



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 23 August 2023
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/2023/18065
Title:	Minutes of Previous Meeting held 26 July 2023 ARC16/0001-8	Container:
Responsible Officer	General Manager	
Author:	Melissa Houtt, Executive Officer	
Attachments:	1. Draft OCM Minutes - 26 July 2023	

RECOMMENDATION:

That the Minutes of the Ordinary Council meeting held on 26 July 2023 be taken as read and accepted as a true record of the meeting.

Item:	6.1	Ref: AINT/2023/22625
Title:	Mayoral Minute - Retention of APVMA in Armidale	Container:
	ARC16/0001-8	
Responsible Officer	General Manager	
Author:	Sam Coupland, Mayor	
Attachments:	Nil	

1. Purpose

The purpose of the minute is to call on Councillors to support representations to the Federal Government in response to the review commissioned by the Federal Agriculture Minister Murray Watt, which among other things, is considering the relocation of the Australian Pesticides and Veterinary Medicines Authority (APVMA) from Armidale to Canberra.

2. MAYORS RECOMMENDATION:

That Council write to the Minister expressing councils' strong opposition to any proposed move and call upon the minister to provide certainty that jobs will be retained in Armidale regardless of the outcomes of any proposed management or cultural review.

Background

The APVMA headquarters officially opened in Armidale in August 2019, signalling an exciting new era for rural and regional Australia. The APVMA is the regulator of Australia's agricultural and veterinary chemicals, up to the point of sale.

Federal Agriculture Minister Murray Watt commissioned a review of the APVMA to ensure the integrity of Australia's agricultural and veterinary chemicals regulation system, following the release of a report detailing serious allegations concerning the APVMA. The review is due to be completed by 30 September 2023.

Minister Watt said the review undertaken by Clayton Utz found serious and systemic issues with the regulator's operations, conduct and governance.

If the APVMA were to be relocated back to Canberra, it would see the loss of 150 jobs to the Armidale Local Government Area which would then have an economic output reduction of \$85M once flow-on effects were included. Not to mention another 128 job losses due to flow-ons. In total, 278 jobs would be lost.

Impact Summary

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output (\$M)	-\$44.564	-\$17.094	-\$23.484	-\$85.142	1.384	1.911
Employment (Jobs)	-150	-50	-78	-278	1.333	1.853
Wages and Salaries (\$M)	-\$21.202	-\$4.916	-\$5.492	-\$31.610	1.232	1.491
Value-added (\$M)	-\$25.372	-\$7.985	-\$13.924	-\$47.280	1.315	1.864

Item:	7.1	Ref: AINT/2023/17422
Title:	LGNSW Annual Conference 2023	Container: ARC16/0001-8
Responsible Officer	General Manager	
Author:	Melissa Hault, Executive Officer	
Attachments:	Nil	

1. Purpose

The purpose of this report is to appoint a voting delegate for the LGNSW Annual Conference and to endorse motions for submissions to the Conference.

RECOMMENDATION:

- a. That in addition to the Mayor, Deputy Mayor and General Manager, one Councillor be appointed as Council's third attendee and voting delegate for the Local Government NSW (LGNSW) Annual Conference, to be held Rosehill Gardens Racecourse from Sunday 12 November to Tuesday 14 November 2023.
- b. That the process for appointment be by show of hands.
- c. That council votes, in seriatim, on the attached LGNSW Motions that have been received from Councillors.

2. Background

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

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

3. Discussion

As an Ordinary member, Armidale Regional Council has three voting delegates and is required to advise LGNSW of the names of nominated voting delegates for the Annual Conference, for voting on Standing Orders and the Treasurer's Report along with the Board election, by 5pm (AEDT) on Friday 15 September 2023.

4. Implications

4.1. Strategic and Policy Implications

Community Plan Pillar – Strong Region

Goal One – Create partnerships between our community, levels of government and businesses that contribute to our growth and development.

4.2. Risk

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

4.3. Sustainability

Nil.

4.4. Financial

Budget Area:	Executive Office						
Funding Source:	General						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210650 - GM	LGNSW Conference	210650 - \$35,875	210650 - \$3,080	\$0	\$4,500	\$7,580	\$28,295
210653 - Councillors	LGNSW Conference	210653 - \$85,000	210653 - \$385	\$0	\$1,500	\$1,885	\$83,115

5. Consultation and Communication

Under LGNSW Rules, that latest date motions can be accepted for inclusion in the Business paper is 12 midnight (AEDT) on Friday 15 September 2023. As such, Councillors were invited to provide proposed Motions for the Conference to the General Manager to be considered at this Ordinary Council Meeting for endorsement.

6. Conclusion

Member Councils are required to advise LGNSW of the names of their voting delegates for the Annual Conference being held on Sunday 12 November to Tuesday 14 November 2023.

Item:	7.2	Ref: AINT/2023/22456
Title:	Council Actions Report January 2022 - July 2023	Container:
	ARC16/0001-8	
Responsible Officer	General Manager	
Author:	Melissa Hault, Executive Officer	
Attachments:	1. Action Items Report - 23 August 2023 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:	8.1	Ref: AINT/2023/22344
Title:	Cash and Investment Report 30 June 2023	Container: ARC23/6030
Author:	Ann Newsome, Chief Financial Officer	
Attachments:	Nil	

1. Purpose

Regulation 212 of the NSW *Local Government (General) Regulations 2021* requires the responsible accounting officer of a council to provide the Council with a written report, setting out details of all money that the council has invested under section 625 of the Act, to be presented each month and must include in the report, a certificate as to whether or not the investment has been made in accordance with the Act, the Regulations and the Council's investment policies.

This Cash and Investment report provides details of cash and investments held by Council for the month to 30 June 2023, and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

2. OFFICERS' RECOMMENDATION:

That Council note the Cash and Investment Report for June 2023.

3. Background

As at the date of the report, Council held \$99,493,538 in investments (market value) and \$32,284,915 in cash, giving a combined total of \$131,778,453.

4. Discussion

Cash & Investment Balances	June 2023	May 2023	Movement
		\$	\$
<u>Cash at Bank</u>			
NAB General Accounts	22,405,273	-	22,405,273
NAB Cash At Call	8,505,810	5,987,023	2,518,786
AMP Saver Account	19,571	19,536	35
NAB Trust Fund	1,354,261	1,349,666	34,595
Total Cash	32,284,915	7,356,225	24,928,690
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,327,313	10,300,757	26,556
Term Deposits	89,166,225	105,173,026	(16,006,801)
Total Investments	99,493,538	115,473,783	(15,980,244)
Total Cash & Investments	131,778,453	122,830,008	18,948,445

Summary of term deposit movements:

Investment Maturities/Movements	
Institution	Amount \$
WBC	(10,000,000)
NAB	(6,000,000)
CBA	(6,000,000)
Total	(22,000,00)

New Investments	
Institution	Amount \$
NAB	6,000,000
Total	6,000,000

Funds from term deposit maturities are held in the NAB Cash at Call account and pending cashflow requirements, are invested in further term deposit investments. New investments and maturities during the month are detailed above.

Market expectations of future RBA rate rises appeared to have steadied however on 3 May 2023, the RBA increased the official cash rate by 0.25% from 3.60% to 3.85% and a further 0.25% to 4.10% on 6 June 2023.

Council continues to monitor investment markets and 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

	June 2023	May 2023	Movement \$
NAB General Cash Account	4,289	1,155	3,134
Term Deposits	400,459	320,522	79,937
NSW T-Corp IM Fund (Note 1)	26,556	41,237	(14,681)
NAB Cash at Call Account	30,428	15,001	15,427
AMP Saver Account	35	35	0
NAB Trust Account	4,594	4,756	(162)
Total	466,361	382,706	83,655

Note 1: Council holds an investment in the NSW T-Corp IM Fund – Short Term Income Fund. The IM Fund is a unitised investment, so the investment revenue consists of interest distributions credited by way of additional units issued, plus the movement (either upwards or downwards) of the underlying unit value.

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	3,080,372	3.10%
Bank of Queensland	A2	30,520,304	**30.66%
Bendigo & Adelaide Bank	A2	5,151,369	5.18%
Commonwealth Bank of Australia	A1+	13,310,052	13.38%
ING Bank	A1	13,668,942	13.74%
National Australia Bank	A1+	13,089,280	13.16%
Westpac Banking Corporation	A1+	10,345,906	10.40%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,327,313	10.38%
Total		99,493,538	100%

** minor breach of the counter party policy as the BOQ investment exceeds the 30% maximum per institution by .66%. This has been noted, investments made with ING that would have prevented this breach did not settle until July 2023.

Certification:

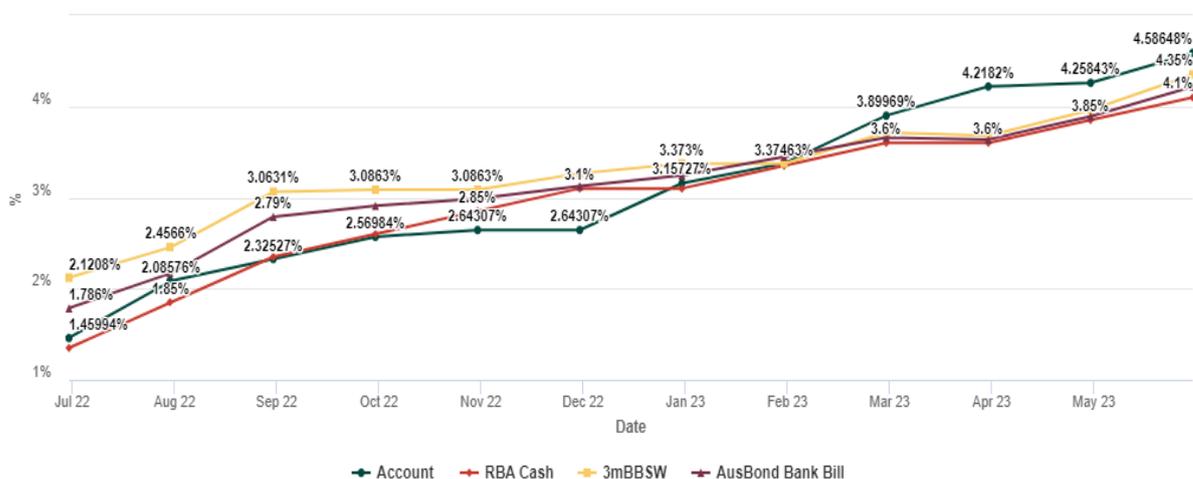
I, Ann Newsome, Chief Financial Officer, hereby certify that the above investments have been made in accordance with the Regulation (Section 212), the *Local Government Act 1993* (the Act) (Section 625), and Council’s Investment Policy (the Policy) except as noted above.

Investment Yield

Account vs RBA Cash vs 3m BBSW vs Bloomberg AusBond Bank Bill Index

Term	Account	RBA Cash	Outperformance	3m BBSW	Outperformance	AusBond Bank Bill	Outperformance
1m	4.39 %	4.10 %	0.29 %	4.23 %	0.16 %	4.22 %	0.17 %
3m	4.21 %	3.79 %	0.42 %	3.94 %	0.26 %	3.85 %	0.36 %
6m	3.72 %	3.60 %	0.12 %	3.68 %	0.04 %	3.68 %	0.04 %
12m	2.93 %	3.03 %	-0.10 %	3.17 %	-0.24 %	3.19 %	-0.25 %

Month End Performance



5. Implications

5.1. 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 Plan 2022-2032 theme category of "Strong Region – Engagement and Responsibility" and related strategy of "Manage public resources responsibly and efficiently for the benefit of the community."
- Council's Delivery Program 2022-2026 includes initiatives S2.3.2 "Maintain financial sustainability by meeting Performance Ratios and Fit for the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets" and S2.3.5 "Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden".
- Council's Operational Plan 2022-23: Asset Management, Finance and Procurement, Governance, Strategy and Risk.

5.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index however the recent increase in fixed interest rates has resulted in the BBSW index moving ahead of Council's returns.

Council's investment return was above the RBA Official Cash rate of 0.35% prior to 7 June 2022, when the RBA increased the official cash rate from 0.35% to 0.85%. The recent history of increases in the official cash rate is detailed below:

Date	Rate Increase	From	To
4 May 2022	0.25%	0.10%	0.35%
8 June 2022	0.50%	0.35%	0.85%
5 July 2022	0.50%	0.85%	1.35%
2 August 2022	0.50%	1.35%	1.85%
6 September 2022	0.50%	1.85%	2.35%
5 October 2022	0.25%	2.35%	2.60%
2 November 2022	0.25%	2.60%	2.85%
7 December 2022	0.25%	2.85%	3.10%

7 February 2023	0.25%	3.10%	3.35%
8 March 2023	0.25%	3.35%	3.60%
5 April 2023	-	3.60%	3.60%
3 May 2023	0.25	3.60%	3.85%
6 June 2023	0.25	3.85%	4.10%

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.

5.3. 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.

5.4. Financial

Budget Area:	Financial Services						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget (Revised)	Actual	Committed	Proposed	Total Forecast (Income)/ Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$2,908,115) (\$1,431,000) original budget	(\$3,358,461)	Nil	Nil	(\$2,919,692)	\$11,577
210815.1.1760. 333.2430	Subscriptions	\$10,700	\$14,700	Nil	Nil	\$14,700	(\$4,000)

Restricted & Unrestricted Funds

As at 30 June 2022, total restricted and unrestricted funds were fully funded by cash and investments. A reconciliation of unrestricted funds year to date is currently being undertaken.

The reserve position will be updated on completion of the draft 2023 Financial Statements.

Actual Position at 30 June 2022 (audited)

\$'000	General	Water	Sewer	Total
External Restrictions	26,935	29,010	23,150	79,095
Internal Restrictions	21,394			21,394
Total Restrictions	48,329	29,010	23,150	100,489
Unrestricted	5,781			5,781
Total Funds	54,110	29,010	23,150	106,270

6. Consultation and Communication

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

7. Conclusion

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

Item:	8.2	Ref: AINT/2023/22574
Title:	Cash and Investment Report 31 May 2023	Container: ARC23/6030
Author:	Ann Newsome, Chief Financial Officer	
Attachments:	Nil	

1. Purpose

Regulation 212 of the NSW *Local Government (General) Regulations 2021* requires the responsible accounting officer of a council to provide the Council with a written report, setting out details of all money that the council has invested under section 625 of the Act, to be presented each month and must include in the report, a certificate as to whether or not the investment has been made in accordance with the Act, the Regulations and the Council's investment policies.

This Cash and Investment report provides details of cash and investments held by Council for the month to 31 May 2023, and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

2. OFFICERS' RECOMMENDATION:

That Council note the Cash and Investment Report for May 2023.

3. Background

As at the date of the report, Council held \$115,473,782 in investments (market value) and \$7,356,226 in cash, giving a combined total of \$122,830,008.

4. Discussion

Cash & Investment Balances	May 2023	April 2023	Movement
	\$	\$	\$
<u>Cash at Bank</u>			
NAB General Accounts	-	1,863,631	(1,863,631)
NAB Cash At Call	5,987,023	4,641,149	1,345,874
AMP Saver Account	19,536	19,501	35
NAB Trust Fund	1,349,666	1,344,909	4,757
Total Cash	7,356,226	7,869,190	(512,965)
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,300,757	10,258,676	42,081
Term Deposits	105,173,026	109,910,390	(4,737,364)
Total Investments	115,473,783	120,169,066	(4,695,283)
Total Cash & Investments	122,830,009	128,038,286	(5,208,248)

Summary of term deposit movements:

Investment Maturities	
Institution	Amount \$
WBC	(10,000,000)
NAB	(7,000,000)
CBA	(23,000,000)
Total	(30,000,000)

New Investments	
Institution	Amount \$
CBA	12,000,000
NAB	13,000,000
WBC	10,000,000
Total	35,000,000

Funds from term deposit maturities are held in the NAB Cash at Call account and pending cashflow requirements, are invested in further term deposit investments. New investments and maturities during the month are detailed above.

Market expectations of future RBA rate rises appeared to have steadied however on 3 May 2023, the RBA increased the official cash rate by 0.25% from 3.60% to 3.85% and a further 0.25% to 4.10% on 6 June 2023.

Council continues to monitor investment markets and 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

	May 2023	April 2023	Movement
	\$	\$	\$
NAB General Cash Account	1,155	1,166	(11)
Term Deposits	320,522	335,779	(15,257)
NSW T-Corp IM Fund (Note 1)	41,237	36,776	4,461
NAB Cash at Call Account	15,001	16,356	(1,355)
AMP Saver Account	35	24	11
NAB Trust Account	4,756	3,806	950
Total	382,706	393,907	(11,201)

Note 1: Council holds an investment in the NSW T-Corp IM Fund – Short Term Income Fund. The IM Fund is a unitised investment, so the investment revenue consists of interest distributions credited by way of additional units issued, plus the movement (either upwards or downwards) of the underlying unit value.

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	3,070,674	2.66%
Bank of Queensland	A2	30,409,753	26.33%
Bendigo & Adelaide Bank	A2	5,133,904	4.45%
Commonwealth Bank of Australia	A1+	19,269,022	16.69%
ING Bank	A1	13,616,792	11.79%
National Australia Bank	A1+	13,063,165	11.31%
Westpac Banking Corporation	A1+	20,609,715	17.85%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,300,757	8.92%
Total		115,473,783	100%

Certification:

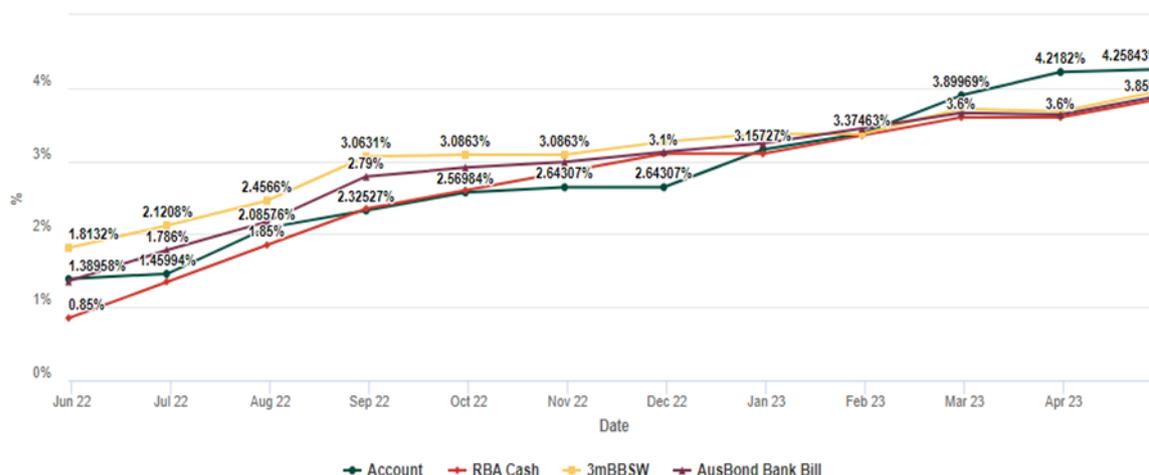
I, Ann Newsome, Chief Financial Officer, hereby certify that the above investments have been made in accordance with the Regulation (Section 212), the *Local Government Act 1993* (the Act) (Section 625), and Council’s Investment Policy (the Policy).

Investment Yield for the year to 31 May 2023

Account vs RBA Cash vs 3m BBSW vs Bloomberg AusBond Bank Bill Index

Term	Account	RBA Cash	Outperformance	3m BBSW	Outperformance	AusBond Bank Bill	Outperformance
1m	4.26 %	3.85 %	0.41 %	3.92 %	0.35 %	3.89 %	0.37 %
3m	3.93 %	3.66 %	0.27 %	3.75 %	0.19 %	3.71 %	0.23 %
6m	3.43 %	3.41 %	0.01 %	3.50 %	-0.07 %	3.47 %	-0.04 %
12m	2.69 %	2.80 %	-0.11 %	2.96 %	-0.27 %	2.98 %	-0.30 %

Month End Performance



5. Implications

5.1. 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 Plan 2022-2032 theme category of "Strong Region – Engagement and Responsibility" and related strategy of "Manage public resources responsibly and efficiently for the benefit of the community."
- Council's Delivery Program 2022-2026 includes initiatives S2.3.2 "Maintain financial sustainability by meeting Performance Ratios and Fit for the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets" and S2.3.5 "Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden".
- Council's Operational Plan 2022-23: Asset Management, Finance and Procurement, Governance, Strategy and Risk.

5.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index however the recent increase in fixed interest rates has resulted in the BBSW index moving ahead of Council's returns.

The BBSW has moved to 3.66% over calendar 2022 and 2023 (up from 0.59% in Jan22). The BBSW is influenced by forward looking returns in the market/where the market is pricing future interest rate movements in the short term, while Council's returns are based on historical term deposit rates i.e. backward looking e.g. 0.35% return for a 12-month Term Deposit in October 2021.

Council's investment return was above the RBA Official Cash rate of 0.35% prior to 7 June 2022, when the RBA increased the official cash rate from 0.35% to 0.85%. The recent history of increases in the official cash rate is detailed below:

Date	Rate Increase	From	To
4 May 2022	0.25%	0.10%	0.35%
8 June 2022	0.50%	0.35%	0.85%
5 July 2022	0.50%	0.85%	1.35%
2 August 2022	0.50%	1.35%	1.85%
6 September 2022	0.50%	1.85%	2.35%
5 October 2022	0.25%	2.35%	2.60%

2 November 2022	0.25%	2.60%	2.85%
7 December 2022	0.25%	2.85%	3.10%
7 February 2023	0.25%	3.10%	3.35%
8 March 2023	0.25%	3.35%	3.60%
5 April 2023	-	3.60%	3.60%
3 May 2023	0.25	3.60%	3.85%
6 June 2023	0.25	3.85%	4.10%

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.

5.3. 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.

5.4. Financial

Budget Area:	Financial Services						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget (Revised)	Actual	Committed	Proposed	Total Forecast (Income)/ Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$2,908,115) (\$1,431,000) original budget	(\$2,589,145)	Nil	Nil	(\$2,589,145)	(\$318,970)
210815.1.1760. 333.2430	Subscriptions	\$10,700	\$12,700	Nil	Nil	\$12,700	(\$2,000)

Restricted & Unrestricted Funds

As at 30 June 2022, total restricted and unrestricted funds were fully funded by cash and investments. A reconciliation of unrestricted funds year to date is currently being undertaken.

The reserve position will be updated on completion of the draft 2023 Financial Statements.

Actual Position as at 30 June 2022 (audited)

\$'000	General	Water	Sewer	Total
External Restrictions	26,935	29,010	23,150	79,095
Internal Restrictions	21,394			21,394
Total Restrictions	48,329	29,010	23,150	100,489
Unrestricted	5,781			5,781
Total Funds	54,110	29,010	23,150	106,270

6. Consultation and Communication

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

7. Conclusion

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

Item:	8.3	Ref: AINT/2023/22576
Title:	2022-23 Draft Financial Statements - Refer to Audit ARC23/6030	Container:
Author:	Ann Newsome, Chief Financial Officer	
Attachments:	Nil	

1. Purpose

The purpose of this report is for Council to endorse the Draft 2022-23 Financial Statements for referral to audit.

In accordance with S416 of the *Local Government Act 1993*, Council is required to pass a resolution to this effect along with the making of a number of other conformance statements.

2. OFFICERS' RECOMMENDATION:

- A. Council endorse the 2022-23 draft financial statements as:
 1. being prepared in accordance with:
 - the *Local Government Act 1993* (as amended) and the Regulations made there under;
 - the Australian Accounting Standards; and
 - the Local Government Code of Accounting Practice and Financial Reporting.
 2. presenting fairly the Council's operating result and financial position for the year; and
 3. being in accord with Council's accounting and other records.
- B. Council confirm it is not aware of any matter that would render the draft financial statements being prepared as being false or misleading in any way;
- C. Council endorse the Draft Financial Statements be referred to audit following completion of quality review by Council's Executive Leadership Team and Audit, Risk and Improvement Committee;
- D. Council delegate authority to the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer to sign the 'Statement by Council and Management' for inclusion within the draft financial report;
- E. Council delegate authority to the General Manager to finalise the date at which the auditor's report and financial statements are to be presented to the public;
- F. Council delegate authority to the General Manager to set the 'authorised for issue' date upon receipt of the auditor's report; and
- G. The Audited Financial Statements be presented to the November 2023 Ordinary Council meeting.

3. Background

Each year, Council is required to complete year-end financial statements in accordance with s413 (1) of the *Local Government Act 1993*. These reports are to be completed as soon as

practicable after the end of the financial year in accordance with Australian Accounting Standards and must include a general-purpose financial report (Consolidated Fund), special purpose financial reports for all of council's business activities (Water and Sewer Funds), special schedules and the prescribed councillor's statement.

Council has four months from the end of the financial year to prepare, adopt and have audited the financial reports in accordance with s416 (1) of the *Local Government Act 1993*.

At the time of preparing this report, the draft financial statements are being finalised. Council's quality review process includes review of the draft financial statements by Council's Executive Leadership Team and Council's Audit, Risk and Improvement Committee (ARIC). The Audit, Risk and Improvement Committee are next meeting on 14 November 2023. Due to the timing of this ARIC meeting, the draft financial statements will be issued to the ARIC Members out of session. Audit work papers are due to be provided to the Audit Office by 4 September 2023, ready for the audit to commence on 13 September 2032.

4. Discussion

In order to continue to progress toward lodgement of the financial statements with the appropriate bodies and presentation of such to the general public, it is required that Council refer the draft Financial Statements to audit for finalisation and that it make a resolution in accordance with s413 (2c) of the *Local Government Act 1993*, that the statements are in accordance with:

- the *Local Government Act 1993* and the regulations made there under,
- the Australian Accounting Standards, and
- the Local Government Code of Accounting Practice and Financial Reporting,
- that the Statements present fairly the Council's operating result and financial position for the year,
- that the Council is not aware of any matter that would render this report false or misleading in any way, and
- the report accords with Council's accounting and other financial records.

Council is also required to delegate authority to the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer to sign the 'Statement by Council and Management' that forms part of the financial report in accordance with Clause 215 of the *Local Government (General) Regulation 2005*.

Given the timeframes within which the audited financial reports need to be lodged with the Office of Local Government and the timing for the auditor's report to be presented to the general public, it would also be prudent at this time to delegate authority to the General Manager to execute the following:

- Finalise the date at which the auditor's report and financial statements are to be presented to the public in compliance with s418 (1) of The Act.
- Set the authorised for issue date upon receipt of the auditor's report.

Following the completion of the processes above, a report will be presented to Council containing the final audited Financial Report for analysis and information.

5. Implications

5.1. Strategic and Policy Implications

- *Local Government Act 1993;*
- *Local Government Regulations (General) 2005;*
- *Australian Accounting Standards;*
- *Local Government Code of Accounting Practice and Financial Reporting.*

5.2. Risk

Nil

5.3. Sustainability

Results for key macro financial indicators will be provided in the report to Council along with the Audited Financial Report once completed.

5.4. Financial

Budget Area:	FINANCE						
Funding Source:	General Fund, Water Fund, Sewer Fund, Trust Fund						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210815	Audit Expenses The Overall Finance Team Budget includes employment costs associated with preparation of financial statements.	\$160,000	\$15,343	\$Nil	Nil	\$15,343	\$144,657

6. Consultation and Communication

Once finalised the financial statements are to be publicly exhibited in accordance with the Local Government Act, including advertising of the key results in the local print press and on Councils website.

Council's external auditor is also required to present their reports to Council's Audit, Risk and Improvement Committee Meeting in November, following the completion and audit of the statements. A presentation will also be made to Council.

7. Conclusion

The purpose of this report is for Council to endorse the Draft 2022-23 Financial Statements for referral to audit.

Item:	9.1	Ref: AINT/2023/09819
Title:	Draft Renewable Energy Community Benefit Framework Container: ARC23/5799	
Author:	Daniel Boyce, Chief Officer Planning and Activation	
Attachments:	1. Draft Renewable Energy Community Benefit Framework	

1. Purpose

The purpose of this report is for Council to endorse the Draft Renewable Energy Community Benefit Framework (**Draft Framework**) for public exhibition. A further report will be presented to Council for consideration of submissions received and for adoption of the Draft Framework.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the Draft Renewable Energy Community Benefit Framework for public exhibition for a period of not less than 28 days.
- b. Receive a further report once the submission period closes to consider any submissions received.

3. Background

Council agreed general terms for planning agreements associated with Tilbuster Solar Farm in October 2021 (390/21) and Oxley Solar Farm in August 2022 (163/22). The agreements were in the amount of approximately 1% and 1.63% of the capital value of the projects respectively.

Council staff continue to make submissions on State Significant Development Applications lodged with the NSW Government for renewable energy developments, including requests to negotiate community benefits via planning agreements with proponents.

With the benefit of the past two years of experience dealing with NSW Government planning policy, EnergyCo and developers it is considered the appropriate time for Council to adopt a policy position in relation to negotiating benefit sharing arrangements with developers.

The Draft Framework is proposed to apply to state significant and regionally significant renewable energy projects.

4. Discussion

The objectives of the Draft Framework are to promote benefit sharing strategies associated with the development of renewable energy projects in the Armidale Regional Council Local Government Area that:

- secure off-site benefits for the community so that renewable energy development delivers a net community benefit;
- ensure that the wider community share in the benefits resulting from renewable energy development in the LGA;
- ensure that the costs and benefits of renewable energy development will be equitably distributed within the community and inter-generationally.

The Draft Framework draws a clear position from Council that the minimum community benefit threshold is 1.5% of the capital value of the development. Projects that do not deliver community benefits above this threshold are likely to be considered not in the public interest and by extension Council could object to these developments on public interest grounds.

The Draft Framework provides flexibility in terms of the public purpose for which community benefit funds will be applied given that Council will be negotiating on a project by project basis over the coming decade. The Draft Framework also provides for some general governance terms and foreshadows that Council will seek to ensure that the benefits of renewable energy projects do not accrue only to a particular section of the community or only for this generation at the exclusion of future generations.

5. Implications

5.1. Strategic and Policy Implications

T1.1 Attract new job creating investment to the region

Leverage our status as a Renewable Energy Zone to attract new engine room industries and negotiate community benefit sharing arrangements that deliver a long-term dividend for the region (T1.1.4)

If adopted the Draft Framework will provide Council with a basis for negotiating and managing community benefit funds associated with renewable energy projects.

5.2. Risk

The absence of an adopted policy position for community benefit sharing arrangements may reduce Councils ability to negotiate community benefit sharing arrangements.

The Draft Framework also provides clear guidance for the community and developer around how community benefit arrangements will be negotiated and managed.

5.3. Sustainability

Entering into Planning Agreements for community benefit funds will provide funding for community projects.

5.4. Financial

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

6. Consultation and Communication

The Draft Framework will be placed on public exhibition for no less than 28 days. Individual planning agreements and explanatory notes will be publicly notified in accordance with the Act.

7. Conclusion

This report recommends that Council endorse the Draft Renewable Energy Community Benefit Framework (**Draft Framework**) for public exhibition. A further report will be presented to Council for consideration of submissions received and for adoption of the Draft Framework.

Item:	9.2	Ref: AINT/2023/15897
Title:	Finalisation of Planning Proposal for 57 Newton Street Armidale	Container: ARC23/5777
Responsible Officer	Chief Officer Planning and Activation	
Author:	John Goodall, Manager Land Use Planning	
Attachments:	1. Gateway determination 2. Planning Proposal No. 19 - 57 Newton Street	

1. Purpose

The purpose of this report is to seek Council approval to finalise the Planning Proposal for 57 Newton Street, Armidale with the Council to exercise the functions of the local plan-making authority under section 3.36(2) of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the Planning Proposal to amend the *Armidale Regional Local Environmental Plan 2012*, to regularise the permissibility of the light industry land uses that have historically and continually been carried out at 57 Newton, Armidale (Lot 4 DP 546075).
- b. Exercise the functions of the local plan-making authority under section 3.36(2) of the EP&A Act to make the Local Environmental Plan.
- c. Authorise the General Manager to sign all relevant documentation on behalf of Council in exercising the functions of the local plan-making authority.

3. Background

At the February 2022 Ordinary Council Meeting, Council resolved to finalise the merge of the *Armidale Dumaresq Local Environmental Plan 2012* (ADLEP) and the *Guyra Local Environmental Plan 2012* (GLEP) into a single Plan, being the *Armidale Regional Local Environmental Plan* (ARLEP) (Ref: AINT/2021/44634 (ARC16/0030-3)).

As part of finalising the ARLEP, Council resolved to regularise the existing uses (which were prohibited under the ADLEP) at 57 Newton Street (Lot 4 DP 546075) and 242 Rusden Street (Lot A, DP 329168), by adding additional permitted uses for these sites, under Schedule 1 of ARLEP.

Once the Department of Planning and Environment (DPE) received the final ARLEP package from Council, they advised that the additional permitted uses at Newton and Rusden Streets would be best dealt with by way of a new planning proposal (PP), as these changes were not exhibited as part of the LEP merge PP and weren't (in their view), part of the objectives of the LEP merge project.

Council Staff prepared a new PP for 57 Newton Street (Stage 2, Figure 1) and at the March 2023 Ordinary Council Meeting, the Council resolved to endorse the PP and request a Gateway Determination from DPE (Ref: AINT/2023/04815 (ARC23/5777)).

Council received the Gateway Determination (Attachment 1) on 18 April 2023 (Stage 3, Figure 1), subject to the following conditions below, which required under 1(a) for the PP to be publicly exhibit for a minimum of 20 working days.

Gateway Conditions

1. Public exhibition is required under section 3.34(2)(c) and clause 4 of Schedule 1 to the Act as follows:
 - a. the planning proposal is categorised as standard as described in the *Local Environmental Plan Making Guidelines* (Department of Planning and Environment, 2022) and must be made publicly available for a minimum of 20 working 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 *Local Environmental Plan Making Guidelines* (Department of Planning and Environment, 2021).
2. No consultation is required with public authorities or government agencies under section 3.34(2)(d) of the EP&A Act.
3. A public hearing is not required to be held into the matter by any person or body under section 3.34(2)(e) of the EP&A Act. This does not discharge Council from any obligation it may otherwise have to conduct a public hearing (for example, in response to a submission or if reclassifying land).

In accordance with condition 1(a), the PP (Attachment 2) was placed on public exhibition from 27 April 2023 to 25 May 2023 (21 working days). Additionally, notification letters were sent out to the adjoining owners (Stage 4 and 5, Figure 1). No submissions were received in response.

Accordingly, the Gateway conditions have been satisfied and the PP is now ready to proceed to finalisation and Making the LEP (Stage 6, Figure 1).



Figure 1 – Planning Proposal Process

4. Discussion

The site the subject of this PP is Lot 4 DP 546075, which is known as 57 Newton Street, Armidale. The location of the site and aerial photograph is shown in Figure 2.

The site is zoned R1 General Residential under ARLEP (Figure 3).

The PP proposes to amend the following components of the LEP:

- Amend the Armidale Regional LEP 2012 Schedule 1 to include an Additional Permitted Use for the site as follows:
“10 Use of certain land at 57 Newton Street, Armidale
(1) This clause applies to land at 57 Newton Street, Armidale, being Lot 4 DP 546075.
(2) Development for the purposes of Light Industry is permitted with development consent.
- Amend the Armidale Regional LEP 2012 Additional Permitted Uses Map to include the site.

If supported the additional permitted use will allow for the continued use of the site whilst improving functionality/flexibility, which cannot be reasonably achieved utilising the existing use rights under the current LEP.

The PP is considered to be consistent with goals of the *New England North West Regional Plan 2041*.

The PP is ready to proceed to finalisation if supported by Council.

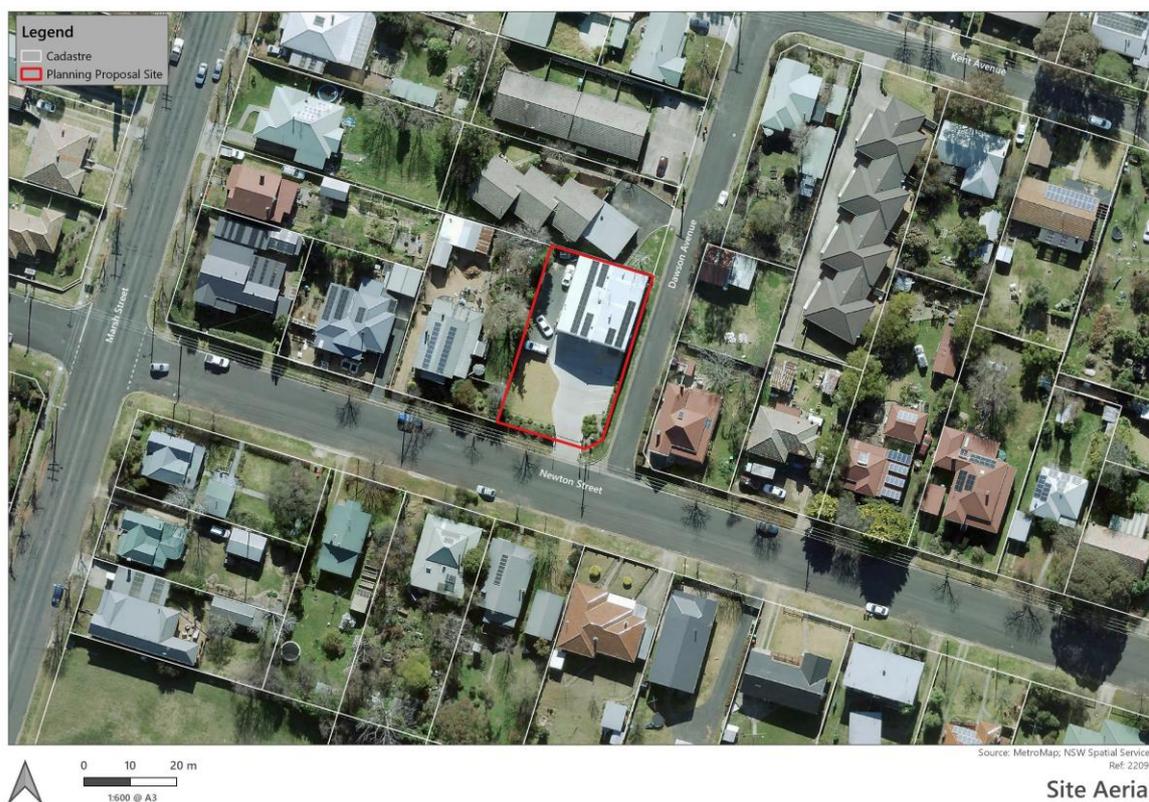


Figure 2: 57 Newton Street Aerial Photograph

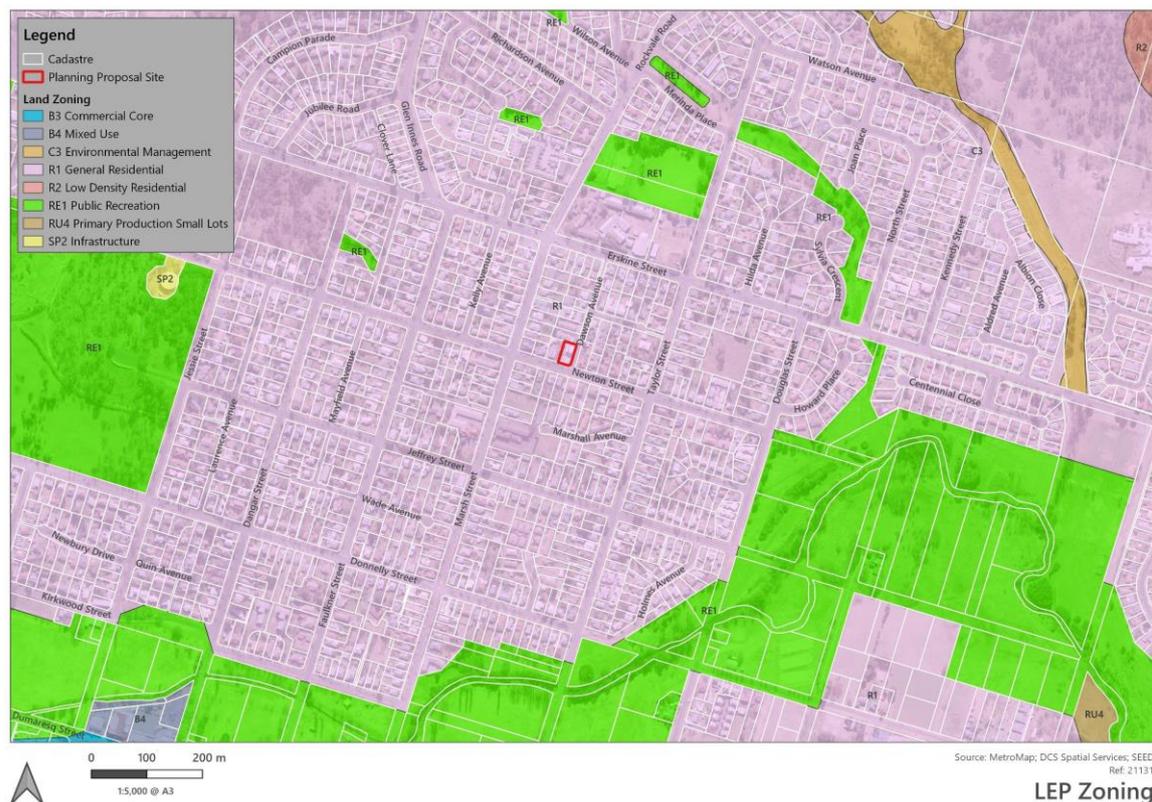


Figure 3: 57 Newton Street Zoning

5. Implications

5.1. Strategic and Policy Implications

This item will result in the amendment of the LEP. The Planning Proposal is an environmental planning instrument, a statutory legal document affecting land use within the Armidale Regional Local Government Area.

DPE authorised Council as planning proposal authority to exercise the functions of the local plan-making authority under section 3.36(2) of the EP&A Act subject to the following:

- (a) the planning proposal authority has satisfied all the conditions of the gateway determination;
- (b) the planning proposal is consistent with applicable directions of the Minister under section 9.1 of the EP&A Act or the Secretary has agreed that any inconsistencies are justified; and
- (c) there are no outstanding written objections from public authorities.

5.2. Risk

There are no 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

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

6. Consultation and Communication

The Planning Proposal was publicly exhibited from 27 April 2023 to 25 May 2023 (21 working days). Additionally, notification letters were sent out to the adjoining owners. No submissions were received.

7. Conclusion

This report recommends finalisation of the PP for 57 Newton Street, Armidale. DPE authorised Council as planning proposal authority to exercise the functions of the local plan-making authority under section 3.36(2) of the EP&A Act. Once all the statutory procedures have been carried out, the amended LEP will be published on the NSW Legislation website.

Item:	10.1	Ref: AINT/2023/18481
Title:	Integrated Planning and Reporting - Delivery Program 2022 -2026 and Operational Plan 2022-2023 Progress Report - January to June 2023 Container: ARC22/5145	
Responsible Officer	Chief Officer Corporate and Community	
Author:	Renata Davis, Principal Advisor - Corporate Planning	
Attachments:	1. Operational Plan Quarterly Report - Q4 2022-2023	

1. Purpose

The purpose of this report is to provide the Council, the community and other stakeholders with an update as to the final status of Council's Operational Plan 2022-2023.

The attached document is a progress report based on the April to June 2023 period. This report is the final Integrated Planning and Reporting progress report for the 2022-2023 financial year.

2. OFFICERS' RECOMMENDATION:

That Council note the final Operational Plan 2022-2023 Progress Report, based on the period April to June 2023.

3. Background

This Report informs the 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 Advancing Our Region Community Strategic Plan 2022-2032, as part of the Integrated Planning and Reporting Framework.

This report is the final report for the 2022-2023 Financial Year, and outlines the status of the Operational Plan actions as at June 2023. This information will also inform the Annual Report, which will be completed by 30 November 2023 in compliance with legislation.

In 2023-2024, Council will present progress reports on the Operational Plan and Delivery Program 6-monthly, in accordance with 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 period of April to June 2023, of the strategic and operational tasks adopted in the Operational Plan 2022-2023.

The full progress report is attached.

Council uses the Pulse software system to capture and report the progress of the suite of Integrated Planning and Reporting documents including the Advancing Our Region Community Plan, Delivery Program 2022-2026, and Operational Plan 2022-2023.

The attached report outlines the progress of the projects and general operations using four indicators:

- Progression status - Is the action progressing, not progressing, deferred, on hold, or completed?
- Progression % - What is the percentage of completion?
- Risk Indicator - Using a risk matrix, staff provide a score for each Action based on financial, schedule, technical, issues, resources and WHS factors. The individual factor scores are combined into an overall risk indicator score. The scores are: On track, Needs Attention or off-track.
- Comment - Officers provide context and detail about the action and its progress.

A dashboard summary is provided to demonstrate how Council is progressing across all the Actions.

5. Implications

5.1. Strategic and Policy Implications

This report and its recommendation/s are related to the following strategic directions of Council:

Advancing our Region Community Plan	<i>THEME AND GOAL</i>	Strong Region	Strong governance and leadership that supports our region to grow and prosper
	<i>STRATEGY</i>	S2.2	Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources
Delivery Program 2022-2026	<i>COUNCIL INITIATIVE/S</i>	S2.2.1	Implement the Integrated Planning and Reporting Framework in compliance with legislation

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 2022-2023 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

Any funding shifts for projects or operations are assessed and adjusted through the Quarterly Budget Reviews.

6. Consultation and Communication

The Operational Plan 2022-2023 was placed on public exhibition during May 2022, and a report on community feedback was reported to Council at the Ordinary Council Meeting of 29 June 2022.

7. Conclusion

This is the final progress report for the Operational Plan 2022-2023. The next Report will be based on the 2023-2024 Operational Plan. Progress reports are also reported separately to the Audit, Risk & Improvement Committee.

Item:	11.1	Ref: AINT/2023/17584
Title:	Kempsey Road Status Report	Container: ARC23/6087
Responsible Officer	Chief Officer Assets and Services	
Author:	Glenn Spires, Manager Design & Deliver	
Attachments:	Nil	

Purpose

The purpose of this report is to provide a monthly update on the Kempsey –Armidale Road Restoration Project (KARRP).

1. OFFICERS' RECOMMENDATION:

That Council note information within the report regarding the Kempsey –Armidale Road Restoration Project following the Steering Committee held Thursday 10 August 2023.

2. Background

Armidale Regional Council (ARC) has received grant funding (\$222,494,431) through the NSW Natural Disaster Fund for Essential Public Asset Restoration Works (EPARW) 2020/21. This funding is administered through NSW Office of Transport NSW for the provision of public asset restoration back to pre-disaster condition following a series of natural disaster events which severely damaged a large section of Kempsey-Armidale Road.

An application for additional funding has been submitted for the February/March 2022 Severe Weather Event to increase the approved funding amount. This would enable the Kempsey-Armidale Road Natural Disaster Recovery Works Project to be fully funded.

This project is being delivered as a multi-stage process to undertake the design and construction of natural disaster recovery repair works on a 43km section of the Kempsey-Armidale Road, 5.1 km on Lower Creek Road and three Improvement Works Projects which are located at Blackbird Flat, Flying Fox Gully and on Big Hill.

The project scope of works has been classified into four Milestones:

1. **Natural Disaster Recovery Works (Milestone 1)** (ch72.95km - ch116.00km) comprising restoration of a 43km section of the Kempsey-Armidale Road and a 5.1km long section of Lower Creek Road, Lower Creek, to their pre-disaster conditions;
2. **"Improvement Works" Projects** comprising of the following three projects:
 - a. **Blackbird Flat (Milestone 2)** - Fixing Local Roads, Round 3 Location 1 Blackbird Flat Cutting (ch73.50km-ch74.05km) and includes sealing this section of pavement;
 - b. **Flying Fox (Milestone 3)** - Fixing Local Roads, Round 2 Location 3 Flying Fox Cutting (ch86.30km-ch88.15km) and includes sealing this section of pavement; and
 - c. **Big Hill (Milestone 4)** - Restart NSW, three curves on Big Hill, sites 3 and 4 ch112.888km - 113.193km, and site 12 ch108.563km – ch108.723km) – with these three curves being constructed as unsealed pavements

To enable completion of the milestones, there is a 4-stage contract process that comprises of:

Stage 1 – Tender for Civil Contractor Engagement and Award of Early Contractor Involvement (ECI) Contract - COMPLETED

Prequalification of Contractors to be eligible to tender for the works and award of Early Contractor Involvement (ECI) Contract. Awarded at November 2022 Ordinary Council Meeting.

Stage 2 – ECI - IN PROGRESS

The ECI Contract was awarded to Seymour Whyte Constructions (SWC) for design and early construction works to a combined value of approximately \$18,279,767 (Excl. GST).

At the completion of the ECI phase the Contractor will have completed the 30% detailed design of these four projects and provided to enable the Kempsey-Armidale Road Natural Disaster Recovery Collaborative Design & Construct (D&C) Contract to commence based on having provided:

- A finalised project scope of works and project specifications for inclusion within the Collaborative Design & Construct Contract for Council consideration and approval;
- A finalised and confirmed project delivery timeline; and
- Confirmation that the overall maximum Target Budget Price for each of these projects remained within the approved project funding budget limits.

Stage 3 – Early Works Contract - NOT STARTED

As part of the ECI contract awarded by Council, delegation was provided to the General Manager to enter into an early works contract with SWC. This contract involves the provision of services and or completion of construction activities that enable the project to be delivered on an escalated timeframe and may involve activities such as completion of planning approvals, construction of side tracks and passing bays, further detail design and or procurement of materials.

No contract has been entered into at this time, however discussions are ongoing with SWC regarding appropriate contract form and suitable activities.

Stage 4 – Main Recovery works - Dependent on Stage 2 completion - NOT STARTED

Following the completion of Stage 2, Council may enter into a contract with SWC for the Main Recovery works. A further Council report will be required to award this contract and provide the General Manager delegation to enter into negotiations for the contract.

Note: Part of the ECI phase includes the development of a suitable contract for these works.

Delivery of Design & Construction phase (Construction Phase), completing:

Milestone 1 - The Natural Disaster Recovery Works Project which will allow the Kempsey-Armidale Road and Lower Creek Road to be reconstructed back to their pre-disaster condition using current engineering standards and in accordance with the NSW and DRFA Natural Disaster Funding Guidelines.

Milestone 2, 3 & 4 - The "Improvement Works" Projects will follow the completion of Milestone 1 project, enhancing the existing road infrastructure at each of these three sites.

The Kempsey-Armidale Road Recovery Project Steering Committee (KRSC) was established to provide effective governance over KARRP and provide an avenue for stakeholder engagement and oversight. The focus of the KRSC is on providing direction, leadership and advice for the Kempsey-Armidale Road project. This includes technical, policy and procedural advice to assist the project team in moving the project forward to ensure the achievement of sound outcome.

The Kempsey Road Steering committee comprises of the following members:

Name	Title and Function
James Roncon	General Manager Armidale Regional Council (Chair) (V)
Alex Manners	Chief Officer Assets & Services Armidale Regional Council (V)
Ann Newsome	Chief Financial Officer Armidale Regional Council (V)
Cr Sam Coupland	Mayor (V)
Tony Gant	TfNSW Support (V)
Peter Steele	TfNSW Assessor (V)
Officers in attendance to include, but not be limited to:	
Glenn Spires	Manager Design and Delivery Armidale Regional Council
Sean Sample	Project Director Client-Side Armidale Regional Council
Tracy Cooper	Project Officer (Secretary)
Monica Kelly	Prevention Partners (Probity Advisor)
Mitchell Parker	NSW Reconstruction Authority
Christina Jeffries	National Emergency Management Agency (NEMA)
Principle Contractor (Seymour Whyte Constructions) Representatives - as requested	

(V) = Voting Member

The information contained within the report is general in nature and provided as a stakeholder update only for Council.

The information in the report is measured to ensure contract and commercial in confidence information is protected.

3. Discussion

At the KRSC meeting held Thursday 10 August 2023, the client-side Project Director - Sean Sample provided the following update:

The KARRP ECI activities continue, with Final Proposal to be issued by SWC in September 2023. An Open book review of SWC's cost estimating is underway by ARC, TfNSW and Councils subcontractors.

Extension of Time (EoT) #2, for revised Works Brief was approved allowing for delays in principle provided information.

An outline scope for additional ECI (advance off-site) activities has been discussed between ARC and SWC. A range of activities have been agreed to in principle. This will result in additional time and additional cost if committed to.

The Schedule for the ECI including post submission activities is being developed to ascertain potential for awarding the D&C Contract in late 2023 or Q1 2024 (should SWC's Final Proposal be acceptable) to Council.

Discussion was held at the steering committee regarding hold points to enable the award of the D&C Contract including entering into a funding deed with TfNSW for the available grant funding.

It was flagged that the deed when provided by TfNSW will be of strategic importance and be presented to Council for consideration at an Ordinary Council Meeting.

4. Implications

4.1. Strategic and Policy Implications

The activities discussed in the report align with Advancing Our Region - Your Community Plan 2022-2032 and with Council Delivery Program 2022-2026 as part of:

5.1.1 Connected Region – Goal 1 - Quality infrastructure makes it safe and easy to travel around our region

C1.1.4 Partner with the NSW Government to restore and reclassify Armidale-Kempsey Road.

4.2. Risk

Risks relating to KARRP can broadly be categorised into six areas being; Safety, Quality, Environment, Financial, Reputational, and Resourcing (People, skills, systems and tools).

The project is complex by many standards and adding to this the project is a pioneer project in NSW being the first of a range of large-scale restoration projects across the state. At over \$400M, it is the largest transport project ever undertaken by a Local Government let alone Armidale Regional Council. As such the risks are often unique and to address them is requiring Council to grow and evolve at an incredible pace.

Safety

The project is subject to the *Work Health and Safety Act (2011)* and *Work Health and Safety Regulations (2017)*. The risk to Council is complex and requires appropriately qualified and experienced experts advising and managing the project. Council has dedicated resources working in WH&S on the project.

The contract will be managed under a “Principle Contractor” arrangement, where the contractor is deemed to have the necessary specialty skills and knowledge to manage the safety for the activities being undertaken. This does not absolve Council from risk, but delineates where appropriate knowledge for activity risk mitigation lies.

Quality

Quality management for the project is managed through a range of engineering industry standards and guidelines. Due to the unique constraints of the site, a bespoke suite of standards for which activities will be completed to is required. The environment, geography, and

The risk of quality for the project is high due to the complex and unique nature of the project. Council and the contractor will work together to ensure the appropriate quality assurance is undertaken to ensure the works completed are to the set standards. It is incredibly important to collect enough evidence is collected to support assessment against the eligibility criteria under the DRFA. Failing to satisfy the evidence requirements may leave Council at risk to cover the costs of ineligible work.

Environmental

The project is subject to the Protection of the Environment Operations (POEO Act) (1997) Act and Protection of the Environment Operations (General) Regulation (2022). The Act and regulations require Council and the contractor to consider the harm that may come to the environment as part of the works.

Whilst environmental risk is a relatively familiar risk to the civil construction industry, a tailored approach to the project is required.

A Review of Environmental Factors (REF) has been undertaken as part of the project, has been audited by third party. As the REF has changed significantly, an entire new REF is required in accordance with relevant legislation. The REF nominates the known environmental risks with the project and outlines the obligations Council and the contractor have to administer and mitigate those risks.

The contract will be managed under a "Principle Contractor" arrangement, where the contractor is deemed to have the necessary specialty skills and knowledge to manage environmental risks for the activities being undertaken. This does not absolve Council from risk, but delineates where appropriate knowledge for activity risk mitigation lies.

Financial Risk

All the funding for the project is being provided from NEMA through NSWRA and TfNSW which adds to the complexity of funding agreements, risk allocation and administration challenges. Until the funding deed with TfNSW is finalised, the mechanisms for financial risk management are unknown.

One of the greatest risks to the project is for works completed to be deemed not eligible under the DRFA guidelines. Council has prepared no budget to cover these items but is exploring ways to mitigate this risk.

The value for the works is significant in proportion to Council's Annual Capital Works Budget which is typically around \$30M annually. Even relatively small errors with the project could have significant impact on Council for example a 1% error in relation to the project could result in a \$4M cost to Council. Proportionately, a 10% mistake, however unlikely, could result in a cost of \$40M.

With over \$400M being delivered over four years, the volume of cash flow has the ability to distort and or hide important financial ratios that indicate Council's operational financial performance. Appropriate segregation of funding management and reporting is required to ensure the cash flow does not mask underlying issues.

Reputational

The project has a range of disparate stakeholders including the Lower Creek Community, SWC, TfNSW, NEMA, NSWRA, Oven Mountain Pumped Hydro Scheme and the various support agencies connected to the community including emergency services. The scale and duration of the project impacts the depth to which each stakeholder is affected.

The greatest challenge with reputational risk is that whilst the touch points are centred on the project, Council's reputation extends with most of those involved beyond the project. For instance, Council is dealing with TfNSW on the project, but also deals with TfNSW as part of the Road Maintenance Council Contract (RMCC) which is work Council completes on other roads within the LGA.

Resourcing (People, skills, systems and tools)

Council does not have the internal resources to manage the project effectively and typical to projects of this size, attracting typical skill sets and resources to the project has been by way of tender. Retaining those engaged on the project for the life of the project will become challenging due to fatigue with the project and as the project nears its close and other projects become available and stable alternatives.

Where skills, tools and systems do not yet exist within Council, they are being developed and or acquired. As the project matures, the development should slow but that is not expected until sometime after the main recovery works are underway.

4.3. Sustainability

The majority of works are restoration works and under the Disaster Recovery Funding Arrangements (DRFA) this means that no betterment can be undertaken. The caveat to that however is that works are to be conducted to current engineering standards which allows Council to build more resilient infrastructure in place.

This means that to rebuild the road, engineering technologies including soil nails and shotcrete will be used for works and where they are being replaced, pipes of the appropriate size will be installed. What the DRFA guidelines will not allow is upgrades such as the widening and sealing of the road, installation of extra signage and barriers.

Council will work closely with the contractor's suppliers to ensure more efficient service delivery through new and improved technologies to provide best cost benefit to Council and the community in the long term.

4.4. Financial

The funding for the project comes from the National Emergency Management Agency (NEMA) through the NSW Reconstruction Authority (NRA) who deliver the funding to Council via an administering agent – Transport for NSW (TfNSW). Each party add in eligibility criteria and administration controls. The following table shows the key contracts to date.

Note - Figures as presented to Steering Committee 10/08/2023

Key Contracts / Funding Grants to Date				
Funding Grant	Budget	Open contracts / remaining commitments	Actuals (to month end)	Comments
AGRN898 TfNSW GRANT \$200,000.00	\$200,000.00	\$0.00	\$7,516.49	Open
KAR AGRN898 Re-construction of six drainage structures and Corn Patch (EPARW2)	\$6,412,752.24	\$158,071.29	\$4,669,781.71	Open
KAR AGRN1012 Interim Fund (EPARW4)	\$1,204,742.11	\$24,812.30	\$990,539.65	Open
KAR AGRN1012 Main Recovery Works (EPARW3) ECI/Early Works-1	\$408,000,000.00	\$2,122,787.57	\$6,197,955.26	Open
KAR FLR (R2) – Flying Fox Cutting (Improvement Works)	\$4,984,930.00	\$114,575.50	\$256,884.71	Open

Key Contracts / Funding Grants to Date				
Funding Grant	Budget	Open contracts / remaining commitments	Actuals (to month end)	Comments
KAR FLR (R3) – Blackbird Flat (Improvement Works)	\$2,996,000.00	\$79,110.00	\$180,260.28	Open
KAR FCR –Big Hill Projects (Improvement Works)	\$4,671,083.00	\$102,753.50	\$423,926.87	Open
TOTAL	\$449,811,702.65	\$2,602,110.16	\$29,973,206.29	N/A

Expenditure to Date

The total expenditure to date is **\$29,973,206.29**

Overall Forecast

TBA following submission and acceptance of ECI submission by Seymour Whyte Constructions Pty Ltd.

Forecast to Complete

TBA following submission and acceptance of ECI submission by Seymour Whyte Constructions Pty Ltd.

5. Consultation and Communication

Communication between KARRP and Australia Post was conducted during the previous month with Council advising the road is unobstructed and post-delivery, as an essential service, may be able to be supported. Australia Post advised formally that they could not accept the risk for their contractor.

Council will again approach Australia Post to request to have roadside postal deliveries temporarily resumed while no works are undertaken, prior to main recovery works in 2024

Communication was made to The Hon Barnaby Joyce MP, who wrote to Council on behalf of a resident querying the ability to upgrade the road as part of the funded restoration works. The information was also provided to the broader community as part of the weekly update. Subsequent to further correspondence following this letter a meeting will be arranged between the Lower Creek LAC and Council inspectors to review areas of concern raised.

KARRP continue to provide weekly updates and respond to correspondence directly to the community.

Prior to entering into a funding deed with TfNSW, a briefing workshop will be arranged to familiarise with Council the contents and allow discussion between the parties for clarification.

6. Conclusion

It is recommended that Council note information within the project status report regarding the Kempsey –Armidale Road Restoration Project following the Steering Committee held Thursday 10 August 2023.

Item:	13.1	Ref: AINT/2023/18441
Title:	Sports Council Committee - Minutes of the meeting held 7 August 2023	Container: ARC16/0330-2
Responsible Officer	Chief Officer Planning and Activation	
Author:	Chaise Doran, Sport and Recreation Development Officer	
Attachments:	1. AGENDA - SPORTS COUNCIL - 7 FEBRUARY 2023 2. MINUTES - SPORTS COUNCIL - 7 FEBRUARY 2023	

RECOMMENDATION:

That the Minutes of the Sports Council Committee meeting held on 7 August 2023 be noted and that Council:

- a. Note the Minutes of the Sports Council Committee meeting held on 7 August 2023;
- b. Endorse the committee's recommendation to support the Armidale District Cricket Associations (ADCA) application requesting \$10,000 from the Sports Development Fund to ADCA towards the outdoor cricket nets extension at the Armidale Sportsground
- c. Note the changes to the Sports Council Priority List

1. Purpose:

The purpose of this report is to provide Council with the agenda and minutes of the Sports Council committee meeting held on Monday 7 August 2023 which details recommendations to Council for consideration and adoption.

2. Background

In order to provide recommendations for the development of sport and recreation in the Armidale Local Government Area, the Sports Council has been developed to comprise of individuals from diverse sporting groups and backgrounds.

The Sports Council provides a link between Council and the sport and recreation community, providing key community engagement with regards to the development of sports infrastructure. The Committee provides ongoing support and advice relating to sports and recreation in the community.

3. Report

At its meeting on 7 August, the Sports council considered and discussed:

- a) Armidale and District Cricket Association Sports Development Grant Application
- b) Review the Sports Council Priority List

Further details about these items below.

- a) Armidale and District Cricket Association (ADCA) have requested a grant of \$10,000 from the Armidale Sports Council to extend the existing two outdoor cricket nets at the Armidale Sports Ground to four nets.
Having acquired \$20,000 in funding from Cricket NSW and committing \$10,592 of their own monies to the project, ADCA has requested that Armidale Sports Council grant the remaining \$10,000 of the \$40,592 project.

ADCA president Michael Porter advised the committee that Armidale's current training facilities do not meet the current needs of our clubs.

This extension along with the indoor facility currently being built at the Armidale Sports Ground will provide clubs with the facilities they require.

- b) The priority list allows the Council to transparently determine expenditure. Armidale Blues Rugby Club advised that since the last Sports Council meeting they have completed the concrete slab at Moran Oval and that project can be removed from its position at number one in the minor projects section.

The committee discussed that given the cost escalation in recent years, some projects may need to be re-quoted and their position on the priority list reassessed.

No other changes to the priority list were made.

4. Strategic Directions:

The function of the Sports Council is to provide advice and recommendations relating to Sports and Recreation on the strategic direction of the Armidale Regional Council. The activities align with Council's adopted Community Strategic Plan 2017-2027:

Liveable Region Places & Spaces

- L1 Public spaces and infrastructure that facilitate health, community connections and opportunities
 - L1.4 Enhance and maintain sporting facilities to meet the needs of our local community and neighbouring regions, and to entice regional, state, and national events
 - L1.5 Enhance and maintain recreation spaces to offer quality of life, entertainment and family-friendly activities to residents and visitors

Strong Region Engagement & Responsibility

- S1 an informed and actively engaged community, that builds partnerships and shapes its future
 - S1.1 Help the community to be informed and have input into decisions about its region and future
 - S1.3 Empower the community and our leaders to make positive change and to unify the region
- S2 Strong governance and leadership that supports our region to grow and prosper - Strategies:
 - S2.1 Provide a strong, transparent, sustainable, and responsive governance for our region
 - S2.2 Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources
 - S2.4 Make open and transparent decisions that are informed by stakeholders, leading practices, systems, and technologies

5. Relevant Legislation

- Section 355 of the *Local Government Act 1993*
- *Local Government Regulation (General) 2021*

6. Financial Implications:

Detailed financial implications for recommendations to Council are included within the Sports Council Agenda and Minutes reports, if relevant. A summary of the financial position against Council budget has been included below.

Note the financial figures below refer to the 2022/23 Financial Year.

Budget Area:	Public & Town Spaces – Sports Council Administration						
Funding Source:	Player and Association Levies, Sports Council Reserve (Trust Account)						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
240250 (Op)	Operational Revenue - Levies	42,840	37,758	Nil	Nil	37,758	5,082
240250 (Op)	Operational Expenditure	42,840	7,880	Nil	29,878	37,758	5,082
240386 (Cap)	Capital Revenue & Expenditure	Nil	Nil	Nil	Nil	Nil	Nil

7. Conclusion

It is recommended that Council note the minutes of the Sports Council Committee meeting held on Monday 7 August 2023 and recommendations to Council be considered for adoption.

Item:	14.1	Ref: AINT/2023/22309
Title:	PWA's Consultation on Water and Willingness to Pay	Container:
	ARC16/0025-7	
Responsible Officer	General Manager	
Author:	Dorothy Robinson, Councillor	
Attachments:	Nil	

1. Purpose

The purpose of this report is to provide a response to submitted "Questions for Which Notice Has Been Given" provided by Cr Robinson.

2. OFFICERS' RECOMMENDATION:

That Council note the response to the Questions for which Notice has been Given provided by Cr Robinson.

3. Question

Please provide an update on the proposed timing of PWA's Consultation on water and willingness to pay.

Background Support Information

Nil.

General Manager's Comment

To ensure accurate pricing options are available for willingness to pay modelling and consultation, a long-term review of Council's current Water and Wastewater Capital Works Plans is required.

Public Works Advisory are currently waiting for subcontractors to provide accurate financial data relating to the upgrade and or replacement costs for a range of assets identified in these plans including the Water and Wastewater Treatment Plants in both Armidale and Guyra along with pipelines, reservoirs, and pump stations.

Due to additional demand in the consulting industry, the provision of information is taking more time than expected. No date is yet set for the consultation.