



## BUSINESS PAPER

### ORDINARY MEETING OF COUNCIL

To be held on

Thursday, 27 January 2022  
4pm

at

Armidale Council Chambers

#### **Members**

Councillor Sam Coupland (Mayor)  
Councillor Todd Redwood (Deputy Mayor)  
Councillor Paul Gaddes  
Councillor Jon Galletly  
Councillor Susan McMichael  
Councillor Steven Mephram  
Councillor Debra O'Brien  
Councillor Margaret O'Connor  
Councillor Paul Packham  
Councillor Dorothy Robinson  
Councillor Bradley Widders

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## **Ethical Decision Making and Conflicts of Interest**

### ***A guiding checklist for Councillors, officers and community committees***

#### **Oath or Affirmation of Office**

Councillors are reminded of the Oath or Affirmation taken of office, made under section 233A of the *Local Government Act 1993* when elected.

#### **Ethical decision making**

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

#### **Conflict of interest**

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- ***Pecuniary*** – regulated by the *Local Government Act 1993* and Office of Local Government
- ***Non-pecuniary*** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

#### **The test for conflict of interest**

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

#### **Identifying problems**

**1st** Do I have private interests affected by a matter I am officially involved in?

**2nd** Is my official role one of influence or perceived influence over the matter?

**3rd** Do my private interests conflict with my official role?

#### **Local Government Act 1993 and Model Code of Conduct**

For more detailed definitions refer to the *Local Government Act 1993*, Chapter 14 Honesty and Disclosure of Interest and Model Code of Conduct.

#### **Disclosure of pecuniary interests / non-pecuniary interests**

Under the provisions of Section 440AAA(3) of the *Local Government Act 1993* (pecuniary interests) and the Model Code of Conduct it is necessary for you to disclose the nature of the

interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

**A Declaration form should be completed and handed to the General Manager** as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Disclosures and Declarations of Interest at Meetings](#).

**Item:** 5.1 **Ref:** AINT/2021/45015

**Title:** Confirmation of the Minutes of the Ordinary Council Meeting held on 12 January 2022 **Container:** ARC16/0001-6

**Responsible Officer:** General Manager

**Author:** Melissa Hault, Executive Officer

**Attachments:** 1. Draft Minutes - 12 January 2022

**RECOMMENDATION:**

That the Minutes of the Ordinary Council meeting held on 12 January 2022 be taken as read and accepted as a true record of the Meeting.

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<b>Item:</b>	<b>6.1</b>	<b>Ref: AINT/2022/01391</b>
<b>Title:</b>	<b>Mayoral Minute - Planning Agreement for the Airport East Industrial Subdivision</b>	<b>Container: ARC16/0025-6</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Sam Coupland, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## **1. Purpose**

The purpose of this Mayoral Minute is to endorse proposed actions to create a working party following a recent briefing of Councillors with regard the planning agreement and the developer of the Armidale East Airport Subdivision. The working party will act as the conduit and report back to Council at the appropriate juncture either to provide an update to Council or where a formal decision of Council may be required.

Council has received a number of reports relating to the Planning Agreement for the Airport East Industrial Subdivision.

On 27 October 2021 Council at its Ordinary Meeting resolved (Minute No. 392/21):

That Council advise the developer of the Armidale East Airport Subdivision that responsibility of the provision of Biodiversity Offset credits required by condition 31 of DA-29-2019/A is that of the developer and not Armidale Regional Council.

On 29 October 2021 Council wrote to the developer in accordance with the above resolution.

On 24 December 2021 the developer wrote to Council advising of his intention to commence proceedings in the Land and Environment Court (LEC).

With the prospect of LEC proceedings and given the evolving nature of the situation between Council and the developer it is prudent that Council form a working party that will progress matters in a timely manner.

The working group will act as a conduit back to Council and will not have delegated authority to make decisions on behalf of Council.

## **2. RECOMMENDATION:**

That Council endorse the formation of a working party consisting of Cr Margaret O'Connor, Cr Paul Gaddes, Cr Paul Packham and the Chief Officer Sustainable Development to progress matters associated with the planning agreement dispute with the developer of the Armidale East Airport Subdivision.

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<b>Item:</b>	<b>6.2</b>	<b>Ref: AINT/2022/01397</b>
<b>Title:</b>	<b>Mayoral Minute - A Region and a Regional City of Significance</b>	<b>Container: ARC16/0025-6</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Sam Coupland, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## **1. Purpose**

One of the most important tasks for us in this term of Council is to clearly articulate the vision we have for the Armidale region and to have a plan to make that vision a reality. A key part of that vision is deciding whether we choose to grow and be more than we are today or stay the same.

My vision, which I hope you my fellow Councillors all share, is that we will be both a region and a regional city of significance in the coming decades.

If we choose to grow, we need to broaden our economic base and ensure that we create sustainable jobs which capitalise on our region's comparative advantages. Jobs are intrinsically linked to our future population and it is there that we should turn our mind and focus our efforts.

If we create jobs for our children then we can retain our future generations and attract new residents to our region. We can then start to reach the critical mass that generates infrastructure investment from all levels of government.

I propose that we set an aspirational target to grow jobs in our region by 4,000 by 2040 and generate at least 1,000 new jobs over the next 5 years.

Make no mistake Councillors, this is an incredibly ambitious target. To put it in perspective, jobs grew by about 800 in the 10 years between 2006 and 2016.

If we are to succeed we will need a jobs growth strategy based on catalyst projects such as leveraging the renewal of our central business districts in Armidale and Guyra, attracting sustainable industries drawing on our future role as Australia's largest renewable energy community, and expanding opportunities for intensive horticultural enterprises.

If we choose to be ambitious about our future we will need the support of both State and Federal Governments to ensure we have the region building infrastructure to maximise our potential.

I propose that, as a matter of urgency, we identify the region building infrastructure and catalyst job growth projects that will provide the springboard for our future success and advocate for both State and Federal Government support.

If we choose to grow, we need to do so sustainably. We need to use our resources more wisely, to protect our natural environment and prime agricultural land. We will need affordable and available housing, health and cultural infrastructure to ensure that we can offer a lifestyle proposition that is second to none

There is considerable work to do if we are to realise a brighter future. Water security and economic resilience will be key challenges. This journey will require a sense of unity and a common purpose both as a council and a community if we are to succeed.



Finally, I propose that we make a commitment here and now that we choose to grow and be more than we are today, that we choose to be both a region and a regional city of significance. To that end we should write to the Hon. Barnaby Joyce, MP, Deputy Prime Minister of Australia, Senator the Hon. Bridget McKenzie, Minister for Regionalisation, and the Hon. Mr Adam Marshall, MP.

With your support, let us move forward together with ambitious plans for our future.

**2. RECOMMENDATION:**

That Council:

- a. Set an aspirational target to grow jobs in our region by 4,000 by 2040 and generate at least 1,000 new jobs over the next 5 years.
- b. Identify the region building infrastructure and catalyst job growth projects that will maximise the region's potential and advocate for both State and Federal Government support.
- c. Invite the Hon. Barnaby Joyce, MP, Deputy Prime Minister of Australia to meet with Council and present our vision and key region building infrastructure needed to secure our future as both a region and regional city of significance.
- d. Invite Senator the Hon. Bridget McKenzie, Minister for Regionalisation to meet with Council and present our vision and key region building infrastructure needed to secure our future as both a region and regional city of significance.
- e. Invite the Hon. Mr Adam Marshall, MP to meet with Council and present our vision and key region building infrastructure needed to secure our future as both a region and regional city of significance.

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<b>Item:</b>	<b>7.1</b>	<b>Ref: AINT/2022/01476</b>
<b>Title:</b>	<b>Motion for 2022 Local Government Conference ARC16/0025-6</b>	<b>Container:</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Margaret O'Connor, Councillor</b>	
<b>Attachments:</b>	<b>Nil</b>	

I hereby give notice of my intention to move the following motion at the Ordinary Council to be held on 27 January 2022.

That the Armidale Regional Council submit a motion to the LGNSW 2022 Conference requesting that LGNSW lobby the NSW government on the issue of homelessness, lack of affordable housing and market disruption of affordable housing by large scale economic developments, especially in regional areas.

.....

Cr Margaret O'Connor

18 January 2022

#### **Background Support Information**

The recent complaints from Guyra residents that ordinary rental accommodation, in vicinity of \$250 to \$300 per week for a cottage is no longer available as market forces are creating high demand for rental accommodation for Tomato Farm seasonal workers and is driving total rents for such accommodation up to about \$600 per week plus a "key money" per occupant fee of some \$100 per week, meaning that with six to eight workers per cottage the average rental income for a modest three bedroom cottage has shifted from say \$300 per week to between \$1200 to \$1400 per week. The result is that permanent residents of Guyra many of whom play an important part in the social and community fabric of the Guyra community (volunteer fire brigade members, children enrolled in local schools, trades people servicing on going needs of the Guyra community) are being forced to leave the region as there is no affordable housing for single or dual income families left after tomato farm seasonal workers' accommodation needs are met, with their much higher ability to pay the more expensive total rent for similar premises. The increase in occupation of small cottages by large (6-8 persons) groups of adult seasonal workers is being observed by residents as the tomato farm runs mini buses collecting and delivering workers to and from their accommodation in Guyra and the tomato farms and the numbers of seasonal workers alighting and boarding these buses at each address is evident to onlookers.

#### **Known Legal Implications**

Nil.

#### **Budget Implications**

Nil.

**Strategic Implications**

This is in line with Council's current strategic directions.

**Policy Implications**

Nil.

**General Manager's Comments**

Nil

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<b>Item:</b>	<b>8.1</b>	<b>Ref: AINT/2021/33628</b>
<b>Title:</b>	<b>LGNSW Special Conference</b>	<b>Container: ARC16/0144</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Jessica Bower, Executive Officer</b>	
<b>Attachments:</b>	Nil	

### **1. Purpose**

The purpose of this report is to appoint voting delegates for the LGNSW Special Conference being held in Sydney from Monday 28 February through Wednesday 2 March 2022.

#### **OFFICERS' RECOMMENDATION:**

- a. That in addition to the Mayor and Deputy Mayor, one further Councillor be appointed as Council's voting delegates for the LGNSW Special Conference being held in Sydney from Monday 28 February through Wednesday 2 March 2022.
- b. That the process for nominations be by show of hands.
- c. That the motions submitted by Armidale Regional Council be noted.

### **2. Background**

The LGNSW Conference is an annual policy-making event for NSW general-purpose councils. It is the pre-eminent event of the Local Government year where local councillors come together to share ideas and debate issues that shape the way we are governed. Business is conducted at the Conference by way of consideration of motions. Motions passed become Resolutions, which LGNSW takes forward as part of their sector's advocacy agenda. Participating councils who are financial members are able to nominate their delegates who are to have voting rights.

Further information is available at <https://lgnswconference.org.au/>

### **3. Discussion**

The LGNSW Annual Conference 2021 was planned to be held 28-30 November 2021. Due to Covid-19 and the NSW Local Government election being postponed to 4 December 2021, the LGNSW Annual Conference 2021 was split into two components:

- A one-hour Annual Conference to present annual report and financial reports and the Board election carried out online on Monday 29 November 2021; and
- A Special Conference – including the debate and resolution of motions setting advocacy agenda for 2022 - to be held in-person at the Hyatt Regency Sydney from Monday 28 February to Wednesday 2 March 2022.

As an Ordinary member, Armidale Regional Council has three voting delegates. Nominations for voting delegates for the Special Conference are due by 17 February 2022.

Motions for the Special Conference are due 12 midnight (AEDT) on Sunday 30 January 2022. Unfortunately due to the results of the election not being called until late December 2021, and the first meeting of Council restricted to matters such as election of the Mayor and Deputy Mayor and Oath or Affirmation of Office, there has been insufficient time to allow new Councillors to put forward motions for the Conference.

Motions already endorsed and submitted by Armidale Regional Council are outlined below.

### **Cost Shifting**

#### *Background*

*As our current budget sessions indicate we are unable to meet our current service commitments as well as proper asset management ratios in large part due to cost shifting from State and Federal Governments. The increasing number of “legislative” requirements being tasked by state and federal lawmakers to Local Government including but not limited to new imposts like Performance Improvement Orders (\$1M approx) but also emergency services levy (in order of \$300K to \$400K) with no additional revenue streams to pay for these added services to our community and compliance costs to service higher levels of government require some direct advocacy.*

#### *RESOLVED (105/21)*

- a. That this Council write to the local Member Hon Adam Marshall M.P, to the Minister for Local Government Hon. Shelley Hancock and to the NSW Premier and Treasurer as well as to the Prime Minister and the Productivity Commission to protest the increasing impact of NSW and Federal costs shifting from those levels of government to Local government and in this respect ARC highlight but not be limited to the following areas of costs shifting; a) superannuation guarantee charge b) Library funding c) planning and development statutory fees not allowing full costs recovery by local councils d) increasing costs to local government of pensioner rebates contributions e) rural fire service assets being required to be shown as a local government asset for depreciation and f) large increases in rural the emergency services levy.*
- b. That these matters be the subject of Council motions to the next Local Government of NSW conference.*

*Moved Cr O'Connor*

*Seconded Cr Robinson*

### **Depreciation**

#### *Background*

*Depreciation rates are an important criterion used to assess councils' financial sustainability. It is therefore important that they accurately reflect the life of councils' assets.*

*Many residents find it difficult to understand the official audited accounts. A template to translate the information into a summary of what matters to residents would therefore be invaluable to residents and councillors who have to explain this information to residents.*

#### *RESOLVED (376/21)*

*That Council submits the motions below to the LGNSW Annual Conference:*

- a. That LGNSW urges the NSW Government to review current depreciation rates to accurately reflect the life of Council assets.*
- b. That a model template is developed to translate the official audited accounts into a format that is more easily understood by ordinary people. This could include summaries of recurrent and capital income (including external funding received, but not spent in the reporting year, and funding spent in the reporting year but received in previous years), as well as recurrent and capital expenditure (including employee costs for capital projects) and transfers to and from restricted and unrestricted reserves.*

*Moved Cr Robinson*

*Seconded Cr Bailey*

### **HEPA filters and Ventilation to Reducing Covid Risk**

#### *Background*

*In Victoria, the Department of Education and Training is installing air purifiers in each public school classroom as part of its safe return-to-school plan.*

*The Minister for Education in Victoria, James Merlino MP, said, "I know Victorian families can't wait to see their kids back in the classroom — but we need to keep them safe once they're there, and we're delivering ventilation devices to prevent as much transmission on school sites as possible.*

*The efficacy of portable air purifiers has been independently verified by University of Melbourne research and published in The Journal of Infection Control and Hospital Epidemiology - <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8481008>.*

*Additional information: <https://www.hospitalhealth.com.au/content/clinical-services/news/vic-to-use-air-purifiers-as-part-of-safe-return-to-school-plan-1033643348>*

*Norman Swan: "Australian 'expert' advice was seriously wanting for far too long. They too denigrated the people who actually knew what they were talking about, calling them miasmatisists. Some of them still resist the facts."*

*<https://twitter.com/normanswan/status/1444859387185491968?cn=ZmxleGlibGVfcmVjcw%3D%3D&refsrc=email>*

RESOLVED (377/21)

- b. *That a similar motion is submitted to the LGNSW Conference: "That LGNSW calls on the NSW Government to reduce the risk of Covid infections by installing HEPA filters and investigating ways to improve ventilation in schools and other public buildings (including council buildings), similar to the strategy already adopted in Victoria."*

Moved Cr Robinson

Seconded Cr Bailey

### **World Health Organisation (WHO) Clean Air Guidelines**

#### *Background*

*The Australian Lung Foundation reports that the WHO released updated and stronger guidelines overnight drawing on the latest body of epidemiological research on the health risks of air pollution, the costs of which are estimated at around \$16 billion annually for Australia. Air pollution is estimated to cause between 2,616 and 4,884 premature deaths annually in Australia.*

*"Each state and territory has the legal power to make health-based pollution standards, regardless of the national standard".*

*"The good news is that by tackling air pollution, we can not only protect health now but reduce the causes of climate change."*

*[1]Link to the WHO factsheet: [https://www.who.int/news-room/fact-sheets/detail/ambient-\(outdoor\)-air-quality-and-health](https://www.who.int/news-room/fact-sheets/detail/ambient-(outdoor)-air-quality-and-health)*

*Link to the Australian Lung Foundation's media release: <https://lungfoundation.com.au/news/who-clean-air-guidelines-a-clarion-call-for-action-to-protect-health/>*

RESOLVED (399/21)

- a. *That Council endorses calls by Australian health advocates, including Asthma Australia, the Australian Lung Foundation and Doctors for the Environment Australia for the updated World Health Organization (WHO) Clean Air Guidelines to be adopted by all relevant authorities in Australia and*
- b. *That Council writes to the NSW and federal Ministers for health and the environment asking them to adopt the WHO Clean Air Guidelines as soon as practicable.*
- c. *That a similar motion is submitted to the LGNSW Conference, asking LGNSW to endorse the calls by Australian health advocates for the updated World Health Organization (WHO) Clean Air Guidelines to be adopted by all relevant authorities.*

*Moved Cr Robinson                      Seconded Cr O'Connor*

*DIVISION                      The result being:-*

*FOR:                      Crs A Murat, M O'Connor, D Robinson and I Tiley*

*AGAINST:                      Crs P Bailey, J Galletly and D O'Brien*

*The Motion on being put to the vote was CARRIED.*

#### **End of Term Report**

*RESOLVED (403/21)*

- b. *That a motion is submitted to the LGNSW conference urging the NSW Government to continue the practice of submitting the end of term report to the final meeting of the outgoing council.*

*RESOLVED*

*Moved Cr Robinson                      Seconded Cr O'Connor*

*The Motion on being put to the vote was CARRIED unanimously.*

## **4. Implications**

### **4.1. Strategic and Policy Implications**

Community Strategic Plan – Leadership for the Region

Community Outcome 4 - Council has the strategic capacity to understand the key issues and present tenable solutions for the region both now and into the future.

Supporting Strategy: Initiates and fosters strong partnerships with all levels of government, peak bodies and agencies and the community.

### **4.2. Risk**

Motions submitted by Councillors have varied risks and implications for Council.

### **4.3. Sustainability**

Early bird rates were paid for the Special Conference, with delegate names to be submitted once known.

#### 4.4. Financial

Costs for three Councillors and the General Manager attending the Special Conference in Sydney have been included in the 2021/22 budget.

Budget Area:	Councillors Expenses & Executive Office						
Funding Source:							
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
	Conference registration	\$4,000					
	Travel and accommodation	\$5,000					

#### 5. Consultation and Communication

The report intends to update Councillors on Motions already submitted.

#### 6. Conclusion

Armidale Regional Council is required to advise LGNSW of its voting delegates by 17 February 2022.



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<b>Item:</b>	<b>8.2</b>	<b>Ref: AINT/2022/00207</b>
<b>Title:</b>	<b>Public Exhibition of Councillor Expenses and Facilities Policy</b>	<b>Container: ARC16/0060-2</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Strategy</b>	
<b>Author:</b>	<b>Kelly Stidworthy, Manager Financial Services</b>	
<b>Attachments:</b>	1. Draft Councillor Expenses and Facilities Policy - for public exhibition	
	2. OLG Suggested Councillor Expenses & Facilities Policy	
	3. Councillor Expenses and Facilities Policy - adopted 28 June 2017	

### **1. Purpose**

The purpose of this report is to inform Council about a proposed update to the Councillor Expenses and Facilities Policy and obtain endorsement to place the draft policy on public exhibition for a minimum period of 28 days in accordance with section 253 of the *Local Government Act 1993* (the Act).

### **2. OFFICERS' RECOMMENDATION:**

That Council :

- a. Endorse the draft Councillor Expenses and Facilities Policy for public exhibition for a minimum period of 28 days; and
- b. Receive a further report at the conclusion of the exhibition period.

### **3. Background**

Section 252 of the Act covers payment of expenses and provision of facilities to councillors and states that:

*(1) Within the first 12 months of each term of a council, the council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.*

As a result, every council has a Councillor Expenses and Facilities Policy, which outlines the expenses that may be incurred or reimbursed and outlines the facilities provided to councillors. In accordance with section 252(3) of the Act, a council must not incur or reimburse expenses not provided for within the policy.

The Office of Local Government (OLG) has a suggested template for the Councillor Expenses and Facilities Policy that complies with the Act and *Local Government (General) Regulations 2021*. This is at Attachment 2 to this report for information. Council's policy closely mirrors the OLG suggesting policy wording.

The current Councillor Expenses and Facilities Policy adopted by Council 28 June 2017 is at Attachment 3 to this report for information.

#### **4. Discussion**

The revised draft Councillor Expenses and Facilities Policy is at Attachment 1 to this report. This report proposes to place the draft policy on public exhibition for a minimum period of 28 days in accordance with section 253 of the Act. Following this, the policy will be referred back to Council along with any submissions from the public for consideration and adoption. Council will have the opportunity to incorporate changes to the policy as a result of submissions received during the public exhibition process.

The draft Councillor Expenses and Facilities Policy closely mirrors the OLG'S suggested policy template. Departures have only occurred to customise the policy reimbursement amounts and facilities provided to Armidale Regional Council and to reflect Council's business processes for managing reimbursements and payments.

The proposed changes to the Councillor Expenses and Facilities Policy therefore align with the provisions of the Act and Regulations.

#### **5. Implications**

##### **5.1. Strategic and Policy Implications**

The main supporting strategies related to procurement in the Delivery Program are:

##### Leadership for the Region

- Fiscal Responsibility: Council exceeds community expectations when managing its budget and operations
- Organisational Health: Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency

##### **5.2. Risk**

OLG guidelines specifies that the payment of expenses and facilities to councillors must not be open-ended. Monetary limits for all expenses and limits about the standard of provision for all facilities must be clearly stated, and where appropriate, justified within Council's policies.

The draft Councillor Expenses and Facilities Policy includes clear limits for expenditure and reimbursement and is designed to be easy to understand for Councillors, staff and the community. The changes are therefore designed to minimise the legislative, reputational and financial risks to Council.

##### **5.3. Sustainability**

The Councillor Expenses and Facilities Policy is based on current best practice and incorporates the use of technology for the delivery of information to Councillors, including business papers, thereby minimising Council's environmental footprint. The policy encourages the justification of potential expenditure and travel by way of requiring Councillors to provide relevant and detailed rationale to the General Manager for applications to attend professional development, conferences and seminars. These mechanisms aim to ensure that public funds are used wisely and on activities that provide a benefit to Armidale Regional Council.

##### **5.4. Financial**

Budget Area:	Executive & Councillors
Funding Source:	Untied Revenue

Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210653	Councillors Expenses – costs associated with this policy only	\$90,247	\$3,806	\$0	\$86,441	\$90,247	\$0

The proposed draft Councillor Expenses and Facilities Policy has been developed based on a template policy provided by OLG. The template does not provide for specific amounts which are to be determined by each council. The amounts provided in the proposed draft Councillor Expenses and Facilities Policy are considered appropriate given the size and scale of Armidale Regional Council.

Implementation of this policy is estimated to cost approximately \$180,000 per annum in direct costs and will be provided for in Council’s adopted budget.

#### **6. Consultation and Communication**

The current Councillor Expenses and Facilities Policy was adopted at the Council’s Ordinary Meeting held on 28 June 2017.

Under section 253 of the Act, Council is required to publicly exhibit any amendments to the existing policy for a minimum period of 28 days. This will enable the community to have input into its content.

Section 217 of the Local Government (General) Regulation 2021 requires Council to include detailed information in the annual report about the payment of expenses and facilities to Councillors.

#### **7. Conclusion**

Section 252 of the Act requires that Council adopt a policy covering the payment of expenses incurred or to be incurred by, and the provision of facilities, to the Mayor and Councillors within the first 12 months of the new term of Council.

The draft Councillor Expenses and Facilities Policy at Attachment 1 is required to be publicly exhibited for a minimum period of 28 days. Any submissions received during the public exhibition period will be considered at the next available Council meeting following this period.

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<b>Item:</b>	<b>8.3</b>	<b>Ref: AINT/2022/00665</b>
<b>Title:</b>	<b>Councillor Induction and Professional Development Program</b>	<b>Container: ARC21/4936</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Simone Mooketsi, Manager Governance and Strategy</b>	
<b>Attachments:</b>	<b>Nil</b>	

### 1. Purpose

The purpose to inform the Council of the induction process for incoming Councillors and make Councillors aware of the Councillor Professional Development Guidelines.

### 2. OFFICERS' RECOMMENDATION:

That Council note the contents of this report.

### 3. Background

Amendments made to the *Local Government Act 1993* (the Act) in August 2016 saw the inclusion in the prescribed role of Councillors under section 232 a responsibility "to make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a Councillor". Further, the *Local Government (General) Regulation 2005* (the Regulation) requires that Mayors and Councillors to make all reasonable efforts to participate in the activities offered to them as part of an induction or professional development program.

The Office of Local Government has subsequently issued guidelines under section 23A of the Act to assist Councils to develop and deliver induction training and ongoing professional development activities for their Mayor and Councillors in compliance with the Regulation.

Under the guidelines, Councils' induction and professional development programs are to consist of three elements:

- **Pre-election candidate sessions** – these are to ensure prospective candidates are aware of what will be expected of them if elected, noting these are not mandatory but are encouraged (Complete).
- **Induction program** – this aims to equip Mayors and Councillors with the information they need to perform their role effectively over the first few months and has a particular focus on building positive, collaborative relationships between Councillors and staff
- **Professional development program** – this is to be developed in consultation with all Councillors and delivered over the term of the Council to build the skills, knowledge and personal attributes necessary to be an effective Mayor or Councillor.

With the election of Councillors on 23 December 2021, Council has now commenced on elements 2 and 3 of the induction and professional development program. Upon election each newly elected Councillor was contacted by Council and provided with a welcome pack consisting of:

1. Councillor Induction Manual
2. New Councillor Induction Agenda for 5 January 2022
3. Culture Audit
4. Councillor and Staff Interaction Policy (for adoption 12 January 2022)
5. Code of Conduct
6. Performance Improvement Order – Additional Compliance Report December 2021
7. Financial Improvement Plan
8. Key Contacts
9. Briefing Note - Councillor Request System
10. [Local Government Act 1993](#)
11. [Annual Report 2020/21](#)
12. [Code of Meeting Practice](#)

Councillors were also provided with the schedule for the induction program as follows:

Date	Time	Activity
Wed 5 Jan 2022	9am – 4pm	<b>New Councillor Induction</b> <ul style="list-style-type: none"> <li>• Meet and greet with other Councillors, General Manager, Executive Leadership Team and other key staff.</li> <li>• Brief introductions from the Executive Leadership Team and presentation on their areas of responsibility</li> <li>• Overview of Council meeting processes</li> <li>• General ICT &amp; WHS Inductions and dissemination of ICT equipment</li> <li>• Briefing on Business Paper for first Council meeting</li> </ul>
Thurs 6 and Fri 7 Jan 2022	By appointment (approx. 1 hour)	<b>ICT Induction</b> One on one demonstration of how to use ICT equipment with Executive Office staff
Thurs 6 and Fri 7 and Mon 10 and Tues 11 Jan 2022	By appointment (approx. 1 hour)	<b>Meeting with General Manager</b> One on one meetings between General Manager and Councillors
Wed 12 Jan 2022	2:45pm-3:30pm	<b>Councillor group and individual photographs</b> Meet at the Armidale Central Park rotunda

Date	Time	Activity
Wed 12 Jan 2022	4pm	<b>First Ordinary Council Meeting (OCM) of new Council</b>
Thurs 20 and Fri 21 Jan 2022	8.30am – 5pm	<b>Councillor Induction Training (Statutory)</b> <ul style="list-style-type: none"> <li>• <i>Local Government Act 1993</i></li> <li>• Roles and responsibilities in legislation</li> <li>• State and local government context</li> <li>• Code of Conduct and how compliance can protect individuals’ and Council’s reputation</li> <li>• Code of meeting practice and the rules governing debate and decision-making</li> <li>• Participating in the IP&amp;R – understanding the key elements of the Framework and how they work together to drive Council activities</li> <li>• Understanding the separation of their respective duties and responsibilities.</li> </ul>
Mon 24 Jan 2022	4pm	<b>General Manager’s Business Paper Briefing</b> Overview of Council Business Paper and opportunity for Councillors to ask the Executive Leadership team questions about the content
Thurs 27 Jan 2022	4pm	<b>Second Ordinary Council Meeting (OCM)</b>
Thurs 27 Jan 2022	6pm	<b>Councillor and Executive Leadership Team Dinner (Post OCM)</b>
Saturdays from 5 Feb to 30 Apr 2022	TBC	<b>“Hit the Ground Running” Webinars</b> These mandatory webinars are facilitated by the Office of Local Government
Tues 15 and Wed 16 Mar 2022	8.30am -5pm	<b>New Councillor Workshops – ‘Restore &amp; Thrive’ Turnaround Strategy</b> Time together for the Councillors to learn more about the newly elected group and the expectations of Council, establishing a Councillor Charter underpinned by a values and behaviours framework, facilitated by The Dattner Group
Dates TBC (to be staggered over several weeks in Jan/Feb, at a time determined by the new Councillor	Time TBC	<b>Key Topics Workshops:</b> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Integrated planning and reporting</li> <li>• Finance</li> <li>• Asset management</li> <li>• Workforce strategy</li> <li>• Risk management and business continuity</li> <li>• Community planning and regulation.</li> </ul>

Date	Time	Activity
group)		

In addition to the induction program outlined above, within 6 months of election, a professional development plan will be put together to be delivered over the term of Council in accordance with the *Councillor Induction and Professional Development Guidelines* with the aim of assisting Councillors and Mayors develop the skills and capabilities required to be effective in their roles.

#### 4. Discussion

Element 3 of the professional development program will be developed in consultation with Councillors over the coming months and will involve a deliberate and ongoing process of improving and increasing the professional knowledge, competence, skill and effectiveness of people in the workplace through professional development activities specific to the needs of the Councillors and Mayor of the Armidale Region.

The consultation process with Councillors will assist in identifying the specific skills, knowledge and personal attributes required by the Mayor, each individual Councillor and the governing body as a whole, to perform their roles effectively.

As a first step to developing individual professional development plans, an assessment is required of the knowledge, skills and personal attributes the Mayor and each Councillor bring to their roles and a comparison made against those that they need to effectively serve the community. Any deficit in knowledge, skills or attributes identified through the assessment process will form the basis of the professional development plan. This process will be undertaken for both new and experienced Mayors and Councillors. The professional development plan developed for the Mayor and each Councillor must outline how their individual development needs are going to be met within the Council term. Professional development activities should be prioritised according to need and approved by the General Manager where Council funds are required.

Professional development activities should, wherever possible, follow the 70/20/10 learning principle. The 70/20/10 principle requires that:

- 70% of learning activities are provided via learning and developing from experience – for example, on-the-job training, self-directed learning, developmental roles, problem solving, exposure and practice
- 20% of learning activities are provided via learning and developing through others – for example, personal or professional networks, coaching, mentoring, feedback, memberships and professional associations, and
- 10% of learning activities are provided via learning and developing through structured programs – for example, training courses, external or in-house workshops, seminars, webinars and other e-learning and briefing sessions conducted by the council, external training providers or industry bodies.

The 70/20/10 learning principle enables Councils and elected members to take into account the varied learning styles the Mayor and individual Councillors have, as well as the time they have available for professional development, when selecting professional development activities. It also minimises the financial costs of delivering an ongoing professional development program by prioritising learning through on-the-job experiences and networking.

The professional development requirements also apply to Councillors and Mayors elected during the term of a Council to fill a casual vacancy.

## **5. Implications**

### **5.1. Strategic and Policy Implications**

Induction and Professional development activities undertaken by Councillors will be reported in the Annual Report.

### **5.2. Risk**

The Mayor and Councillors are ultimately accountable to the community that elects them for the performance of their duties therefore active participation in the induction and professional development program by all Councillors and the Mayor is strongly encouraged.

### **5.3. Sustainability**

Sustainability will be included within the content of the induction program.

### **5.4. Financial**

Council has set a budget for the induction and professional development program. Progress against expenditure of the budget allocation will be reported on a quarterly basis as part of the budgetary cycle.

Council will need to determine the size of the budget allocation, which may change annually, depending on training needs. It is to be expected that costs will be higher in the first year of Council's term due to the need to deliver an induction program. The delivery program financial estimates and the Long Term Financial Plan will reflect the varying training and development budget requirements over the term of the Council.

The *Councillor Expenses and Facilities Policy* (presented as a separate report to this meeting), proposes \$2000 per annum for each Councillor for professional development expenses and a total of \$11,000 per annum for all Councillors (i.e. as a group) for the purposes of conferences and seminars.

## **6. Consultation and Communication**

Consultation will be undertaken with Councillors on Element 3 of the Induction and Professional Development Program.

## **7. Conclusion**

Councillors are encouraged to actively participate in the Induction and Professional Development Program.

Feedback will be sought from Councillors at various points throughout the program to determine what elements worked well and whether there were any deficiencies that need to be addressed.



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<b>Item:</b>	<b>8.4</b>	<b>Ref: AINT/2022/01036</b>
<b>Title:</b>	<b>Council Actions Report January 2022</b>	<b>Container: ARC16/0001-7</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Jessica Bower, Executive Officer</b>	
<b>Attachments:</b>	1. Action Items Report 12 Jan 2022 OCM	

### **1. Purpose**

The purpose of this report is to inform Councillors on the work carried out by Council Officers to implement Council resolutions.

### **2. OFFICERS' RECOMMENDATION:**

That Council notes the report summarising the actions taken on the resolutions of Council.

### **3. Background**

This is a standard monthly report.

### **4. Discussion**

The resolutions outlined in the attachment have been previously adopted by Council. This report is designed to track progress on implementation from January 2022. Actions marked complete will not appear in the next month's report.

### **5. Implications**

#### **5.1. Strategic and Policy Implications**

The strategic and policy impacts of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.2. Risk**

The risks of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.3. Sustainability**

The sustainability impacts of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.4. Financial**

The financial impacts of each of the resolutions are varied and were outlined in the original reports to Council.

### **6. Consultation and Communication**

This report informs Councillors and the community and increases transparency.

### **7. Conclusion**

The information is for noting only.

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<b>Item:</b>	<b>9.1</b>	<b>Ref: AINT/2021/42162</b>
<b>Title:</b>	<b>Presentation of Audited Financial Statements and Audit Reports Year Ended 30 June 2021</b>	<b>Container: ARC16/0001-6</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Strategy</b>	
<b>Author:</b>	<b>Brad Munns, Financial Accountant</b>	
<b>Attachments:</b>	1. ARC Audited Financial Statements-2021 (GPFS, SPFS, SS)	

### **1. Purpose**

Council's annual financial reports for the year ended 30 June 2021 have been completed, audited and submitted within the required extended timeframe and are now attached for presentation to Council and the Public as required by the *Local Government Act 1993*.

### **2. OFFICERS' RECOMMENDATION:**

That Council note the report on the presentation of the audited Annual Financial Statements for the year ended 30 June 2021.

### **3. Background**

Sections 413 to 419 of the *Local Government Act 1993 (NSW)* contain the requirements for the preparation, audit and presentation of the annual financial reports required by the NSW Office of Local Government.

Council is required to prepare and have audited annually the following reports and to submit them to the NSW Office of Local Government with the Auditor's reports thereon:

- General Purpose Financial Report;
- Special Purpose Financial Report (for Council business units subject to National Competition Policy); and
- Special Schedule – Permissible income for general rates.

Council endorsed the draft financial statements at its meeting of 22 September 2021 and referred the reports to Council's Auditor. The Auditor completed the audits and provided Council with their signed audit reports. Council was granted an extension of time by the NSW Office of Local Government to 24 December 2021 to complete and lodge the audited financial statements. Due to material changes to the financial results and financial position as at and for the year ended 30 June 2021, the draft financial statements were re-presented to Council to approve on 24 November 2021.

As required by section 417 of the *Local Government Act 1993*, the audited financial statements and auditor's reports were submitted to the NSW Office of Local Government on 24 December 2021.

Council's Audited Annual Financial Statements for the Year Ended 30 June 2021 are ready for presentation to the public. Under section 418 of the *Local Government Act 1993*, Council is required to present its audited financial statements, together with the auditor's report, to the public having given 7 days' notice.

The public notice on the following page has been provided through advertisements placed online and by making the financial statements available on Council's website and available for viewing at Council's offices.

The General Purpose Financial Report, including the notes to the accounts, the Special Purpose Financial Report and Special Schedule for Permissible Income are attached. The NSW Auditor General has prepared audit reports, which provide their opinions on the financial reports for the year ended 30 June 2021. These are also included in the attached reports. A representative from the NSW Audit Office will attend the meeting to present the auditor's reports.

#### 4. Discussion

The public notice, as required by the *Local Government Act 1993 (NSW)*, is provided below:

### Armidale Regional Council

#### General Purpose Financial Statements

for the year ended 30 June 2021

#### Public Notice – Presentation of Financial Statements

##### Public notice – Presentation of financial statements

as per Section 418 (3) of the Local Government Act 1993.

In accordance with Section 418 (3) of the *Local Government Act 1993 (NSW)*, Armidale Regional Council advises that the ordinary Council meeting to be held on 27 January 2022 will include the presentation of the audited Financial Statements and the Auditor's Reports for the year ended 30 June 2021.

A summary of the Financial Statements is provided below.

	2021	2020
	\$ '000	\$ '000
<b>Income Statement</b>		
Total income from continuing operations	94,407	96,538
Total expenses from continuing operations	78,889	78,402
<b>Operating result from continuing operations</b>	<b>15,518</b>	<b>20,136</b>
Less Loss on Boundary Adjustment - 2020: (42,966)		
<b>Net operating result for the year</b>	<b>15,518</b>	<b>(22,830)</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>		
	<b>1,534</b>	<b>(2,889)</b>
<b>Statement of Financial Position</b>		
Total current assets	98,776	87,391
Total current liabilities	(26,058)	(25,868)
Total non-current assets	967,901	900,227
Total non-current liabilities	(32,830)	(45,186)
<b>Total equity</b>	<b>1,007,789</b>	<b>916,564</b>
<b>Other financial information</b>		
Unrestricted current ratio (times)	2.41	2.64
Operating performance ratio (%)	6.93%	1.00%
Debt service cover ratio (times)	6.11	4.08
Rates and annual charges outstanding ratio (%)	4.98%	5.74%
Infrastructure renewals ratio (%)	26.98%	17.81%
Own source operating revenue ratio (%)	68.47%	58.56%
Cash expense cover ratio (months)	15.50	13.91

In accordance with Section 420 of the *Local Government Act 1993 (NSW)*, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports.

Copies of the Audited Financial Statements and the Auditor's Reports may be inspected at:

**Internet:** [www.armidaleregional.nsw.gov.au](http://www.armidaleregional.nsw.gov.au)

**Locations:** 135 Rusden Street, Armidale  
158 Bradley Street, Guyra

Submissions close one week after the above public meeting has been held (ie close date 3 February 2022).

## 5. Implications

### 5.1. Strategic and Policy Implications

There are no policy implications for Council associated with this report.

As required by the *Local Government Act 1993 (NSW)*, the financial reports have been prepared in accordance with:

- The Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board;
- The *Local Government Act 1993 (NSW)* and Local Government Regulations;
- The Local Government Code of Accounting Practice and Financial Reporting; and
- The Local Government Asset Accounting Manual.

### 5.2. Risk

Council is required to comply with the requirements relating to Presentation of the Audited Financial Report as set out in the *Local Government Act 1993 (NSW)*. Failure to do so represents a breach of the Act.

### 5.3. Sustainability

This report contributes to the delivery of the Community Strategic Plan 2017-2027: Leadership for the Region Community Outcome 3– being that Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.

### 5.4. Financial

Preparation of Council's Financial Statements and completion of the annual audit is included in Council's approved budget.

Budget Area:	Finance						
Funding Source:	Untied Revenue						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure (to 30/6/22)	Remaining Budget
210815	Preparation and Audit of the Annual Financial Statements (part of overall Financial Services Unit budget)	\$2,547,176 (materials, contracts, employee costs)	\$1,487,818	\$147,095	\$912,263	\$2,547,176	\$0

2020-21 Operating Result

While a number of key financial indicators are included in the financial statements and reported on by way of the public notice, an important key financial indicator is the operating result before grants and contributions provided for capital purposes.

This indicator represents the comparison of recurrent revenues and expenditure. If revenues do not exceed expenditure then Council would theoretically be spending more than it received in the financial period being measured.

The fund results for the year ended 30 June 2021 are as follows:

**D1-1 Income Statement by fund**

	General 2021 \$ '000	Water 2021 \$ '000	Sewer 2021 \$ '000
<b>Income from continuing operations</b>			
Rates and annual charges	26,862	2,502	5,753
User charges and fees	17,000	7,787	204
Interest and investment revenue	191	253	184
Other revenues	1,890	36	1,255
Grants and contributions provided for operating purposes	15,648	77	55
Grants and contributions provided for capital purposes	11,514	1,972	498
Other income	726	-	-
<b>Total income from continuing operations</b>	<b>73,831</b>	<b>12,627</b>	<b>7,949</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	21,338	1,980	1,231
Materials and services	18,476	4,610	3,191
Borrowing costs	1,249	313	-
Depreciation, amortisation and impairment of non-financial assets	16,240	3,517	2,199
Other expenses	2,793	21	-
Net losses from the disposal of assets	1,731	-	-
<b>Total expenses from continuing operations</b>	<b>61,827</b>	<b>10,441</b>	<b>6,621</b>
<b>Operating result from continuing operations</b>	<b>12,004</b>	<b>2,186</b>	<b>1,328</b>
<b>Net operating result for the year</b>	<b>12,004</b>	<b>2,186</b>	<b>1,328</b>
<b>Net operating result attributable to each council fund</b>	<b>12,004</b>	<b>2,186</b>	<b>1,328</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>490</b>	<b>214</b>	<b>830</b>

While Council's operating result before capital grants and contributions is positive for each fund, this has not always been the case. The General Fund operating result also includes once off operational grant revenue and previously recognised merger grant revenue due to a change in revenue accounting standards. The General Fund operating result would have been a deficit if these revenue sources were not recognised in the 2020-21 financial year.

In addition to this, Council's waste operations currently generate an operating surplus, which was \$3.3 million in the 2020-21 financial year. These funds are used to fund capital expenditure in the waste area and also transferred to a cash reserve to fund future waste landfill remediation liabilities, which are estimated at \$13.1 million. These results also sit within the General Fund.

## **6. Consultation and Communication**

In accordance with section 420 of the *Local Government Act 1993 (NSW)*:

- Any person may make submissions to the council with respect to the council's audited financial reports or with respect to the auditor's reports.
- A submission must be in writing and must be lodged with the council within 7 days after the date on which those reports are presented to the public.
- The council must ensure that copies of all submissions received by it are referred to the auditor.
- The council may take such action as it considers appropriate with respect to any such submission, including the giving of notice to the Director-General of any matter that appears to require amendment of the council's financial reports.

Written public submissions will be accepted from the date of this meeting until Wednesday, 3 February 2022. A report will be provided to Council at the next available meeting outlining any submissions received.

The audited financial statements form part of Council's 2020-2021 Annual Report.

## **7. Conclusion**

Council's annual financial reports for the year ended 30 June 2021 have been completed, audited and submitted within the required extended timeframe and are now attached for presentation to Council and the Public as required by the *Local Government Act 1993 (NSW)*.

<b>Item:</b>	<b>9.2</b>	<b>Ref: AINT/2021/44845</b>
<b>Title:</b>	<b>Cash and Investment Report 30 November 2021</b>	<b>Container:</b>
	<b>ARC16/0001-7</b>	
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Strategy</b>	
<b>Author:</b>	<b>Aakash Katyara, Graduate Accountant</b>	
<b>Attachments:</b>	Nil	

The Cash and Investment report provides an overview of cash and investments for the month to 30 November 2021 and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

**1. OFFICERS' RECOMMENDATION:**

That Council note the Cash and Investment Report for November 2021.

**2. Background**

As at 30 November 2021, Council held \$44,413,394 in investments (market value) and \$48,025,521 in cash, giving a combined total of \$92,438,915.

**3. Discussion**

Cash and Investments

Balances are as follows:

<b>Item/Account</b>	<b>November 2021</b>	<b>October 2021</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Cash at Bank</u></b>			
NAB General Account	-	1,153,514	(1,153,514)
NAB High Interest Cash At Call	44,518,075	40,389,815	4,128,260
AMP Saver Account	2,010,163	2,009,337	826
NAB Trust Fund	1,497,283	1,497,020	263
<b>Total Cash</b>	<b>48,025,521</b>	<b>45,049,686</b>	<b>2,975,835</b>
<b><u>Investments</u></b>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Funds	15,331,920	15,314,888	17,032
Term Deposits	29,081,474	30,083,549	(1,002,075)
<b>Total Investments</b>	<b>44,413,394</b>	<b>45,398,437</b>	<b>(985,043)</b>
<b>Total Cash &amp; Investments</b>	<b>92,438,915</b>	<b>90,448,123</b>	<b>1,990,792</b>

Summary of investment movements for November 2021:

<b>Investment Maturities/Movements</b>		<b>New Investments</b>	
<b>Institution</b>	<b>Amount \$</b>	<b>Institution</b>	<b>Amount \$</b>
AMP Bank Term Deposit	(2,000,000)	AMP Bank Term Deposit	1,000,000
Movement in Interest Receivable on Term Deposits	(2,075)		
Market Movement T-Corp IM Funds	17,032		
<b>Total</b>	<b>(1,985,043)</b>	<b>Total</b>	<b>1,000,000</b>

The funds from term deposit maturities are currently held in the NAB High Interest Cash At Call account, currently earning 0.25% pa. The month of November 2021 saw some positive movement upwards in market interest rates. While the investment markets appear to be pricing a further increase in future interest rates, Council continues to take a conservative position holding cash reserves along with reviewing longer term investment options to take advantage of higher returns.

Investment Revenue Earned

	<b>November 2021</b>	<b>October 2021</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
NAB General Cash Account	8	3	5
Term Deposits	12,925	13,674	(749)
NSW T-Corp IM Funds (Note 1)	17,032	(25,389)	42,421
NAB High Interest Account	4,519	3,755	764
AMP Saver Account	826	853	(27)
NAB Trust Account	262	238	24
<b>Total</b>	<b>35,572</b>	<b>(6,866)</b>	<b>42,438</b>

Note 1: NSW T-Corp IM Funds are unitised investments. The value of the T-Corp investment fund units were negatively impacted by the movement in interest rates during October 2021.



Investments are diversified across a range of institutions, with funds invested to ensure the portfolio is aligned with the Investment Policy.

Issuer	Short Term Rating	Market Value \$	% Total Value
AMP Bank	A2	6,021,375	13.56%
Bank Of Queensland	A2	10,014,548	22.55%
Bendigo & Adelaide Bank	A2	5,002,301	11.26%
Regional Australia Bank	Unrated	2,002,236	4.51%
ING Bank	A1	6,021,014	13.56%
National Australia Bank	A1+	20,000	0.05%
NSW T Corp – IM Funds (Cash and Short Term Income Fund)	A	15,331,920	34.52%
<b>Total</b>		<b>44,413,394</b>	<b>100%</b>

#### Investment Yield

Term of Investment	November 2021			October 2021		
	ARC	3m BBSW rate	Outperformance	ARC	3m BBSW rate	Outperformance
6 months	0.59%	0.14%	0.45%	0.63%	0.20%	0.43%
12 months	0.71%	0.27%	0.44%	0.75%	0.42%	0.33%

The Armidale Regional Council Community Strategic Plan 2017-2027 identifies the importance of Leadership for the Region. In particular:

L2 – Council exceeds community expectations when managing its budget and operations

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems

## 4. Implications

### 4.1. Strategic and Policy Implications

All of Council's investments for the period are in accordance with:

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- *The Local Government (General) Regulation 2005* – Reg 212

The investment of surplus funds must remain in line with Council's Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2005*.

The Investment Policy relates to:

- Council’s Community Strategic Plan 2017-2027 category of “Leadership for the Region” and related community outcome of “Council exceeds community expectations when managing its budget and operations.”
- Council’s Delivery Program 2018-2022 item “Financial Sustainability – to maintain financial sustainability through effective short, medium and long-term financial management.”
- Council’s Operational Plan 2021-22: asset management, budget management, financial operations

#### 4.2. Risk

Council invests in Term Deposits, Cash and NSW Treasury Corporation Investment Management (IM) Funds. Rates of return on these investments are higher than the 30 Day BBSW Index.

Council’s investments have out-performed the RBA Cash rate and the 3 month BBSW index.

Council’s responsibility is to ensure working capital is retained and restrictions are supported by cash.

Council considers effective risk management practices exist over its cash and investment holdings.

#### 4.3. Sustainability

Council utilises an online Portfolio Platform to manage its investments and investment register. The number of investments has been rationalised allowing for more efficient internal investment management to be performed. Communication is performed by electronic means, resulting in efficiencies of processes and a reduction in the use of paper.

#### 4.4. Financial

Budget Area:	Various						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$575,000)	(\$121,622)	Nil	Nil	Nil	(\$453,378)
210815.1.1760. 333.2430	Subscriptions	\$10,455	\$4,750	\$3,500	Nil	\$8,250	\$2,205

Comparison of Actual Interest Income Earned with Year To Date (YTD) Budget

Interest Income	YTD Actual \$	YTD Budget \$	Difference \$
YTD November 2021	121,622	239,583	(117,961)
YTD October 2021	86,050	191,667	(105,617)
Movement	35,572	47,916	(12,344)

There is a YTD unfavourable budget variance of \$117,961 to 30 November 2021 (including accrued interest). This is due to the annual budget amount being equally phased over 12 months, compared with some current investments maturing at a higher interest rate than has been budgeted for the whole year. Over the past 18 months, the Commonwealth Government has provided many cash incentives to stimulate growth during the economic decline and global pandemic. This has supplied the economy with 'cheap money', placing downward pressure on interest rates and interest returns on investments. Savings and term deposit rates offered by the banks have been at all-time lows however some positive movement in the market was noted during October and November 2021 with the market pricing an increase in future interest rates. The NSW T-Corp Investment Funds have generated positive returns over extended time periods however for the month of October, the returns were negative due to the movement in interest rates impacting upon the T-Corp investment unit values. Council continues to closely monitor investment markets and returns.

Restricted & Unrestricted Funds

As at 30 November 2021, total restricted and unrestricted funds were fully funded by cash and investments. Between the reported (audited) amounts as at 30/06/2021 and the projected year end result for 30/06/2022 as reported in the 2021/22 First Quarter Budget Review budget review, it is projected there will be a decrease in restricted cash of \$948k and an increase in unrestricted cash of \$40k, a net decrease of \$908k. The current cash and investment position as at 30 November 2021 adequately covers projected totals.

**Actual Result at 30 June 2021 (audited)**

\$'000	General	Water	Sewer	Total
External Restrictions	18,329	23,244	19,511	61,084
Internal Restrictions	16,813	-	-	16,813
<b>Total Restrictions</b>	<b>35,142</b>	<b>23,244</b>	<b>19,511</b>	<b>77,897</b>
Unrestricted	3,408	-	-	3,408
<b>Total Funds</b>	<b>38,550</b>	<b>23,244</b>	<b>19,511</b>	<b>81,305</b>

**Projected Year End Result at 30 June 2022 (as at QBR1 – adopted 24/11/2021)**

<b>\$'000</b>	<b>General</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
External Restrictions	17,452	22,987	19,697	60,136
Internal Restrictions	13,917	-	-	13,917
<b>Total Restrictions</b>	<b>31,370</b>	<b>22,987</b>	<b>19,697</b>	<b>74,054</b>
Unrestricted	3,449	-	-	3,449
<b>Total Funds</b>	<b>34,818</b>	<b>22,987</b>	<b>19,697</b>	<b>77,502</b>

**Movement from June 2021 to Forecast June 2022**

<b>\$'000</b>	<b>General</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
External Restrictions	(877)	(257)	186	(948)
Internal Restrictions	-	-	-	-
<b>Total Restrictions</b>	<b>(877)</b>	<b>(257)</b>	<b>186</b>	<b>(948)</b>
Unrestricted	40	-	-	40
<b>Total Funds</b>	<b>(837)</b>	<b>(257)</b>	<b>186</b>	<b>(908)</b>

**5. Consultation and Communication**

An Investment Report is required to be tabled at the monthly Ordinary Meeting of Council.

**6. Conclusion**

The Cash and Investment Report provides an overview of cash and investments as at and for the month ended 30 November 2021 and demonstrates compliance with Council policy.

<b>Item:</b>	<b>9.3</b>	<b>Ref: AINT/2022/00412</b>
<b>Title:</b>	<b>Cash and Investment Report 31 December 2021</b>	<b>Container:</b>
	<b>ARC16/0001-7</b>	
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Strategy</b>	
<b>Author:</b>	<b>Aakash Katyara, Graduate Accountant</b>	
<b>Attachments:</b>	Nil	

The Cash and Investment report provides an overview of cash and investments for the month to 31 December 2021 and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

**1. OFFICERS' RECOMMENDATION:**

That Council note the Cash and Investment Report for December 2021.

**2. Background**

As at 31 December 2021, Council held \$44,436,773 in investments (market value) and \$46,088,810 in cash, giving a combined total of \$90,525,583.

**3. Discussion**

Cash and Investments

Balances are as follows:

<b>Item/Account</b>	<b>December 2021</b>	<b>November 2021</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>Cash at Bank</u></b>			
NAB General Account	-	-	-
NAB High Interest Cash At Call	42,580,384	44,518,075	(1,937,691)
AMP Saver Account	2,010,989	2,010,163	826
NAB Trust Fund	1,497,437	1,497,283	154
<b>Total Cash</b>	<b>46,088,810</b>	<b>48,025,521</b>	<b>(1,936,711)</b>
<b><u>Investments</u></b>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Funds	15,342,347	15,331,920	10,427
Term Deposits	29,094,426	29,081,474	12,952
<b>Total Investments</b>	<b>44,436,773</b>	<b>44,413,394</b>	<b>23,379</b>
<b>Total Cash &amp; Investments</b>	<b>90,525,583</b>	<b>92,438,915</b>	<b>(1,913,332)</b>

Summary of investment movements for December 2021:

<b>Investment Maturities/Movements</b>	
<b>Institution</b>	<b>Amount \$</b>
Movement in Interest Receivable on Term Deposits	12,953
Market Movement T-Corp IM Funds	10,427
<b>Total</b>	<b>23,380</b>

<b>New Investments</b>	
<b>Institution</b>	<b>Amount \$</b>
<b>Total</b>	

The funds from term deposit maturities are currently held in the NAB High Interest Cash At Call account, currently earning 0.15% pa. The month of December 2021 saw some positive movement upwards in market interest rates. While the investment markets appear to be pricing a further increase in future interest rates, Council continues to take a conservative position holding cash reserves along with reviewing longer term investment options to take advantage of higher returns.

Investment Revenue Earned

	<b>December 2021</b>	<b>November 2021</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
NAB General Cash Account	-	8	(8)
Term Deposits	12,953	12,925	28
NSW T-Corp IM Funds (Note 1)	10,427	17,032	(6,605)
NAB High Interest Account	4,364	4,519	(155)
AMP Saver Account	826	826	-
NAB Trust Account	254	262	(8)
<b>Total</b>	<b>28,824</b>	<b>35,572</b>	<b>(6,748)</b>

Note 1: NSW T-Corp IM Funds are unitised investments, so the investment revenue consists of interest credited by way of additional units issued plus the movement (either upwards or downwards) of the underlying unit value. As an example, the value of the T-Corp investment fund units were negatively impacted by the movement in interest rates during October 2021, which resulted in a negative investment revenue amount for that month.

Investments are diversified across a range of institutions, with funds invested to ensure the portfolio is aligned with the Investment Policy.

Issuer	Short Term Rating	Market Value \$	% Total Value
AMP Bank	A2	6,025,452	13.56%
Bank Of Queensland	A2	10,018,370	22.55%
Bendigo & Adelaide Bank	A2	5,003,788	11.26%
Regional Australia Bank	Unrated	2,003,255	4.51%
ING Bank	A1	6,023,562	13.56%
National Australia Bank	A1+	20,000	0.05%
NSW T Corp – IM Funds (Cash and Short Term Income Fund)	A	15,342,347	34.52%
<b>Total</b>		<b>44,436,774</b>	<b>100%</b>

#### Investment Yield

Term of Investment	December 2021			November 2021		
	ARC	3m BBSW rate	Outperformance	ARC	3m BBSW rate	Outperformance
6 months	0.56%	0.18%	0.38%	0.59%	0.14%	0.45%
12 months	0.68%	0.34%	0.34%	0.71%	0.27%	0.44%

The Armidale Regional Council Community Strategic Plan 2017-2027 identifies the importance of Leadership for the Region. In particular:

- L2 – Council exceeds community expectations when managing its budget and operations
- L2.1 – Financial sustainability is maintained through effective short and long term financial management
- L2.1.3 – Develop effective financial management systems

## 4. Implications

### 4.1. Strategic and Policy Implications

All of Council's investments for the period are in accordance with:

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- *The Local Government (General) Regulation 2005* – Reg 212

The investment of surplus funds must remain in line with Council's Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2005*.

The Investment Policy relates to:

- Council’s Community Strategic Plan 2017-2027 category of “Leadership for the Region” and related community outcome of “Council exceeds community expectations when managing its budget and operations.”
- Council’s Delivery Program 2018-2022 item “Financial Sustainability – to maintain financial sustainability through effective short, medium and long-term financial management.”
- Council’s Operational Plan 2021-22: asset management, budget management, financial operations

#### 4.2. Risk

Council invests in Term Deposits, Cash and NSW Treasury Corporation Investment Management (IM) Funds. Rates of return on these investments are higher than the 30 Day BBSW Index.

Council’s investments have out-performed the RBA Cash rate and the 3 month BBSW index.

Council’s responsibility is to ensure working capital is retained and restrictions are supported by cash.

Council considers effective risk management practices exist over its cash and investment holdings.

#### 4.3. Sustainability

Council utilises an online Portfolio Platform to manage its investments and investment register. The number of investments has been rationalised allowing for more efficient internal investment management to be performed. Communication is performed by electronic means, resulting in efficiencies of processes and a reduction in the use of paper.

#### 4.4. Financial

Budget Area:	Various						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$575,000)	(\$150,446)	Nil	Nil	Nil	(\$424,554)
210815.1.1760. 333.2430	Subscriptions	\$10,455	\$6,750	\$3,000	Nil	\$9,750	\$705



Comparison of Actual Interest Income Earned with Year To Date (YTD) Budget

Interest Income	YTD Actual \$	YTD Budget \$	Difference \$
YTD December 2021	\$150,446	\$287,500	(\$137,054)
YTD November 2021	\$121,622	\$239,583	(\$117,961)
Movement	\$28,824	\$47,917	(\$19,093)

There is a YTD unfavourable budget variance of \$137,054 to 31 December 2021 (including accrued interest). This is due to the annual budget amount being equally phased over 12 months, compared with some current investments maturing at a higher interest rate than has been budgeted for the whole year. Over the past 18 months, the Commonwealth Government has provided many cash incentives to stimulate growth during the economic decline and global pandemic. This has supplied the economy with 'cheap money', placing downward pressure on interest rates and interest returns on investments. Savings and term deposit rates offered by the banks have been at all-time lows however some positive movement in the market was noted during October and November 2021 with the market pricing an increase in future interest rates. The NSW T-Corp Investment Funds have generated positive returns over extended time periods however for the month of October, the returns were negative due to the movement in interest rates impacting upon the T-Corp investment unit values. Council continues to closely monitor investment markets and returns.

Restricted & Unrestricted Funds

As at 30 November 2021, total restricted and unrestricted funds were fully funded by cash and investments. Between the reported (audited) amounts as at 30/06/2021 and the projected year end result for 30/06/2022 as reported in the 2021/22 First Quarter Budget Review budget review, it is projected there will be a decrease in restricted cash of \$948k and an increase in unrestricted cash of \$40k, a net decrease of \$908k. The current cash and investment position as at 30 November 2021 adequately covers projected totals.

**Actual Result at 30 June 2021 (audited)**

\$'000	General	Water	Sewer	Total
External Restrictions	18,329	23,244	19,511	61,084
Internal Restrictions	16,813	-	-	16,813
<b>Total Restrictions</b>	<b>35,142</b>	<b>23,244</b>	<b>19,511</b>	<b>77,897</b>
Unrestricted	3,408	-	-	3,408
<b>Total Funds</b>	<b>38,550</b>	<b>23,244</b>	<b>19,511</b>	<b>81,305</b>

**Projected Year End Result at 30 June 2022 (as at QBR1 – adopted 24/11/2021)**

<b>\$'000</b>	<b>General</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
External Restrictions	17,452	22,987	19,697	60,136
Internal Restrictions	13,917	-	-	13,917
<b>Total Restrictions</b>	<b>31,370</b>	<b>22,987</b>	<b>19,697</b>	<b>74,054</b>
Unrestricted	3,449	-	-	3,449
<b>Total Funds</b>	<b>34,818</b>	<b>22,987</b>	<b>19,697</b>	<b>77,502</b>

**Movement from June 2021 to Forecast June 2022**

<b>\$'000</b>	<b>General</b>	<b>Water</b>	<b>Sewer</b>	<b>Total</b>
External Restrictions	(877)	(257)	186	(948)
Internal Restrictions	-	-	-	-
<b>Total Restrictions</b>	<b>(877)</b>	<b>(257)</b>	<b>186</b>	<b>(948)</b>
Unrestricted	40	-	-	40
<b>Total Funds</b>	<b>(837)</b>	<b>(257)</b>	<b>186</b>	<b>(908)</b>

**5. Consultation and Communication**

An Investment Report is required to be tabled at the monthly Ordinary Meeting of Council.

**6. Conclusion**

The Cash and Investment Report provides an overview of cash and investments as at and for the month ended 31 December 2021 and demonstrates compliance with Council policy.

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<b>Item:</b>	<b>10.1</b>	<b>Ref: AINT/2022/00152</b>
<b>Title:</b>	<b>Guyra and District Pony Club inc - Expenditure of Grant Funding from Phase Two, NSW Showgrounds Stimulus Program for the Construction of a Toilet / Show Buiding.</b>	<b>Container: ARC21/4664</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Andrew Levingston, Manager Plant &amp; Facilities</b>	
<b>Attachments:</b>	1. AINT-2021-34848 - Report -Report - Guyra and District Pony Club Inc - Expenditure of Grant Funding From Phase Two, NSW Showgrounds Stimulus Program for Constructionion of a ToiletShower Building	

### **1. Purpose**

The purpose of the report is to inform Council that no submissions were received during the Public Exhibition period ending on the 22 December 2021 of Armidale Regional Council's intentions to transfer funds by progress payments totalling \$319,710.60 inclusive of GST to the Guyra and District Pony Club Incorporated to construct a toilet/shower block in accordance with Section 356 of the *Local Government Act 1993*. Council staff will enter into a payment schedule as negotiated with the Guyra and District Pony Club Incorporated and the contractor.

### **2. OFFICERS' RECOMMENDATION:**

That Council Note:

- a. No submission were received during the period of Public Exhibition; AND
- b. Council staff will enter into a payment schedule as negotiated with the Guyra and District Pony Club Incorporated and the successful contractor.

### **3. Background**

Action as per Officer's Recommendation item (b) Council report Item 9.1 Ordinary Council Meeting held 4.00pm on 27 October 2021 as attached.

### **4. Discussion**

Give public notice for a period of 28 days in accordance with section 356 of the *Local Government Act 1993* of Armidale Regional Council's intention to transfer funds by progress payments totalling \$319,710.60 inclusive of GST to the Guyra and District Pony Club Incorporated to construct a Toilet / Shower Block.

### **5. Implications**

Notation – Continue with the adoption of item 9.1 Council report reference AINT/2021/34848.

#### **5.1. Risk**

There are no implications to risk from the Public Exhibition Period to proceed with the adoption of item 9.1 Council Report reference AINT/2021/34848.

#### **5.2. Sustainability**

Nil to report.

### 5.3. Financial

The total cost for the project has been estimated at \$275,016 Excl. GST or \$302,517.60 including GST. A contingency of \$17,193 or approximately 5% remains and is expected to cover the costs of a Development Application in addition to any variations.

In the event that the project runs over budget, it will be the responsibility of the Guyra and District Pony Club Incorporated to source funding to cover these costs. Any remaining funds shall be directed to *Proposal 1186 – Construction of New Amenities Building* also covered by the Funding Offer from Crown Lands Showgrounds Stimulus Funding Program.

Council will retain all funds and release on a payment plan agreed to as part of the Deed between Council and The Guyra and district Pony Club. Any payment plan will also consider the *Security of payment Act 1999*.

Budget Area:	Plant and Facilities						
Funding Source:	Planning Industry & Environment – Phase Two, NSW Show Grounds Stimulus Program (revenue)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
	Construction of Toilet/ Shower Block	\$319,710.60			\$275,016	\$302,517.60	\$17,193
						Allowing an additional 10% on current proposal	

### 6. Consultation and Communication

The approval for the Public Exhibition for the transfer of funds totalling \$319,710.60 inclusive of GST to the Guyra and District Pony Club Incorporated for the construction of a toilet / shower block, closed on the 22 December 2021 with no submissions received.

### 7. Conclusion

Notation no submission were received during the Public Exhibition Period and the project is proceeding with the first meeting of key stakeholders to be organised early in January 2022 to discuss Project / Payment Plan in accordance with the Deed and Security of payment Act 1999.

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<b>Item:</b>	<b>10.2</b>	<b>Ref: AINT/2022/00987</b>
<b>Title:</b>	<b>Transfer of Crown road/s ownership to Council ARC16/0351-2</b>	<b>Container:</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Ben Smith, Manager Roads and Parks</b>	
<b>Attachments:</b>	1. Imbandja Lane Crown Transfer Section 2. Lucas Lane transfer of ownership	

### **1. Purpose**

The purpose of this report is to seek Council endorsement for the transfer of two Crown ‘paper’ roads onto Council as the Road Authority.

### **2. OFFICERS’ RECOMMENDATION:**

That Council:

- a. Endorse an application to the Crown for transfer of ownership of Lucas Lane, Armidale to Council as the Roads authority.
- b. Endorse an application to the Crown for transfer of ownership of Imbandja Lane, Armidale to Council as the Roads authority.

### **3. Background**

Council’s Road Manager was approached by members of the public on separate occasions to confirm maintenance responsibility over Lucas Lane and Imbandja Lane.

A subsequent investigation comprising collection of historical anecdotal evidence, desktop studies of Council policy POL032 – Road Maintenance and Liability Policy and road management strategic plans as well as Councils geographic information system highlighted that these sections of road were required to be transferred to Councils maintenance responsibility.

Imbandja Lane is accessed off Translator Road in the Kellys Plains area and services three properties whilst Lucas Lane is accessed off Long Swamp Road and services 4 separate properties.

### **4. Discussion**

Councils Transport business unit currently provides unsealed road maintenance grading to both Lucas Lane and Imbandja Lane as per agreed Levels of Service. Other minor works to drainage structures are carried out on Lucas Lane however given the lack of formal ownership, Council has been reticent to commit funding to Capital upgrades for drainage structures which are now in a dilapidated condition and present a risk to the road user.

### **5. Implications**

#### **5.1. Strategic and Policy Implications**

Transfer of ownership of these roads achieves compliance with Council Policy POL032– Road Maintenance and Liability Policy and Road Management Strategic Plan 2017.

Endorsement of this proposed transfer supports Councils Community Strategic Directions 2017-2027 specifically:

**E3** – The community is provided with the essential and resilient infrastructure it requires for daily life, and has access to a prioritised schedule of infrastructure works.

**E4** - The community has access to transport which enables connectivity both locally and outside of the region

### 5.2. Risk

The transfer of ownership of these two roads reduces Councils exposure to reputational risk through formal acceptance of maintenance responsibility, which until this time has been carried out under informal agreements to complete urgent maintenance.

### 5.3. Sustainability

No Sustainability implications relevant to this proposal.

### 5.4. Financial

Budget Area:	Construction & Maintenance – Internal Customers						
Funding Source:	ARC General Fund, Roads to Recovery, Financial Assistance Grants						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
270400	Rural Unsealed Roads Planned Maintenance	\$2,239,482	Nil	Nil	\$4,000	\$2,243,482	Nil
230208	Urban & Rural Drainage repairs and Maintenance	\$457,723	Nil	Nil	\$5,000	\$462,723	Nil

Maintenance grading of Lucas Lane is expected to be completed by Councils southern grader crew as per its current program, therefore no materially significant changes to the operational budget are forecast as a result.

Renewal of minor drainage structures on Lucas Lane and associated instream sedimentation control work is predicted to cost approximately \$10,000 on a one off basis.

Maintenance grading for Imbandja Lane is anticipated to take less than one working day to complete and is expected to occur in conjunction with completion of this activity type on adjoining Translator Rd. The inclusion of approximately 200 metres of grading on Imbandja Lane is predicted to increase the rural unsealed roads planned maintenance budget by approximately \$4000 per year based upon current operating costs for one grader crew per day.

Renewal of minor drainage structures on Lucas Lane and associated instream sedimentation control work is predicted to cost approximately \$5,000 on a one off basis. This project has not been identified on Councils 10 year forward works program.

**6. Consultation and Communication**

Council officers have consulted the affected residents on both Lucas Lane and Imbandja Lane to convey the process for application of transfer of ownership from Crown to Council, including the need to receive Council endorsement to proceed with the process. Further to this, Council officers were able to provide likely timeframes for resolution on this matter.

**7. Conclusion**

Council endorsement of the recommendations to transfer ownership of Lucas and Imbandja Lanes from the Crown to Council shall allow Council to provide safe and equitable transport access for ratepayers.

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<b>Item:</b>	<b>10.3</b>	<b>Ref: AINT/2022/01020</b>
<b>Title:</b>	<b>Dumaresq Dam Safety Upgrade Project - Progress update &amp; Request to increase Contract Purchase Order</b>	<b>Container: ARC19/3458</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Mark Byrne, Manager Utilities</b>	
<b>Attachments:</b>	1. DDSU December 2021 Monthly Report Final	

### **Purpose**

The purpose of this report is to:

- A. provide Council with a status update of the Dumaresq Dam Safety Upgrade Project up to December 2021,
- B. Inform Council of the risks associated with the Dumaresq Dam Safety Upgrade Project have now made the project run over budget, and
- C. Seek Council approval for an increase in the Purchase Order for the construction contractor, Leed Engineering and Construction Pty Ltd, by \$2,490,129 (excl. GST), from \$5,096,834 (excl. GST) to \$7,586,963 (excl. GST) to enable completion of the project with variations to date and expected costs to complete.

### **1. OFFICERS' RECOMMENDATION:**

That Council:

- A. note the status report for the Dumaresq Dam Safety Upgrade Project up to December 2021, and
- B. approve the increase in the Purchase Order for the construction contractor, Leed Engineering and Construction Pty Ltd, by \$2,490,129 (excl. GST), from \$5,096,834 (excl. GST) to \$7,586,963 (excl. GST) to enable completion of the project with variations to date and expected costs to complete.

### **2. Background**

One of the largest projects being undertaken by Council in 2021-2022 is the stabilisation of the Dumaresq Dam Wall. The Wall was identified by Dam Safety NSW as not meeting current safety standards and at risk of failure during an extreme flooding event, posing a threat to people downstream. In 2014, Council conducted extensive consultation with the community that overwhelmingly supported the dam wall remaining at its current height to maintain the popular recreation area. Council moved to source funding and began the design process.

In 2018, Council appointed Mr Andrew Bannink of Alpha Omega Pty Ltd as project manager for the work. In 2020, based on a submission from Mr Bannink that included design and project management costs, Council secured fifty percent funding from the NSW Government's Department of Planning, Industry & Environment's (DPIE) Safe and Secure Water Program for the \$8,100,000 project cost. Council will contribute the remainder of the funding from water fund reserves. Based on this funding, the project was approved by Council.

It is worth noting Council incurred earlier design costs between FY2013 - FY2019 amounting to approximately \$883,000. These costs are not eligible to be included in the project funding deed.



Strengthening of the dam wall involves the installation of post tensioned anchor bars from the crest of the dam and through the toe, down into the underlying rock. This work is being performed between May 2021 and March 2022. As part of the project, the embankment to the west of the dam wall will be raised and strengthened and the wall to the east has been extended.

The project is a retrofit of an exit-plumbed concrete dam wall, noted as a notoriously difficult structure to determine in advance of, exactly what it will cost to upgrade. The upgrading works are mandated by Dam Safety New South Wales and the construction work needed to fix any unexpected issues are determined by their approved peer reviewer, an engineer with extensive experience in these types of upgrading projects. Due to the safety requirements, Council has limited control over the process and there is a risk that additional costs could be incurred, resulting in the project exceeding its budget. Council Officers are monitoring the project closely.

Early in the project development, some key risks were identified including the drilling of the post-tension anchor bore holes. Any minor deviation of the vertical direction of the bore required the bore to be grouted up and re-drilled to ensure the post-tension bars worked as per the design. Deviations can occur due to even minor changes in material in the wall and such a high risk, Council adopted an initial budget of \$363,648.4 with a Contingency \$359,590.4.

ARC is without a Project Management Framework and this particular project is a legacy project borne from a time where project management including scoping, costing and design was not a strength of Council.

The absence of a framework and internal skills and combining this with the complexity of multi-party involvement, has exaggerated the risks which Council is now realising.

Of particular note is a number of foreseen risks were not mitigated effectively in the area of project planning to lessen the impact of the unavoidable risk and contingency consumption.

The Total Project budget of \$8,100,000 for design, construction, project management, peer review and site management included a 13% contingency (\$1,057,000) to allow for potential variations and unexpected costs.

Council awarded the construction contract to Leed Engineering and Construction Pty Ltd at the Ordinary Council Meeting on 27 November 2020 at a value of \$5,096,834 (excluding GST). Variations in the construction component of the Project have resulted in an increase in the construction costs in excess of the original awarded contract amount of \$5,096,834 (excl GST). At the update provided to Council at the 27 August 2021 Ordinary Council Meeting, the overall project costs remained within the original Project budget of \$8,100,000.

Since the update provided in August 2021, additional construction variations have occurred and the estimated costs to complete the project have been revised. While costs on the construction component are now estimated to be 29% in excess of budget (excess of \$1,725,206), savings of approximately 20% have been identified in the non-construction component of the project (savings of \$451,434), with an overall excess of approximately 15.73% (\$1,273,772).

Council's budgetary position is of paramount importance and project costs are being closely monitored by the Project Team. As a result of the safety requirements associated with this project, some of the costs are beyond Council's control. While some savings have been identified in this project, Council's water staff have identified methods to mitigate the impact on the water fund and to ensure Council's FY2022 budget position is not impacted by the excess costs of this project.

Council staff have contacted DPIE to request the opportunity for the excess amount to be funded by DPIE as per the current deed incorporating a cost sharing arrangement allocating a liability of 50% each.

### **3. Discussion**

The initial construction contract of \$5,096,834 (excluding GST) was awarded by Council in November 2020 to Leed Engineering and Construction Pty Ltd. A purchase order for this amount was raised in Council's financial system. The purchase order did not include any contingency amount for variations or additional costs, while the Contract is based on a schedule of rates.

In August 2021, when 56% of the original contract costs had been expended, Council was informed that variations totalling 12.7% of the original contract sum had been approved.

The August 2021 Council report included the following statements:

'Due to the safety requirements, Council has limited control over the process and there is a risk that additional costs could be incurred, resulting in the project exceeding its budget.'

'Given the magnitude and complexity of this project, there continues to be project risk to be managed and monitored. Council receives monthly project status reports from the Construction Contractor. With approximately 44% of project costs yet to be completed, Council continues to actively monitor and assess the risks.'

In October 2021, it became apparent that the approved purchase order would require increase to cover future payments to Leed Engineering and Construction Pty Ltd. At this stage, the project manager and Leed's site supervisor were asked to provide an indication of costs that might be anticipated by contract completion.

Based on the information provided and the estimated cost of completing work included in the original contract or already an approved variation, an increase in the purchase order of \$2,490,129 (excl. GST) is required. Table 3 below provides details of the cost increases.

Table 1 below provides a summary of

- Original Project Budget allocated between Construction and Other/Non-construction works,
- Actual Costs to December 2021,
- Estimated costs to complete,
- Contingency position and Excesses noted.

Estimated savings of \$451,434 in the Non-construction component are exceeded by estimated cost increases of \$1,725,206 in the Construction component, resulting in an overall estimated cost excess of \$1,273,772 over the original total project budget of \$8,100,000.

**Table 1: Overall Project Summary**

<b>Dumaresq Dam Wall Safety Upgrade Project (Project 280216)</b>			
<b>December 2021 Review</b>			
	Ex GST		
Total Original Budgeted Project Cost:	\$ 8,100,000		
50% Funding secured by NSW DPIE:	\$ 4,050,000		
	Construction	Other (non-construction)	Total
	Ex GST	Ex GST	Ex GST
Contract value awarded	\$ 5,096,834	\$ 1,946,166	\$ 7,043,000
Contingency (15%)	\$ 764,923	\$ 292,077	\$ 1,057,000
	\$ 5,861,757	\$ 2,238,243	\$ 8,100,000
Actual Costs to Dec2021 (FY20, 21, 22 - up to Dec21)	\$ 5,577,509	\$ 1,444,701	\$ 7,022,211
Estimated costs to complete	\$ 1,443,454	\$ 297,485	\$ 1,740,938
Additional Contingency for variations yet to be received/approved	\$ 566,000	\$ 44,623	\$ 610,623
Total	\$ 7,586,963	\$ 1,786,809	\$ 9,373,772
Excess over Orig Contract Value (excl Contingency)	\$ 2,490,129	-\$ 159,357	\$ 2,330,772
%	49%	-8%	33%
Excess over Project Budget (incl Contingency)	\$ 1,725,206	-\$ 451,434	\$ 1,273,772
%	29%	-20%	15.73%
Increase in Lead Engineering Purchase Order required	\$ 2,490,129		

Table 2 below shows the Original Cost Estimate of the Project, as presented to DPIE, compared with Current Costs to 31 December 2021, Estimated Final Costs and the Difference between the Original Cost Estimate and Estimated Final Costs.

The end result is an estimated additional cost of \$1,273,772 over the \$8,100,000 original project budget, which represents a 15.73% excess.

Council staff have contacted DPIE to request the opportunity for the excess amount to be funded by DPIE as per the current deed incorporating a cost sharing arrangement allocating a liability of 50% each.

Council staff have looked at the ability of the Water fund to service the project expenditure and are exploring options to ensure Council's FY2022 budget position and the Water Long Term Financial Plan are not unduly affected. Until the project is completed, it is difficult to understand the extent of this impact.

**Table 2: Detailed Project Expenditure**

Dumaresq Dam Safety Upgrade Project Costs Comparison					
Comparison of Project Costs			As of end December 2021: all costs exclude GST		
Item	Description	Original Cost Estimate	Current Costs	Estimated Final cost	Difference from Original Cost Estimate to Estimated Final Cost
	<b>Design &amp; Tender</b>				
1	Design supervision and tendering	\$ 167,583	\$ 426,725	\$ 426,725	\$ 259,142
	<b>Construction Management</b>				
2	Project Management Services and Site Management Services	\$ 280,753	\$ 570,344	\$ 655,746	\$ 374,993
3	Site Works Inspection	\$ 253,000	\$ 254,138	\$ 310,959	\$ 57,959
4	Design Liason and Site Inspection	\$ 266,876	included in contract		-\$266,876
5	Peer Reviewer	\$ 105,000	\$ 141,365	\$ 266,820	\$ 161,820
6	Council Project Supervision	\$ 12,000	\$ 52,129	\$ 72,014	\$ 60,014
7	Legal Advice	\$ 6,000	\$ -	\$ 4,545	-\$1,455
	<b>Total of Above</b>	<b>\$ 1,091,212</b>	<b>\$ 1,444,701</b>	<b>\$ 1,736,809</b>	<b>\$ 645,597</b>
	<b>Construction Contract</b>				
9	Construction contract including contingency	\$ 6,938,788	\$ 5,577,509	\$ 7,586,963	\$ 648,175
	<b>Other Costs</b>				
10	Council Related	\$ 70,000	\$ -	\$ -	-\$70,000
11	Reconnect customers on Dumaresq Dam pipeline			Included above	
12	Repairs to Dumaresq Dam Road			\$ 50,000	\$ 50,000
		<b>\$ 8,100,000</b>	<b>\$ 7,022,211</b>	<b>\$ 9,373,772</b>	<b>\$1,273,772</b>

**Table 3 below shows the various cost increases:**

**Current and Forecast Major Construction Contract Cost Increases**

<b>Description</b>	<b>Cost increases</b>
<b>Measured Rate Items</b>	
Length of site road under estimated	\$130,842.13
Additional work involve in site anchors. Over 90% had to be re-drilled rather than the 50% in the contract	\$543,606.06
Various Other	\$46,671.54
Items in the contract that will not be claimed	(\$110,878.06)
<b>Total of Measured Items Increase</b>	<b>\$610,241.67</b>
<b>Approved Variation Orders</b>	
Additional geotechnical investigation.	\$56,044.00
Temporary public toilets, d/d pipeline water supply and recording camera	\$216,773.00
Conduit installation	\$116,691.00
Additional work on anchor cut outs	\$225,808.00
Additional design	\$118,037.00
Moving the drilling rig	\$36,289.00
Removal of cold joint sections	\$30,182.00
Additional cost for the right hand embankment works	\$78,212.00
Various other	\$18,886.00
<b>Total of Variations Already Approved</b>	<b>\$896,922.00</b>
<b>Estimated Future Cost Increases (includes work done but not billed)</b>	
Water supply to Kirby Farms (reimbursable)	\$25,000.00
Upstream Pipework including divers	\$45,000.00
Concrete crack repairs	\$50,000.00
Concrete cutting crew quarantine costs (expended)	\$20,000.00
Booralong Road pumping station design	\$40,000.00
Reinstatement of crest cold joints	\$30,000.00
Left hand side erosion protection	\$160,000.00
Stressing survey	\$30,000.00
Downstream valves	\$15,000.00
<b>Total of Estimated Future Cost Increases</b>	<b>\$415,000</b>
<b>Contingency</b>	<b>\$567,965.40</b>
<b>Total Estimated Project Cost Increase</b>	<b>\$2,490,129.00</b>

As some additional background information, Financial Protocols under the Performance Improvement Order were adopted by Council as a Mayoral Minute at the Ordinary Council Meeting of 27 January 2021. Clause 8 of the Financial Protocols sets out requirements in the event of over-expenditure on a project, as follows:

“It is a requirement that project managers and managers immediately notify Council when it becomes apparent that a project will run over budget. This applies to any project or service with an allocation of \$100,000 or more.

Reporting must include reasons for the anticipated over-expenditure and options to eliminate or minimising any expenditure exceeding the approved budget including opportunities to reduce the scope of the project or reduce service levels or frequency.”

Variations of \$1,311,922, representing an extra 25.7% of the Original Construction Contract amount have increased the construction costs of the Project. The contingency of \$1,057,000 built into the Overall Project budget and some estimated savings in non-construction costs have helped to minimise the overall excess of costs to an estimated \$1,273,772.

With the actual project costs incurred up to 31 December 2021 representing approximately 75% of total revised estimated project costs (\$7,022,211 divided by \$9,373,772 = 75%), there remains some project risk with 25% of project costs to be incurred. Council has reviewed the estimated costs to complete the project and believes a conservative approach has been applied.

A second measure that Council is applying in the management of this project is the Capital Expenditure Guidelines issued by the Office of Local Government (OLG). Clause 7 of the Guidelines state:

“If project costs increase by 10% of the initial costs at any time, council must notify the OLG of the revised project cost and give a brief explanation as to the reasons for the increase and the council’s process and plans to meet these increases. Council should also keep the community informed of cost increases and associated reasons.”

The variations and estimated costs to complete the project have resulted in an excess of \$1,273,772 over the original budget of \$8,100,000, representing a 15.73% increase. Council shall prepare notification to OLG in compliance with the Capital Expenditure Guidelines.

Two of the underlying reasons for the increase in the project costs centre around the risk of the works being undertaken and the complex governance arrangements surrounding work on declared dams. Dams Safety NSW ‘declares’ dams that can potentially endanger life downstream, cause major damage or loss to infrastructure, the environment or have major health and social impacts.

Dumaresq Dam is a declared dam and works on that dam involved a number of technically complex challenges which Council, DPIE, and Andrew Bannink have helped identify and target as at potential risk for either safety or cost over-run.

During construction, the drilling of the post-tension anchor bore holes was identified as a major construction risk. Any minor deviation of the vertical direction of the bore required the bore to be grouted up and re-drilled to ensure the post-tension bars worked as per the design. Deviations can occur due to even minor changes in material in the wall and such a high risk, Council adopted an initial budget of \$363,648.4 with a Contingency \$359,590.4 of which we spent \$615,452.8 leading to this item alone to be \$255,862.4 over budget.

Additionally, due to the risk that these dams pose, they require the additional oversight of a third party reviewer with ultimate discretion to direct works to mitigate safety risks as they arise due to the design, construction or operation of the dam. Richard Rodd (of Richard Rodd & Associates Pty Ltd) has been appointed as the third party peer reviewer for the project.

A number of variations were also incurred through the direction of the third party peer reviewer as safety concerns or design omissions. For example, erosion protection slabs on the top side edges of the dam wall were included as part of the project at an additional cost of \$160,000.

It is important to note that variations directed by the third party peer reviewer can be compulsory compliance requirements to meet Dams Safety NSW requirements. Some of the variations directed by the third party peer reviewer, including the erosion protection slabs, have been compulsory.

ARC does face significant challenges in successful project management and to improve Council's track record of project delivery within scope, on time and within budget requires considerable focus on developing core project management resources and skills. The Dumaresq Dam Wall upgrade project is an exceptionally complex project with unique risk and cost implications. To tackle such projects in future requires a marked improvement in the capability of Council to manage projects and appropriate internal resourcing.

#### **4. Implications**

##### **4.1. Strategic and Policy Implications**

The Dumaresq Dam Safety Upgrade Project relates to:

- Council's Community Strategic Plan 2017-2027 category of "Environment and Infrastructure" and related community outcome of "The unique climate, landscape and environment of the region is protected, preserved and made accessible."
- Council's Delivery Program 2018-2022 item "Maintain and improve local waterways, lagoons and creek lands in partnership with community groups and other agencies."
- Council's Operational Plan 2021-22: asset management, budget management, environment and infrastructure.

##### **4.2. Risk**

Given the magnitude and complexity of this project, there continues to be project risk to be managed and monitored. Council receives monthly project status reports from the Construction Contractor. With approximately 25% of revised estimated project costs yet to be completed, Council continues to actively monitor and assess the risks. Council Officers will continue to provide further reporting to keep Council and the community informed in the interest of transparency and effective project management.

##### **4.3. Sustainability**

The Dumaresq Dam Safety Upgrade Project is designed to preserve one of Armidale's valuable recreational water sites, along with complying with NSW Dam Safety requirements.

#### 4.4. Financial

Budget Area:	Water						
Funding Source:	NSW Department of Planning, Industry & Environment (DPIE) (50% funding \$4.050m of total Project Cost \$8.1m)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
280216	Dumaresq Dam Upgrade	\$3,577,069	\$3,487,576	\$89,493	\$0	\$3,577,069	\$nil

The Dumaresq Dam Safety Upgrade Project is an \$8,100,000 project, 50% funded by the NSW State Government DPIE (Safe and Secure Program), with the remaining 50% funded by Council.

The Total Project budget of \$8,100,000 included a 13% contingency (\$1,057,000) to allow for potential variations and unexpected costs. This was thought prudent given the age of the asset and uncertainties in the complex drilling and tensioning process. Currently agreed variations and cost increases have resulted in the total project budget of \$8,100,000 being exceeded by an estimated \$1,273,772 (15.73%).

A review of the estimated project costs and updated contingency to complete the project has necessitated an increase in the Purchase order for Leed Engineering and Construction Pty Ltd of \$2,490,129.

It should be noted that the summary costs include the agreed variations only and is not an indication that no further variations could be incurred. A contingency for the remainder of the works has been incorporated to ensure the risk of over-run of the budget is minimised.

#### 5. Consultation and Communication

During Community consultation, the community favoured the retention of the dam as a recreational site. The community consultation did not include estimated costs or a preparedness to pay survey to inform residents.

#### 6. Conclusion

This report provides a status update to Council of the Dumaresq Dam Safety Upgrade Project up to December 2021, and notes that variations and cost increases have resulted in an estimated excess of \$1,273,776 above the total project budget of \$8,100,000.

To enable completion of the project with variations to date and expected costs to complete, Council is requested to approve an increase in the Purchase Order for the construction contractor, Leed Engineering and Construction Pty Ltd, by \$2,490,129 (excl. GST), from \$5,096,834 (excl. GST) to \$7,586,963 (excl. GST).

Project completion is scheduled for March 2022.



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<b>Item:</b>	<b>11.1</b>	<b>Ref: AINT/2022/01098</b>
<b>Title:</b>	<b>Aboriginal Cultural Centre and Keeping Place - Community responses to proposed funding sources for unbudgeted Council grant.</b>	
		<b>Container: ARC16/0025-6</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Darren Schaefer, Acting Chief Officer Corporate and Strategy</b>	
<b>Attachments:</b>	1. Community feedback to ACCKP funding post public exhibition	

### **1. Purpose**

To present the community feedback after a period of public exhibition on the decision to fund a grant to the value of \$39,600.00 to the Aboriginal Cultural Centre and Keeping Place (ACCKP).

### **2. OFFICERS' RECOMMENDATION:**

That Council:

- a) Consider the community feedback to award the ACCKP a grant of \$39,600.00.
- b) Award the ACCKP the grant of \$39,600.00 and funding from the following sources as recommended by council 24 November 2021:
  - \$33,000 Community Services
  - \$ 6,600 Economic Development: Airside Business Park Sales Revenue.

### **3. Background**

Council adopted a very responsible budget for the 2021-22 FY that recognised the significant financial challenges council was facing as well as the requirements mandated by the Office of Local Government under the Performance Improvement Order. As such, it involved making some tough decisions on the amount of support Council could provide its community with respect to its sponsorships and donations. The ACCKP was one of a number of organisations that was *not* approved to receive funding in the adopted budget of 2021-2022.

At the Ordinary Council Meeting on 27 October 2021, Council resolved to enter into a Memorandum of Understanding with ACCKP and seek to fund the sum of \$39,600 in grants to them in recognition of their contribution as a tourism attractions for the region.

Given Councils long standing relationship as a sponsor of the ACCKP, at the Ordinary Council Meeting 24 November 2021, Council resolved to fund the grant from the following budgeted sources:

- a. \$10,000 from budget to support assist with local Aboriginal family expenses when traveling outside the region (such as representative commitments, accessing health services, etc) per the recommendations made by the Aboriginal Advisory Committee to Council.
- b. The remaining \$29,600 to be taken from:
  - i. Economic Development - Revenue generated from Land Sales from Armidale Airside Business Park

- ii. Community Services – Alternative Aboriginal Development initiatives (NAIDOC) \$3,000
- iii. Community Services - Annual ARC Community Small Grants Programme. \$20,000

This resolution was placed on public exhibition for 28 days in accordance with the Section 356 of the *Local Government Act 1993*. The feedback from this public exhibition period is used to inform the decision to adopt the recommendation, 24 November 2021 to award the grant.

#### 4. Discussion

The Council resolution was placed on public exhibition for 28 days per section 356 of the *Local Government Act 1993*. The community feedback has been summarised in the table below with the individual responses included in the attachment to this report.

Sentiment	Responses	Relevant themes	Officer Comment
Unsupportive	1	Combine the facilities of the NERAM and ACCKP to operate out of the on building.	This is a long term view with a large capital expense. Presently unable to accommodate in this operational budget.
Supportive	1	Money could be donated to fund specific projects or works at the ACCKP, for example: <ul style="list-style-type: none"> <li>- some of these funds be used to professionally archive the artefacts in their collection</li> <li>- an acquittal to be produced demonstrating how the funds have been spent</li> </ul>	After consultation with staff at the ACCKP, the Council contribution must continue to go to the operational costs in order to maintain minimum service levels.
<b>Total Responses</b>	2		

Pending a Council resolution to award the grant, a draft Memorandum of Understanding will be produced and will require the presentation of an acquittal at the end of the financial year. The above suggestions will be discussed for inclusion as part of establishing an agreement as well as areas for promotion and acknowledgement of Councils contribution.

#### 5. Implications

##### 5.1. Strategic and Policy Implications

1. Armidale Regional Council Code of Meeting Practice  
 Clause 10.9

*“A motion or an amendment to a motion which if passed would require the expenditure of funds on works and/or services other than those already provided for in the council’s current adopted operational plan must identify the source of funding for the expenditure that is the subject of the motion. If the motion does not identify a funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the motion if adopted”*

2. Local Government Act 1993 Section 356 – Required Public Exhibition of unbudgeted Council grants for a period of 28 days.
3. Compliance with Performance Improvement Order issued by the Minister of Local Government issued 9 December 2020

## 5.2. Risk

**Social Risk** – By not contributing to the ACCKP, it brings with it a concern that ARC do not prioritise Aboriginal culture and place in our community. There is a risk that the running costs of the ACCKP will impact their operations and service delivery. Alternatively, not fulfilling planned new economic stimulus initiatives can impact the ability to fulfil desires of social cohesion for the broader community post Covid-19 pandemic.

**Economic Risk** – There is a trade off of economic stimulus brought about by other Tourism and Economic stimulus initiatives and the comparative stimulus provided by the ACCKP. Noting that the proposed Council contribution to the ACCKP is a contribution to running costs.

**Reputational Risk** – The tension between social and economic risks outlined above presents a high likelihood that there will be damage Council reputation in some circles - no matter the outcome.

**Operational Risk** – Timeframes for realising some of the initiatives of the 2021-2022 Operational Plan will be rolled over to the following year should funding for the ACCKP be approved.

**Financial Risk** - Fulfilling community expectations must be balanced with councils existing reputation for poor financial management and the current restrictions under the Performance Improvement Order. While this exercise is seen as a cost neutral, the financial risks are such that there will not be enough money to execute the adopted 2021-2022 Operational Plan.

## 5.3. Sustainability

Given that this is a reallocation of funds, the financial sustainability of the Council will remain unaffected as this is intended to be cost neutral.

- It is noted that running cost for the ACCKP will be impacted and this could have a flow on effect to the service levels as the business seeks to operate in the absence of a sponsorship from Council.
- There is no impact on environmental sustainability.

#### 5.4. Financial

Budget Area:	Corporate Governance & Strategy						
Funding Source:	Economic Development & Community Services						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
Economic Development	<b>Sale of Council property</b> - Land Sales from Armidale Airside Business Park. Revenue held in reserve for completion of Stage 1 and commencement of Stage 2						
Community Services – Aboriginal Development	Budget allocated to support Aboriginal travel outside the region per recommendations of Aboriginal Advisory Committee to Council.	\$10,000	\$10,000	\$10,000	<b>\$10,000</b>	\$10,000	\$0
Community Services – NAIDOC Week	Events: Day in the Dale and Guyra Family Fun Day	\$3,000	\$3,000	\$3,000	<b>\$3,000</b>	\$3,000	\$0
Community Services – Community Assistance Grants	Annual Grant Programme	\$20,000	\$20,000	\$20,000	<b>\$20,000</b>	\$20,000	\$0

#### 6. Consultation and Communication

The Council decision to fund the grant on 24 November 2021 was placed on public exhibition for 28 days in accordance with the Section 356 of the *Local Government Act 1993*. This received a total of two community responses as summarised above.

#### 7. Conclusion

Managing community expectations against prudent financial management is difficult. It is recommended that the elected members consider the community feedback and arrive at a decision that they feel is in the best interest of the community.

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<b>Item:</b>	<b>11.2</b>	<b>Ref: AINT/2022/01460</b>
<b>Title:</b>	<b>Community Plan - Key Pillar Working Groups Container: ARC16/0025-6</b>	
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>James Roncon, General Manager</b>	
<b>Attachments:</b>	1. Draft Terms of Reference for KPWG 2. Report - Review of Council Committees - Results of Public Exhibition 3. Action Sheet - Review of Council Committees - Results of Public Exhibition 4. ARC Council Committee Review - Report Final 5. Report - Council Committees - Review	

### **1. Purpose**

This report seeks to implement an alternative structure to Council Committees with the introduction of 'Community Plan - Key Pillar Working Groups'. These groups will include Councillors and community groups that will resolve to improve community engagement and involvement in decision making along with the ability to influence the policy direction in a more "relaxed" environment.

### **2. OFFICERS' RECOMMENDATION:**

That Council:

- a. That Council pilots 'Community Plan – Key Pillar Working Groups' for a period of 18 months with formal progress to be reported to Council on a six monthly cycle in line with the Community Plan reporting requirements.
- b. Council seek to establish a 'Community Plan Roundtable' to meet quarterly and be the reporting line for the Key Pillar Working Groups, with invitations to be extended to other community groups to be part of the Roundtable process.
- c. The Mayor and General Manager liaise with individual Councillors to establish specific Councillor interest in KPWG membership and a report be presented to the February 2022 Ordinary Meeting of Council confirming such.

### **3. Background**

As part of the Induction Manual made available to Councillors following the declaration of the Poll, reference was made in that document to the Committee structure operated by Armidale Regional Council (ARC) and it was flagged that an alternate model would be presented to Council for consideration at the 27 January 2022 Ordinary Council meeting (OCM).

In trying to establish the desired outcomes of a committee structure that maximises opportunity, discussions have been held over time with a number of the returning Councillors, and the new Councillors via the Councillor and General Manager catch ups, to float the ideas around improving the process and improved stakeholder outcomes.

Those discussions have broadly confirmed that the desired outcomes of all fundamentally support ideals around increased community engagement and involvement in decision making, an ability to influence the policy direction and a more “relaxed” environment in which this can occur. Ultimately the key objective is about improved alignment and outcomes with the objectives of the Community Plan.

#### **4. Discussion**

Section 355(b) of the *Local Government Act 1993* provides for Councils to exercise their functions through the establishment of Committees. These committees when established are bound by the same rules and provisions that apply to Council itself including the adherence to the code of conduct, code of meeting practice, disclosures of interest etc.

Within the ARC framework, committees such as Economic Development, Environmental Sustainability, Community Well-Being and so on, have operated with limited success. While I am sure there may be a range of reasons for this, ultimately meaningful outcomes since 2017 have been limited. In part this is likely due to ARCs inability to appropriately resource the committees; it is also likely that competing interests and a lack of meeting structure have impeded positive outcomes.

It is proposed that Council consider an alternative to the committee structure and pilot a ‘Community Plan – Key Pillar Working Groups’ (KPWG) model for a period of 18 months through to the end of June, 2023. Strong oversight of the proposed model through the General Manager’s Office will ensure that quality community and Council outcomes can be achieved.

The essence of some of the benefits that can be derived and can be the goals for the KPWG arrangements, are as follows:

1. Enhancing the former committee structure to provide improved community outcomes.
2. Establish a Community Roundtable that meets quarterly, Chaired by the Mayor that has representation from the KPWG and other stakeholder groups from across the region. The other stakeholder groups attending would also be invited to provide reporting on their activities.
3. The starting point for the terms of reference for each KPWG should be the Community Plan objectives (CP).
4. Two Councillors are appointed to each KPWG along with one Executive Leadership Team (ELT) member and administrative support.
5. Council members and staff share the work load at KPWG level.
6. The KPWG can engage as required with interested community groups and draw in any required expertise.
7. Bring in the subject matter experts “one off”.
8. The KPWG will give Council a “Board” like feel where the objectives of stakeholders have the “Boards Attention”.
9. Better align with the CP objectives.
10. Seek to enhance the relationship/s with the Community.
11. Seek to bring in additional interest groups, e.g. a Youth Council to be part of the Community Roundtable.

12. Focus on one CP objective per quarter and engage interest groups / community on the issue.
13. One or two meetings per quarter plus a community engagement session.
14. Each KPWG Chair would represent their group at the Community Roundtable.
15. The KPWG approach would provide Councillors and staff the opportunity to be involved in policy development from the grass roots level.
16. The workloads of the KPWG be shared between all members as per the terms of reference.

The approach being mooted is a very different and unique approach that will require goodwill and time to bed down from all of those involved. The process that is being suggested is designed to be agile and allow all of the participants to bring their own style to the working group level without the need for the formalities and protocols that govern usual meeting structures.

Naturally as we move forward in the decision making process, to Roundtable for endorsement and then on to Council for adoption, meeting formalities and protocols would resume, but at the grass roots level of working through the CP objectives and engaging with the community, these processes can be more relaxed.

If amenable to the idea of piloting the KPWG, the next steps in this process will be for the KPWG Councillors and the ELT members to meet with the General Manager so we can work through the next steps of bringing this initiative to life.

## **5. Implications**

### **5.1. Strategic and Policy Implications**

A fresh new approach will provide Council the opportunity to enhance its engagement with the ARC community and appropriately seek to address the new Community Plan. All too often many objectives of the CP are not actioned; the KPWG will provide the opportunity for this to be remedied, subject to the commitment demonstrated by the KPWGs.

### **5.2. Risk**

Council must comply with its responsibilities to engage with the local community under the *Local Government Act 1993*. Implementation of the pilot KPWG will ensure ongoing compliance with the Act.

### **5.3. Sustainability**

The implication of the Partnership Panel model will continue to enhance environmental, social and economic sustainability by engaging and partnering with the local community in developing new initiatives and gaining community support and action in implementing them.

### **5.4. Financial**

Effective engagement does require adequate resourcing. Currently the organisation does not have sufficient resources to comprehensively implement any form of system, however this should not preclude a change of thinking and planning to enable the launch of the KPWGs in the new council term.

**6. Consultation and Communication**

The engagement model used in the delivery of this project is outlined above.

**7. Conclusion**

The KPWG proposal proposes a new model of engagement that seeks to build a genuine and productive partnership with the local community. It is recommended that the KPWG be piloted through to September 2023, in line with that above.



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<b>Item:</b>	<b>12.1</b>	<b>Ref: AINT/2021/45473</b>
<b>Title:</b>	<b>Traffic Advisory Committee - Minutes of the meeting held 7 December 2022</b>	<b>Container: ARC16/0168-6</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Belinda Ackling, Personal Assistant</b>	
<b>Attachments:</b>	1. Minutes - Traffic Advisory Committee - 07 December 2021 2. Agenda - Traffic Advisory Committee - 07 December 2021	

### **1. OFFICERS RECOMMENDATION:**

That:

- a) Council note that the Traffic Advisory Committee endorsed the temporary road closure of Canambe Street between Dumaresq and Kirkwood Street for the 21, 22 & 23 January 2022, for the Annual Armidale Camp draft.
  
- b) Council note the Traffic Advisory Committee endorsement of the temporary road closure of Tingcombe Lane from 8am until 5pm, 26 January 2022, for Australia Day Celebrations in Central Park.

### **2. Purpose**

The Local Traffic Committee (LTC) has no decision-making powers and is primarily a technical review committee. It only advises the Council on matters for which the Council has delegated authority, being certain prescribed traffic control devices and traffic control facilities.

The Council must refer all traffic related matters to the LTC prior to exercising its delegated functions. Matters related to State Roads or functions that have not been delegated to the elected Council must be referred directly to Roads and Maritime Services or relevant organisation. Such matters must not be referred to the LTC.

Council is not bound by the advice given by its LTC. However if Council does wish to act contrary to the unanimous advice of the LTC or when the advice is not unanimous, it must notify Roads and Maritime Services & the NSW Police and wait 14 days before proceeding.

### **3. Report**

This report is to provide Council with the minutes and action list of the Local Traffic Committee meeting held on Tuesday, 7 December 2021 which details recommendations to Council for consideration and adoptions.

No Council meeting was held in December and the minutes from the LTC were not able to be received and endorsed by Council due to the Local Government Elections. As a result, the recommendations and actions of the LTC meeting held 7 December 2021 were permitted on the basis that they are annual community events that occur without community concerns.

#### 4. Strategic Direction

<b>Key Direction</b>	P.2 E.4	Our People & Community Environment & Infrastructure
<b>Objective</b>	Our Goals	Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.
<b>Strategy</b>	P2.1	Deliver and support local programs and events which meet the social and cultural needs of the community.

#### 5. Relevant Legislation

- *Roads Act 1993*
- *Road Transport (Safety and Traffic Management) Regulations 1999*
- *Road Rules 2008*, and
- *A guide to the delegation to Council for the Traffic (Guidelines)*

#### 6. Financial Implications

Financial Implications for any recommendations to Council will be detailed in the LTC reports, if relevant.