



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 23 February 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

AGENDA

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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/2022/02380

Title: Confirmation of the Minutes of the Ordinary Council Meeting held on 27 January 2022 **Container:** ARC16/0001-7

Responsible Officer: General Manager

Author: Melissa Hault, Executive Officer

Attachments: 1. Draft Minutes - 27 January 2022

RECOMMENDATION:

That the Minutes of the Ordinary Council meeting held on 27 January 2022 be taken as read and accepted as a true record of the Meeting.

Item:	8.1	Ref: AINT/2022/01485
Title:	Appointment of council nominated members for the Regional Planning Panel	Container: ARC16/0025-6
Responsible Officer	Chief Officer Sustainable Development	
Author:	Daniel Boyce, Chief Officer Sustainable Development	
Attachments:	Nil	

1. Purpose

The purpose of this report is for Council to nominate two members and two alternate members for the Regional Planning Panel.

2. OFFICERS' RECOMMENDATION:

- a) That Council nominate the Mayor and Deputy Mayor as its two representatives to the Regional Planning Panel.
- b) That Council nominate two alternate members to the Regional Planning Panel.

3. Background

Planning Panels are independent bodies that were introduced in NSW on 1 July 2009 to strengthen decision making on regionally significant development applications and certain other planning matters.

- Regional development, as outlined in Schedule 7 of the *State Environmental Planning Policy (State and Regional Development) 2011*
- development with a capital investment value (CIV) over \$30 million
- development with a CIV over \$5 million which is council related.

The Regional Planning Panel consists of five members, with three of the members, including the chair, appointed by the Minister (State members) and two members nominated by the relevant council (council members). Property developers and real estate agents are not eligible to be members of a Panel.

The standard term for nominated members is three years unless otherwise advised by council.

4. Discussion

Regional Planning Panel Operational Procedures state that two council members are appointed by each council.

At least one council member must have expertise in one or more of the following areas: planning, architecture, heritage, the environment, urban design, land economics, traffic and transport, law, engineering or tourism.

Council must indicate which member is an expert and in which field.

It is also recommended that Council nominate two alternate members for the panel in the instance their delegated permanent representatives are not available and these details should also be supplied.

5. Implications

5.1. Strategic and Policy Implications

There are no known policy implications arising from the matters addressed in this Report.

5.2. Risk

There are no known legal and/or risk implications directly arising from the matters addressed in this Report. Council should ensure compliance Regional Planning Panel Operational Procedures.

5.3. Sustainability

There are no known sustainability implications directly arising from the matters addressed in this Report.

5.4. Financial

Councils determine the fees they pay their Panel members. The Minister has provided guidance to all councils on appropriate rates of remuneration for travel and subsistence allowances for their members. Each council is responsible for making any payments to its Panel members when they attend Planning Panel meetings.

6. Consultation and Communication

Relevant legislation and Regional Planning Panel Operational Procedures will determine consultation requirements for specific matters.

Council nominated panel members will be included on the NSW Government website that provides information about planning panel boundaries and members.

7. Conclusion

This report recommends that Council nominate two members and two alternate members for the Regional Planning Panel. At least one council member must have expertise in one or more of the following areas: planning, architecture, heritage, the environment, urban design, land economics, traffic and transport, law, engineering or tourism.

Item:	8.2	Ref: AINT/2022/03364
Title:	Integrated Planning and Reporting - Delivery Program 2018-2022 and Operational Plan 2021-2022 Progress Report - July to December 2021 Container: ARC20/4344	
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Renata Davis, Principal Advisor - Corporate Planning	
Attachments:	1. Operational Plan 2021-2022 - 6 monthly Reporting - July-December Data FINAL	

1. Purpose

The purpose of this report is to provide Council, the community and other stakeholders with an update as to the progress of the delivery of Council's Operational Plan and Delivery Program.

The attached document is a progress report based on the strategies of the Delivery Program 2018-2022 and the activities of the Operational Plan 2021-2022 for the July – December 2021 period.

This report is the first Integrated Planning and Reporting progress report for the 2021-2022 Financial Year.

2. OFFICERS' RECOMMENDATION:

That Council note the Delivery Program 2018-2022 and Operational Plan 2021-2022 Progress Report for the period July – December 2021.

3. Background

This Report informs Council and the Community about the progress of Council's Operational Plan actions and how these actions work towards delivering the principal activities outlined in the Delivery Program, and ultimately, the goals of the Community Strategic Plan, as part of the Integrated Planning and Reporting Framework.

This reporting is a requirement of the s404(5) *Local Government Act 1993*, which states that:

The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months.

4. Discussion

Each of Council's relevant business areas have completed a progress report, based on the six months to December 2021, of the strategic and operational tasks and key performance indicators adopted in the Operational Plan 2021-2022. **This progress report is attached.**

5. Implications

5.1. Strategic and Policy Implications

This report relates to:

- L4 of the Community Strategic Plan – Council has the strategic capacity to understand the key issues for the region both now and in the future.

- L4.2 of the Delivery Program – Council’s strategic planning documents are integrated in a way which delivers community outcomes while effectively managing budgets, asset management and workforce planning.

The Delivery Program 2018-2022 expires 30 June, 2022. Armidale Regional Council is currently developing the Community Plan 2022-2032, and the associated Integrated Planning and Reporting documents including the new Delivery Program and supporting Resourcing Strategy. The Delivery Program 2022-2025 will include the opportunity to implement improvements such as greater integration with the Resourcing Strategy and alignment of organisational priorities.

The fundamental challenge of the current plan is the misalignment of required outcomes and resourcing to achieve those outcomes, both human and financial. The upcoming document needs to be a realistic representation of the organisations capability and capacity to achieve, and with that, a clear strategic direction that is unwavering and not open to ad hoc change.

5.2. Risk

This reporting is a legislative requirement as per s404(5) *Local Government Act 1993*.

The Progress Report also assists in identifying and mitigating risks of projects including project delays, resource issues or regulation and compliance.

5.3. Sustainability

The Operational Plan supports financial and corporate sustainability by providing an annual works plan for the organisation, which supports the medium and long-term planning of the Delivery Program and Community Strategic Plan.

The Operational Plan also contains a number of actions and initiatives based on improved environmental sustainability to be delivered during the 2021-2022 Financial Year.

5.4. Financial

Budget Area:	All budget areas						
Funding Source:	All sources of funding						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The budget status of each Operational Plan action is reported in the attached summary. Any funding shifts will be assessed and adjusted through the Quarterly Budget Reviews.

6. Consultation and Communication

The Operational Plan 2021-2022 was placed on public exhibition during May 2021, and a report on community feedback was reported to Council at the Ordinary Council Meeting of 29 June 2021.

7. Conclusion

This is the first progress report for the 2021-2022 Operational Plan. The next Report will be presented to Council in August 2022.

Item:	8.3	Ref: AINT/2022/03431
Title:	Community Engagement Strategy - For Adoption (Post public exhibition)	Container: ARC18/2591
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Joanna Harrison, Principal Advisor Communications	
Attachments:	1. Draft Community Engagement Strategy Submissions 6-1-22 2. ARC Community Engagement Strategy 2021-24 FINAL	

1. Purpose

The purpose of this report is to present the submissions received following a 42 day public exhibition period from Friday 26 November 2021 to Thursday 6 January 2022 of the draft Community Engagement Strategy and seek adoption of the final document.

2. OFFICERS' RECOMMENDATION:

That Council

- a. Receive and note the submissions contained in the report on the draft Community Engagement Strategy
- b. Adopt the draft Community Engagement Strategy, including the amendments made following the review by council staff of the feedback contained in the submissions

3. Background

Councils in NSW are required to have a Community Engagement Strategy for how they will engage the community in creating and reviewing the Community Strategic Plan (CSP). The strategy must be based on social justice principles, identifying relevant stakeholder groups in the community, outline the methods that the council will use to engage each of these groups and allow sufficient time to effectively undertake the engagement.

Even though it is a statutory requirement for a Community Engagement Strategy to be created when developing a council's CSP this strategy seeks to broaden that scope to cover all of council's engagement activities when developing and delivering projects and initiatives.

The draft Community Engagement Strategy was placed on public exhibition and three submission were received from the public during this period. A final submission was received after the public exhibition period closed and a decision was made in the best interest of open and transparent engagement to include the late submission.

4. Discussion

Community engagement is built on openness, transparency, trust and respect. Council recognises the right of the community to be informed and have input in decisions and values effective engagement in developing a positive relationship with its community. A positive relationship will lead to better decision making.

Council seeks to listen to the views, aspirations, issues and needs of the community and balance these with other influences, such as budgetary and legislative constraints to make informed decisions.

<p>Item 6. Empower</p> <p>Item 7. Table cut-off</p> <p>Item 13. Regional participation</p>	<p>has been removed. This will be captured within the initiative called Community Plan – Key Pillar Working Groups proposal presented at the 27 January council meeting.</p> <p>The IAP2 Public Participation Spectrum is a methodology of engagement used in many industries including local government. As mentioned in the document above the IAP2 Public Participation Spectrum table on page 13 there is a reference to the engagement activities conducted at the Empower Level being limited to the council (The governing body).</p> <p>Table graphic on page 13 has been fixed. Now reads participatory decision making.</p> <p>Membership on Council Committees and regional participation will be captured within the initiative called Community Plan – Key Pillar Working Groups proposal presented at the 27 January council meeting.</p>
<p><i>Submission 2</i> Jillian Boyd</p>	<p>This submission ‘fully supports the principles underpinning the strategy and is badly needed given the loss of trust and suspicion generated in our community since the forced amalgamation that created the ARC.’</p> <p>Suggestions for future consultations by council include:</p> <ul style="list-style-type: none"> • Having a drop-in shop in the central mall and • At every opportunity council needs to show the budget pie diagram
<p><i>Submission 3</i> Annette Kilarr</p> <p>Item 1. Statutory Roles and Responsibilities of Councillors</p> <p>Item 2. The ‘triple bottom line’ should read ‘quadruple bottom line’</p> <p>Item 3. Council’s paid membership of Climate Emergency Australia in Association with Northern Alliance for Greenhouse action.</p>	<p>On page 7 – Statutory Roles and Responsibilities of Councillors. A link to Section 223(1) of the Local Government Act has been added.</p> <p><i>On page 7. – The ‘triple bottom line’ should read ‘quadruple bottom line’ and incorporate a statement about the overarching principle of climate change risk being addressed.</i></p> <p>The Draft Community Engagement Strategy seeks to outline the methodology council will adopt when preparing to engage with the community. It does not address themes or initiatives important to the community such as environmental sustainability including climate change, these are captured within the Community Plan. It will however assist council to engage with the community on projects and initiatives born from themes in the Community Plan and actions developed within the IP&R framework.</p> <p>The existence of the guide has been noted and sent to the council’s governance team for consideration in preparing Council Plans.</p>

<p>Item 4. What has happened to Pre-Meetings for Ordinary Council Meetings, understanding of Council Business papers, contribution to ‘Have Your Say’ and attendance at Ordinary Council meetings?</p>	<p>Procedures related to the coordination of council meetings are captured within the Council’s Code of Meeting Practice available on the council website. https://www.armidaleregional.nsw.gov.au/council/council-governance/council-policies</p>
<p>Item 5. Register of community organisations and links on ARC website.</p>	<p>A stakeholder group matrix is being developed in the Council’s Community Engagement Guide and Toolkit which is currently under development. Council does however have a community directory on its website where community groups can upload their details. This has been poorly subscribed in the past and council is actively updating when resourcing permits.</p>
<p>Item 6. Register of all up-to-date council policies, strategies, frameworks and toolkits.</p>	<p>Late last year council completed a large body of work updating policies and implementing a new Policy Register located on the council website. https://www.armidaleregional.nsw.gov.au/council/council-governance/council-policies</p>
<p>Item 7. Review of Council Committees – This is an important one with respect to transparency and correct procedure.</p>	<p>On page 12 the area of focus – Review of Advisory Committees has been removed and will be captured within the initiative called Community Plan – Key Pillar Working Groups proposal presented at the 27 January council meeting.</p>
<p><i>Submission 4</i> Jim Scott, President, Visions for Armidale Creeklands Inc.</p>	<p>The submission indicated an overall support for the draft Community Engagement Strategy, however the group wanted to emphasise the not so positive experiences they have had with some of its interactions with council, particularly during the last four years and after the consultation on the Draft 2017 Armidale Creeklands Masterplan.</p>

5. Implications

5.1. Strategic and Policy Implications

Community Strategic Plan 2017-2027

- Leadership for the Region Community Outcome 1 – The community is engaged and has access to local representation supporting strategies.

5.2. Risk

The quality and standard of community consultation has a strong influence on open, transparent and democratic decision making. Should Council not conduct engagement in a way that is of a high standard and in line with the methodology outlined in this strategy, there is a risk that a loss of trust will occur between the community and the governing body leaving the council’s reputation to suffer as a result.

5.3. Sustainability

Nil

5.4. Financial

Much of the financial impacts centre on staff resourcing, although there are costs associated depending on the levels of engagement required. Most of the day-to-day community engagement will be funded from the individual project budgets, or in the case of utilities, from the water and sewer funds. The collective dollar amount allocated across the organisation to all projects is dependent on project complexity and is difficult to ascertain.

With respect to resourcing, the Communications team will generally assist Managers with the construction of individual engagement plans for all projects with the direction of the Community Engagement Guide and Toolkit.

If engagement is organisation wide in nature, this may either be funded by the Communications department or by an allocated organisation project delivery budget.

More generally, as communication forms one part of engagement (i.e. inform), a case could be made that the entire Communications budget is dedicated to Council engagement. In the 2021-2022 budget there is \$623,791 allocated to Communications including all salaries, advertising, postage and materials and promotion and publicity.

As this strategy seeks to significantly improve the way Council engages with the community a review of current communications resourcing is required to meet increased emphasis and priority that Councillors and the Executive Leadership Team are placing on engagement across all of council's operations.

It should be noted that there are four other stages of engagement as outlined in the Engagement Policy – consult, involve, collaborate and empower (see IAP2 Framework in policy). These stages are all dependent on project complexity and will be resourced on a case by case basis.

Budget Area:	Communications						
Funding Source:	Communications						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
	Communications	\$623,791	\$251,646	\$8,418	-	\$260,064	\$363,727

6. Consultation and Communication

If Council resolves to adopt The Draft Community Engagement Strategy 2021-2024 this will be communicated to the community and placed on the council website.

7. Conclusion

Better planning, execution and management of Council's engagement activities are critical to meeting the community's objectives as well as building trust and improving Council's reputation in the community.

A Community Engagement Strategy combined with a broader understanding of the IAP2 frameworks listed within, will allow council staff to have an understanding of engagement requirements and how effective management of the process can better inform decision making.

The Draft Community Engagement Strategy 2021-2024 follows the successful adoption by Council of the Engagement Policy in September 2021 and is included in Council's Community Engagement Framework. The final step in this framework is the development of a detailed Community Engagement Guide and associated Toolkit for operational use.

Item:	8.4	Ref: AINT/2022/02381
Title:	Council Actions Report January 2022	Container: ARC16/0001-7
Responsible Officer	General Manager	
Author:	Jessica Bower, Executive Officer	
Attachments:	1. Action Items Report 15 Feb 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 be reported to Council once and then removed from subsequent reports.

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.

Item:	8.5	Ref: AINT/2022/06302
Title:	Public Exhibiton of Civic and Ceremonial Function and Representation Policy	Container: ARC16/0025-6
Responsible Officer	General Manager	
Author:	Melissa Hault, Executive Officer	
Attachments:	1. Draft Civic and Ceremonial Functions and Representation Policy	

1. Purpose

The purpose of this report is to present the draft Civic and Ceremonial Functions and Representation Policy to Council for endorsement and subsequently place on exhibition for public comment.

2. OFFICERS' RECOMMENDATION:

That Council endorse the draft Civic and Ceremonial Functions and Representation Policy, and place it on public exhibition for comment for a period of 28 days.

3. Background

Civic and ceremonial functions and events foster positive relationships between the community and Council, connect the community in celebration, recognise and celebrate individual and community achievements, and promote community pride and spirit.

4. Discussion

This policy has been created to ensure there is a clear understanding of the role of the Mayor and elected representatives at functions and events as well as at external events being held within the Armidale Regional Council Local Government area where representation from Council is requested.

Continuous formalisation, review and enhancements of policies shapes Council towards best practice in terms of compliance and connection to the community.

5. Implications

5.1. Strategic and Policy Implications

This report contributes to the delivery the Community Strategic Plan objective: Leadership for the Region Community Outcome 1– being that Council will develop and deliver an engagement strategy to ensure effective engagement with the community and provide opportunities for participation in decision making where appropriate.

Other relevant polices are:

- Community Engagement Policy
- Councillor and Staff Interaction Policy
- Mayoral Robe and Chain Policy
- Media Policy

- Model Code of Conduct Policy.

5.2. Risk

There are no significant risk implications.

5.3. Sustainability

There are no sustainability implications.

5.4. Financial

Nil.

Budget Area:							
Funding Source:							
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget

6. Consultation and Communication

It is timely that the new Civic and Ceremonial Functions and Representation Policy be adopted by the new Council to ensure clarity and understanding of Council's role within civic and ceremonial functions.

7. Conclusion

The public exhibition of this policy will invite the community for their input. Once the exhibition period is completed a further report will be submitted to Council for consideration of any submissions received and its adoption.

Item:	9.1	Ref: AINT/2021/29232
Title:	New England Rail Trail Community Engagement ARC16/0085	Container:
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Katrina George, Acting Principal Advisor Tourism and Events	
Attachments:	1. New England Rail Trail Community Engagement Report	

1. Purpose

In February 2021, Council resolved to apply for funding to construct the New England Rail Trail within its Local Government Area - a 67.5 km section of trail from Armidale to Ben Lomond.

Armidale Regional Council has facilitated targeted community engagement sessions in regards to the potential development of the New England Rail Trail, and what it would mean for a variety of special interest groups. This report presents an executive summary of the feedback, including the more common and shared concerns and how they will be addressed prior, during and post construction of the New England Rail Trail. The New England Rail Trail Community Engagement report is included as an attachment.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. note the Community Engagement Report.
- b. note the key concerns raised during the community engagement sessions.
- c. provide due consideration to concerns raised by landholders prior and during construction of the New England Rail Trail.

3. Background

In February 2021, Council resolved to apply for funding to construct the New England Rail Trail within its Local Government Area - a 67.5 km section of trail from Armidale to Ben Lomond. If successfully funded, it will join the section of trail between Ben Lomond and Glen Innes that is the soon to be built, as this section of trail received funding from the Bushfire Local Emergency Recovery (BLER) fund.

Armidale Regional Councils enthusiasm for its section of project is reflected in our Council decision at the Ordinary Council meeting 28 October 2020. Upon review of the business case that was prepared by Regional Development Australia Northern Inland (RDANI) for 103km of trail between Armidale and Glen Innes, Council resolved to *'delegate the General Manager authority to seek funding jointly, or separately between the two councils'*. This direction was reinforced again on February 2021 where Council resolved to make an application to the Federal Governments Building Better Region Fund (BBRF-R5) and again in September 2021 from the Federal Governments Black Summer Bush Fire Fund (BSBF). Most recently, an application was made for the BBRF-R6, for the section of trail between Armidale and Black Mountain.

With the resolutions from Council to proceed to apply for funding and the possibility of the project materialising, Armidale Regional Council undertook a program of targeted community engagements sessions. This involved targeting special interest groups, such as:

- Aboriginal community members and organisations

- Land holders on adjoining properties in Guyra, Armidale, Ben Lomond, Black Mountain
- Community members via markets in the mall, and through the online 'your say' portal on Armidale Regional Councils website.

This engagement helped to bolster the original program of community consultation that was undertaken by the New England Rail Trail committee (NERT) in 2016 with adjoining landholders from Ben Lomond to Black Mountain.

Further, in March 2021, Glen Innes Severn Council (GISC) also ran a parallel period of consultation in their LGA with adjoining Land Holders from Ben Lomond to Glen Innes, as well as an online survey that was distributed via social media (Facebook).

The following report provides an analysis of the community consultation that has been undertaken by Armidale Regional Council in July and October 2021 in Guyra, Ben Lomond and Armidale.

4. Discussion

Armidale Regional Council commenced a program of Community Engagement to identify the key concerns, questions and issues regarding the proposed Armidale – Ben Lomond section of the New England Rail Trail.

This process of community engagement also provided Armidale Regional Council with the opportunity to inform the community on several aspects of the project, as well as to educate and share perspectives on some frequently raised issues regarding rail trails.

Armidale Regional Council identified the following key stakeholders who were to be included in the targeted Community Engagement process. These were as follows:

- Land holders along the rail corridor between Armidale and Ben Lomond
- Federal, State and Local Government Representatives
- Local Aboriginal Groups
- Tourism and Hospitality Businesses
- National Parks and Wildlife Service
- Train enthusiasts
- Armidale regional community

4.1 Community Engagement Actions

The Community Engagement plan was developed around a multi-faceted approach which included the following methods; Direct Mail, Face to Face engagement, an online feedback portal and pop-up stalls in the PCYC Markets in the Mall. A summary of the Community Engagement Sessions that were conducted is listed below, with full details available in the New England Rail Trail Community Engagement Report.

- 7 July 2021 376 Land holder Community Engagement letters and information packs posted
- 21 July 2021 'Busting the Myths' hosted by New England Visions 2030
- 25 July 2021 Armidale Markets in the Mall hosted by Armidale Regional Council
- 26 July 2021 Aboriginal Community Engagement hosted by Armidale Regional Council
- 28 July 2021 Land Holder Information Session hosted by ARC in Guyra

- 28 July 2021 Land Holder Information Session hosted by ARC in Armidale
- 4 August 2021 Land Holder Information Session hosted by ARC in Ben Lomond
- 19 October 2021 Land Holder Information Session hosted by ARC in Black Mountain
- Armidale Regional Council website 'your say' portal
- Armidale Regional Council Social Media

The vast majority of respondents were supportive of the Rail Trail initiative, many citing the tourism benefits and boosts to the local economy as the reasons for moving the project ahead. However, there continues to be some opposition and/or concerns with the trail and the issues are summarised below:

4.2 Frequently Raised Issues

Biosecurity & Animal Welfare

Issue	Response
Weed Spraying	Systems will need to be established for timely communication between land holders and both councils, as to chemicals sprayed and associated holding times. Farmers will be responsible for managing weeds on their leased land.
Dogs on the trail	Land holders expressed concern regarding dog contact with stock. Signage must be erected advising dogs are to remain on leash at all times.
Trespassing onto private property	No trespass signage installed at entry points to trail. Rail trail conditions of use to be posted at entry points to the trail.
Public trespass onto my property and are injured	This would be dealt with as per any property access or trespass manner, or public injury claim. No Trespass signage will be installed along the trail and in the conditions of use.
Motor Vehicles (Bikes and Cars) on the trail	No motorbikes or cars are permitted on the trail, with the exception of authorised maintenance and emergency service vehicles. It was noted that members of the community with e-bikes would be permitted.
Wildlife on trail a safety risk to trail users	Consideration will be given to entry and exit points for wildlife along the trail.

Liability

Issue	Response
Tree falls over fences, whose responsibility is it?	This is treated the same as if a tree falls over any boundary fence. It is the responsibility of the land owner to remove the tree and repair the fence.
Farm animals grazing corridor enter the rail trail through damage fencing or open gates.	This is treated the same as if animals were to get out on any public road or property.

Legislation and Ownership

Issue	Response
Potential private sale of the rail corridor if it is converted into Crown Lands	If the rail corridor is converted to Crown Lands it is still owned by State Government. A caveat can be included to stipulate the land cannot be sold.
If the corridor is converted to Crown lands it cannot be re-instated as a transport route	The rail trail will preserve the existence of the rail corridor and the State Government can resume management of this, re-instating the rail line as operational should it present as viable to do so.
Grazing leases	Land holders will be able to continue grazing along the rail corridor either side of the 6m wide rail trail fenced area.

Construction

Issue	Response
Equipment and machinery accessing private property during construction	On-going communications and consultations with land holders prior and during construction will occur
Disruption to farming business during construction	On-going communications and consultations with land holders prior and during construction will occur
Why can't the trail be constructed alongside the existing rail line?	The gradient and topography of the line is what makes rail trails appealing to leisure riders the world over. It creates demand. It is seen as cost prohibitive to achieve the same standard of trail due to the having to negotiate swamps, gullies, cuttings, creeks, hills etc.
During construction will leased land be available for grazing	Communications with farmers during construction.
Fencing materials and height of fences	This will vary along the trail according to requirements, however mostly it will comparable to a standard boundary fence height. Barbed wire is unlikely to be used to ensure rider safety.
Emergency Vehicle Access	Trail is 6m wide and emergency vehicles will be able to access the trails at any of the commencement points.
Privacy for residents	Privacy tree planting to be considered for affected residents
What happens at Road Crossings	Signage installed, riders to disembark and there will be chicane style gates.

Trains Returning – “Rails not Trails”

Issue	Response
A heritage train would bring more passengers	A business case for operating a heritage train on the existing (operational) line between Armidale and Tamworth would be seen as a more viable option.
Re-instate passenger trains	This State Government have completed feasibility studies on the Great Northern Railway and selected routes to the east (coast) and

Issue	Response
	west (Inland Rail) of the great dividing range. The Inland Rail is a heavily funded program of works by the State and they have no plans to re-open the line on top of the mountain.
Trains to move freight	The New England region doesn't produce enough goods suitable for rail freight.
Existing road can be used for bike riding, they are quiet enough.	Rail Trails provide safe environments for people of all ages and abilities (wheelchair accessible).
Loss of our heritage (identity) if tracks are removed.	The heritage value of village stations and rail items will be enhanced as it will be on show for all to experience. Heritage items will be preserved where possible as they are intended for display in rail stations along the route. Riders can discover information about the line construction and origins along the way via educational signage and detailed information online via QR codes, etc. Some of the line can remain in sections so that the heritage rail trikes can continue to operate (e.g. Guyra).

Maintenance

Issue	Response
Who is responsible for spraying weeds and maintaining fences	Lease holders will be responsible for their leased land. The remainder of the trail will be maintained by the managing councils.
Cattle causing damage to Rail Trail Fencing	The owners of the cattle will be responsible if they lease land for grazing, similar to any other fencing matter or escaped stock
Trees fall over and damage the Rail Trail Fencing	The responsibility will depend on who owns the tree and if it is part of a leased/managed area. This still follows the usual process of notification to neighbor/council of a fallen tree as it currently occurs on any road, reserve, pathway or parkland.

Costs

Issue	Response
Impact to rate payers	This is a grant funded project. Annual maintenance costs for the trail will be offset by volunteer and community groups. Costs to maintain the trail \$154,000pa to be shared by Armidale and Glen Innes Severn Councils.
Project going over budget	In this instance additionally grant funding maybe sort
Sponsorship	Landowners and Friends of the Railway have indicated their intent to assist with maintenance.

5. Implications

5.1. Strategic and Policy Implications

N/A

5.2. Risk

N/A

5.3. Sustainability

N/A

5.4. Financial

N/A

6. Consultation and Communication

This report provides an analysis of the public consultation process to date.

7. Conclusion

This report is recommending that council note the Community Engagement Report and note the key issues raised during the community engagement sessions. A number of the key issues raised will require additional communication and consultation with the affected landholders to ensure they are informed of the process moving forward and to ensure that their concerns are noted and addressed prior to the commencement of the New England Rail Trail. The report recommends that Council provides due consideration to the concerns raised by landholders, particularly during the construction phase of the New England Rail Trail.

Item:	9.2	Ref: AINT/2022/03419
Title:	The Armidale Autumn Festival	Container: ARC16/0575-3
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Katrina George, Acting Principal Advisor Tourism and Events	
Attachments:	Nil	

1. Purpose

The Armidale Autumn Festival has been a long held festival and tradition that over the years has evolved into a celebration of civic pride. The festival has gone through many changes and despite best efforts; there has been a decline in community support for the event. The Armidale Regional Council and community have communicated the importance of precinct and mall activation, and therefore we have identified an opportunity to modify the existing event to become the 'Armidale Autumn Showcase' to be held in the Beardy Street Mall utilising the purpose built stage to showcase our local schools, entertainment, musicians.

2. OFFICERS' RECOMMENDATION:

That Council support the recommended changes to the traditional format of the Armidale Autumn Festival, broadly summarised as:

- a. holding it in the Beardy Street Mall to assist with CBD activation and utilise (unveil) the new stage
- b. rename the event to the Armidale Autumn Showcase in order to better embracing the spectacle, creativity, diversity and talent in the area.

3. Background

The Armidale Autumn Festival has been a long held festival tradition that started in the 1990's. Originally, the festival was owned and operated by individuals and community groups' in-conjunction with Council support. Some years ago, Council became the main owner and operator of the festival and overtime, there has been dwindling support from the community to assist in the coordination and delivery of the event.

In 2019, Armidale Regional Council attempted to re-invigorate the festival through introducing a number of new attractions such as creating a mini VIVID Light Festival in the CBD and renaming it to the New England Festival. In addition, there was a renewed attempt to attract individuals and communities to once again, take ownership of the festival in-conjunction with Council's support. This process was largely unsuccessful with only a handful of individuals volunteering to be on the committee.

In 2019 and 2021 the Autumn Festival was cancelled due to Covid-19 event restrictions.

The Parade:

The Autumn Festival parade has been a feature of the festival, however is increasingly losing interest value for many spectators and participants. There has been a reluctance to embrace festival themes and the sentiment of many participants in the parade is declining. Schools and some special interest groups have communicated their frustrations with the commitment and time required of their staff and students. Many have indicated their intention to withdraw from future parades.

Armidale Regional Council staff have discussed at length the future of the Autumn Festival and have identified the strengths of the event as well as the ongoing issues, such as; the timing of the event, limited community involvement and the gradual waning interest in the street parade component.

It is anticipated that the trial of the new Armidale Autumn Showcase will provide the Armidale community with the opportunity to perform on the new stage in the Beardy Street Mall and build civic pride in our community. The showcase is planned for the 2nd April when Armidale will be awash with autumnal colour. The event will encourage visitors and the Armidale community into the Beardy Street mall for an entire day of locally produced entertainment. Armidale will be on show.

4. Discussion

The Armidale Autumn Showcase provides the Armidale region community with the opportunity to highlight cultural diversity and the many community talents on the newly constructed stage in Beardy Street mall. Historically, when participating in the parade, the local ballet companies, schools, musicians would only march past an audience. The proposed new event now enables the opportunity to perform and showcase their talents.

There will be an opportunity for a wide variety of performances such as the pipe bands, school musicals, school bands, New England Conservatorium of Music, Aboriginal dancers, theatre, UNE Colleges, International Students, Medieval fighters, Highland Dancers and many more.

The Armidale Autumn Showcase presents ARC with the ideal opportunity to officially launch the new mall stage and introduce the community to the wide variety of uses for the new stage that will in turn assist in mall and precinct activation.

Food trucks will be invited to attend the event, as well as local businesses encouraged to extend their opening hours to the late afternoon.

Tattersalls Hotel and the New England Hotel to be notified of the event and encouraged to extend their drinking licences into allocated areas in the mall.

Armidale Regional Council will be approaching community groups and individuals to assist ARC in the planning and delivery of the event.

It should be noted that the Armidale Regional Council Events Team are planning a wide range of newly created events for the Armidale region in 2022, many aimed at generating more tourism and all will provide greater social cohesion. These are: monthly Twilight Foodie Markets in the Beardy Street Mall, The Big Chill Festival, and in Spring, we will host our inaugural Armidale Spring Games. Then the wonderful Christmas in the Mall celebrations to finish off the year.

5. Implications

5.1. Strategic and Policy Implications

The Armidale Autumn Showcase aligns to the Armidale Regional Council Delivery Program 2018-2022:

- G3.1 Enhance the economic, cultural and recreational offerings and attractions of the region
- G3.1 encourage people to stop and visit the region's centres as they commute between other destinations

G3.3 Provide Central Business District infrastructure in both Armidale and Guyra that supports a more vibrant and varied offering of shopping experiences for tourists.

The Armidale Autumn Showcase aligns to the Armidale Regional Council Operational Plan and Budget 2021-2022:

G3.1 Provide an events and promotions program that:

- Stimulates the local economy through events and activation. This includes creating, attracting and marketing events that promote visitation and overnight stays, as well as activating precincts such as the Armidale mall and CBD.

6. Risk

Reputational Risks:

- a. It is acknowledged that there is a reputational risk in regards to the suggested changes to a long held festival. The Armidale Autumn Festival is primarily a civic event, and it has undergone various small changes in the past. Whilst this recommendation is somewhat scaled back in size, it does not compromise in spectacle. The focus will be on home grown entertainment, with the new format providing the Armidale community with the opportunity to display the many talents, cultures and performances that will entertain the wider Armidale Community and visitors alike.
- b. Some of the traditional parade participants such as: Classic Car Clubs, Antique Machinery Club, various Pipe Bands may be disappointed that they do not get to participate in the parade. Event staff will engage with these groups to ascertain if a static street display (in the case of cars and machinery) can be incorporated into the event. This will be dependent on available space, advice from the Traffic Committee and resource to coordinate. Pipe Bands could be invited to play on stage or perform in the mall in line with event programming.

Safety and Traffic:

The new event concept will have minimal impact on the CBD through road closures etc. This will be managed through Traffic Committee and ARC Parks and Gardens Staff.

Staff & Resourcing Risks:

The Armidale Council Events Team are working hard to provide the community with new events aimed at driving economic stimulus and place activation. The Twilight Foodie Markets, The Big Chill and the Armidale Spring Games, are all new events that are being introduced. This is in addition to those that traditionally take their place on the ARC event calendar (Australia Day, Citizenship Ceremonies, Autumn Festival, Christmas in the Mall, etc).

There is a risks that resources are spread too thin to deliver the Autumn Festival in its traditional format without additional help from the community.

6.1. Sustainability

The new Armidale Autumn Showcase will promote a more efficient and improved service delivery through collaboration and innovation. The event utilises structures already owned by council to create efficiencies in the long term.

The event concept enables greater involvement of community groups, and is designed to lessen the burden on council resources, including event staff, outdoor crew and traffic management.

6.2. Financial

Budget Area:	Tourism and Events						
Funding Source:	Armidale Regional Council 2021/22 Budget						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210713	Promotions	\$51,851	\$51,851	\$13,626		\$12,000	\$26,255

The cost for the Armidale Autumn Festival has been included in the 2021/22 Budget for \$12,000.

7. Consultation and Communication

The future of the Armidale Autumn Festival was discussed at length following the cancellation of the event in 2020 and 2021 due to Covid-19 restrictions. The focus of discussions centred on how (if at all) ARC could re-invigorate the event to create stronger community interest, place our city on show in its prettiest time of year, as well as helping to restore some civic pride?

Several meetings with participating organisations and groups assisted in identifying the key features and benefits of the Autumn Festival that kept its strengths, yet could align better with the objectives of CBD precinct activation. Particularly, utilising the new purpose built stage.

Consultation included:

- Arts North West: They are supportive of the new event concept and recognise the importance of holding the event in the mall. They have indicated their interest in assisting Armidale Regional Council in delivering the new event.
- NERAM: New England Regional Art Museum is supportive of the suggested changes and will investigate opportunities to cross promote the upcoming Archibald Exhibition at the event
- NECOM: The New England Conservatorium of Music are supportive of the changes and enthusiastic regarding performance opportunities at the event
- UNE International Student Engagement: The University of New England are supportive of the new concept, however they are unsure of the number of international students who will be on campus to participate. Meetings have been held with the Student Engagement Coordinator UNE International Services regarding the UNE International Student's involvement in the new event. The students will be encouraged to participate through dancing, craft and other cultural activities. UNE will be engaging with the international students in early March and will promote our new event accordingly to seek involvement.

There are some events outside the remit of ARC that historically plan around the Armidale Autumn Festival. These are the Campus to City Canter and the Armidale Cycling Clubs Criterium held in the CBD.

- Armidale to City Canter have advised that unfortunately unable to continue, as the organisers do not have the personnel for traffic management. Previously they have relied on the generosity of the SES and RFS to assist in the running of the event, in which they received a donation. Due to the costs involved in hiring staff to perform these duties, they have advised they will no longer be able to run this event.
- The Armidale CBD Criterium bike race plan their event around the Autumn Festival as they utilise the existing road closures to run the event early on the Sunday morning. It will be communicated to the Armidale Cycling Club that with the proposed change in format, the parade will not be included and this may affect their event in terms of their traffic management plans.
- Further consultation and communication planned for the New England Conservatorium of Music, Armidale City Band, Armidale Schools, Special interest groups/clubs on the new event, and how they can participate in the festivities.

8. Conclusion

The cancellation of the Autumn Festival in 2020 and 2021 and the declining interest in the event, provides the opportunity to re-invigorate the festival by repackaging it in both name and format.

The creation of events in the Beardy Street mall will assist in precinct activation and introduce the community to the opportunities available with the new stage. Furthermore, we hope that this event will encourage community groups to plan performances on the stage throughout the year.

Item:	9.3	Ref: AINT/2022/01527
Title:	2021-2022 Second Quarter Budget Review	Container: ARC20/4361
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Kelly Stidworthy, Manager Financial Services	
Attachments:	1. 2021-2022 Quarterly Budget Review 2	

1. Purpose

The purpose of this report is to provide Council with information on the 2021-2022 Revised Budget position and to obtain approval to amend the adopted budget for those amounts.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Note the 2021-2022 Second Quarter Budget Review.
- b. Note the proposed revised 2021-2022 budget produces an operating surplus of \$3.1 million on a consolidated basis and an unrestricted cash forecast of \$3.5 million.
- c. Note the proposed reduction in capital expenditure from \$66m to \$47m as a result of the budget review and that this may require further overall downward amendment at the next budget review due to range of impacts on the organisation, such as natural disasters and Covid, that has impacted on project resourcing.
- d. Resolve to amend the 2021-2022 budget in accordance with the Quarterly Budget Review Statement for the period 1 October 2021 to 31 December 2021 tabled at the attachment.

3. Background

Section 203(1) of the *Local Government (General) Regulation 2021* requires Council's responsible accounting officer to prepare and submit a quarterly budget review statement within two months of the end of each quarter.

The document attached to this report provides a quarterly budget review statement in the format required by the Office of Local Government *Quarterly Budget Review Statement for NSW Local Government*, which outlines the minimum disclosure requirements. Council has the option to show the quarterly budget review statement at a consolidated level or by fund. For the purpose of transparency, the statement contains the impact of the quarterly budget review by fund. A consolidated result is also included.

As required by the Office of Local Government, the quarterly budget review statement is attached and includes the following documents in order:

1. Income Statement (containing operating income and expenses) by fund
 - 1.1 Operating budget adjustment by fund
2. Capital Budget by fund – the net impact on the funding from the capital program flows through to the income statement
 - 2.1 Capital budget adjustments by fund

3. Cash & Investments by fund – movement in unrestricted cash and internal and external reserves
4. Cash & Investments position
5. Key Performance Indicators by fund
6. Contracts entered into and Consultancy/Legal expenditure.

The Responsible Accounting Officer must also include a statement as to whether or not they believe that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure.

4. Discussion

The second quarter budget review covers the period October-December 2021; however, as much up to date information is included in the review as possible regarding changes to the budget forecast.

The report attachment contains the proposed budget amendments as “QBR2”. QBR stands for Quarterly Budget Review.

The 2021-2022 Second Quarter Budget Review (QBR2) was conducted in order to review Council’s current and forecast financial position from the revised 2021-2022 adopted budget position in order to, at a minimum, maintain Council’s financial sustainability.

The activities undertaken as part of the QBR include:

- Identification of expenditure savings or potential budget overruns. For budget overruns, the budget review process requires that the budget owner firstly try to contain the overrun by identifying funding that can be transferred from within their own budget. If that is not possible, then their Directorate. If that is not possible, then the funding source will be determined by the Manager Financial Services.
- Identification of deferred expenditure. For example, projects that were planned for 2021-2022 but are now expected to be undertaken in 2022-2023. This mainly occurs in the capital program.
- Identification of additional funding sources or potential revenue shortfalls. The process for dealing with revenue shortfalls is similar to budget overruns. Where additional revenue is expected above budget, the source of the additional revenue will be considered and whether it is appropriate to return any overall budget improvement from this to a reserve.
- Identification of new projects that require recognition of both revenue and expenditure. For example, a new grant that Council has been successful obtaining.
- Re-alignment of expenditure against budget i.e. where actual costs may be allocated to a different line item than the budget; for example if a budget was allocated in the “materials and contracts” category but actual expenditure was allocated to the “other expenses” category. This would create a need to move the budget.

The overall aim of the budget review process is to identify where expenditure or revenue is not tracking to budget and adjust this where necessary and in doing so, at a minimum, maintain the Council’s forecast financial position for the remainder of the financial year in respect of the operating result and the unrestricted cash position.

Additional activities that are undertaken as part of the review process include:

- Ensuring the labour resources in the budget aligns with where employees are allocated and reconciles back to the payroll system.
- Ensuring the funding sources of projects are identified. For example, the capital program currently has funding sources from around 30 different grants with some grants funding multiple projects.
- Reconciliation of grants back to the opening unspent grants and contract liabilities position. Contract liabilities are effectively grants paid in advance and they need to be brought into the budget in line with when expenditure is expected to occur.
- Reconciliation of the cash, including cash reserves, position to ensure that all cash and reserve impacts are identified and included in the budget review.
- Reconciliation of key items such as Roads to Recovery own source expenditure to ensure the budget remains aligned with funding conditions and other internal reconciliations to ensure the budget remains in balance and produces an accurate cash forecast.

2021-2022 Operating Budget

There are a range of budget movements outlined in the report attachment, including detailed explanations of the movements.

General Fund

Overall budget amendments proposed are:

Income Statement Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Revenue			
Rates and Annual Charges	(27,648)	(27,648)	0
User Charges and Fees	(15,660)	(17,592)	(1,933)
Interest and Investment Revenue	(303)	(154)	149
Other Revenues	(2,345)	(2,294)	51
Operating Grants and Contributions	(14,655)	(14,958)	(303)
Total Revenue	(60,610)	(62,646)	(2,035)
Expenditure			
Employee Costs	22,753	23,876	1,123
Materials and Contracts	12,394	12,875	481
Borrowing Costs	966	966	0
Other Expenses	9,957	10,047	90
Depreciation and Amortisation	12,757	12,757	0
Total Expenditure	58,827	60,522	1,695

Net Operating Result	(1,783)	(2,124)	(341)
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The most significant movements of note are:

- Roads Maintenance Council Contracts (RMCC) Program

The RMCC program was initially forecast at an expenditure level of \$7.2 million and this has been increased to \$8.9 million in QBR2. The increase in expenditure has been offset with an increase in expected revenue for this program, recognised as user charges and fees.

This program has substantially increased over the past three years due to the presence of stimulus funding and has required a significant ramp up and redirection of resources. Historical expenditure levels have been:

2018-19 \$3.0m

2019-20 \$4.7m

2020-21 \$10.3m

Funding for the program is determined each year by Transport NSW with most expenditure incurred on Waterfall Way. Verbal advice from Transport NSW is that their forward works program will continue to include a higher level of funding for Waterfall Way and Council officers are currently awaiting written notification of the level of expenditure that is likely over the next 4-5 years to inform resourcing plans and operational plan and budget processes.

- Airport Passenger Head Tax Revenue & Transfer to Reserve

The QBR forecasts an improvement in airport passenger head tax revenue from \$220k to \$668k. The revised estimate remains deliberately conservative given the impact that the pandemic has had on airport operations and associated revenues. These revenues have historically been:

2018-19 \$1.6m

2019-20 \$1.1m

2020-21 \$357k

2021-22 YTD \$301k

Passenger head tax is the airport's main source of revenue. Covid-19 started to impact Australia from January 2020 and the above figures show the cumulative negative impact that this has had on airport revenues, which prior to this were on a trajectory to exceed the 2018-19 financial year.

There have been some other adjustments made to airport expenditure and revenue associated with current conditions in the review. Due to the requirement identified to reseal the airport runway within the next 1-2 years, the net uplift in airport operations of \$369k produced by the QBR is recommended to be transferred to the airport internal reserve, which would result in the reserve balance being \$1.1m. The resealing works have a preliminary estimate of \$2m but this will be refined with further scoping and may be higher or lower.

Maintaining a healthy balance in the airport internal reserve is critically important as the facility needs to meet a high level of compliance under CASA and there are continual renewal and upgrade works required, which if not funded from cash reserves puts a strain

on funding available from the recurrent budget and, in the past, Council has had to redirect funding intended for roads to the airport facility, which has resulted in a drop in the service level for roads.

Council has been successful in obtaining grants for airport facility upgrades; however, these funding opportunities are normally for dollar for dollar whereby Council must provide a 50% contribution.

The QBR2 adjustments will improve the overall airport financial result but the facility still makes an overall operating deficit. The projection was for a \$1.4m deficit but this will be improved to a \$1.1m deficit as a result of the QBR. This incorporates depreciation and overheads.

- Interest Income

As identified in the Cash and Investments report, interest income is tracking below the budget forecast and has been adjusted in the QBR. The overall budget for interest income was \$575k but an adjustment to \$298k has occurred with the impact on each fund being a reduction in revenue from interest as follows:

General Fund \$149k

Water Fund \$79k

Sewer Fund \$48k

Interest rates between 0.5% (cash) and 1.0% (investments) were forecast at the time of preparing the 2021-2022 budget but actual investment rates of an average of 0.34% are being achieved. This has been used to extrapolate out expected interest income to 30 June 2022. While some forecasts suggest an improvement in the interest rate environment for investors, Council will continue to receive the rate of return at the time the investment was made and does not anticipate an improvement from current levels this financial year.

- Financial Assistance Grant

Financial assistance grant funding is critical to local government and Council has been advised of the 2021-22 level of actual financial assistance grant allocation. The process for notifications is that all councils are advised of an estimated allocation so that this can be used for budgeting purposes and then actual allocations are advised during the financial year.

The 2021-2022 allocation is:

General Purpose Entitlement	Local Roads Entitlement	Total Entitlement
4,517,819	2,491,322	7,009,141

The estimated revenue from financial assistance grants has been updated to reflect the above allocation; however, the final actual value will be dependent on the advance payment made for 2022-2023.

The current system of financial assistance grant payments is that around 50% of the grant is paid in advance in June each year. The advance payment for 2021-2022 of \$3.6m was made in June 2021. Council does not place the advance funds in a cash reserve to be drawn down the following year nor does it treat these funds as a prepaid grant as this would not be permitted under the accounting standards. As such, a risk exists that if the system of receiving payments in advance changed (as it has done once previously) then this would

negatively impact the unrestricted cash position without mitigating action. As the unrestricted cash position is currently only around \$3.5m a change in the payments system could have significant consequences.

While it would be desirable to place the advance funds in a cash reserve at the end of each financial year so that this risk is mitigated, the level of cash available currently does not permit this to occur without having significant consequences in the funding available to internal cash reserves, which have been established for specific purposes.

- Labour Resources

The QBR recognises a reallocation of employees in some areas of the organisation mainly relating to the transfer of roads staff to the RMCC program in order to resource that program adequately. Due to the requirement to meet Roads to Recovery own source expenditure requirements in the roads program, any transfer of employee costs out of that program must be offset with an increase in the cost for contractors, as in the absence of having a full capacity workforce available, contractors need to be brought in to deliver some works. While resourcing remains a challenge in many areas, actions are currently underway to increase staffing capacity while remaining within budget.

There are some other minor adjustments to employee costs outlined in the attachment to meet various operational needs and to address staff vacancies.

Water Fund

Overall budget amendments proposed are:

Income Statement Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Revenue			
Rates and Annual Charges	(2,640)	(2,964)	(324)
User Charges and Fees	(8,776)	(8,776)	0
Interest and Investment Revenue	(212)	(133)	79
Other Revenues	(38)	(38)	0
Operating Grants and Contributions	(67)	(67)	0
Total Revenue	(11,732)	(11,977)	(245)
Expenditure			
Employee Costs	1,665	1,665	0
Materials and Contracts	4,930	4,930	0
Borrowing Costs	293	293	0
Other Expenses	635	635	0
Depreciation and Amortisation	3,493	3,493	0
Total Expenditure	11,017	11,017	0

Net Operating Result	(716)	(961)	(245)
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The most significant movements of note are:

- Water Rates and Annual Charges

The forecasting tool used to determine the revenue from water charges had included a lower number of properties than actually charged the water access charge and properties based in Guyra were not included in the forecast. This has led to the budget being set lower than charges actually levied. An adjustment is proposed to correct this.

While this has a positive impact on the operating result, water usage charges are tracking well below budget at this time (\$3.8m has been billed compared to an annual budget of \$8.8m). Two billing periods have been completed and without a change in this trend the actual result for water usage charges may be well below the 2021-2022 budget and require downward adjustment in QBR3. The next billing cycle will be completed in March 2022 and it is proposed to wait until this data is received before considering a budget adjustment due to the unknown impacts that Covid-19 may have been having on commercial water consumption.

Sewer Fund

Overall budget amendments proposed are:

Income Statement Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Revenue			
Rates and Annual Charges	(6,444)	(6,444)	0
User Charges and Fees	(206)	(206)	0
Interest and Investment Revenue	(158)	(110)	48
Other Revenues	(1,522)	(1,634)	(112)
Operating Grants and Contributions	(63)	(63)	0
Total Revenue	(8,392)	(8,456)	(64)
Expenditure			
Employee Costs	1,519	1,519	0
Materials and Contracts	3,026	3,001	(26)
Borrowing Costs	0	0	0
Other Expenses	1,320	1,687	367
Depreciation and Amortisation	2,222	2,222	0
Total Expenditure	8,087	8,429	342
Net Operating Result	(305)	(27)	278

The most significant movements of note are:

- Effluent Farm Cattle Sales & Purchases

An adjustment has been made to reflect the current status of cattle purchases and sales with a net unfavourable budget impact of \$267k, which impacts the Sewer Fund cash reserve. Cattle operations are still expected to generate a positive return of \$283k following this adjustment. However, returns are dependent on weather and the cattle market price at the time of sale.

As the cattle are purchased by the Sewer Fund, graze on Sewer Fund land and are managed by Sewer Fund employees, they are considered a Sewer Fund asset and any returns are treated using the same principles as that for other Sewer Fund revenue, which means that any surplus must be returned to the Sewer Fund cash reserve to invest in development of infrastructure.

A cattle stocktake occurs twice yearly in December and June and they are carried as inventory.

2021-2022 Capital Budget

There are a range of budget movements outlined in the report attachment, including a full list of projects and explanation of the movements.

General Fund

Capital Budget Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Capital Grants and Contributions	(22,982)	(15,270)	7,712
Proceeds from PP&E	(1,224)	(1,224)	0
Capital Expenditure	39,896	31,440	(8,456)
Loan Repayments	2,707	2,707	0
Total	18,397	17,654	(744)

The most significant movements of note are:

- Kempsey Road Natural Disaster Restoration

The QBR combines the various grant funded projects pertaining to Kempsey Road as they are being managed under one project in partnership with Transport NSW. The budget for expenditure and revenue on this project has been reduced in line with the latest forecast to \$9.1m.

Expenditure on Kempsey Road is expected to be fully recovered by way of NSW Fixing Country Roads, Fixing Locals Roads and Essential Public Asset Restoration Works. At this time cashflows associated with the program are positive due to the advance payment of funding for NSW Fixing Country Roads and Fixing Local Roads but this will need to be monitored as program expenditure progresses for the remainder of the financial year.

- Armidale Creeklands Masterplan

Council was successful under the Public Legacy Spaces program in obtaining \$3m for Armidale Creeklands Restoration. The project is being externally managed by Public Works Advisory (PWA) on behalf of Council. However, all funds are paid to Council for this project and the project will be run through Council's books. This is a different structure than the Dumaresq Dam Ecotourism Development and the Armidale and Guyra Livestock Selling Centres projects where funds will be managed by PWA and not go through Council's books.

Council has been paid \$1.5m for this program and \$500k has been recognised in the capital program and offset by expenditure. The remaining grant funding will be treated as prepaid grant funding and transferred to the unspent grants reserve at EOFY to be drawn down in 2022-2023.

- Waste Long Swamp Road –Baler

\$1.2m for this project has been deferred to the 2022-2023 financial year as there have been delays in acquiring the equipment. As the funding for this project originally came from the unspent waste loan reserve, the funds have been returned to the reserve, which can be drawn down on in 2022-2023.

Water Fund

Capital Budget Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Capital Grants and Contributions	(9,448)	(4,675)	4,773
Proceeds from Loans	(9,770)	(9,770)	0
Capital Expenditure	23,403	13,301	(10,102)
Loan Repayments	281	281	0
Total	4,466	(863)	(5,329)

The most significant movements of note are:

- ☐ Dumaresq Dam Wall Upgrade

As identified in Council report AINT/2022/01020 this project is likely to require an additional \$1.3m to complete and this has been included in the QBR.

- ☐ Upgrade Distribution Main Rockvale Rd/Marsh St

This project has been deferred to 2022-2023 to assist with covering the increased budget requirement for Dumaresq Dam Wall Upgrade.

- ☐ Puddledock Dam Raw Water Transfer System Augmentation

Budgeted expenditure of \$9.8m has been deferred to 2022-2023 in line with revised project construction timeframes. The expected completion date is March 2023 and it is expected that with the tender being awarded in February 2022 that site mobilisation and establishment and initial construction would be underway by 30 June 2022 but that the bulk of the construction cost would be paid in 2022-2023.

Sewer Fund

Capital Budget Item	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Capital Grants and Contributions	(150)	(325)	(175)
Capital Expenditure	2,491	2,491	0
Total	2,341	2,166	(175)

The only adjustment for the sewer fund capital budget identified is recognition of revenue from developer contributions.

2021-2022 Capital Program - Consolidated

Total forecast capital expenditure has reduced from \$66m to \$47m as a result of the QBR. This remains an ambitious target; however, many programs are underway and significant capital outlays are expected between now and 30 June 2022. Actual and committed expenditure as at the date of this report was \$26m or around 56% of the 2021-2022 capital forecast.

2021-2022 Cash Reserves

There are a number of budget movements outlined in the report attachment, including a full list of cash reserves and explanation of the movements.

Proposed movements in cash reserves are:

Cash Reserve	Adopted Revised Budget	Proposed Revised Budget	Difference (Favourable) Unfavourable
Unrestricted Cash	3,449	3,456	(8)
Specific Purpose Unexpended Loans	353	1,553	(1,200)
Specific Purpose Unexpended Grants	6,478	5,993	485
Water Fund	20,116	25,690	(5,574)
Sewer Fund	17,439	17,336	103
Airport	690	1,059	(369)
PreSchool	193	186	7
Net Movement			(6,556)

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The QBR proposes a small improvement in unrestricted cash of \$8k. The total level of unrestricted cash of \$3.5m would only provide Council with a buffer of around 3-4 weeks of expenditure as measured by the unrestricted cash expense cover ratio.

2021-2022 Key Performance Indicators

Further detail on the performance against key performance indicators is outlined in the report attachment. A comparison of the results produced by the QBR to the 2020-2021 actual (audited) result and 2021-2022 original budget for each fund is provided below.

General Fund

KPI	Benchmark	Actual 2020-2021	Original Budget 2021-2022	Revised Budget 2021-2022
Operating Performance Ratio	>0%	7.27%	0.17%	3.39%
Own Source Operating Revenue Ratio	>60%	63.21%	53.03%	61.20%
Unrestricted Cash Expense Cover Ratio	>3 months	0.9	0.9	0.9
Debt Service Cover Ratio	> 2x	5.18	3.76	4.31

Water Fund

KPI	Benchmark	Actual 2020-2021	Original Budget 2021-2022	Revised Budget 2021-2022
Operating Performance Ratio	>0%	2.01%	5.89%	8.02%
Own Source Operating Revenue Ratio	>60%	83.77%	59.11%	71.52%
Unrestricted Cash Expense Cover Ratio	>3 months	35.3	34.2	41.0
Debt Service Cover Ratio	> 2x	7.01	7.79	8.27

Sewer Fund

KPI	Benchmark	Actual 2020-2021	Original Budget 2021-2022	Revised Budget 2021-2022
Operating Performance Ratio	>0%	11.14%	3.07%	0.32%
Own Source Operating Revenue Ratio	>60%	93.04%	97.35%	95.58%
Unrestricted Cash Expense Cover Ratio	>3 months	46.8	38.9	33.5
Debt Service Cover Ratio (no borrowings in sewer fund so ratio looks high)	> 2x	30,290	24,641	22,488

5. Implications

5.1. Strategic and Policy Implications

The quarterly budget review process contributes 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 2021-2022: asset management, budget management, financial operations.

5.2. Risk

QBR2 and subsequent budget reviews provide the opportunity to review the actual position against the adopted budget, providing transparency and highlighting potential financial risks.

The QBR2 outcome at consolidated level remains positive should Council resolve the proposed amendments to the 2021-2022 budget for the period 1 October to 31 December 2021. It is notable that the economic risks associated with the financial position and cash reserves for the future is highly dependent on 1) effective budget management and; 2) the continuation of maintaining services at existing levels to remain within the funding available as per the outcome of the approved Special Rate Variation (SRV).

5.3. Sustainability

Through an in-depth review process, managing areas reviewed the adopted budget against planned operational activities. The amendments to the budget are predominately movements to re-align the budget to match actual expenditure. These adjustments have no impact to the overall budget adopted by Council. Other identified amendments outlined in the operating adjustments are partly due to:

1. Deferral of activities to the 2022-2023 financial year;
2. Review of operational activities against Council priorities; and
3. Improved revenue funding streams.

Furthermore, some minor operational budget overruns required attention. These overruns were managed and offset by identified savings and re-alignment of the budget with expenditure. Managers are aware that financial sustainability is a priority and will remain frugal in managing their respective budgets.

The recommendation for the Council to resolve to amend the 2021-2022 budget in accordance with the budget review statement for period 1 October 2021 to 31 December 2021 as tabled at the attachment will contribute to the economic sustainability of the Council.

5.4. Financial

Budget Area:	All – as per quarterly budget review attachments
Funding Source:	N/A

Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The net impact of QBR2 on the consolidated operating surplus is \$308k being an overall positive impact.

The General Fund continues to be a key focus of the budget review and an improvement in the forecast operating result has been recognised from a \$1.8m to \$2.1m operating surplus. As noted in the previous reviews, this is primarily due to the recognition of once off grant income and **is not** reflective of an improvement in Council's underlying financial position.

The projected General Fund surplus position is supported by the forecast surplus position of waste operations (\$3.4 million) and revenue from Roads to Recovery (\$1.4 million). This is relevant as the surplus cash position for the waste business must be placed into reserve to provide funding for landfill rehabilitation liabilities and funding from Roads to Recovery is used in the capital program. If these were removed from the General Fund operating result, it would be in a significant deficit. There is still a large amount of work to be done to improve the 'underlying' General Fund position where the positive impacts of waste operations and grant funding spent in the capital program are removed.

Unrestricted cash remains at approximately the same position as the 2021-2022 original budget with the year end result forecast at \$3.5m to 30 June 2022.

Impact

The overall financial results are summarised as follows:

Operating Result \$'000	Fund			Consolidated
	General	Water	Sewer	
Original Budget	\$100	\$691	\$242	\$1,033
Carry Forwards	\$2,621	\$691	\$242	\$3,554
Budget Review 1	\$1,783	\$716	\$305	\$2,803
Budget Review 2	\$2,124	\$961	\$27	\$3,112
Budget Review 3				
Budget Review 4				

Cash Result \$'000	Fund			Consolidated (Unrestricted Cash)
	General (Unrestricted Cash)	Water (Unallocated)	Sewer (Unallocated)	
Original Budget	\$3,408	\$20,373	\$17,253	\$3,408
Carry Forwards	\$3,408	\$20,093	\$17,377	\$3,408
Budget Review 1	\$3,449	\$20,116	\$17,439	\$3,449

Budget Review 2	\$3,456	\$25,690	\$17,336	\$3,456
Budget Review 3				
Budget review 4				

6. Consultation and Communication

QBR2 entailed an extensive review of budgets at project level analysing data based on the current year to date expenditure. Managers were consulted on areas that were identified as potential risks and/or savings. Likewise, Managers were provided with the opportunity to convey budgetary implications, risk areas and identified savings that would need to be considered and reported to Council within QBR2. Final proposed budget adjustments through the review have been reviewed and accepted by the General Manager.

7. Conclusion

This report recommends that the 2021-2022 Second Quarter Budget Review for the period 1 October 2021 to 31 December 2021 tabled at the attachment be endorsed by Council so that the approved budget and underlying financial results can be recognised.

Item:	9.4	Ref: AINT/2022/02952
Title:	2021-2022 Loan Approval	Container: ARC20/4311
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Kelly Stidworthy, Manager Financial Services	
Attachments:	1. 2021-2022 Adopted Long Term Financial Plan - Water Fund Only	

1. Purpose

To obtain Council's approval to take out new borrowings in accordance with the 2021-2022 Operational Plan and Budget.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Authorise the General Manager on behalf of Armidale Regional Council to borrow from NSW TCorp the sum of \$9,770,000 at a fixed rate of interest for a period of twenty (20) years; and
- b. Authorise the Mayor and General Manager to sign loan documents and apply the Common Seal of Council to loan documents as necessary.

3. Background

Council included new borrowings in the 2021-2022 Operational Plan and Budget for the following Water Fund projects:

1. Dumaresq Dam Wall Upgrade \$4,000,000
2. Puddledock Dam Raw Water Main Upgrade \$5,770,000

The total cost of the projects nominated for borrowing and funding sources are as follows:

Project	Grant	Loan	Water Fund	Total
Dumaresq Dam Wall Upgrade (Safe and Secure Water Program)	\$4,050,000	\$4,000,000	\$50,000	\$8,100,000
Puddledock Dam Raw Water Transfer System Augmentation (Restart NSW)	\$5,770,000	\$5,770,000	\$1,000	\$11,541,000
Total	\$9,820,000	\$9,770,000	\$51,000	\$19,641,000

Council must account for funds separately as follows:

- General Fund
- Water Fund
- Sewer Fund

As the borrowings proposed pertain to projects in the Water Fund, the focus of this report is on the Water Fund and the associated Water Fund cash reserve and not Council's consolidated operations.

4. Discussion

Borrowings were proposed for these projects due to the long useful life associated with the assets constructed and size of the Council contribution required for each project being a combined \$9.8 million.

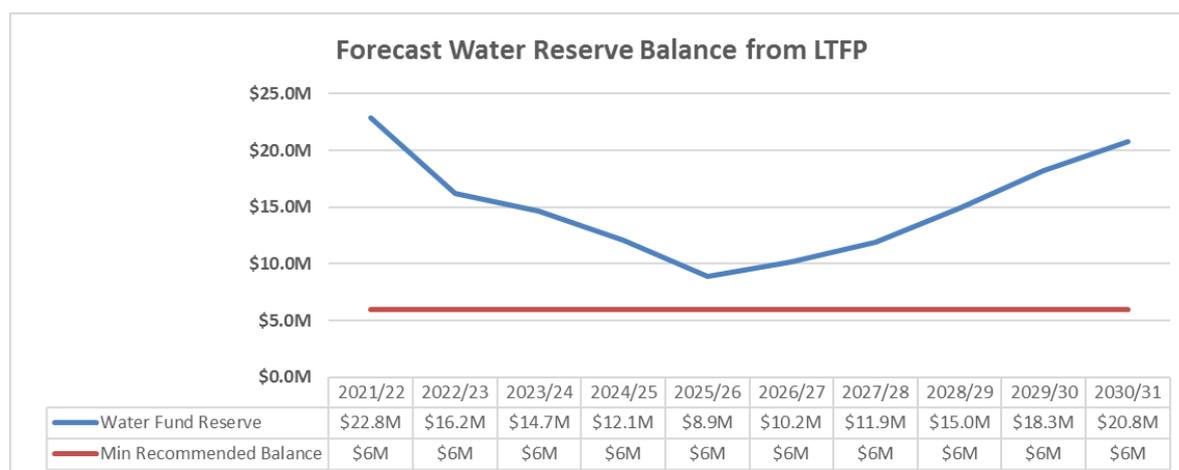
Water Fund reserve projections are negatively impacted by significant capital expenditure projections over the next four years with cumulative draw downs on the reserve forecast totalling \$13 million to 2025-2026. This assumes the 2021-2022 borrowings are taken out as proposed.

The adopted 2021-22 Long Term Financial Plan (LTFP) shows the Water Fund reserve reducing to \$8.9 million by 2025/26. A copy of the adopted LTFP for the Water Fund only is attached to this report. In the context of historical impacts of drought and management of ageing water infrastructure, it is recommended to not allow the Water Fund reserve to drop below \$6 million.

The draw down on the Water Fund reserve is also likely to be further impacted by yet to be identified capital renewal works as asset management within Council matures and Council's water infrastructure facilities undergo further assessment.

2021-22 Adopted LTFP – Water Fund reserve projections

The graph below shows the forecast Water Fund reserve balances as at 30 June for each financial year in the adopted LTFP.



While some variation to the Water Fund reserve balance is expected from amendments to the 2021-2022 budget, essentially these variations are timing differences and the overall future projections are not expected to be significantly impacted by these changes. As with all forecasts, it must be acknowledged that things change over time and that long term forecasts are useful as a guidance tool which can identify financial issues in advance and enable a strategy or plan to be developed to deal with them.

Council has the ability to borrow through NSW Government TCorp or through a registered deposit-taking institution. TCorp is the central borrowing authority for the state of NSW. TCorp only lend on a fixed borrowing rate.

Contracts for banking, borrowing or investment services are exempt from the tendering requirements of the *Local Government Act 1993* (the Act).

5. Implications

5.1. Strategic and Policy Implications

The loan approval supports the following outcomes:

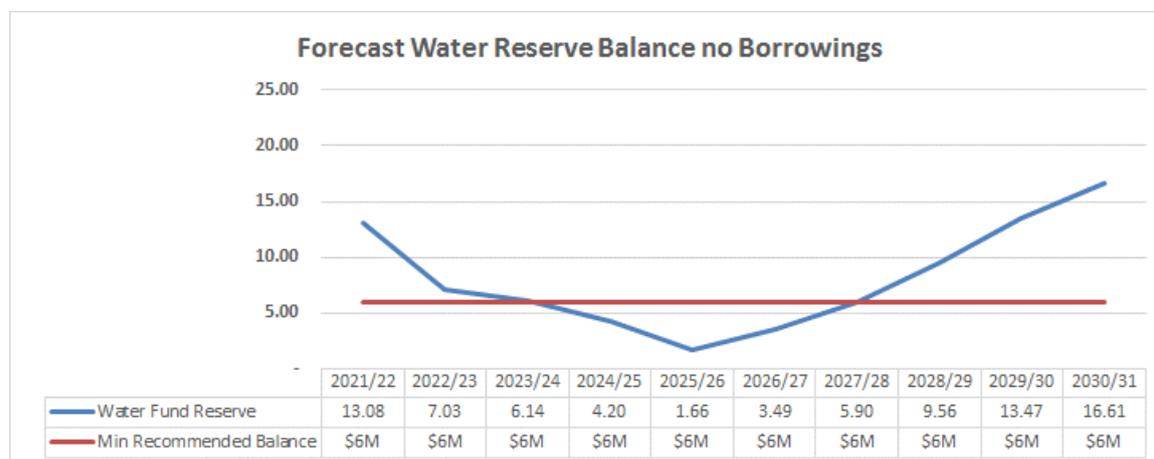
- Council’s Community Strategic Plan 2017-2027 category of “Leadership for the Region” and related community outcome of “Council exceeds community expectations when managing its budget and operations.”
- Council’s Delivery Program 2018-2022 item “Financial Sustainability – to maintain financial sustainability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

5.2. Risk

Repayment of the borrowings will increase cash outflows in the Water Fund by an estimated \$671k per annum. Projections in the 2021-22 LTFP were based on a borrowing rate of 2.5% but current fixed rates quoted are above 3%. TCorp has advised to use 3.3% as an indicative borrowing rate at the time of draw down, which is anticipated in May 2022. The actual borrowing rate will be determined on the day of draw down.

If Council did not undertake the borrowings the Water Fund Reserve would fall below the recommended \$6m minimum balance by 2024-2025; however, this assumes current revenue projections are achieved.

The graph below shows the forecast Water Fund reserve balance with no borrowings:



If borrowings were not undertaken then an alternative funding source would need to be identified and this would need to be in the form of increased revenue.

The Water Fund will need to generate an operating surplus to ensure that the repayment of borrowings can be adequately funded. At this time while an operating surplus for 2021-2022 is projected, revenues are negatively impacted by lower than forecast water consumption. However, this may change with data from only 2 billing quarters available at this time.

Part 12 of the Act contains the provisions regarding council borrowings and sections 229-230 of the *Local Government Regulation 2021* (the Regulation) contain further provisions.

5.3. Sustainability

Borrowings are required in the Water Fund to sustain the reserve at an adequate level. Deferral of borrowings would only push the borrowing requirement to the following year. At this time, interest rates are low and are forecast to increase.

Comparative rates provided by TCorp and other providers are as follows:

TCorp 3.07%

NAB 4.34%

CBA 3.99%

These are based on a fixed rate of interest for a period of twenty (20) years. The above providers have advised there are no additional costs outside of application of the interest rate.

Due to the favourable borrowing rates offered by TCorp to the public sector it is recommended to use them for the 2021-2022 borrowing requirement.

The table below shows the estimated annual repayments and total interest repaid over the life of the loan based on varying interest rate scenarios and supports not deferring the borrowing requirement to 2022-2023 given the current interest rate forecast.

Borrowing Assumption	Estimated Annual Repayment	Total Interest Repaid Over Life of Loan
Original 2.5% in LTFP	\$622,254	\$2,675,073
Indicative TCorp Rate 3.3%	\$671,188	\$3,653,753
Borrowing Deferred Assume 0.5% increase to 3.8%	\$701,832	\$4,266,633

The proposed borrowings are in accordance with the requirements for local government borrowings, being that borrowings are only permitted for infrastructure and not operational requirements.

TCorp's loan requirements are as follows:

- Local councils that have been deemed 'financially sustainable' are able to apply for TCorp loan facilities.
- Loan facilities are available for approved community infrastructure which form part of a council's annual capital expenditure programme, for example, roads, buildings, stormwater drainage, water and sewerage networks.
- Loan facilities will not be provided to:
 - finance operating activities or recurring expenditure such as annual asset maintenance
 - establish or expand a council-run business in competition with existing privately-run businesses
 - acquire an existing privately-owned business
 - refinance existing privately financed debt, except at the scheduled maturity of existing loans where loans have not been fully amortised

5.4. Financial

Budget Area:	Water Fund						
Funding Source:	Loan & Grant 50/50						
Budget Ref: (PN)	Description	Approved Funding (2020-21 & 2021-22)	Actual (2020-21 & 2021-22)	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
280861	Puddledock Dam Water Main Upgrade	\$11,541,000	\$314,287	\$57,785	\$11,168,928	\$11,541,000	\$0
280216	Dumaresq Dam Wall Stabilisation	\$8,100,000	\$6,082,992	\$2,352,319	\$938,465	\$9,373,776	(\$1,273,776) To be adjusted in QBR2 as per report AINT/2022/01020

Council's loan balances across **all** funds as at 30 June 2021 were as follows:

Loan No. & Purpose	Lender	Original Loan Amount	Maturity Date	Interest Type	Interest Rate	Term Years	Balance 30/6/2021
2001 - Gas Works Remediation / Water	Westpac	3,595,097	14/1/2029	Fixed	6.71%	21	2,007,869
2002 - Animal Shelter / Roads	Westpac	294,094	30/6/2022	Fixed	7.36%	14	33,004
2013 - Landfill / Water Fund / CBD / Depot	CBA	5,127,174	29/6/2030	Fixed	6.02%	22	2,890,203
2020 - Gas Works / Hockey / Waste / Water	CBA	6,028,098	29/6/2026	Fixed	6.56%	18	2,421,560
2022 - Ozonation Plant (Water Fund)	NAB	3,000,000	29/6/2038	Fixed	7.64%	30	2,429,637
2023 - Landfill	NAB	14,000,000	31/7/2028	Fixed	5.49%	10	6,557,665
2024 - Mann St Depot Upgrade	NAB	1,075,105	31/5/2033	Variable	5.19%	20	732,861
2025 - Rologas Sporting Field LIRS	NAB	1,080,000	12/5/2025	Fixed	4.14%	10	485,499
2026 - Airport Terminal	NSW T-Corp	3,000,000	20/9/2027	Fixed	3.35%	10	2,061,258
3022 - Regional Roads LIRS	NAB	2,200,000	24/6/2024	Fixed	4.94%	10	777,224
3023 - New Kolora	NAB	1,200,000	2/6/2025	Fixed	3.87%	10	535,809
TOTAL		40,599,568					20,932,589

Broken Up By:	
General Fund	16,707,128
Water Fund	4,225,461
Sewer Fund	0
Total	20,932,589

These loans have a range of funding sources including the Water Fund reserve, waste charges and general fund untied revenues.

The proposed borrowings will increase the water fund loan liability from \$4 million to \$13.7 million at 30 June 2022 and will increase annual repayments from \$576k to approximately \$1.2m.

Including the proposed borrowings, key ratios in the Water Fund are forecast as follows:

	Operating Performance Ratio	Debt Service Cover Ratio	Cash Expense Cover Ratio
Benchmark	>0%	>2x	>3 months
2021/22	5.89%	7.79	35.01
2022/23	6.28%	4.06	22.48
2023/24	8.76%	4.41	19.95
2024/25	11.18%	4.78	16.13
2025/26	13.54%	5.17	11.66
2026/27	15.83%	6.30	13.15
2027/28	18.01%	6.80	15.13
2028/29	20.14%	7.33	18.58
2029/30	22.22%	8.25	22.26
2030/31	24.22%	10.25	25.13

6. Consultation and Communication

The borrowings were included in the 2021-2022 Operational Plan and Budget. The 2021-2022 IP&R suite of documents was exhibited for public comment for a period of 28 days from Friday, 28 May 2021 to Thursday, 24 June 2021.

Following entering into a loan contract for the borrowings, Council must notify the Secretary within 7 days in accordance with section 230 of the Regulation.

7. Conclusion

This report outlines the requirement for new borrowings included in the 2021-2022 Operational Plan and Budget and seeks Council's approval to proceed with a loan contract with NSW Government TCorp for the sum of \$9,770,000 at a fixed rate of interest for a period of twenty (20) years.

Item:	9.5	Ref: AINT/2022/03756
Title:	Cash and Investment Report 31 January 2022	Container:
	ARC16/0001-7	
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Aakash Katyara, Graduate Accountant	
Attachments:	Nil	

The Cash and Investment report provides an overview of cash and investments for the month to 31 January 2022 and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

1. OFFICERS' RECOMMENDATION:

That Council:

- a) Note the Cash and Investment Report for January 2022.
- b) Note the updated Expected 2022 Year-end cash forecast included in the report as per Council meeting minute 22/22.

2. Background

As at 31 January 2022, Council held \$49,442,406 in investments (market value) and \$40,335,575 in cash, giving a combined total of \$89,777,981.

3. Discussion

Cash and Investments

Balances are as follows:

Item/Account	January 2022 \$	December 2021 \$	Movement \$
<u>Cash at Bank</u>			
NAB General Account	-	-	-
NAB High Interest Cash At Call	36,826,013	42,580,384	(5,754,371)
AMP Saver Account	2,011,871	2,010,989	882
NAB Trust Fund	1,497,691	1,497,437	254
Total Cash	40,335,575	46,088,810	(5,753,235)
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Funds	15,332,631	15,342,347	(9,716)
Term Deposits	34,109,775	29,094,426	5,015,349
Total Investments	49,442,406	44,436,773	5,005,633
Total Cash & Investments	89,777,981	90,525,583	(747,602)

Summary of investment movements for January 2022:

Investment Maturities/Movements		New Investments	
Institution	Amount \$	Institution	Amount \$
Movement in Interest Receivable on Term Deposits	15,349	NAB	5,000,000
Market Movement T-Corp IM Funds	(9,716)		
Total	5,633	Total	5,000,000

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 January 2022 saw some negative movement in investment markets which impacted upon investment returns for the T-Corp IM Funds. 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

	January 2022	December 2021	Movement
	\$	\$	\$
NAB General Cash Account	-	-	-
Term Deposits	15,349	12,953	2,396
NSW T-Corp IM Funds (Note 1)	(9,716)	10,427	(20,143)
NAB High Interest Account	4,170	4,364	(194)
AMP Saver Account	882	826	56
NAB Trust Account	254	254	-
Total	10,939	28,824	(17,885)

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, and again in January 2022 which resulted in a negative investment revenue amount for those months.

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	6,029,529	12.20%
Bank Of Queensland	A2	10,022,192	20.27%
Bendigo & Adelaide Bank	A2	5,005,274	10.12%
Regional Australia Bank	Unrated	2,004,274	4.05%
ING Bank	A1	6,026,110	12.19%
National Australia Bank	A1+	5,022,397	10.16%
NSW T Corp – IM Funds (Cash and Short Term Income Fund)	A	15,332,632	31.01%
Total		49,442,408	100%

Investment Yield

Term of Investment	January 2022			December 2021		
	ARC	3m BBSW rate	Outperformance	ARC	3m BBSW rate	Outperformance
6 months	0.55%	0.22%	0.33%	0.56%	0.18%	0.38%
12 months	0.65%	0.59%	0.06%	0.68%	0.34%	0.34%

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 2021* – 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 2021*.

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)	(\$161,385)	Nil	Nil	Nil	(\$413,615)
210815.1.1760. 333.2430	Subscriptions	\$10,455	\$7,250	\$2,500	Nil	\$9,750	\$705

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

Interest Income	YTD Actual \$	YTD Budget \$	Difference \$
YTD January 2022	\$161,385	\$335,414	(\$174,029)
YTD December 2021	\$150,446	\$287,500	(\$137,054)
Movement	\$10,939	\$47,914	(\$36,975)

There is a YTD unfavourable budget variance of \$174,029 to 31 January 2022 (including accrued interest). As a result, a proposed downward adjustment of (\$276,774) for interest income has been included in the 2021-2022 Second Quarter Budget Review. The key change from the original forecast is the interest rates that were used were higher than what is currently being achieved.

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 January 2022, 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 31 January 2022, 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 Second Quarter Budget Review, it is projected there will be an increase in restricted cash of \$4.23m and an increase in unrestricted cash of \$48k, a net increase of \$4.28m. The current cash and investment position as at 31 January 2022 adequately covers forecast 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
Total Restrictions	35,142	23,244	19,511	77,897
Unrestricted	3,408	-	-	3,408
Total Funds	38,550	23,244	19,511	81,305

Projected Year End Result at 30 June 2022 (as at QBR2 – presented to Council Feb 2022)

\$'000	General	Water	Sewer	Total
External Restrictions	17,156	28,561	19,594	65,312
Internal Restrictions	15,290	-	-	15,290

Total Restrictions	32,446	28,561	19,594	80,602
Unrestricted	3,456	-	-	3,456
Total Funds	35,903	28,561	19,594	84,058

Movement from June 2021 to Forecast June 2022

\$'000	General	Water	Sewer	Total
External Restrictions	(1,173)	5,317	83	4,227
Internal Restrictions	-	-	-	-
Total Restrictions	(1,173)	5,317	83	4,227
Unrestricted	48	-	-	48
Total Funds	(1,125)	5,317	83	4,275

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 January 2022 and demonstrates compliance with Council policy.

Item:	10.1	Ref: AINT/2021/44634
Title:	Armidale Regional Local Environmental Plan – Consideration of Submissions Received and Request to Prepare a Draft LEP Container: ARC16/0030-3	
Responsible Officer	Chief Officer Sustainable Development	
Author:	Daniel Boyce, Chief Officer Sustainable Development	
Attachments:	1. State Agency Comments 2. Public Submissions 3. Adjoining Council Comments	

1. Purpose

The purpose of this report is to:

- consider the submissions received during the public exhibition period for the Armidale Regional Local Environmental Plan (ARLEP) Planning Proposal (PP) (PP-2021-4173),
- Contemplate amendments to the PP resulting from the public exhibition, and
- Seek Council approval to forward the amended PP to the Department of Planning Industry & Environment (DPIE) requesting drafting and finalisation of the Local Environmental Plan.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the proposed updates to the ARLEP Planning Proposal arising from agency and community consultation, including Option 2 for Key Issue A, and forward to the Department of Planning Industry & Environment for finalisation of the LEP.
- b. Delegate to the General Manager the authority to make any minor amendments to the PP required by Department of Planning Industry & Environment/Parliamentary Counsel/other authority in order to finalise the LEP, that do not impact on the intent of the endorsed Planning Proposal.

3. Background

The Armidale Regional Council was proclaimed on 12 May 2016, following the amalgamation of the Armidale Dumaresq Council and the Guyra Shire Council. A subsequent proclamation altered the boundaries between the Armidale Regional Council (ARC) and Inverell Shire Council. The proclamation dated 1 July 2019 resulted in the locality referred to as Tingha becoming part of the Inverell Shire Council.

As a consequence of these local government area (LGA) boundary changes, the current ARC LGA is regulated by both the *Armidale Dumaresq Local Environmental Plan 2012* (ADLEP) and the *Guyra Local Environmental Plan 2012* (GLEP). Instead of having two separate LEPs for the LGA it is intended to create one consolidated LEP for the Armidale Regional LGA to simplify the applicable environmental planning controls.

The provision of a single LEP for the LGA was included in Council's Local Strategic Planning Statement (LSPS) and within the LSPS Implementation Plan as the highest priority Administrative Action.

An LEP is an environmental planning instrument (EPI) and statutory plan. LEPs must comply with the common format and content of LEPs as outlined in the *Standard Instrument (Local Environmental Plans) Order 2006* (Standard Instrument).

If an LEP is to be amended or a new one created, the change is made through the preparation of a Planning Proposal (PP). The PP explains the intent of the proposed change(s) and the justification for the LEP amendments.

The following figure provides an outline of the process required to prepare/amend an LEP.



Figure 1: Planning Proposal Process

Council has prepared the Planning Proposal (Stage 2) which has been forwarded to the Department of Planning, Industry & Environment (DPIE) for Gateway Determination. Council, at

its Ordinary Meeting of Council held on 23 June 2021 (Item 9.1), endorsed the PP and the forwarding of the PP to DPIE.

DPIE issued its Gateway Determination (Stage 3) on 4 August 2021, subject to a number of conditions. These conditions included, amongst other things, updating of the PP prior to agency and community consultation.

The PP was amended in accordance with the requisite Gateway Determination conditions and forwarded to DPIE on 8 September 2021.

DPIE advised on 15 September 2021 that the amended PP satisfied the requirements of conditions 1 and 2 of the Gateway Determination and confirmed that Council was permitted to proceed with public authority and community consultation (Stage 4).

Consultation was undertaken with public authorities and organisations from 17 September 2021 to 11 October 2021. Public Consultation was undertaken from 18 October 2021 to 15 November 2021 (Stage 5). Full details of the consultation and the submissions received are provided in Section 6 below.

4. Discussion

4.1. Key Issues

The key issues are:

A. Rezoning of Guyra LEP E3 Zoned Land and Land Use Permissibility

Both ADLEP and Guyra LEPs have land zoned C3 Environmental Management. These zones were formerly known as E3 as DPIE is in the process of converting the Environmental E zones to Conservation C zones to accommodate a new Employment Zone category which will be known as the E zones.

The E3/C3 zones within the ADLEP and Guyra LEPs have different permissible land uses. The Guyra LEP has a more limited number of land uses that are permissible with and without consent, compared to the ADLEP.

The E3/C3 zone within the GLEP only applies to 9 lots (in three areas) surrounding the Mother of Ducks Lagoon Nature Reserve (E1 zone) as shown below.

The Mother of Ducks Lagoon is a naturally occurring temporary freshwater wetland area which is listed as an Endangered Ecological Community under both the NSW *Biodiversity Conservation Act 2016* and *Commonwealth Environment Protection and Biodiversity Conservation Act 1999*. It also provides habitat for threatened flora and fauna species and is a site of significant international migratory bird populations. The land within the E1 and E3/C3 zones in the vicinity of the lagoon is listed as a heritage item (I076) under the GLEP. It is also mapped as being of Biodiversity Values under the Biodiversity Values Map established under the NSW *Biodiversity Conservation Act 2016*.

The land within the E3/C3 zone within the GLEP is understood to have been used historically and be currently for grazing and cropping activities in conjunction with the adjacent RU1 Primary Production zoned land.

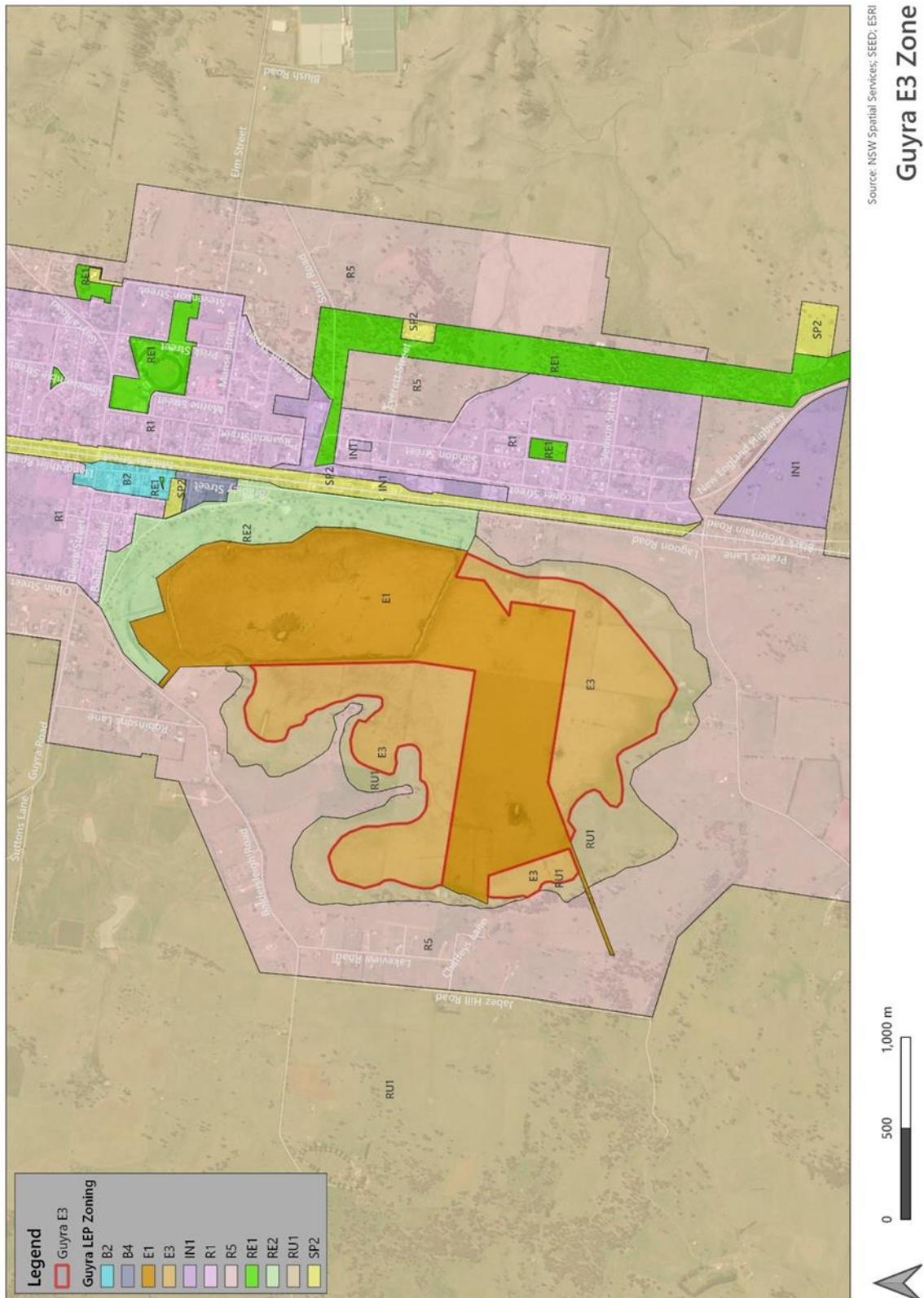


Figure 2: Guyra LEP E3/C3 zoning

Given the environmental values of the Lagoon and its E3/C3 curtilage, it was considered inappropriate to permit additional land uses from the ADLEP that are currently prohibited under the GLEP. Therefore, in order to differentiate between the two LEPs, the PP proposed to change

the zoning of the land within the Guyra LGA from E3/C3 Environmental Management to E2/C2 Environmental Conservation. The PP also proposed to change the permissibility of land uses compared to the existing land use table of the E3 zone as follows:

- Permitted without consent:
 - From 'permitted with consent' - Environmental protection works
- Permitted with consent:
 - From 'permitted without consent' - Extensive agriculture, Flood mitigation works, roads.
 - No change to GLEP – Environmental facilities, Oyster aquaculture, research stations.
- Prohibited:
 - From 'permitted without consent' - Home-based child care, Home occupations, Home occupations (sex service)
 - From 'permitted with consent' - Bed and breakfast accommodation, Building identification signs, Business identification signs, Dwelling houses, Eco-tourist facilities, Emergency services facilities, Farm buildings, Farm stay accommodation, Home businesses, Home industries, Pond-based aquaculture, Tank-based aquaculture, Water supply systems.
 - No change to GLEP– Dairies (pasture-based), Industries, Multi dwelling housing, Residential flat buildings, Retail premises, Seniors housing, Service stations, Warehouse or distribution centres, Water treatment facilities (included in Water supply system term), Any other development not specified in item 2 or 3.
 - New land use – Business premises, Hotel or motel accommodation, Recreation facilities (major), Restricted premises.

The E2/C2 zone is a more conservative zone, environmentally, compared to the E2/C2 Zone. The DPIE LEP Practice Note PN 09-002 provides the following descriptions in relation to each zone:

E2 Environmental Conservation

This zone is for areas with high ecological, scientific, cultural or aesthetic values outside national parks and nature reserves. The zone provides the highest level of protection, management and restoration for such lands whilst allowing uses compatible with those values.

It is anticipated that many councils will generally have limited areas displaying the characteristics suitable for the application of the E2 zone. Areas where a broader range of uses is required (whilst retaining environmental protection) may be more appropriately zoned E3 Environmental Management.

E3 Environmental Management

This zone is for land where there are special ecological, scientific, cultural or aesthetic attributes or environmental hazards/processes that require careful consideration/management and for uses compatible with these values.

As a result of the more conservative E2/C2 zoning, many of the land uses that are currently 'permissible without consent' under the GLEP are proposed under the PP to become 'permissible with development consent' or 'prohibited' land uses. Similarly, many land uses that are currently 'permissible with consent' will become 'prohibited'. These changes are necessitated to ensure consistency with the E2/C2 zone objectives.

A number of public submissions (refer Section 6 below) raised concerns regarding the proposed change of zoning for the GLEP E3 Zone and the change in permissibility of land uses. In particular, concern was raised that the PP would result in:

- 'Dwelling houses' becoming a prohibited land use in the new E2/C2 zone where as it is currently a permissible land use in the zone, subject to achieving other development standards and LEP requirements, and
- 'Extensive agriculture' requiring development consent to be carried out as opposed to be currently being able to be carried out without development consent.

DPIE-BCD recommended in its submission that in addition to the changes proposed in the PP that:

- The RU1 Primary Production zoned land adjacent to the existing E3/C3 zoned land around Mother of Ducks Lagoon be rezoned to E3 Environmental Management, and
- The 'Extensive agriculture' land use be 'prohibited' within the E2/C2 Zone and 'permitted with consent' in the E3/C3 zone.

The current E3/C3 zoning was applied to the site as part of the Guyra LEP 2012, which was at the time all LEPs within NSW were converted over to the Standard LEP template. Prior to this, the Guyra LEP 1998 applied to the site and the land was zoned 1(a) General Rural. Some of the 1(a) zoning was retained as the new RU1 Primary Production Zone, however, the area closest to the Nature Reserve was converted to the E3 Zone.

The DPIE LEP Practice Note PN 09-002 provides the following advice on the application of environmental protection zones:

Prior to applying the relevant zone, the environmental values of the land should be established, preferably on the basis of a strategy or from an environmental study developed from robust data sources and analysis. This is particularly important where land is identified as exhibiting high ecological, scientific, cultural or aesthetic values outside national parks and nature reserves. For example, in most cases, council's proposal to zone land E2 needs to be supported by a strategy or study that demonstrates the high status of these values. Under such a strategy or study, zoning would need to be appropriate and land uses would need to be capable of being sustained.

The application of these zones is also to be consistent with relevant legislation, State and regional planning policies and subregional strategies.

The zones are to be applied consistently so that their value is not diminished by inappropriate application or by permitting incompatible uses.

Whilst it is noted that the E3/C3 zoned land contains environmental values, there is an absence of studies on this land that specifically justify the changing of the zone to E2/C2 consistent with the DPIE LEP Practice Notes. The land was rezoned to E3/C3 when the Guyra LEP 2012 was formulated, consistent with the Standard Template LEP and the same DPIE LEP Practice Notes considered in this report. There have been no subsequent studies carried out to warrant applying a more conservative zoning.

The objective of this PP is:

To create a consolidated local environmental planning instrument for the Armidale Regional Local Government Area by amending the Armidale Dumaresq Local Environmental Plan 2012 to include provisions from the Guyra Local Environmental Plan 2012 and the Standard Instrument – Principal Local Environmental Plan 2006 and correct a number of existing anomalies.

Without retaining appropriate land uses currently permissible under the Guyra LEP, it could be argued that the proposed change to the zoning of the E3/C3 zoned land within with the Guyra LEP area and permissibility of land uses within this area extends beyond the objective of the PP. Furthermore, it has not been based on a specific study or strategy to demonstrate that the zoning is appropriate and land uses are capable of being sustained.

The following three options are provided in order to progress this issue.

Option 1

Following the comments raised as part of the exhibition period, discussions were undertaken with DPIE. An option is to rezone the land to E2/C2 as per the PP however to include as part of the Schedule 1 Additional Permitted Uses the land use permissibility that currently exists for this area. This would maintain the status quo in terms of use permissibility. In other words the landowners would not be disadvantaged or be perceived to be disadvantaged by the LEP merge in terms of permissible land uses.

Given that in the future other land could be zoned C2/E2, it is important to retain the land use table as per the LEP standard template. That is why the Additional Permitted Use Schedule is to be utilised in this instance to retain current land use permissibility. The following is the proposed land use table and Additional Permitted Use table.

ZONE C2 ENVIRONMENTAL CONSERVATION

1 Objectives of zone

- To protect, manage and restore areas of high ecological, scientific, cultural or aesthetic values.
- To prevent development that could destroy, damage or otherwise have an adverse effect on those values.

2 Permitted without consent

Nil.

3 Permitted with consent

Environmental protection works; Oyster aquaculture

4 Prohibited

Business premises; Dairies (pasture-based); Hotel or motel accommodation; Industries; Multi dwelling housing; Pond-based aquaculture; Recreation facilities (major); Residential flat buildings; Restricted premises; Retail premises; Seniors housing; Service stations; Tank-based aquaculture; Warehouse or distribution centres; Any other development not specified in item 2 or 3.

Schedule 1 - APU For Mother Of Ducks E3 Land

Land	Use
<ul style="list-style-type: none"> • Lot 2 DP 1144437 – 163 Baldersleigh Rd Guyra • Lot 311 DP 753659 – 350 Lagoon Rd Guyra • Lot 359 DP 46361 – 46 Chaffeys Ln Guyra • Lot 363 DP 704039 – 218 Lagoon Rd Guyra • Lot 1 DP 801051 – 126 Lagoon Rd Guyra 	<p><u>Permitted without Consent</u></p> <ul style="list-style-type: none"> • Extensive agriculture • Flood mitigation works; • Home-based child care; • Home occupations; • Home occupations (sex services);

<ul style="list-style-type: none">• Lot 1 DP 1162151 – 316 Lagoon Rd Guyra• Lot 21 DP 1050356 – 140 Lagoon Rd Guyra• Lot 6 DP 1275249 – 14 Charlies Ln Guyra• Lot 353 DP 39932 – 92 Lagoon Rd Guyra	<ul style="list-style-type: none">• Roads <p><u>Permitted with Consent</u></p> <ul style="list-style-type: none">• Bed and breakfast accommodation;• Building identification signs;• Business identification signs;• Dwelling houses;• Eco-tourist facilities;• Emergency services facilities;• Environmental facilities;• Farm buildings;• Farm stay accommodation;• Home businesses;• Home industries;• Pond-based aquaculture;• Research stations;• Tank-based aquaculture;• Water supply systems
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This approach was discussed with DPIE on Friday 4 February 2022, and the following advice has now been provided:

Should Council wish to move forward with the proposal to significantly alter the land uses permitted in the C2 zone, it will be necessary to undertake additional agency and community consultation in accordance with conditions 3 and 4 of the Gateway determination.

If Council decides to endorse this approach then additional agency and community consultation will need to occur and the combined (Armidale Regional) LEP will be delayed.

Option 2

In the future other land within the LGA could be zoned C2/E2. It is therefore important to retain the land use table as per the LEP standard template to be consistent with the objectives of the zone to retain the integrity of the intent of the zone. Option 2 proposes to provide a land use table as per the LEP standard templates and to provide Schedule 1 Additional Permitted Uses for the land currently zoned E3/C3 under Guyra LEP as per the exhibited PP except for 'Extensive agriculture' which would be changed to development without consent as outlined below:

ZONE C2 ENVIRONMENTAL CONSERVATION

1 Objectives of zone

- To protect, manage and restore areas of high ecological, scientific, cultural or aesthetic values.
- To prevent development that could destroy, damage or otherwise have an adverse effect on those values.

2 Permitted without consent

Nil.

3 Permitted with consent

Environmental protection works; Oyster aquaculture

4 Prohibited

Business premises; Dairies (pasture-based); Hotel or motel accommodation; Industries; Multi dwelling housing; Pond-based aquaculture; Recreation facilities (major); Residential flat buildings; Restricted premises; Retail premises; Seniors housing; Service stations; Tank-based aquaculture; Warehouse or distribution centres; Any other development not specified in item 2 or 3.

Schedule 1 - APU For Mother Of Ducks E3 Land

Land	Use
<ul style="list-style-type: none"> • Lot 2 DP 1144437 – 163 Baldersleigh Rd Guyra • Lot 311 DP 753659 – 350 Lagoon Rd Guyra • Lot 359 DP 46361 – 46 Chaffeys Ln Guyra • Lot 363 DP 704039 – 218 Lagoon Rd Guyra • Lot 1 DP 801051 – 126 Lagoon Rd Guyra • Lot 1 DP 1162151 – 316 Lagoon Rd Guyra • Lot 21 DP 1050356 – 140 Lagoon Rd Guyra • Lot 6 DP 1275249 – 14 Charlies Ln Guyra • Lot 353 DP 39932 – 92 Lagoon Rd Guyra 	<p><u>Permitted without Consent</u></p> <ul style="list-style-type: none"> • Environmental protection works • Extensive agriculture (excluding Dairies (pasture-based)). <p><u>Permitted with Consent</u></p> <ul style="list-style-type: none"> • Environmental facilities • Flood mitigation works • Research stations • Roads

Note: 'Home-based child care', 'Home occupations', 'Home occupations (sex services)', 'Bed and breakfast accommodation', 'Building identification signs', 'Business identification signs', 'Dwelling houses', 'Eco-tourist facilities', 'Emergency services facilities', 'Farm buildings', 'Farm stay accommodation', 'Home businesses', 'Home industries', 'Water supply systems' are prohibited by virtue of being 'Any other development not specified in item 2 or 3' in the land use table.

The rationale for this option is as follows.

The key issues raised as a result of the consultation with land owners in this area were:

- the ability to continue grazing and cropping (extensive agriculture); and
- dwelling permissibility (Dwelling houses)

Option 2 proposes to retain the permissibility of 'Extensive agriculture' as it currently exists under the Guyra LEP.

In terms of dwelling permissibility, whilst the GLEP lists dwelling houses as a permissible land use, is also requires a minimum lot size (MLS) of 200ha in order to erect a dwelling (unless the land has a dwelling entitlement from previous instrument provisions). It does not appear that any of the land in the same ownership in this area would achieve the required 200 ha MLS in order to erect a dwelling house.

Whilst Option 2 would make 'Dwelling houses' prohibited in the E2/C2 zone, all of the lots that are affected by the E2/C2 zoning are also zoned part RU1 Primary Production and/or R5 Large Lot Residential. 'Dwelling houses' would remain permissible with consent (subject to MLS and other existing LEP prerequisites) on the RU1/R5 areas within the lots.

This option is seen as the most pragmatic approach to ensure that the LEP is finalised as soon as practicable.

Option 3

Alternatively, the PP could proceed as exhibited which would rezone the land currently zoned E3/C3 within the Guyra LEP to E2/C2 and provide for the change in permissibility of land uses, that is consistent with the objectives of the more conservative zoning.

It is clear from community submissions that this would be seen as a poor outcome from the landowner perspective.

B. 57 Newton Street Armidale

57 Newton Street (Lot 4 DP 546075) is located approximately 900m north of the Armidale CBD, and approximately 100m east of March Street (refer Figures 3 & 4). It currently contains an office and storage for a building company/builder and is zoned R1 General Residential under Armidale Dumaresq LEP 2012.

In 1961 a bus depot was approved on the site, which is understood to have been a permissible land use at the time. In 1971 the building was extended to the west, which is understood to have been permitted through existing use provisions.

Figure 5 provides an historic aerial photograph of the site from 1962.

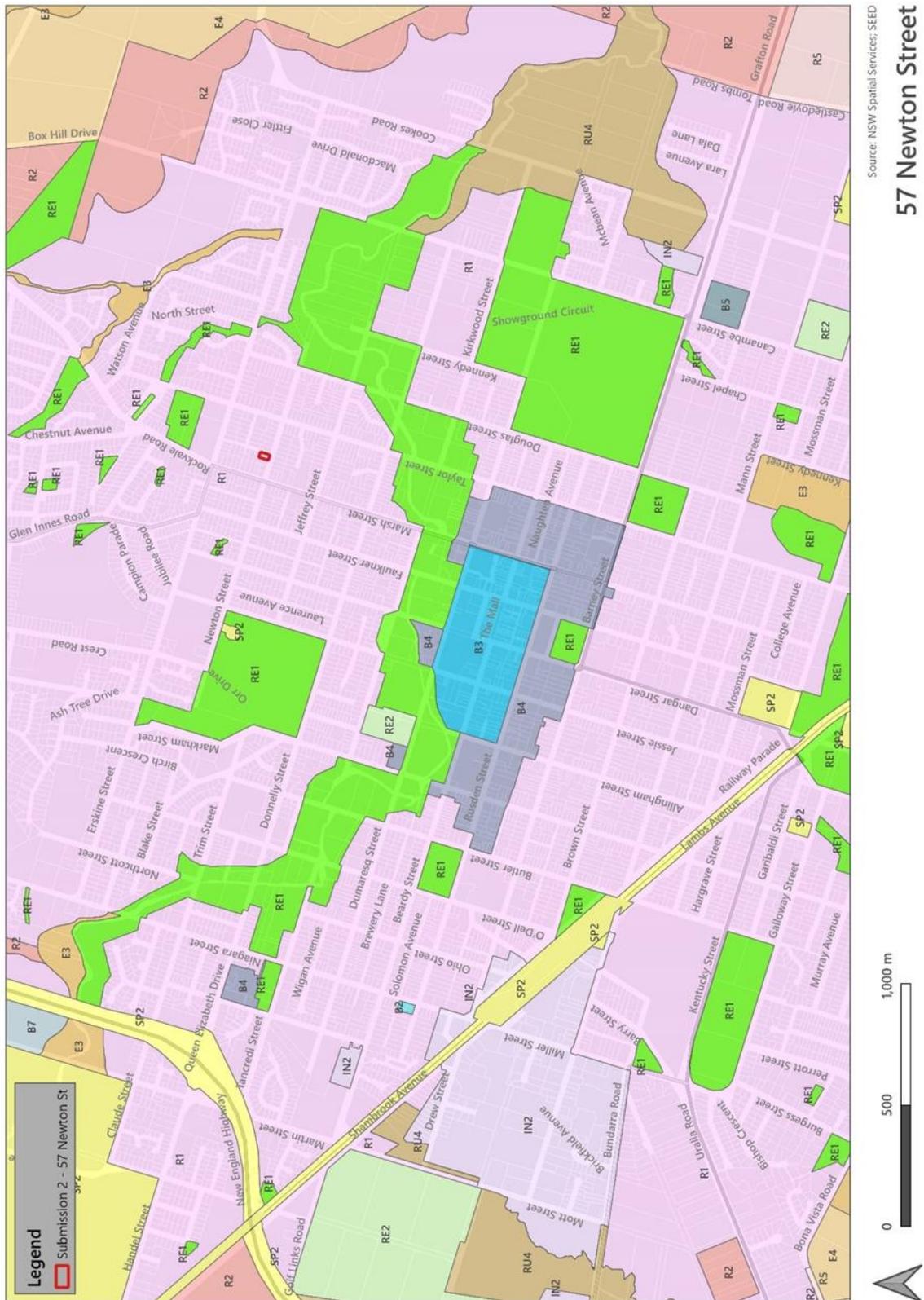


Figure 3: 57 Newton Street Location



Figure 4: 57 New Street Aerial Photograph



Figure 5: Aerial Imagery 1962 (Source: Spatial Collaboration Portal)

In 2011 Council granted development consent on the site for Alterations and Additions and Change of Use to Office and Storage for Construction Material. The assessment report indicated that the DA was granted on the basis of existing use rights with both the existing and proposed uses being Light Industrial land use.

Submission 2 requested that the site be rezoned from R1 General Residential to B4 Mixed Use. As this PP is concerned with the harmonisation of the two existing LEPs it is not considered appropriate to provide a blanket spot rezoning for the site. Furthermore, a strategic consideration of the appropriateness of an isolated pocket of B4 zoning in this location would be required to support such a change.

Nevertheless, regularisation of the existing use on the site that has been carried out in one form or another since the 1960s is however not considered inappropriate. The occupants, with the DA approval of Council, have provided significant investment into the site which will provide for the continued operation of the site as the light industrial land use for the foreseeable future. It is also unlikely be reverted to a “pure” residential use given the nature of the existing development on site. It is understood that this use has been occurring sympathetically with the adjacent residential land uses. Therefore, it is considered appropriate in this instance to provide an additional permitted use for the site of ‘light industry’ being permitted with development consent. This will regularise the long-standing existing use on site that is expected to continue into the future.

C. 242 Rusden Street Armidale

242 Rusden Street (Lot A DP 329168) is located approximately 800m west of the Armidale CBD (refer Figures 6 & 7). The site contains an existing commercial premise and is zoned R1 General Residential under Armidale Dumaresq LEP 2012.

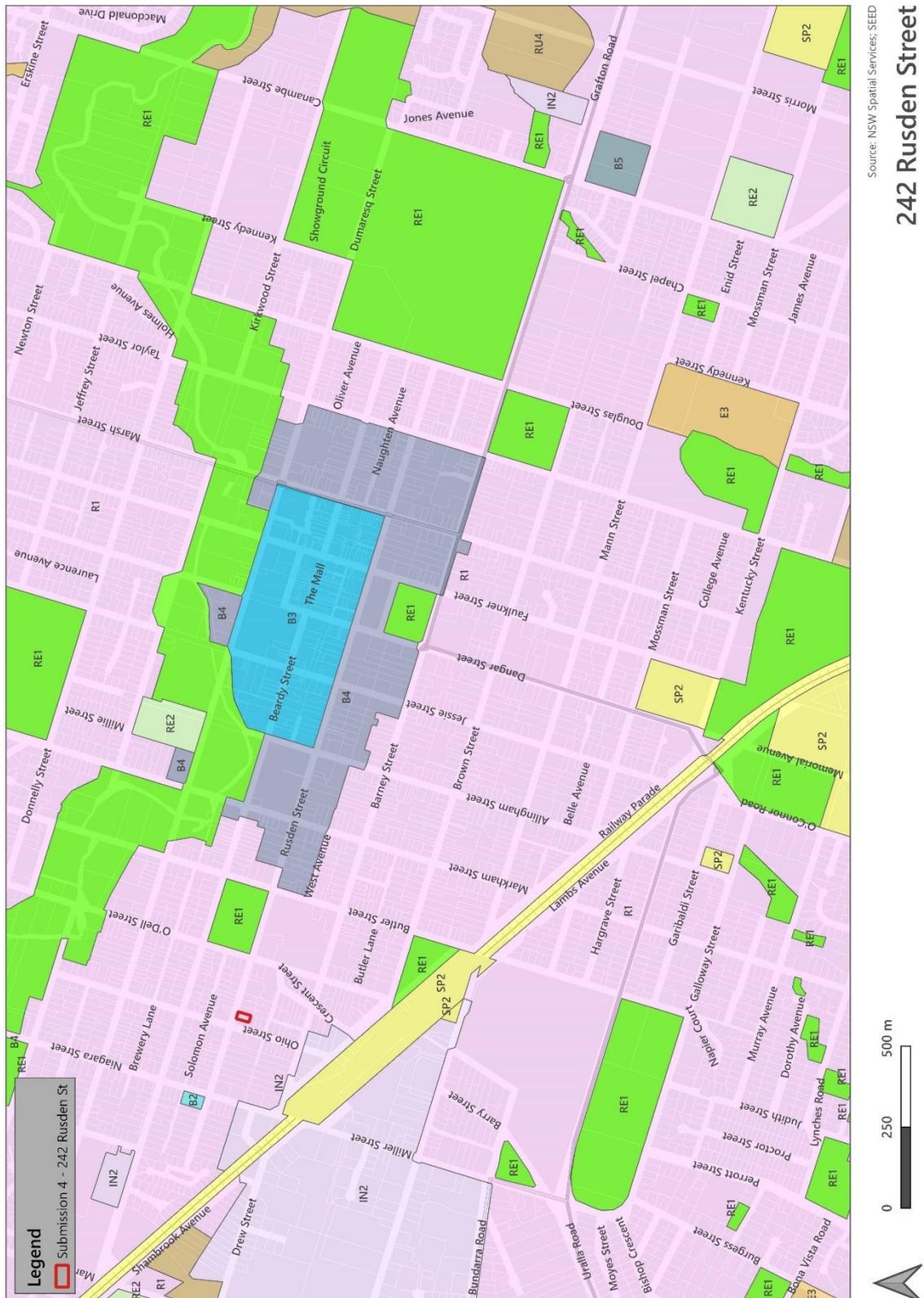


Figure 6: 242 Rusden Street Location



Figure 7: 242 Rusden Street Aerial Photograph

On 20 December 2001 consent was granted for a change of use from a butcher's shop (approved in the 1960s) to a commercial premises for food preparation. Council granted consent for a retail clothing outlet on the site on 27 March 2006.

The site is located in a hub of commercial type uses, despite being with a R1 zone, at the intersection of Rusden and Ohio Streets. This hub comprises the Grand Hotel on the north-eastern corner, a hair dresser to the immediate east of the hotel, a curtain shop on the south-western corner which is adjacent to the subject site. Drummond Public School is located on the south-western corner of the intersection. These commercial land uses have been in existence for quite some time as evidenced by the 1956 aerial image below which shows the hotel, corner shop and subject site building.



Figure 8: Aerial Imagery 1956 (Source: Spatial Collaboration Portal)

The current R1 zoning prohibits 'Commercial Premises' land uses apart from 'Neighbourhood shops'. This prohibition extends to include food and drink premises, amongst other things.

Submission 4 requested that the site be rezoned from R1 General Residential to B4 Mixed use to reflect the long-established commercial use of the site. As this PP is concerned with the harmonisation of the two existing LEPs it is not considered appropriate to provide a blanket spot rezoning for the site. Furthermore, a strategic consideration of the appropriateness of an isolated pocket of B4 zoning in this location would be required to support such a change. There is merit in the consideration of rezoning this hub area, however, further strategic investigation is required to ensure the appropriate zoning and land uses are placed on the land in the context of the LGA as a whole.

Nevertheless, regularisation of the existing use that has been carried out in one form or another on the site since the 1960s is however not considered inappropriate. The existing use rights that apply to the site are constraining by virtue of the nature of the existing building and the economics for continued use/reuse. It is considered appropriate, in this instance, to provide an additional permitted use for the site of 'retail premises' being permitted with development consent. This will regularise the long-standing existing use on site that is expected to and is considered appropriate continue into the future.

D. 502 Dumaresq Dam Road Armidale Zoning

A submission (No. 6) has been received requesting rectification of an error in the zoning of Lot 1 DP 597896 (502 Dumaresq Dam Road). The location of this site is shown in Figure 9. The submission suggests that the land has been erroneously zoned E3 Environmental Management (instead of RU1 Primary Production) as a result of being mapped as part of the Duval State Forest in Figure 2 of the *City of Armidale Environmental Protection Zone Review* (1995).

Following the amalgamation of the Armidale City and Dumaresq Shire Council's, the new Armidale Dumaresq Council was required to prepare a single LEP for the LGA to replace the Armidale LEP 1988 and Dumaresq LEP No. 1. Given the age of the existing LEPs, a strategic planning review was review to inform the preparation of the new LEP, which is provided in the *Strategic Analysis for the Draft Armidale Dumaresq LEP 2005* ('strategic analysis').

The elevated land surrounding Armidale has had controls in place, in some form or another, since the 1970s in order to protect the visual setting of Armidale. The Strategic Analysis further contemplated the importance of this visual protection which translated into the provision of the following zones in the subsequent Armidale Dumaresq LEP 2008 (ADLEP 2008):

- Zone 7(a) Environment Protection (Prime Scenic)
- Zone 7(b) Environment Protection (Support Scenic)
- Zone 7(c) Environment Protection (Rural Scenic)

Under the ADLEP 2008 the subject site was zoned Zone 7(c) Environment Protection (Rural Scenic). The area of this former zoning and elevation of the site and its surrounds is shown in Figure 10. It can be seen that the eastern extent of the 7(c) zoned land is based on the 1100m contour. The western extent of the zoning appears to roughly follow the line of the summit through from Mount Duval in the north to the peak on the subject site.

When the ADLEP 2008 was transitioned to the standard template to form ADLEP 2012, the zoning was directly converted to the E3/C3 Environmental Management Zone.

The environmental protection zoning therefore appears to be correct in this area based on the visual protection of the higher elevations surrounding Armidale. On this basis, it is recommended that no changes be made to the existing zoning of the subject site.

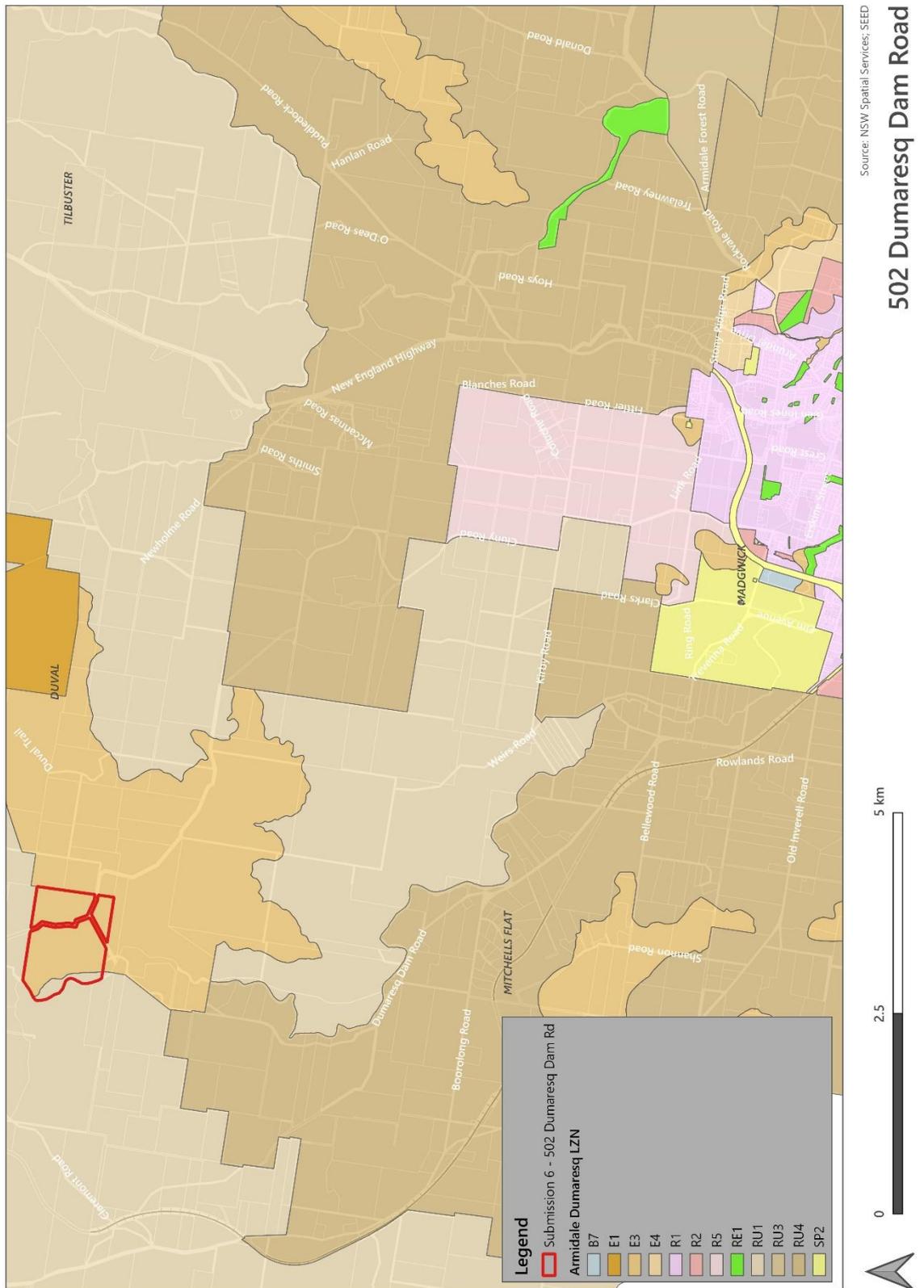


Figure 9: 502 Dumaresq Dam Road Location

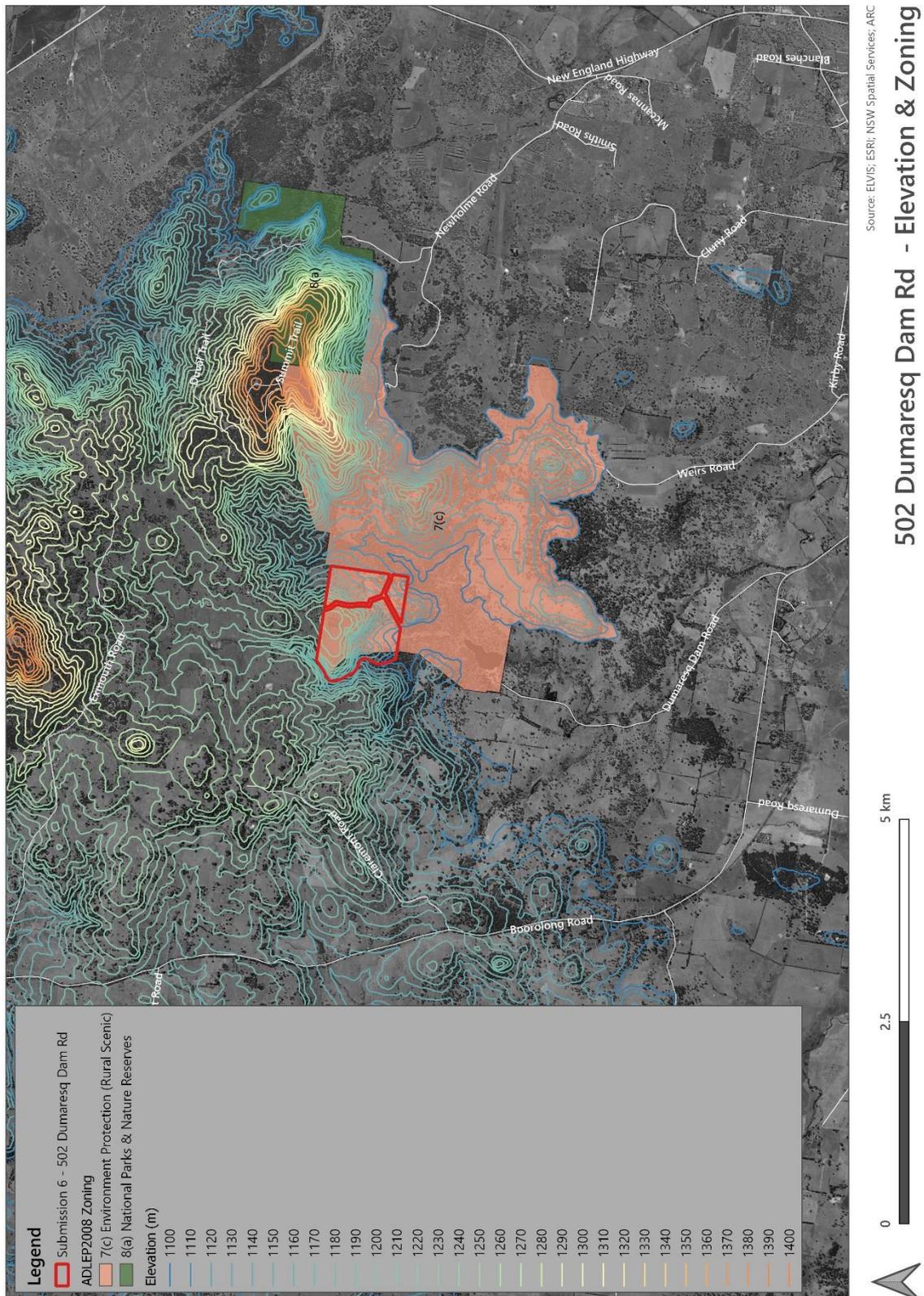


Figure 10: 502 Dumaresq Dam Road Comparison of Elevation & Zoning

E. Heritage Matters

The submission received from Heritage NSW raised issues with anomalies between the State Heritage Register and LEP listings. These are outlined below.

Item	Heritage NSW Issue	Comments
<p>Armidale Railway Precinct ADLEP Item I047 Lot 2 DP 818123 218 Brown Street, Orange (refer Figure 11)</p>	<p>Lot 2 is not within the curtilage of the SHR item 01074. (Note the HNSW correspondence incorrectly refers to LEP Item I053)</p> <p>SHR Item 01074 relates to the Armidale Railway Precinct.</p>	<p>ADLEP 2012 lists Lot 2 as a separate item being “Armidale Railway Station, Station Master’s residence” with ‘state’ significance.</p> <p>The former ADLEP 2008 listed Lot 2 as being part of the Armidale Railway Station Item (No. 216). State/Local Significance was not listed in the schedule.</p> <p>Possibly the incorrect significance was applied when the ADLEP was created.</p> <p>It is also noted that there are other anomalies in the mapping of the other railway station items between the SHR and LEP, including I035 Armidale Railway Station Turntable.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • Retain listing for Lot 2, however, change significance to Local. • Update street address to 240 Brown Street to reflect change in street addressing (as per PP). • Update the LEP mapping for LEP Item I035 to reflect the SHR mapping area.
<p>Ben Lomond Railway Station GLEP Item I009 Lot 1 DP 810235 (refer Figure 12)</p>	<p>Lot 1 is not within the curtilage of the SHR item 01083. (Note the HNSW correspondence incorrectly refers to LEP Item I231)</p>	<p>GLEP 2012 lists Item I009 as relating to the ‘railway reserve’ and does not include Lot 1 DP 810235. The associated mapping however includes Lot 1.</p> <p>The former GLWP 1988 lists Ben Lomond Railway Station as a heritage item with no property details.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • Update LEP mapping to reflect SHR mapping
<p>C B Newling Centre ADLEP Item I154</p>	<p>This is a state heritage item (Item 01769). Change significance on LEP to state significant.</p>	<p>The ADLEP lists this item as being of state significance.</p> <p>Recommendations:</p>

Item	Heritage NSW Issue	Comments
Lot 78 DP 905545 (refer Figure 13)	(Note the HNSW correspondence incorrectly refers to LEP Item I147)	<ul style="list-style-type: none"> No changes required.
Central Park ADLEP Item I216 (refer Figure 14)	<p>This is a state heritage item (Item 02019).</p> <p>This is a SHR item. Error on the ePlanning Spatial Viewer. Second polygon sitting on top off the other but offset. Extra polygons are also on Heritage Map - Sheet HER_004CAA.</p>	<p>ADLEP listed as “state nominated”.</p> <p>The LEP Heritage Map Sheet HER_002AAA correctly shows LEP Item I216. However, the ePlanning Spatial Viewer and other available GIS mapping shows an additional polygon.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> Amend LEP listing to “state” significance. Check LEP mapping to ensure additional polygons for I216 have been removed.
Saumarez Homestead ADLEP Item I180 (refer Figure 15)	<p>This is a state heritage item (Item 01505).</p> <p>Polygon for the local item does not line up with the lot boundaries and the SHR curtilage. Looks as though the heritage layer may have slipped.</p>	<p>The LEP Heritage Map Sheet HER_002 correctly shows LEP Item I180. However, the ePlanning Spatial Viewer and other available GIS mapping shows an additional polygon.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> Check LEP mapping to ensure it reflects the SHR mapping.

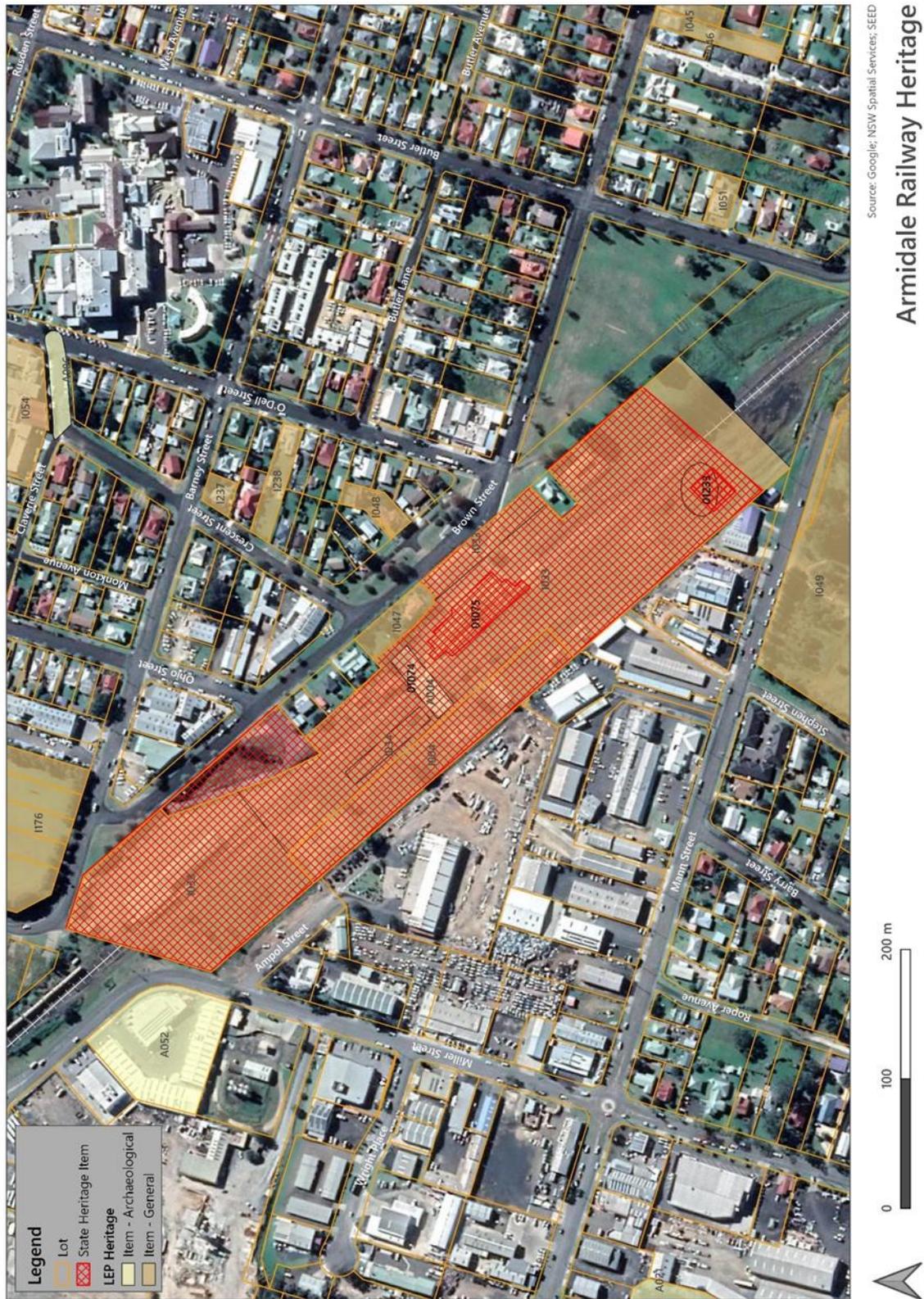


Figure 11: Armidale Railway Station Heritage Mapping

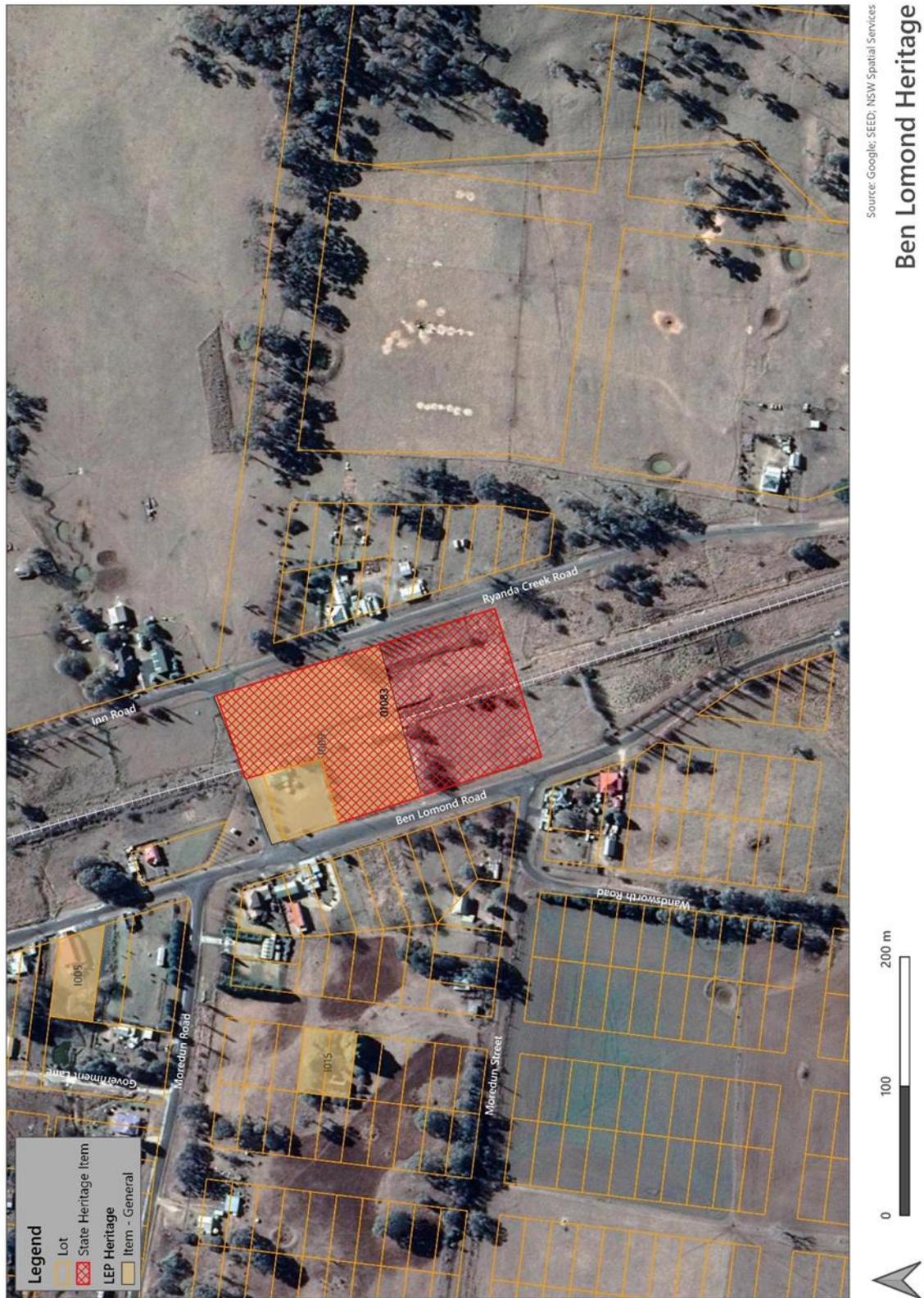


Figure 12: Ben Lomond Railway Station Heritage Mapping

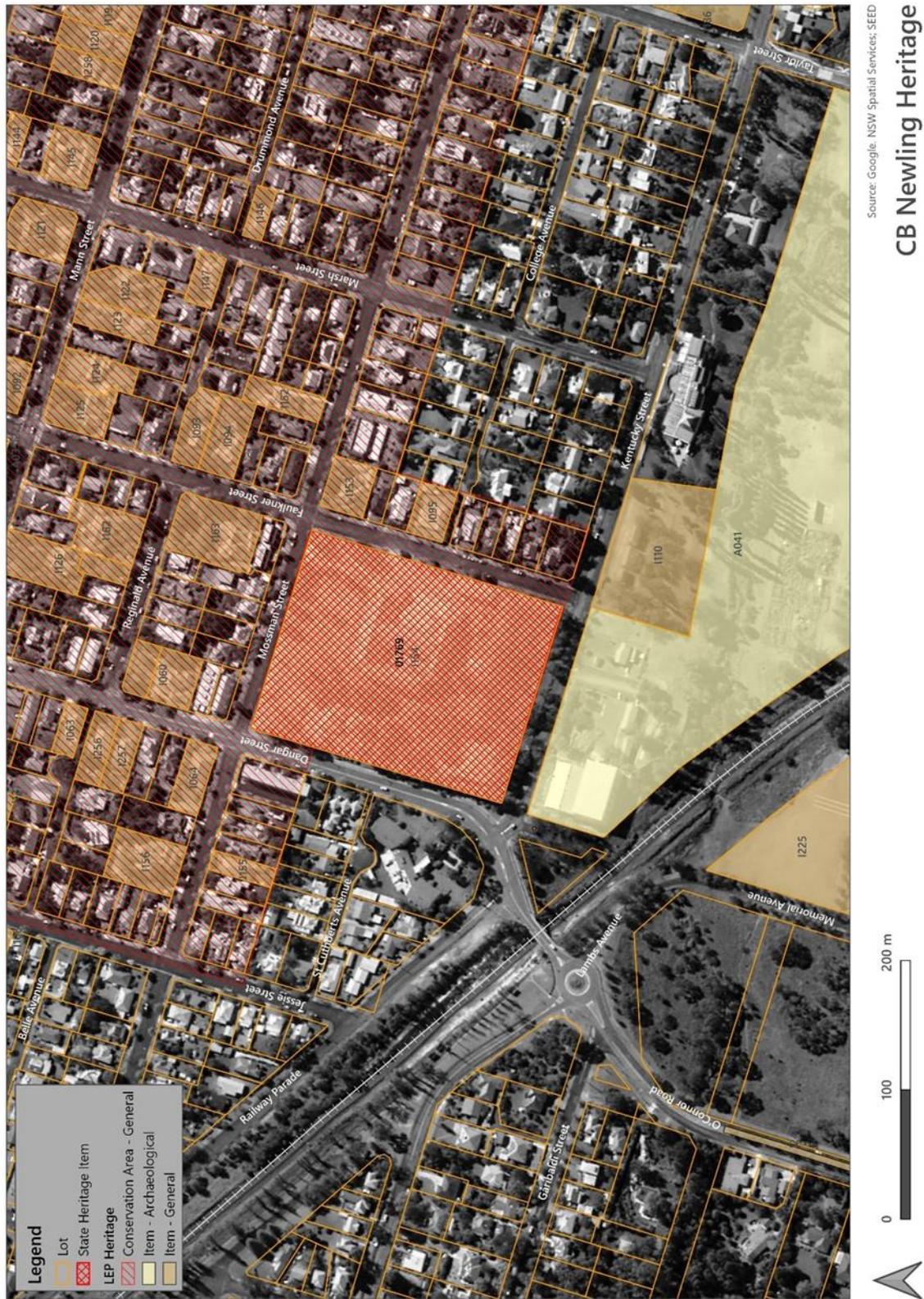


Figure 13: CB Newling Heritage Mapping

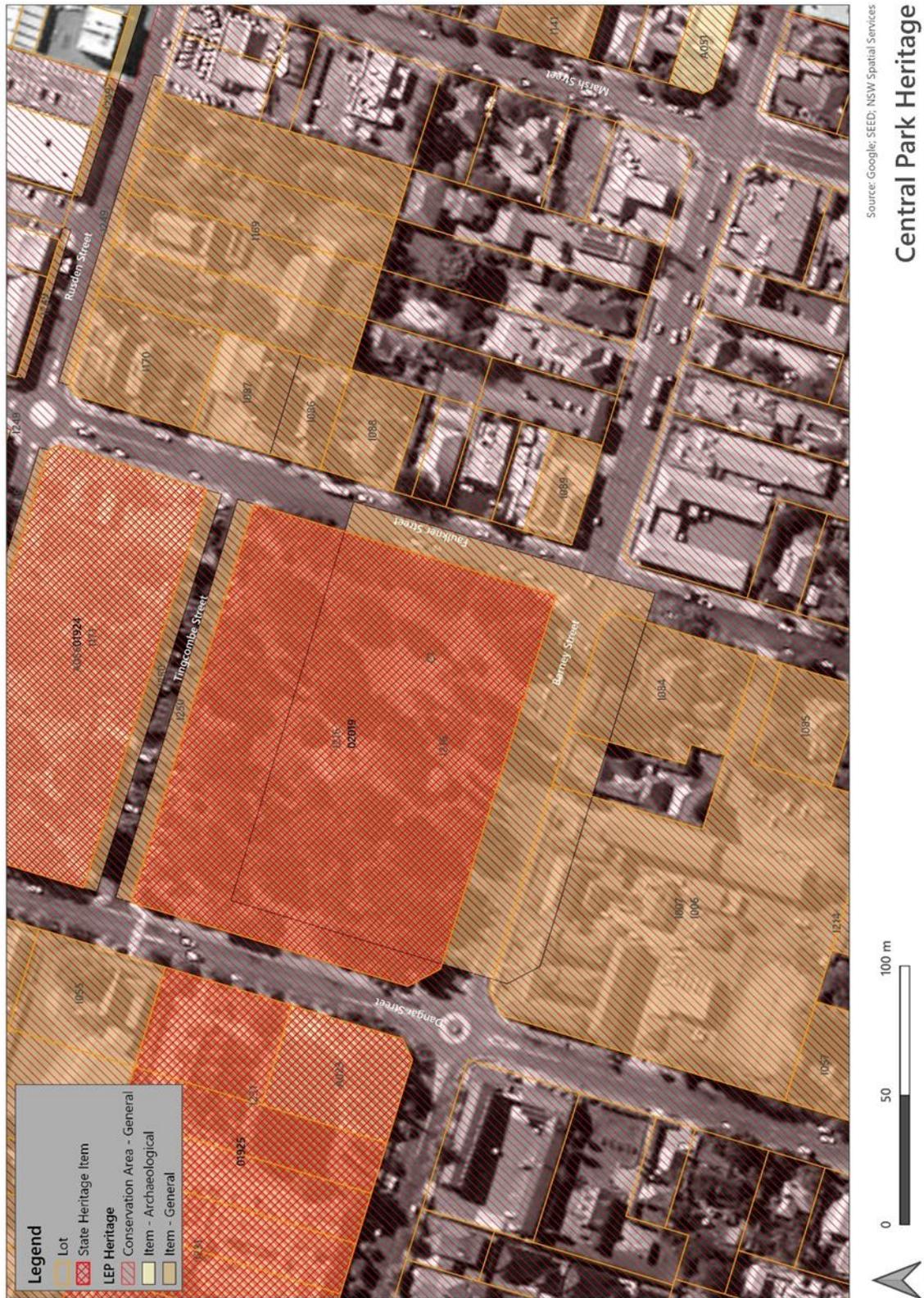


Figure 14: Central Park Heritage Mapping



Figure 15: Saumarez Homestead Heritage Mapping

4.2 Process from here

Depending on the option Council chooses in relation to the Rezoning of Guyra LEP E3 Zoned Land matter (Key Issue A) the agency and public consultation may need to occur. Should DPIE

not require further agency and community consultation then the LEP will be finalised in collaboration with DPIE. There are no guarantees that even if Council chooses option 2 for Key Issue A that agency and public consultation will not be required. Council will need to present a strong case to DPIE as to why further agency and public consultation is not required as part of its finalisation package.

5. Implications

5.1. Strategic and Policy Implications

The LEP Merge project is Administrative Action No. 8 from Council's Local Strategic Planning Statement (LSPS) which was targeted for the 2020/21 period. All matters within this report are consistent with the process required to achieve this action.

5.2. Risk

Council has previously received legal advice regarding the merge project (refer June 2021 Ordinary Council Meeting). In summary the advice stated:

There are no legal actions that could successfully be brought against Council for losses suffered by persons or entities as a result of changes to zoning and zoning controls that apply to land. No compensation is available to persons or entities in this regard.

There is no right of appeal or ability to obtain compensation in relation to downzoning in New South Wales. Landowners do not have a legal interest in theoretical development potential in these situations. This means that Council is not required to compensate a property owner in situations where existing development "rights" are lost as a result of changes to local environmental plans.

Landowners that experience downzoning will have protections under the Environmental Planning and Assessment Act 1979 with respect to existing use rights (section 4.66) and existing development consents (section 4.70). In this regard it is possible for landowners with rights under these provisions to continue with the use as was previously approved.

It should be noted that "downzoning" includes situations where:

- a) there is a change in the land use zone;
- b) the zone remains the same however the standards change;
- c) changes are made to the land use table (i.e. permissibility);
- d) the land is rezoned for a public purposes; or
- e) an item on the land is listed as a heritage item.

There are no additional legal or risk implications arising from the matters addressed in this report.

5.3. Sustainability

There are no known sustainability implications arising from the matters addressed in this report.

5.4. Financial

Budget Area:	Strategic Natural Resources and Land Use Planning						
Funding Source:	Operational						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
250203	Sustainability and Strategic Planning	50000	5600	0	25000	0	25000

Relevant matters have been addressed in previous reports to Council, including in June and August 2021. There are no additional financial implications arising from the matters addressed in this report.

6. Consultation and Communication

The Gateway Determination required the following consultation to be undertaken:

3. *Public exhibition is required under section 3.34(2)(c) and schedule 1 clause 4 of the Act as follows:*
 - (a) *the planning proposal must be made publicly available for a minimum of 28 days; and*
 - (b) *the planning proposal authority must comply with the notice requirements for public exhibition of planning proposals and the specifications for material that must be made publicly available along with planning proposals as identified in section 6.5.2 of A guide to preparing local environmental plans (Department of Planning and Environment, 2018).*
4. *Consultation is required with the following public authorities/organisations under section 3.34(2)(d) of the Act and/or to comply with the requirements of relevant section 9.1 Directions:*
 - *NSW Rural Fire Service*
 - *National Parks and Wildlife Service*
 - *Biodiversity Conservation Division*
 - *Heritage NSW*
 - *Armidale Local Aboriginal Land Council*
 - *Guyra Local Aboriginal Land Council*
 - *Department of Primary Industries – Agriculture*
 - *NSW Mining, Exploration and Geoscience*
 - *Transport for NSW (road and rail)*
 - *Crown Lands*

Each public authority/organisation is to be provided with a copy of the planning proposal and any relevant supporting material and given at least 21 days to comment on the proposal.

Public exhibition was undertaken in accordance with the *Environmental Planning and Assessment Act 1979*, the relevant DPIE Guideline, and Council's Community Participation Plan. Council also sent individual letters to the property owners surrounding Mother of Ducks Lagoon informing them of the proposed changes affecting their properties (i.e. rezoning from E3 to E2).

Public Authority/Organisation Consultation

Council undertook consultation with the specified public authorities / organisations from 17 September to 11 October 2021. A total of eight (8) submissions were received.

The table below is a summary of Public Authority/Organisation submissions received with responses from Council staff provided in relation to the submissions. The issues raised which require further contemplation have been identified as key issues and addressed in the discussion part of this report.

Comment (extract)	ARC Response
<p>Department of Regional NSW – Mining, Exploration & Geoscience (MEG). 30/9/21</p> <p>We advise that we have no resource sterilisation issues for consideration under Section 9.1 of the Environmental Planning and Assessment Act 1979, Direction 1.3 Mining, Petroleum Production and Extractive Industries</p>	<p>Noted. No changes to the PP required/proposed.</p>
<p>Transport for NSW (TfNSW) 30/9/21</p> <p>Thank you for providing TfNSW with advice that the Armidale and Guyra LEPs will be consolidated, and inviting any comment associated with that process.</p> <p>From the information provided, we have no comment on the proposed planning proposal. However, we look forward to working with Council in the future should any more significant changes be proposed.</p>	<p>Noted. No changes to the PP required/proposed.</p>
<p>Crown Lands 6/10/21</p> <p>The Armidale Crown Lands Office has reviewed the proposed new Combined LEP and has no issues with what is proposed.</p>	<p>Noted. No changes to the PP required/proposed.</p>
<p>Heritage NSW 7/10/21</p> <p>We have reviewed the planning proposal and note that the amendments Council is proposing through consolidation of its LEPs are largely administrative in nature. Changes relating to heritage include:</p> <ul style="list-style-type: none"> consolidation of the Heritage Schedules of the Armidale Dumaresq and Guyra LEPs to form the Heritage Schedule under the new 	<p>See comments in key issues regarding listing errors/anomalies.</p> <p>Neither existing LEP contains listings of Aboriginal Places or Sites. Given this is a merge project, inclusion of Aboriginal Places or Sites would be beyond the scope of this project, and it is not intended to be included as part of this PP.</p> <p>It is not expected that the PP would result in any negative impacts on any of the above heritage items,</p>

Comment (extract)	ARC Response
<p>Armidale Regional LEP, and</p> <ul style="list-style-type: none"> • renumbering and consolidation of the Heritage Mapping under the new LEP, with consideration given to updating property details as part of the plan drafting process. <p>We consider that the above amendments will not have a significant heritage impact, and as such we are not opposed to these amendments.</p> <p>We have reviewed our records and note that there are 22 State Heritage Register (SHR) items listed under the consolidated LEP. There are some errors and/or anomalies in the draft LEP affecting several SHR items. These are summarised in Attachment 1. These anomalies are mostly due to items having been included on the SHR or minor mapping discrepancies.</p> <p>An item identified as 'State' significant in schedule 5, should be mapped to reflect the SHR's items curtilage. Additional lots outside the SHR curtilage which have been assessed as having local heritage significance can be considered for inclusion as local heritage items.</p> <p>Our records also show that your Council area contains the following Aboriginal Place and Recorded Aboriginal Sites:</p> <ul style="list-style-type: none"> • Two Aboriginal Places: <ul style="list-style-type: none"> ○ 'Carrai Waterholes', and ○ 'Devil's Chimney' • 461 Recorded Aboriginal Sites. <p>Council should ensure that any amendments made to its planning controls will not have a negative impact on any of the above heritage items, sites or places.</p>	<p>sites or places.</p>
<p>Department of Primary Industries (NSW DPI) 8/10/21</p> <p>We have assessed the planning proposal and supporting documents and are aware of the largely administrative nature of the proposed draft Armidale Regional LEP, with expected nominal change for rural land and industries. In this regard we have no objection to the planning proposal proceeding and provide the following comments which may provide guidance for the next phase of strategy preparation and LEP amendment:</p> <ul style="list-style-type: none"> • In terms of consistency with the strategic 	<p>Noted. No changes to the PP required/proposed.</p>

<p style="text-align: center;">Comment (extract)</p>	<p style="text-align: center;">ARC Response</p>
<p>planning framework, Council is guided by the New England North West Regional Plan which sets out the importance of protecting agricultural land, expanding agribusiness and facilitating investment in the agricultural supply chain through protecting rural assets from incompatible development.</p> <ul style="list-style-type: none"> • The NSW Government’s Right to Farm Act 2019 goes some way to addressing land use conflict issues confronting agricultural producers, but a robust and consistent strategic planning process provides the mechanism to set in place clarity for Council, producers and nearby residents. • Council proposes the preparation of detailed strategies for both housing and rural land and this is supported. A rural lands strategy will need to identify the land that supports agricultural industries, value adding, and infrastructure as noted above. We also suggest there is value in Council considering urban and rural lands in the same strategic planning process so that competing land uses, and priorities can be weighed and managed, particularly in relation to highly contested landscapes in peri-urban land. <p>Other matters to consider are:</p> <ul style="list-style-type: none"> • There is Biophysical Strategic Agricultural Land (BSAL) present in Armidale Regional LGA, as well as other important agricultural land and rural land which has a role in supporting agriculture as well as scenic and amenity values. As noted in Council’s LSPS, all rural land will benefit from protections via LEP provisions (appropriate lot sizes, land use permissibility) which combine to manage and prevent encroachment from incompatible land uses. • Climate change has a considerable impact on agriculture in the New England region through drought, heatwaves, flood and bushfire. Farmers are adapting to the impacts of climate change through various means including achieving economies of scale, diversification, relocation to cooler/wetter areas and in some cases, intensification. Armidale Regional Council 	

<p style="text-align: center;">Comment (extract)</p>	<p style="text-align: center;">ARC Response</p>
<p>area may experience increased demand for rural land with ideal climatic and soil combinations which heightens the importance of zone allocation, land use permissibility, and minimum lot sizes in the rural landscape.</p> <ul style="list-style-type: none"> • In terms of the content of the proposed Armidale Regional LEP, the opportunity to review legacy LEP provisions such as existing holding provisions and the range of permissible land uses in both RU1 and RU4 land use tables that are not strictly compatible with agriculture and agribusiness is encouraged. 	
<p>DPIE – Biodiversity & Conservation Division (BCD) 15/10/21</p> <p>In summary, the BCD recommends that prior to exhibiting the ARLEP:</p> <ol style="list-style-type: none"> 1. The Council should consider introducing a consistent minimum lot size of 4,000m² for RU5 zone land across the entire Armidale Regional local government area. 	<ol style="list-style-type: none"> 1. Council intends to further investigate the minimum lot size for Zone R5 with a view to achieving consistency across the entire LGA. Resolution of this matter requires analysis of a range of factors and is beyond the scope of the current Planning Proposal. <p>Noted / No update is required or proposed to the ARLEP Planning Proposal.</p>
<ol style="list-style-type: none"> 2. The PP and ARLEP must be amended to state that additions were made to the Cunnawarra National Park, rather than the New England National Park. 	<ol style="list-style-type: none"> 2. Amend the proposed ARLEP Zoning Map (and Lot Size Map) by adjusting the Zone E1 extent for the Cunnawarra National Park additions to align with advice from BCD.
<ol style="list-style-type: none"> 3. For the ARLEP zoning maps to accurately reflect the extent of the Cunnawarra National Park, and the corresponding E1 zone, the following amendments are necessary: <ol style="list-style-type: none"> a. The Travelling Stock Route R.1024228 located over Crown Road must be excluded from the E1 National Parks and Nature Reserves land zone. b. The Crown Road and Crown Waterway must be excluded from the E1 National Parks and Nature Reserves land zone. 	<ol style="list-style-type: none"> 3. Amend the proposed ARLEP Zoning Map (and Lot Size Map) by adjusting the Zone E1 extent for the Cunnawarra National Park additions to align with advice from BCD.
<ol style="list-style-type: none"> 4. For the ARLEP zoning maps to accurately reflect the extent of the Cathedral Rock National Park, and the corresponding E1 zone, the following amendments are necessary: <ol style="list-style-type: none"> a. Round Mountain Road must be excluded from the E1 National Parks and Nature Reserves land zone. b. The 'public road' that bisects Lot 110 	<ol style="list-style-type: none"> 4. Amend the proposed ARLEP Zoning Map (and the proposed Lot Size Map) by adjusting the Zone E1 extent for the Cathedral Rock National Park to align with advice from BCD.

Comment (extract)	ARC Response
<p>DP 820228 must be excluded from the E1 National Parks and Nature Reserves land zone.</p>	
<p>5. That council should consider rezoning the narrow strip of RU1 Primary Production zoned land that partly encircles the Mother of Ducks Lagoon to E3 Environmental Management.</p>	<p>5. The rezoning of relevant land parcels is beyond the scope of the current Planning Proposal. However, this matter will be further considered in conjunction with future Local Strategic Planning Statement (LSPS) Planning Action implementation.</p>
<p>6. The council should amend the ARLEP so that extensive agriculture is prohibited with the E2 zone and only permissible with development consent in the E3 zone</p>	<p>6. This is further discussed in the key issues. Amendments were made to the PP prior to the public exhibition period to change the permissibility of the extensive agriculture land use within the E2 zone from “without consent” to “with consent”. Further comments regarding land uses within the E2 and E3 zoned and options to move forward are provided in the Key Issues section.</p>
<p>7. The council should re-examine the recommendations contained within our previous correspondence dated 28 September 2020 on its draft Local Strategic Planning Statement, in the context of harmonisation of the ADLEP and GLEP and consider:</p> <ul style="list-style-type: none"> a. Rezoning areas of confirmed high environmental value to suitable environmental protection zone. b. Developing and/or implementing a biodiversity strategy for the Armidale Regional LGA. c. Considering additional local provisions with associated map overlays in the LEP for areas with other biodiversity values and areas that could function as biodiversity corridors d. Updating development control plan/s to ensure they are consistent with the State Environmental Planning Policy (Vegetation in Non-rural Areas) 2017 to regulate clearing in non-rural areas of the Armidale Regional LGA. 	<p>7. Comments are relevant for future Local Strategic Planning Statement (LSPS) Planning Action implementation i.e. they are beyond the scope of the current Planning Proposal.</p> <p>Noted / No update is required or proposed to the ARLEP Planning Proposal.</p>
<p>NSW Rural Fire Service (RFS) 15/10/21 The NSW RFS has considered the information submitted and subsequently raise no concerns or issues in relation to bush fire.</p>	<p>Noted. No changes to the PP required/proposed.</p>
<p>National Parks & Wildlife Service (NPWS)</p>	<p>Noted. No changes to the PP required/proposed.</p>

Comment (extract)	ARC Response
<p>19/10/21</p> <p>National Parks & Wildlife Service reviewed the PP to create a consolidated LEO for the Armidale Regional LGA and provided feedback to the DPIE Biodiversity and Conservation Division who coordinated a response on behalf of Energy, Environment and Science.</p>	

Public Consultation

As required by DPIE Council undertook State Agency consultation prior to community consultation. As a result of comments received from Heritage NSW and the DPIE Biodiversity and Conservation Division amendments were made to the Planning Proposal and the entire PP was exhibited from 18 October to 15 November 2021.

A total of seven (7) submission were received (Attachment 2).

The table below is a summary of public submissions received with responses from Council staff provided in relation to the submissions. The issues raised which require detailed consideration have been identified as key issues and addressed in the discussion part of this report.

Comment (extract)	ARC Response
<p>Submission 1</p> <p>“... any property currently subject to building entitlement should continue to benefit from that entitlement under the new Armidale Regional LEP without having to apply for a Development Application under the new plan.”</p>	<p>The purpose of the PP is to merge the two (2) LEPs currently covering the AR LGA. The intent of the project is to maintain the status quo in terms of planning controls.</p> <p>The new (merged) LEP will not impact existing Dwelling Entitlements. The Dwelling Entitlement provisions are designed to retain existing development rights i.e: if a dwelling could have been constructed on the property under the previous plans, then they will continue to be allowed to construct a dwelling subject to the relevant Environmental Planning Instrument (EPI) requirements.</p> <p>Addressed in the key issues (Issue A).</p>
<p>Submission 2</p> <p>Request to rezone property at 57 Newton Street, Armidale from R1 General Residential to B4 Mixed use to reflect long established commercial use of the land.</p>	<p>Addressed in the key issues (Issue B).</p>
<p>Submission 3</p> <p>Request to confirm that the change of zoning from E3 to E2 on the subject land will not have any effect on the current or future use of the land for grazing, or the Building Approval for the construction of a new home on the land.</p>	<p>Addressed in the key issues (Issue A).</p>
<p>Submission 4</p>	<p>Addressed in the key issues (Issue C).</p>

Comment (extract)	ARC Response
Request to rezone property at 242 Rusden Street, Armidale from R1 General Residential to B4 Mixed use.	
Submission 5 Issues regarding zoning changed from E3 to E2 in relation to the land surrounding Mother of Ducks Lagoon in Guyra. Raised concerns about the land use grazing and dwelling entitlements being impacted on the zoning change.	Addressed in the key issues (Issue A).
Submission 6 Request to rezone property at 502 Dumaresq Dam Road, Armidale from E3 Environmental Management to RU1 Primary Production.	Addressed in the key issues (Issued D).
Submission 7 Recommendations to include the following documents to the new LEP: <ul style="list-style-type: none"> • Framework for climate action • Koala Management Strategy • EcoARC Greenprint • 2019 Wood Smoke Advisory Group Report • Development of a Biodiversity Strategy' • Resilient (agricultural land protection, energy and water efficiency, biodiversity protections etc) • Transport (bicycle strategy) • Waste (sufficient space and access for recycling bins) 	The elements raised in this submission are not provided for under the standard instrument and/or are not appropriate for inclusion as part of the merge project. These matters would be best dealt with in a new Development Control Plan or part of a wider review of the LEP. No changes to the PP required/proposed.

Additionally, Council also notified the adjoining Councils regarding the exhibition of the merged LEP. No significant comments were received (Attachment 3).

7. Conclusion

This report considers submissions received during the public exhibition period for the Armidale Regional Local Environmental Plan (ARLEP) Planning Proposal (PP-2021-4173).

It also seeks Council approval to forward the updated Planning Proposal to the Department of Planning Industry & Environment requesting that a draft Local Environmental Plan (LEP) is prepared.

A further status report will be presented to Council when the draft LEP has been prepared by Parliamentary Counsel.

Item:	10.2	Ref: AINT/2021/44631
Title:	Local Strategic Planning Statement - Status Report	Container:
	ARC19/3364	
Responsible Officer	Chief Officer Sustainable Development	
Author:	Shili Wang, Strategic Planner	
Attachments:	Nil	

1. Purpose

The purpose of this report is to provide advice on the implementation status of each Planning Action contained in the current Local Strategic Planning Statement (LSPS) Action Plan and of any relevant Administrative Actions contained in the LSPS Implementation Plan.

2. OFFICERS' RECOMMENDATION:

That Council receive and note this report in relation to Local Strategic Planning Statement.

3. Background

At the Ordinary Meeting of Council held on 28 October 2020, Council considered a report on "Adoption of Local Strategic Planning Statement" (Item 11.2) and resolved (277/20) in part that Council:

b) Adopt the final Local Strategic Planning Statement;

e) Receive a further report on the resources (including both staff and budget) required to implement the short and medium term planning and administrative actions identified in the final Local Strategic Planning Statement.

The final LSPS is available via:

<https://www.planningportal.nsw.gov.au/publications/local-strategic-planning-statements>

At the Ordinary Meeting of Council held on 24 March 2021, Council considered a report on "Local Strategic Planning Statement (LSPS) Implementation – Resourcing Intentions" (Item 11.1), addressing Item e) above, and resolved (113/21):

That Council receive and note the report in relation to Local Strategic Planning Statement (LSPS) Implementation – Resourcing Intentions.

The above-mentioned "resourcing intentions" report identified proposed changes to the timing of certain Planning and Administrative Actions reflecting the results from initial consultation with Council officers who have primary responsibility for undertaking each Action. Those changes have been carried forward as part of the following discussion.

4. Discussion

LSPS Administrative Action 1. Report on LSPS Actions, states:

Provide a status report on implementation of each planning action contained in the current LSPS Action Plan and any relevant administrative actions.

The status report should identify any rectification tasks required and/or proposed to address any planning or administrative actions at risk of non-completion within the nominated timeframe.

Relevant Action timing is as follows:

On six monthly basis (generally June and December), and/or in conjunction with reporting on Council's Delivery Program; first such report by June 2021.

This is the first LSPS Status Report as required by Administrative Action 1, addressing the period from final document adoption to 30 June 2021.

LSPS Action Plan: Planning Actions

The LSPS states (p.21) that:

Planning actions have been formulated to facilitate achievement of the LSPS planning priorities, having regard to relevant content in the State Government's New England North West Regional Plan 2036 and in the Council's Community Strategic Plan 2017-2017.

The planning actions should not be undertaken in isolation from each other but should rather be considered as an integrated suite of activities designed to advance land use planning for the local government area.

The Table following summarises the main LSPS Planning Action(s) for each Planning Priority from Tables 2-5 within the LSPS Action Plan. It also identifies the proposed timing for completing each Planning Action; timing has been revised where appropriate to reflect the results from initial consultation with Council officers. Additional comments are provided identifying the primary responsibility for and the current status of each Action; comments have been added where appropriate to reflect work-in-progress and to build on existing LSPS content particularly relating to identification of related documents.

Table 1: LSPS Planning Actions - Status

Theme and Planning Priority Strategy / Study		
Theme 1. Community		
Overview Comment(s):		
<ul style="list-style-type: none"> ○ Existing (former) NESAC document - New England Development Strategy February 2010 (adopted OCM 04/05/2009 / endorsed State Government 16/03/2010) is relevant. ○ Relevant document content is to be used as background to inform various LSPS studies / strategies. 		
1a)	Population Growth	
	Planning Action: Use the current version of the NSW Population Projections as the basis for all Council strategic planning activities.	Additional Comment(s): <ul style="list-style-type: none"> ○ At the Ordinary Meeting of Council held on 28/10/20, Council resolved (277/20) to endorse the NSW Government Population Projections as the basis for all Council strategic planning activities.
	Responsibility: SP / All	Timing: Immediate (2020)
		Status: Complete / Ongoing
1b)	Settlement Network - Villages	
	Planning Action: Prepare a place-based strategy to guide future growth and development of each of the following villages and immediate surrounds consistent with the desired future character of the relevant village: a) Ben Lomond; b) Black Mountain; c) Ebor; d) Hillgrove; and e) Wollomombi.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ Initial Draft Place Reports have been prepared utilising ARMIDALE PLAN 2040 Final Report content (refer OCM 24/02/21 Item 12.6); Llangothlin is proposed to be added to Village list based on findings during the Armidale Regional LEP Merge Project. ○ Administrative Action 8. Merge Existing LEPs is being given priority over this Planning Priority / Action. ○ A proposal is being developed to test relevant planning and engagement processes on one village.

	Responsibility: SP / All	Timing: Likely delay to 2022 (was 2020/21)	Status: Pending / Likely delay
1b)	Settlement Network - Guyra		
	Planning Action: Prepare a place-based strategy to guide future growth and development of Guyra and immediate surrounds consistent with the desired future character of the town.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ An initial Draft Place Reports has been prepared utilising ARMIDALE PLAN 2040 Final Report content (refer OCM 24/02/21 Item 12.6). 	
	Responsibility: SP / All	Timing: Possible delay subject to village test case and other Administrative Action priorities (was 2021/22) – refer above	Status: Pending / Possible delay
1b)	Settlement Network - Armidale		
	Planning Action: Prepare a place-based strategy to guide future growth and development of Armidale and immediate surrounds consistent with “regional city” status.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ An initial Draft Place Reports has been prepared utilising ARMIDALE PLAN 2040 Final Report content (refer OCM 24/02/21 Item 12.6). ○ Existing State Government document – Armidale City Activation Plan September 2018 provides guidance for this action. 	
	Responsibility: SP / All	Timing: Possible delay subject to village test case and other Planning and Administrative Action priorities (was 2022/23) – refer above.	Status: Pending / Possible delay
1c)	Land for Housing		
	Planning Action: Identify land required and suitable for residential and related purposes within and/or as a logical extension to existing settlements.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority in conjunction with Planning Priorities 3a) Infrastructure Delivery, and 1d) Housing Options, in particular. ○ Existing ADC document – Armidale Dumaresq Rural Residential Study November 2004 is relevant. ○ Document content is to be used as background to inform the new study / strategy. 	
	Responsibility: SP	Timing: Short-term (i.e. 2024-26)	Status: Pending
1d)	Housing Options		
	Planning Action: Identify housing options designed to respond to existing and projected future community needs.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority in conjunction with Planning Priority 1c) Land for Housing, in particular. 	
	Responsibility: SP / D+RS	Timing: Short-term (i.e. 2024-26)	Status: Pending
Theme 2. Economy			
Overview Comment(s): <ul style="list-style-type: none"> ○ Existing ARC document – Armidale Region Economic Development Strategy 2017-2025 (adopted OCM 13/12/2017) is relevant. ○ Document content provides context for various LSPS studies / strategies. ○ ED advises that further work is proposed to review and update the existing document by end 2022, in 			

the context of the Southern New England High Country Regional Economic Development Strategy 2018-2022 (adoption details to be confirmed).		
2a)	Armidale CBD	
	<p>Planning Action: Identify opportunities to facilitate revitalisation of the Armidale central business district consistent with “regional city” status.</p>	<p>Additional Comment(s):</p> <ul style="list-style-type: none"> ○ Identified as community priority #2. ○ Further work is required to address the Planning Priority in conjunction with the Economic Development Strategy review and with Planning Priority 2d) Employment Land, in particular. ○ Existing ARC documents – Armidale City Mall Vibrancy Plan 2017-2021 (adopted OCM 22/03/2017) and Armidale CBD Revitalisation Project Parking & Mobility Study Component June 2018 (adopted OCM 24/10/2018) are relevant.
	<p>Responsibility: ED</p>	<p>Timing: Brought forward to 2023 (was 2024-26)</p> <p>Status: Pending</p>
2b)	Agricultural Land	
	<p>Planning Action: Identify areas of important or potentially important agricultural land.</p>	<p>Additional Comment(s):</p> <ul style="list-style-type: none"> ○ Identified as community priority #3. ○ New work is required to address the Planning Priority in conjunction with Planning Priority 2c) Agribusiness Facilities, in particular. ○ Work is also to be undertaken in light of the current State Government initiative to prepare a NSW Agricultural Land Use Planning Strategy.
	<p>Responsibility: SP</p>	<p>Timing: Short-term (i.e. 2024-26)</p> <p>Status: Pending</p>
2c)	Agribusiness Facilities	
	<p>Planning Action: Identify opportunities to develop agribusiness and related facilities, and the appropriate circumstances for such development.</p>	<p>Additional Comment(s):</p> <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority in conjunction with the Economic Development Strategy review and with Planning Priority 2b) Agricultural Land, in particular.
	<p>Responsibility: ED</p>	<p>Timing: Brought forward to 2023 (was 2024-26)</p> <p>Status: Pending</p>
2d)	Employment Land	
	<p>Planning Action: Identify land required and suitable for commercial or industrial and related purposes to support diversification of the local economy.</p>	<p>Additional Comment(s):</p> <ul style="list-style-type: none"> ○ Identified as community priority #5. ○ Further work is required to address the Planning Priority in conjunction with the Economic Development Strategy review and with Planning Priority 3a) Infrastructure Delivery, in particular. ○ Existing ADC documents – Armidale Industrial Land Study November 2012 (adopted OCM 26/11/2012 / endorsed State Government 18/04/2013) and Armidale Dumaresq Bulky Goods Retail and Industrial Lands Study and Addendum May 2010 (adoption details to be confirmed / endorsed State Government 28/07/2010) are relevant. ○ Work is also to be undertaken in light of the current State Government initiative to implement new employment zones.
	<p>Responsibility: SP / ED</p>	<p>Timing: Brought forward to 2023 (was 2024-26)</p> <p>Status: Pending</p>

2e)	Tourism Facilities		
	Planning Action: Identify opportunities to develop tourism and related facilities, and the appropriate circumstances for such development.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority preferably in conjunction with the Economic Development Strategy review. ○ Existing ARC document – Armidale Regional Tourism Strategy 2018-2020 (adopted OCM 27/02/2019) is relevant. ○ C+M advises that work has commenced to review and update the existing strategy. 	
Responsibility: C+M / ED	Timing: Brought forward to 2021 (was 2027-32)	Status: In Progress	
Theme 3. Infrastructure			
Overview Comment(s): <ul style="list-style-type: none"> ○ Existing ARC documents – Armidale Asset Management Strategy October 2020 (not yet adopted) and Asset Management Policy 2021 (adopted OCM 23/06/21) are relevant. 			
3a)	Infrastructure Delivery		
	Planning Action: Identify existing and likely future infrastructure requirements to achieve desired standards of service and to service projected growth and related development.	Additional Comment(s): Further work is required to address the Planning Priority across various infrastructure types as follows -	
		Water and Sewer Systems: <ul style="list-style-type: none"> ○ Proposed ARC document – Integrated Water Cycle Management Strategy is relevant. ○ Util advises that work is expected to be completed by end 2021. 	
		Waste: <ul style="list-style-type: none"> ○ The Waterfall Way Regional Landfill was designed, approved and constructed to service the LGA for the next 50 years. The Landfill commenced operation in October 2020. Infrastructure at the Long Swamp Road Transfer Station and other transfer stations (Ebor and Guyra) are planned to enable the desired level of waste service, integration with the new Regional landfill and projected growth of the LGA. 	
		Road Network: <ul style="list-style-type: none"> ○ Existing ARC document – Road Management Strategic Plan November 2017 (adopted OCM 22/11/2017) is relevant. ○ R+P advises that work is proposed to prepare a Roads Management Plan by 2022. 	
		Bicycle Network: <ul style="list-style-type: none"> ○ Existing ADC document – Armidale Bicycle Strategy and Action Plan 2012 (adopted 25/06/2012) and existing GSC document – Guyra Shire Bike Plan (adopted 23/05/2016) are relevant. ○ R+P advises that work is proposed to prepare a Bicycle Network Strategy by 2022, subject to grant funding. 	
		Pedestrian Network: <ul style="list-style-type: none"> ○ RP advises that work is proposed to prepare a Pedestrian Access Mobility Plan by 2022, subject to grant funding. 	
		Cemeteries: <ul style="list-style-type: none"> ○ Existing ADC document – Armidale Cemetery Business Plan 2012 to 2022 (adopted OCM 28/05/2012) is relevant. ○ P+TS has indicated an intent to review and update the business plan by 2023. 	
		Library: <ul style="list-style-type: none"> ○ Existing ARC document – Library Strategic Plan 2020-2027 (adopted OCM 24/06/2021) is relevant. 	
		Other: e.g. Saleyards to be confirmed.	

	Responsibility: Util / R+P / PMO	Timing: Short-term (2024-26)	Status: Various (as above).
3b)	Transport Corridors		
	Planning Action: Identify the existing and likely future operational requirements of major transport corridors and related infrastructure.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority in conjunction with Planning Priority 3a) Infrastructure Delivery. ○ Council collaborates with the New England Joint Organisation to identify and advocate for major transport corridors and funding of infrastructure. 	
	Responsibility: R+P	Timing: Medium-term (i.e. 2027-32)	Status: Pending
3c)	Regional Airport		
	Planning Action: Identify the existing and likely future operational requirements of Armidale Regional Airport.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ Existing ARC document – Armidale Regional Airport Master Plan June 2016 (adopted ECM 20/12/2016) is relevant. ○ ARA advises that work is proposed to review and update the existing master plan by 2023. 	
	Responsibility: ARA	Timing: Brought forward to 2023 (was 2024-26)	Status: Pending
3d)	Armidale Hospital		
	Planning Action: Identify whether opportunities exist to cluster development related to the Armidale Rural Referral Hospital near the Hospital site, and if so, under what circumstances.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority. 	
	Responsibility: SP	Timing: Medium-term (i.e. 2027-32)	Status: Pending
3e)	Education Facilities		
	Planning Action: Identify opportunities to develop education and related facilities, and the appropriate circumstances for such development.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority. 	
	Responsibility: SP	Timing: Medium-term (i.e. 2027-32)	Status: Pending
3f)	Facilities for Arts and Culture		
	Planning Action: Identify opportunities to develop facilities that promote arts and culture, and the appropriate circumstances for such development.	Additional Comment(s): <ul style="list-style-type: none"> ○ Identified as community priority #4. ○ Further work is required to address the Planning Priority. ○ Existing ARC document – Armidale Arts and Cultural Strategic Plan 2017-2022 (adopted OCM 25/10/2017) is relevant. ○ C+M advises that work is proposed to review and update the existing strategy by 2023. ○ Bringing this item forward is consistent with the relevant community survey results. 	
	Responsibility: C+M	Timing: Brought forward to 2023 (was 2027-32)	Status: Pending

3g)	Open Space and Recreation		
	Planning Action: Identify opportunities to develop open space and recreation facilities, and the appropriate circumstances for such development.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ Existing ADC document – Armidale Dumaresq Recreation Plan September 2011-2021 (adopted OCM 26/09/2011) is relevant. ○ R+P advises that work is proposed to prepare a new strategy / study by 2023. 	
	Responsibility: R+P / P+TS	Timing: Brought forward to 2023 (was 2027-32)	Status: Pending
3h)	Renewable Energy		
	Planning Action: Identify whether opportunities exist to develop renewable energy production facilities, and if so, under what circumstances.	Additional Comment(s): <ul style="list-style-type: none"> ○ New work is required to address the Planning Priority. ○ ED advises that work is proposed to prepare a study by 2023. ○ The GM is participating in regional fora aimed at optimising benefits from the new New England Renewable Energy Zone for the residents of the LGA. 	
	Responsibility: ED	Timing: Brought forward to 2023 (was 2027-32)	Status: Pending
Theme 4. Environment			
Overview Comment(s): <ul style="list-style-type: none"> ○ Nil. 			
4a)	Natural Environment		
	Planning Action: Identify areas of high or potential high natural environmental value.	Additional Comment(s): <ul style="list-style-type: none"> ○ Identified as community priority #1. ○ New work is required to address the Planning Priority. 	
	Responsibility: Sust	Timing: Short-term (i.e. 2024-26)	Status: Pending
4b)	Cultural Heritage		
	Planning Action: Identify sites or potential sites of cultural heritage value.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ D+RS advises that work may be able to be undertaken during 2022 in conjunction with the DCP Merge Project (i.e. Administrative Action 10.). 	
	Responsibility: SP / D+RS	Timing: Short-term (i.e. 2024-26)	Status: Pending
4c)	Natural Hazards		
	Planning Action: Identify areas impacted or potentially impacted by natural hazards, including flooding and bushfire.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ Existing ADC document – Armidale Flood Study Review and Update – Stage 3 July 2014 (adopted OCM 28/09/2015) is relevant. ○ CD+R advises that a grant has been sought to update the 2015 Armidale Flood Study (refer OCM 24/03/21 Item 12.3). 	
	Responsibility: PMO	Timing: Short-term (2024-26)	Status: Pending
4d)	Contaminated Land		
	Planning Action: Identify sites impacted or potentially impacted by contamination.	Additional Comment(s): <ul style="list-style-type: none"> ○ Further work is required to address the Planning Priority. ○ D+RS advises that work may be able to be undertaken during 2022 in conjunction with the DCP Merge Project (i.e. Administrative Action 10.). 	
	Responsibility:	Timing:	Status:

SP / D+RS	Short-term (2024-26)	Pending
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Abbreviations:

ARC = Armidale Regional Council; ADC = Armidale Dumaresq Council; GSC = Guyra Shire Council; NESAC = New England Strategic Alliance of Councils; SP = Strategic (Land Use) Planning; Sust = Sustainability; R+P = Manager Roads and Parks; ED = Principal Advisor Economic Development; ARA = Acting Manager Armidale Regional Airport; C+M = Manager Communications and Marketing; PMO = Project Management Office – Manager; Util = Acting Manager Utilities; D+RS = Manager Development and Regulatory Services; P+TS = Coordinator Public and Town Spaces; All = whole-of-Council; CD+R = Coordinator Design and Resourcing; OCM = Ordinary Council Meeting.

5. Implications

5.1. Strategic and Policy Implications

There are no known policy implications arising from the matters addressed in this Report. Any policy implications arising from LSPS implementation will be addressed in future reports relating to specific Planning or Administrative Actions.

While the LSPS is not explicitly referenced in the Council’s current Delivery Program (DP) 2018-2022, it is referenced in the recently adopted Operational Plan and Budget 2021-2022 as follows:

<i>Title:</i>	<i>LSPS implementation</i>
<i>Action:</i>	<i>Implement relevant Local Strategic Planning Statement (LSPS) planning and administrative actions.</i>
<i>Origin of Action:</i>	<i>Operational Plan</i>
<i>Link to DP:</i>	<i>G1.1, G1.2, G1.3, G1.4</i>
<i>Department:</i>	<i>Development and Regulatory</i>
<i>Measures:</i>	<i>Progress on LSPS implementation is reported on a six monthly basis as per LSPS Implementation Plan.</i>

5.2. Risk

There are no known legal and/or risk implications directly arising from the matters addressed in this Report. Any legal and/or risk implications arising from LSPS implementation will be addressed in future reports relating to specific Planning or Administrative Actions. In addition, it should be noted that risks may arise should Council not undertake the Planning or Administrative Actions in accordance with the LSPS Action and Implementation Plans, subject to any rectification measures identified in the required status reports.

5.3. Sustainability

There are no known sustainability implications directly arising from the matters addressed in this Report. Any sustainability implications arising from LSPS implementation will be addressed in future reports relating to specific Planning or Administrative Actions.

5.4. Financial

Budget Area:	Nil						
Funding Source:							
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
N/A		Nil	Nil	Nil	Nil	Nil	Nil

There are no financial implications arising from the matters addressed in this Report. Any financial implications arising from LSPS implementation will be addressed as part of future reports relating to specific Planning or Administrative Actions.

6. Consultation and Communication

This Report has been prepared in consultation with select Council officers as appropriate in respect of each Planning or Administrative Action. Advice received from each officer is referenced above.

7. Conclusion

This report provide advices on the status of each Planning Action contained in the current Local Strategic Planning Statement (LSPS) Action Plan and of any relevant Administrative Actions contained in the Implementation Plan.

While the LSPS was adopted by Council in late October 2020, work did not commence on relevant Action implementation until February / March 2021 due to the need to address other priorities e.g. finalisation of the ARMIDALE PLAN 2040 Project.

Item:	11.1	Ref: AINT/2022/01371
Title:	Transfer of remaining funds from the Library Deductible Gift Recipient Fund	Container: ARC20/4249
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Aimee Hutton, Coordinator Libraries, Museums and Visitor Information Centre	
Attachments:	Nil	

1. Purpose

To seek approval from Council for the remaining monies held in the Library Deductible Gift Recipient Trust Fund, to be used for the purchase of a compactus shelving unit at the Armidale War Memorial Library.

2. OFFICERS' RECOMMENDATION:

That Council approve the transfer of \$14,291.13 currently being held in trust in the Library Deductible Gift Recipient Fund, to the operating account of the Library for the purchase of a compactus shelving unit.

3. Background

Since 2008, Council has received a number of small donations for use in the Armidale War Memorial Library. The most sizeable donation was for \$15,000, received from the late Ms Joan Boyd in 2010. These donations have been held in the Library Deductible Gift Recipient Fund until such time as a suitable project could be identified.

Taking into account expenditure that has already occurred to date, the balance of the trust account today stands at \$14,291.13.

As a representative of the largest donor, Library staff met with the daughter of Ms Boyd recently to discuss how her mother's donation may be used in the library. Ms Joan Boyd had indicated to her daughter that she would like her donation to be used to protect the collection and be something that would improve staff access or handling of the collection. Ms Boyd worked in libraries, hence why she wanted the donation to protect the collection and/or assist staff in some way.

4. Discussion

Initially quotes were obtained for the purchase of a small compactus to house some of the Stack collection currently stored in the garage area of the Armidale War Memorial Library.

However, when discussed in relation to future plans for the garage space, it was decided by Library staff that it would be a much better use of the space to purchase a larger compactus which could house the bulk of the Stack collection.

The Library Stack collection contains those items which are no longer circulated often, but still represent value to the community and the overall collection. This can include items such as books that focus on the local area or were written by local authors, a book that would be considered a 'rare' book, or a classic book that forms a core part of the library collection. These

items are typically removed from the main area of the library and relocated to the closed stack area at the back where they can be retrieved by staff if/when required.

Currently our Stack collection is housed on library shelving similar to the shelving out on the main floor of the library and takes up most of the space in the library garage. We propose relocating it into a compactus which will allow us to store a larger number of books in less physical floor space. A compactus can also be closed which will protect the books from dust, water, etc. which can occur in this area from time to time. It will also free up space in the garage which can be used for other projects and activities such as messy or loud school holiday programs.

Our future plans have been discussed with Ms Boyd's daughter and she has agreed that the purchase of a compactus would align with her mother's wishes.

An estimate has been received for a larger 16 bay compactus of \$23,000 + GST. This could be afforded by using the full balance of the remaining trust account funds, along with a portion of the annual Local Priority Grant funding, received annually from the State Library of NSW. Local Priority Grant funding is received every year and is to be used for Local Priority Projects in the categories of either Technology, Collections, Building, Research and/or Promotion.

4.1. Strategic and Policy Implications

The purchase of a compactus shelving unit for our stack collection, aligns with the following actions in our Library Strategic Plan: -

B12 – Install modern, purpose built Library shelving

B18 – Review stack storage area to determine how this area is best used into the future.

4.2. Risk

A structural assessment of the slab has been completed by Neil Pullar and Associates who determined that the slab in the garage can support the proposed concentrated weight of the compactus unit.

4.3. Sustainability

Not Applicable

4.4. Financial

Budget Area:	Libraries						
Funding Source:	Library Deductible Gift Recipient Fund - \$14,291.13 Local Priority Grant Funding 21/22 – Up to \$10,000 (dependant on final quotes)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
	Library DGR Fund	0.00	14,291.13	0.00	14,291.13	14,291.13	0.00
220500	LPG funding	59,000.00	21,320.92	5,416.27	10,000.00	36,737.19	22,262.81

5. Consultation and Communication

Coordinator of Libraries, Aimee Hutton, has met and corresponded with Ms Boyd's daughter Kate a number of times over the last 12 to 18 months in relation to expenditure of the donation to ensure the proposed expenditure is in line with Ms Boyd's wishes.

The Library Strategic Plan actions were determined from extensive community consultation conducted throughout 2019 and 2020 in relation to the development of the Library Strategic Plan.

6. Conclusion

Approval is sought from Council for the Library Deductible Gift Recipient Funds currently held in trust and totalling \$14,291.13, to be released to the operating budget so they may be used to purchase a new compactus shelving unit for the storage of the library stack collection in the garage of the Armidale War Memorial Library.

Item:	11.2	Ref: AINT/2022/05820
Title:	Public Exhibition of the Community Grants and Sponsorship Policy Container: ARC17/2360	
Responsible Officer	General Manager	
Author:	Darren Schaefer, Acting Chief Officer Corporate and Strategy	
Attachments:	1. Draft Community Grants and Sponsorship Policy	

1. Purpose

The purpose of this report is to endorse the Community Grants and Sponsorship Policy and place it on public exhibition.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the Community Grants and Sponsorship Policy for public exhibition for a period of 28 days.
- b. Receive a further report at the conclusion of the exhibition period.

3. Background

An independent review of Councils Grants and Sponsorships was undertaken and presented to Council in the April 2021 Ordinary Council Meeting (AINT/2021/10687). Council resolved to endorse a series of the recommendations aimed at improving the process, transparency and compliance of the way in which grants were administered.

Recommendation a)3. resolved that; *A Grants and Sponsorships Policy be developed that incorporates all prior subsidies and waivers to ensure all costs are captured in compliance with section 356 of the Local Government Act 1993, including consideration by Council.*

4. Discussion

A summary of the above Review has recommended that Council consider the following in relation to administering grant funds moving forward:

1. A Grant and Sponsorship Register be established for outgoing grants within the records management system and ensure that all outgoing grants, sponsorships, contributions, and waiving of fees and charges are recorded in this register.
2. The total value of each grant and sponsorship program area (Building Communities and Recreational Opportunities, Celebrating Culture and Creativity, Ensuring Environmental Sustainability, Supporting the Economy and Business) be set as part of the annual budget process.
3. Grant and Sponsorship programs be consolidated under the following areas:
 - a. Building Communities and Recreational Opportunities
 - b. Celebrating Culture and Creativity
 - c. Ensuring Environmental Sustainability

- d. Supporting Economy and Business
4. As far as possible, applications for grant and sponsorship programs be made available on one occasion each year.
 5. A consistent set of guidelines be created for each program area that include:
 - a. Current Funding Priorities
 - b. Expected Project Outcomes
 - c. Assessment Criteria
 6. Guidelines should be reviewed and updated on an annual basis.
 7. The need to create fee or charges waivers for trivial amounts (\$50 for an individual activity or \$200 for ongoing annual activities) be eliminated by including a \$0 charge in the annual fees and charges schedule for known / predicted charitable activities. This Recommendation is not supported – See Financial Implications section below.
 8. Section 356 grants, subsidies, contributions, sponsorships, fee waivers and the like be referred to simply as ‘Grants and Sponsorship’ to eliminate confusion in the difference between these concepts.
 9. All agreements that relate to a grant or sponsorship be referred to as a Memorandum of Understanding.

Implementation

It is recommended that the below take implementation schedule be followed upon Council adoption of the Community Grants and Sponsorship Policy.

Table 1: Road Map

Theme	Initiative / Task	April	May	June
Planning	Allocation of budget into suggested Programs and include in 2021/2022 Operational Plan. Demonstrate link of Programs to Community Strategic Plan.			
Reporting	Notification requirements to Council confirmed			
	Annual reporting requirements			
	Organisation acquittal requirements – frequency, templates, etc.			
Financial	Align operational plan to budget allocations for programs			
	Confirm staff delegations for competitive sponsorship approval under approved Programs in Operational Plan and process of ‘two to sign’.			
	Confirm a centralised or Program Area budget that aligns with delegations.			
Administration	Review/develop criteria for assessment and scoresheet. Consider by Program area.			

	Refine application process, including: <ul style="list-style-type: none"> - Timing - Online Forms - Record Keeping - Assessment - Staff Delegations (approval) - Councillor Approval & Reporting - Formalise Standard Grants & Sponsorship MOU - Register of Grants 			
Communication	Create webpage to house a register of approved Grant and Sponsorship recipients. Promote this.			
	Advertising for the application period			

5. Implications

5.1. Strategic and Policy Implications

Strategic: Details of the various grant and sponsorships Program Areas and their value will need to be included in the relevant sections of the Annual Operational Plan and Resourcing Strategy. The inclusion of the Programs in the Operational Plan, along with greater transparency and endorsement from Council will assist with compliance with Section 356 of the *Local Government Act 1993*.

5.2. Risk

Reputational Risk:

By not being open and transparent in the administration of the grant and subsidy process (advertising, website register, reporting, etc.) ARC's community contribution will continue to be largely unrecognised and thwart efforts to rebuild Council's reputation in the community.

Legislative and Regulatory Risk:

If recommendations are not implemented, ARC will be non-compliant with Section 356 with the *Local Government Act 1993*.

This section of the Act states that; *Council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions. These provisions are broad and apply to any contributions made to community organisations or individuals. As such, it encompasses all support including fee waivers, in kind support, direct payments and other proposals such as interest free loans and loan guarantees.*

Public notification of proposals under s356 is a requirement where they have not already been included in Council's Operational Plan. Financial assistance to community groups or persons that does not meet the above criteria must be publicly notified for 28 days before Council can resolve final approval.

5.3. Sustainability

Maintaining a more formalised approach to Grants, Sponsorships will help to better quantify ARC's contribution and recognise the associated economic and wellbeing benefits to the community.

5.4. Financial

The table below details the expenditure that has been provided in the current financial year to each of the organisations. Each of these payments is included in the current 21/22 budget and at this point excludes any fee waivers.

Table 2: Financials

Budget Area:	Community Services – Donations and Contributions						
Funding Source:	Armidale Regional Council General Fund						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
220182.1.1305. 333.2394	Armidale Neighbourhood Centre	\$20,000	\$0	\$20,000	\$20,000	\$20,000	\$0
220650.1.1380. 333.2394	NERAM	\$374,733	\$281,800	\$92,933	\$374,733	\$374,733	\$0
220131.1.1305. 333.2394	NECOM	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$0
220103.1.1230. 333.2394	ACCKP	\$39,600	\$13,000	\$39,600	\$39,600	\$39,600	\$26,600
210086.1.1860. 333.2394	Hill Grove Progress Association	\$24,500	\$3,500	\$24,500	\$24,500	\$24,500	\$21,000
210713.1.1140. 333.2394	Guyra Lamb & Potato Festival	\$6,000	\$6,000	\$0	\$6,000	\$6,000	\$0
Total						\$497,833	

6. Consultation and Communication

It is recommended that this policy be placed on public exhibition for a period not less than 28 days to seek input from the community, and submissions be considered before the final policy is returned to Council for adoption.

7. Conclusion

Adoption of this policy will help ensure responsible management of the Grants and Sponsorship program at Armidale Regional Council. It is recommended that Council review and endorse the Grants and Sponsorship Policy for Public exhibition.

Item:	11.3	Ref: AINT/2022/06301
Title:	Community Plan - Key Pillar Working Groups Container: ARC16/0025-6	
Responsible Officer	General Manager	
Author:	James Roncon, General Manager	
Attachments:	1. Draft Terms of Reference for KPWG	

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. By June 2022 Council 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 relevant 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 March 2022 Ordinary Meeting of Council confirming such.
- d. That Council be represented as follows on statutory and other committees:
 - Local Area Traffic Committee – Cr McMichael
 - New England Weeds Authority – Crs O’Connor, Packham and Galletly
 - Armidale Regional Sports Council – Cr Galletly
 - Local Bushfire Committee – Cr Mephram
 - General Manager’s Performance Review Committee – Mayor, Deputy Mayor, Cr O’Brien and one other Councillor (as nominated by the General Manager).
- e. That as other opportunities or invitations to committees present, the Mayor determine representation and report back to Council at the next available opportunity.

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. In time, establish a Community Roundtable that meets quarterly, Chaired by the Mayor that has representation from the Chair of each 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 (one of whom will Chair the group) 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.

By aligning with the Community Plan the Key Pillar Working Groups will deliver the outcomes the community is seeking as well as providing sufficient flexibility for the group to focus on specific activities that will make an immediate impact. The table below illustrates the Key Pillars and where the groups may wish to focus their intention.

Key Pillar	Overarching theme	Community Outcomes	Possible Areas for KPWG Focus
1. Growing Region	Growth, change, opportunities for job growth	<ul style="list-style-type: none"> • Benefits of broadening the economic base and increased population • Vibrant tourism and highly visible region brand. • Initiatives and innovation to grow existing business and Industry and invite new industries in. 	<ul style="list-style-type: none"> • Enhanced tourism planning • Region brand and destination management plan • REZ strategy • Economic Development strategy • Water security strategy • Reverse trade missions • Advocate for an increase in localised trade and training opportunities
2. Connected Region	Connected and Accessible	<ul style="list-style-type: none"> • Access to transport to connect locally and outside the region • A digitally connected region 	<ul style="list-style-type: none"> • Walking and cycling strategy • Refresh the Airport masterplan and investigate connection to Western Sydney Airport. • Develop a smart communities framework
3. Future Region	Natural, Sustainable and Resilient	<ul style="list-style-type: none"> • Enhance the natural beauty of the region • Sustainably grow the region 	<ul style="list-style-type: none"> • Develop a biodiversity strategy (compatible with open space strategy) • Develop an employment lands strategy (focus on activation precincts that invite opportunities in).

			<ul style="list-style-type: none"> • Develop a housing strategy • Council land strategy (focus on lazy assets)
4. Liveable Region	Places and spaces	<ul style="list-style-type: none"> • Develop and maintain pristine open spaces • Develop and maintain quality sporting amenities 	<ul style="list-style-type: none"> • Open space strategy • Revitalising the Creek lands • Activating the mall precinct • Creating a premier sporting precinct
5. Enriched Region	Quality of Life	<ul style="list-style-type: none"> • Unique landscape and environment is protected • Community can participate in initiatives which contribute to a sustainable lifestyle 	<ul style="list-style-type: none"> • Clean air strategy • Develop a disability and inclusion action plan • Promote urban sustainability initiatives (stormwater harvesting, sustainable home design, community gardens etc.).
6. Strong Region	Productive, Transparent and Responsible	<ul style="list-style-type: none"> • Strategic capacity to develop region now and in the future • Council has a culture which promotes action, accountability, transparency 	<ul style="list-style-type: none"> • Develop an advocacy strategy with a focus on region building infrastructure. • Develop a Reconciliation Action Plan • UNE Partnerships

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.

Other Committees

Council is also involved in a range of other committees, statutory or otherwise, which requires the representation of councillors; as follows are those committees and some suggestions for membership.

Local Area Traffic Committee – Cr McMichael

New England Weeds Authority – Crs O’Connor, Packham and Galletly

Sports Council – Cr Galletly

Local Bushfire Committee – Cr Mepham

General Manager's Performance Review Committee – Mayor, Deputy Mayor, Cr O'Brien and one other Councillor (as nominated by the General Manager).

It is recommended that as other opportunities or invitations to committees present, the Mayor determine representation and report back to Council at the next available opportunity.

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.

Item:	12.1	Ref: AINT/2022/01459
Title:	Audit, Risk and Improvement Committee - Minutes of Meetings held 14 September 2021 and 16 November 2021. Container: ARC21/4508	
Responsible Officer	Acting Chief Officer Corporate and Strategy	
Author:	Simone Mooketsi, Manager Governance and Strategy	
Attachments:	1. ARIC Meeting Minutes 14Sept2021 FINAL 2. ARIC Meeting Minutes 16Nov2021 FINAL	

1. Purpose

The purpose of this report is to provide Council with Minutes of the Audit Risk and Improvement Committee (ARIC) meetings held on 14 September 2021 and 16 November 2021.

2. OFFICERS' RECOMMENDATION:

That Council note the Minutes of the ARIC meetings held on 14 September 2021 and 16 November 2021.

3. Background

The Audit Risk and Improvement Committee (ARIC) provides independent assurance and assistance to the Council on risk management, internal control, governance, internal audits, organisational performance and external accountability responsibilities.

Specifically, the Committee will assist the Council to:

- Promote a culture of corporate governance and compliance with Council's statutory, regulatory and policy framework;
- Examine the effectiveness of Council's internal control framework to include business processes and systems;
- Review the effectiveness of the Council's enterprise risk management processes;
- Examine the effectiveness of audit processes;
- Review external financial statements reporting processes; and
- Provide information to the Council for the purpose of improving the performance of Council's functions.

The ARIC is advisory in its function and has no authority to direct the General Manager or Council officers. The Committee has no executive powers, except those expressly provided by the Council.

The ARIC will meet at least quarterly.

COMPOSITION AND TENURE

The ARIC is to be appointed by the governing body of the Council.

Members (Voting)

The ARIC shall consist of three (3) independent external members. Councillors are ineligible to be voting-members of the Committee, however Councillors are welcome to attend meetings.

Attendees (non-voting)

- The General Manager, or delegate
- Internal Auditor.

Both attendees will attend all ARIC meetings (except where excluded by the Committee) however are not members of the Committee and do not have voting rights.

Council's external auditor may attend any meeting as an independent advisor, and may meet with the Committee without the presence of the General Manager.

The authority, responsibilities and the role of the Committee within the Council are stated by the Audit, Risk & Improvement Committee Charter.

4. Discussion

Minutes of the ARIC meetings held 14 September 2021 and 16 November 2021 are attached for information.

5. Implications

5.1. Strategic and Policy Implications

ARIC will advise whether the Council is achieving the objectives and goals set out in its Community Strategic Plan and has successfully implemented its delivery program, operational plan and other strategies.

5.2. Risk

Among others, ARIC will advise whether:

- the Council has provided sufficient resources for risk management and staff are able to carry out their risk management responsibilities;
- the Council's risk management framework complies with current Australian risk management standards;
- the Council's risk management framework operates effectively and supports the achievement of council's strategic goals and objectives; and
- major risks have been identified and assessed by the Council and appropriate risk treatments have been implemented that reflect council's risk criteria.

5.3. Sustainability

N/A

5.4. Financial

N/A

6. Consultation and Communication

N/A

7. Conclusion

Minutes of the last two meetings of the ARIC are provided for noting by Council.

Item:	12.2	Ref: AINT/2022/02648
Title:	Traffic Advisory Committee - Minutes of the meeting held 1 February 2022	Container: ARC16/0168-7
Responsible Officer	Chief Officer Assets and Services	
Author:	Belinda Ackling, Personal Assistant	
Attachments:	1. Agenda - Traffic Advisory Committee - 01 February 2022 2. Minutes - Traffic Advisory Committee - 01 February 2022	

RECOMMENDATION:

That:

- a) Council endorse the Traffic Advisory Committee's resolution, that the temporary road closure of Canambe Street between Dumaresq and Kirkwood Street for the Armidale & New England Show from 6pm Thursday 3 March until 10pm on Sunday 6 March 2022, be endorsed with the recommendation that the applicants:
 - i. Complete a risk assessment is conducted at the road closure sites to ensure the safety of pedestrians / officials and the permanency of the barriers used for the road closures
 - ii. Prevent unauthorised vehicles entering the site at these locations
 - iii. Post qualified officials at those sites where the barriers for the road closures need to be adjusted to allow the movement of vehicles.
- b) Council endorse the Traffic Advisory Committee's resolution, that the current Give Way sign at the intersection of Post Way and Old Gostwyck Road be replaced with a "Stop" sign and the associated line markings complying with TfNSW standards.
- c) Council endorse the Traffic Advisory Committee's resolution, that the current Give Way sign at the intersection of Lagoon Road/Bradley Street with Sandon Street Guyra be replaced with a "Stop" sign and the associated line markings complying with TfNSW standards.
- d) Council endorse the Traffic Advisory Committee's resolution, that Council deny the request to install a disability parking space in a quiet residential area that has no known history of parking issues.

1. 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.

2. Report

This report is to provide Council with the minutes and action list of the Local Traffic Committee meeting held on Tuesday, 1 February 2021 which details recommendations to Council for consideration and adoptions.

3. Strategic Direction

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

4. 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)*

5. Financial Implications

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