance and Administration in January 2024.

Although Council prepared the 2023-24 financial statements based on the underlying books and records, the internal control failures and deficiencies in maintaining proper books and records for a significant portion of the financial year means the Administrator and management are unable to warrant the completeness and reliability of the financial statements taken as a whole.

Management does want to acknowledge the work undertaken by the Manager Finance and Administration during the second half of the financial year to rectify the significant and systemic control breakdowns and to improve the quality and reliability of the underlying financial information.

As a result, we are unable to certify that the attached general purpose financial statements have been prepared in accordance with:

- The Local Government Act 1993 and the regulations made thereunder,
- The Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- The Local Government Code of Accounting Practice and Financial Reporting.

We are not aware of any other matters that would render these statements false or misleading in any way.

In the Report on the Conduct of the Audit, the Auditor expressed a disclaimer of opinion on the Council's Financial Statements.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

The following significant matters came to my attention during the audit:

In the prior year, councillors and management declared they were unable to certify as to the completeness and reliability of the financial statements taken as a whole as the council did not maintain adequate books and records for the year ended 30 June 2023. These issues persisted into the financial year ended 30 June 2024. As a result, the administrator and management declared, in the Statement required by councillors and management (the Statement) under section 413(2)(c) of the Local Government Act 1993 (the LG Act), they were unable to certify as to the completeness and reliability of the financial statements taken as a whole for the year ended 30 June 2024. Accordingly, I have been unable to determine whether adjustments have been necessary in respect of balances and amounts reported in the financial statements. The pervasiveness of these issues means I cannot express an opinion on the

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accompanying financial statements for the year ended 30 June 2024.
I have disclaimed my opinion on the financial statements.

OTHER MATTERS

Legislative compliance

My audit procedures identified non-compliance with legislative requirements.

Maintenance of Accounting Records

The council did not maintain adequate accounting records as required by Section 412 of the Act. Council staff were unable to provide all accounting records and information relevant to the audit.

RESOLVED 21/25

1. That the report be received and noted.
2. That the Acting General Manager be thanked for her ongoing commitment to improve compliance and probity relating to Council's financial accounts and records.

Moved Interim Administrator – John Rayner

Carried

John Rayner,
Interim Administrator, 16th April 2025

MATTERS OF URGENCY – ANY OTHER BUSINESS - No Other Business

NEXT MEETING – To Be Advised.

MEETING CLOSE:- 11:40am

5. Administrator's Minute May 2025

- **Proposal to Dissolve New England County Council**

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The decisions taken by each Council were unanimous.

On 12th December 2024 Armidale Regional Council submitted a formal Proposal to the Minister under Section 383(1) of the Local Government Act to dissolve the New England County Council.

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The Proposal has been advertised by the Minister and it is expected that the Minister will take a decision over the coming weeks.

If the Minister decides to proceed with the proposal to dissolve it will need to go to the Executive Council of Cabinet prior to seeking the Governor's approval of the necessary Proclamation.

The Council has been suspended until 17th June 2025 so it is now expected that if dissolution is to occur it will be close to that date.

Motion That the report be received and noted.

- **Sale of 21 Waller Avenue Armidale**

At the Council Meeting held on 16th April 2025, authority was delegated to the Interim Administrator "to negotiate a satisfactory acquisition of the property".

Negotiations have been held with Armidale Regional Council which will become the owner of the property, subject to satisfactory provision being included in the 2025/26 Operational Plan/Budget. The agreement reached will result in the constituent Councils being reimbursed in full for their voluntary financial contributions which enabled the New England County Council to continue to operate. The price will also cover the legal, registration, agent's commission and other costs associated with the acquisition. A Deed of Agreement will be entered with the constituent Councils to cover the acquisition, payment, management of the property and the distribution of the income from the acquisition and the lease to Hillgrove Mining Pty Ltd.

Motion That the report be received and noted.

- **Finances**

Council has received a grant of \$452,991 (GST exclusive) under the Weed Action Program. Receipt of this grant will enable Council maintain its operations until dissolution, assuming this occurs in June 2025.

The grant is for the financial year 2024-25 however the proportion of the grant applicable to the period from dissolution to 30th June 2025 will need to be repaid to the funding authority. Subject to the date of dissolution this could be approximately \$20,000. Constituent Councils which will take on the biodiversity responsibilities to 30th June may apply for the funds repaid.

The acquisition of 21 Waller Avenue by Armidale regional Council will mean that the constituent Councils will be reimbursed the \$1.6m voluntarily contributions advanced to enable NECC to continue to operate and meet its statutory obligations.

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Motion

1. That the report be received and noted.
2. That the Minister for Agriculture be thanked for the Weed Action Program grant.

- **2023-24 Weed Action Program**

Local Land Services has requested the return of unreported funds, \$72,558.50, under the 2023-24 Weed Action Program.

The New England County Council received approval for a Weeds Action Program Grant of \$437,491 for the financial year 2023/24. Of that amount, \$344,668 was provided to NECC, with the balance, \$92,823, being subject to the outcome of a forensic audit.

Council's records were totally inadequate in being able to support the certified claim for grant funding.

Following receipt of the grant and recognising the potential inaccuracies of the claim, the Acting General Manager and staff, in good faith, exhaustively examined base documents and called on recollections in an endeavour to justify the claim.

Due to the poor state of the financial records, (recognised by the Audit Office of NSW in its 2022-23 and 2023-24 Audits), it was not possible substantiate the original claim. Proper recognition of and accounting for expenditure funded by grant funds now occurs. The organisation has most recently adopted a focus which is in keeping with the standards the community and other stakeholders would expect.

A request has been submitted to Local Land Services to write off the amount requested to be returned.

Motion That the report be received and noted

- **Acting General Manager**

Following the termination of the General Manager in July 2024, the Manager Finance and Administration, Renee Irvine was appointed Acting General Manager.

Considering her limited local government experience, Renee has performed in the role to my complete satisfaction. She has continued her previous role in addition to meeting her Acting General Manager responsibilities.

Renee, commenced the acting role after significant financial and governance issues had been identified. These were certainly not of her making.

The Audit Office as part of the closing report recognised the improvement in the Council's books and records since Renee took control of the Council's finances.

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Renee introduced strict controls on Council expenditure and ensured full documentation supported all payments made.

Renee has reestablished the reputation of Council and although the Council will be dissolved, she has formed good relations with the government departments Council works with. She has also brought integrity to the applications for and certification of expenditure of government grants.

The finances of NECC have been dire. Renee has been proactive in making savings, monitoring cash flows and disposing of assets that were not required.

I have been impressed with Renee's professionalism, integrity and work ethic.

Renee will be transferred to Armidale Regional Council which will benefit from her knowledge and experience.

I thank Renee for her assistance and wish her every success for the future.

Motion

That appreciation be expressed to Renee Irvine for the professional and efficient way she has undertaken her role as Acting General Manager.

- **Investigation Under Section 430 of Local Government Act**

The Office of Local Government has advised that that it is undertaking an investigation which will focus on aspects of Council's operations in regard to whether a former employee was paid in accordance with the employee's contract of employment.

The findings of the investigation will be reported to the Minister for Local Government and a copy provided to the Council.

Motion That the report be received and noted.

- **Acting General Manager.**

Motion

That should the need arise the Interim Administrator be delegated authority to appoint an Acting General Manager.

John Rayner

Interim Administrator

20th May 2025

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6. MATTERS OF URGENCY – ANY OTHER BUSINESS

7. NEXT MEETING