



## BUSINESS PAPER

### ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 27 September 2023  
4pm

at

Armidale Council Chambers

#### **Members**

Councillor Sam Coupland  
Councillor Todd Redwood  
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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**(General Manager's Note:** *The report considers a tender and is deemed confidential under Section 10A(2)(d) of the Local Government Act 1993, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret).*

15.2 Delegation of Authority Increase - Clayton Utz

**(General Manager's Note:** *The report considers an RFQ and is deemed confidential under Section 10A(2)(c) of the Local Government Act 1993, as it deals with commercial information of a confidential nature which, if disclosed, confers a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).*

15.3 Contract Variation Request and Delegation of Authority Increase - Seymour Whyte Construction SWC

**(General Manager's Note:** *The report considers Tender Information and is deemed confidential under Section 10A(2)(d) of the Local Government Act 1993, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret).*

## **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](#).

<b>Item:</b>	<b>5.1</b>	<b>Ref: AINT/2023/24026</b>
<b>Title:</b>	<b>Minutes of Previous Meeting held 23 August 2023</b>	<b>Container:</b>
	<b>ARC16/0001-8</b>	
<b>Responsible Officer</b>	<b>Acting General Manager</b>	
<b>Author:</b>	<b>Melissa Hault, Executive Officer</b>	
<b>Attachments:</b>	<b>1. Draft OCM Minutes - 23 August 2023</b>	

**RECOMMENDATION:**

That the Minutes of the Ordinary Council meeting held on 23 August 2023 be taken as read and accepted as a true record of the meeting.

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<b>Item:</b>	<b>7.1</b>	<b>Ref: AINT/2023/18121</b>
<b>Title:</b>	<b>Election of the Mayor and Deputy Mayor</b>	<b>Container: ARC20/4437</b>
<b>Responsible Officer</b>	<b>Acting General Manager</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Nomination Paper - Mayor 27 Sept 23 2. Nomination Paper - Deputy Mayor 27 Sept 23	

### **1. Purpose**

The purpose of this report is to elect the Mayor and the Deputy Mayor which must be conducted in accordance with clause 394 and Schedule 7 of the *Local Government (General) Regulation 2021* (the Regulation).

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

That Council:

- a. Determine the method of voting for the election of the Mayor for the period of 23 September 2023 to 14 September 2024 proceed by open voting by way of show of hands;
- b. Resolve that should there be more than one Mayoral candidate, each Mayoral candidate is provided the opportunity to speak to their nomination for five minutes with the order of speakers to be based on the order in which the nominations were received;
- c. Determine the method of voting for the election of the Deputy Mayor for the period of 23 September 2023 to 14 September 2024 proceed by open voting by way of show of hands;
- d. Resolve that should there be more than one Deputy Mayoral candidate, each Deputy Mayoral candidate is provided the opportunity to speak to their nomination for five minutes with the order of speakers to be based on the order in which the nominations were received.

### **3. Background**

Council is required under section 290(1)(b) of the *Local Government Act 1993* (the Act) to hold mid-term mayoral elections in September 2023. The elected Mayor and Deputy Mayor will hold their office until Council elections are held on 14 September 2024.

Mayors elected by Councillors normally hold their office for two years (unless a casual vacancy occurs). Because of the postponement of the last ordinary council elections to 4 December 2021, Mayors elected by Councillors during this term will have a shorter term than the usual two years. Therefore, Council is required under the Act to hold a mid-year mayoral election in the month of September 2023.

The term of office of the Mayor elected in September 2023 will automatically expire on 14 September 2024, when their term as a Councillor expires.

### **4. Discussion**

The General Manager will assume the chair and conduct the election of Mayor and Deputy Mayor. i.e. The General Manager will be the Returning Officer.

If more than one candidate is nominated for Mayor or Deputy Mayor, the Council must determine by resolution, the method of voting for the position of Mayor/Deputy Mayor, by way of one of the following methods:

- Open voting – i.e. by show of hands.
- Ordinary ballot – i.e. a secret ballot (place an X against the candidate of their choice).
- Preferential ballot – i.e.. place 1,2,3 etc. against each candidate.

This can be determined prior to or after the closing of nominations.

Open voting by way of show of hands is recommended for transparency.

### **Election of the Mayor**

The process for the Election of Mayor will be in accordance with *Local Government (General) Regulation – Schedule 7*.

Nominations for Mayor must be in writing, signed by two (2) Councillors and the nominee must consent in writing. The nomination and acceptance can be made prior to the meeting.

### **Election of the Deputy Mayor**

The process for the Election of Deputy Mayor will be in accordance with *Local Government (General) Regulation – Schedule 7*.

Nominations for Deputy Mayor must be in writing, signed by two (2) Councillors and the nominee must consent in writing. The nomination and acceptance can be made prior to the meeting.

## **5. Implications**

The Mayor elected at the mid-term mayoral election will hold their office until the day of the Council's next ordinary election on 14 September 2024 when their civic office as a Councillor and Mayor will expire. Deputy Mayors will hold their office for the term specified in the Council's resolution. It is recommended this aligns with the term of the Mayor.

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

The election of the Mayor and the Deputy Mayor must be conducted in accordance with clause 394 and Schedule 7 of the *Local Government (General) Regulation 2005* (the Regulation).

### **5.2. Risk**

NIL

### **5.3. Sustainability**

NIL

### **5.4. Financial**

NIL

## **6. Consultation and Communication**

NIL

## **7. Conclusion**

The method of election by Councillors is to be conducted in accordance with Schedule 7 of the Regulation.

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<b>Item:</b>	<b>7.2</b>	<b>Ref: AINT/2023/24228</b>
<b>Title:</b>	<b>Council Actions Report January 2022 - August 2023</b>	<b>Container:</b>
	<b>ARC16/0001-8</b>	
<b>Responsible Officer</b>	<b>Acting General Manager</b>	
<b>Author:</b>	<b>Melissa Hoult, Executive Officer</b>	
<b>Attachments:</b>	1. Action Items Report - 27 September 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.

<b>Item:</b>	<b>8.1</b>	<b>Ref: AINT/2023/24599</b>
<b>Title:</b>	<b>Cash and Investment Report 31 July 2023</b>	<b>Container: ARC23/6030</b>
<b>Author:</b>	<b>Ann Newsome, Chief Financial Officer</b>	
<b>Attachments:</b>	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 July 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 July 2023.

### 3. Background

As at the date of the report, Council held \$106,906,218 in investments and \$18,701,379 in cash, giving a combined total of \$125,607,597.

### 4. Discussion

<b>Cash &amp; Investment Balances</b>	<b>Jul-23</b>	<b>Jun-23</b>	<b>Movement</b>
<b><u>Cash at Bank</u></b>			
NAB General Accounts	7,465,656.44	22,405,273	(14,939,617)
NAB Cash At Call	9,857,085.63	8,505,810	1,351,276
AMP Saver Account	19,545.82	19,571	(25)
NAB Trust Fund	1,359,091.60	1,354,261	4,831
<b>Total Cash</b>	<b>18,701,379</b>	<b>32,284,915</b>	<b>( 13,583,536)</b>
<b><u>Investments</u></b>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,376,217.94	10,327,313	48,905
Term Deposits	96,530,000	87,530,000	9,000,000
<b>Total Investments</b>	<b>106,906,218</b>	<b>97,857,313</b>	<b>9,048,905</b>
<b>Total Cash &amp; Investments</b>	<b>125,607,597</b>	<b>130,142,228</b>	<b>(4,534,631)</b>

Summary of term deposit movements:

<u>Investments Redeemed</u>		<u>Investments Rolled</u>		<u>Investments New</u>	
Institution	Amount \$	Institution	Amount \$	Institution	Amount \$
ING	10,000,000	NAB	20,000	ING	10,000,000
NAB	6,000,000	CBA	4,000,000	ING	5,000,000
				NAB	5,000,000
				ING	5,000,000
<b>Total</b>	<b>16,000,000</b>	<b>Total</b>	<b>4,020,000</b>	<b>Total</b>	<b>25,000,000</b>

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

	Jul-23	Jun-23	Movement
<b>Interest Received</b>			<b>\$</b>
NAB General Cash Account	7,653	4,289	3,364
NAB Cash at Call Account	18,844	30,428	( 11,584)
AMP Saver Account	35	35	-
NAB Trust Account	4,831	4,594	237
<b>Interest Received on Bank Accounts</b>	<b>31,363</b>	<b>39,346</b>	<b>( 7,983)</b>
NSW T-Corp IM Fund (Note 1)	48,905	26,556	22,349
Term Deposits	138,895	55,285	83,610
<b>Interest Received on Investments</b>	<b>187,800</b>	<b>81,841</b>	<b>105,959</b>
<b>Total Interest Received</b>	<b>219,163</b>	<b>121,187</b>	<b>97,976</b>
			-
<b>Interest Accrued this month</b>	<b>362,553</b>	<b>308,200</b>	<b>54,353</b>

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.

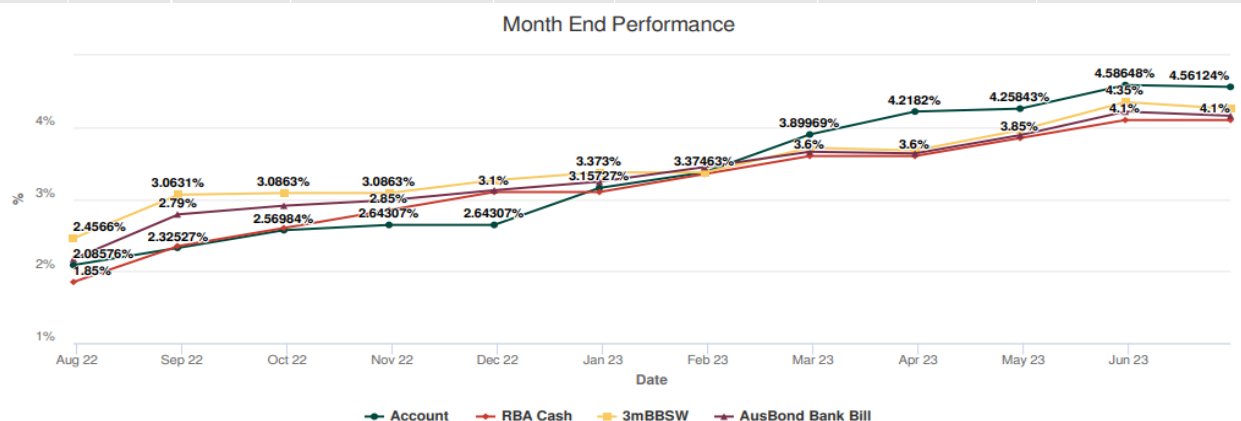
Issuer	Short Term Rating	At Cost	% Total Value
		\$	
AMP Bank	A2	3,000,000	2.81%
Bank of Queensland	A2	30,000,000	28.06%
Bendigo & Adelaide Bank	A2	5,000,000	4.68%
Commonwealth Bank of Australia	A1+	13,000,000	12.16%
ING Bank	A1	23,500,000	21.98%
National Australia Bank	A1+	12,030,000	11.25%
Westpac Banking Corporation	A1+	10,000,000	9.35%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,376,218	9.71%
<b>Total</b>		<b>106,906,218</b>	<b>100%</b>

#### 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	4.61 %	4.10 %	0.51 %	4.31 %	0.30 %	4.16 %	0.45 %
3m	4.42 %	4.02 %	0.40 %	4.16 %	0.26 %	4.09 %	0.33 %
6m	4.02 %	3.74 %	0.28 %	3.85 %	0.17 %	3.81 %	0.21 %
12m	3.21 %	3.23 %	-0.02 %	3.36 %	-0.15 %	3.36 %	-0.15 %





## 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, there will be lag between these rates if the BBSW moves quickly either up or down. Movement up may show as the BBSW being high as older council investments are held at lower historic rates. Conversely as the BBSW drops councils longer term investments maybe locked into higher rates of returns giving council a return advantage.

The recent history of increases in the official cash rate is detailed below:

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

February 2023	0.25%	3.10%	3.35%
March 2023	0.25%	3.35%	3.60%
April 2023	-	3.60%	3.60%
May 2023	0.25	3.60%	3.85%
June 2023	0.25	3.85%	4.10%
July 2023	-	4.10%	4.10%
August 2023	-	4.10%	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

<b>Budget Area:</b>	<b>Financial Services</b>						
<b>Funding Source:</b>	<b>General Fund (untied revenue)</b> <b>Water Fund (externally restricted)</b> <b>Sewer Fund (externally restricted)</b>						
<b>Budget Ref: (PN)</b>	<b>Description</b>	<b>Approved Budget (Revised)</b>	<b>Actual</b>	<b>Committed</b>	<b>Proposed</b>	<b>Total Forecast (Income)/ Expenditure</b>	<b>Remaining Budget</b>
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	\$2,720,000	\$219,128	Nil	Nil	\$2,500,872	\$2,500,872
210815.1.1760. 333.2430	Subscriptions	\$48,300	\$500	Nil	Nil	\$47,800	\$47,800

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)**

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

**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/2023/24880  
**Title:** Cash and Investment Report 31 August 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 August 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 August 2023.

### 3. Background

As at the date of the report, Council held \$99,960,357 in investments and \$30,646,986 in cash, giving a combined total of \$130,607,343.

### 4. Discussion

Cash & Investment Balances	Aug-23	Jul-23	Movement
<b>Cash at Bank</b>			
NAB General Accounts	15,867,422.58	7,465,656.44	8,401,766
NAB Cash At Call	12,396,042.58	9,857,085.63	2,538,957
AMP Saver Account	1,019,580.82	19,545.82	1,000,035
NAB Trust Fund	1,363,939.64	1,359,091.60	4,848
<b>Total Cash</b>	<b>30,646,986</b>	<b>18,701,379</b>	<b>11,945,606</b>
<b>Investments</b>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,430,357.44	10,376,217.94	54,140
Term Deposits	89,530,000	96,530,000	(7,000,000)
<b>Total Investments</b>	<b>99,960,357</b>	<b>106,906,218</b>	<b>( 6,945,860)</b>
<b>Total Cash &amp; Investments</b>	<b>130,607,343</b>	<b>125,607,597</b>	<b>4,999,746</b>

Summary of term deposit movements:

<b>Investments Redeemed</b>		<b>Investments Rolled</b>		<b>Investment New</b>	
<b>Institution</b>	<b>Amount \$</b>	<b>Institution</b>	<b>Amount \$</b>	<b>Institution</b>	<b>Amount \$</b>
AMP	1,000,000			NAB	4,000,000
WBC	5,000,000			Bendigo Bank	4,000,000
CBA	4,000,000			Bendigo Bank	2,000,000
Bendigo Bank	4,000,000			BOQ	10,000,000
Bendigo Bank	2,000,000			AMP	4,000,000
BOQ	5,000,000				
BOQ	5,000,000				
WBC	5,000,000				
<b>Total</b>	<b>31,000,000</b>	<b>Total</b>	<b>NIL</b>	<b>Total</b>	<b>24,000,000</b>

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**

	<b>Aug-23</b>	<b>Jul-23</b>	<b>Movement</b>
<b>Interest Received</b>			<b>\$</b>
NAB General Cash Account	1,421	7,653	(6,232)
NAB Cash at Call Account	27,830	18,844	8,985
AMP Saver Account	35	35	-
NAB Trust Account	4,848	4,831	17
<b>Interest Received on Bank Accounts</b>	<b>34,133</b>	<b>31,363</b>	<b>2,771</b>
NSW T-Corp IM Fund (Note 1)	54,140	48,905	5,234
Term Deposits	900,618	138,895	761,723
<b>Interest Received on Investments</b>	<b>954,757</b>	<b>187,800</b>	<b>766,957</b>
<b>Total Interest Received</b>	<b>988,891</b>	<b>219,163</b>	<b>769,728</b>
<b>Interest Accrued this month</b>	<b>309,876</b>	<b>362,553</b>	<b>(52,676)</b>

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.

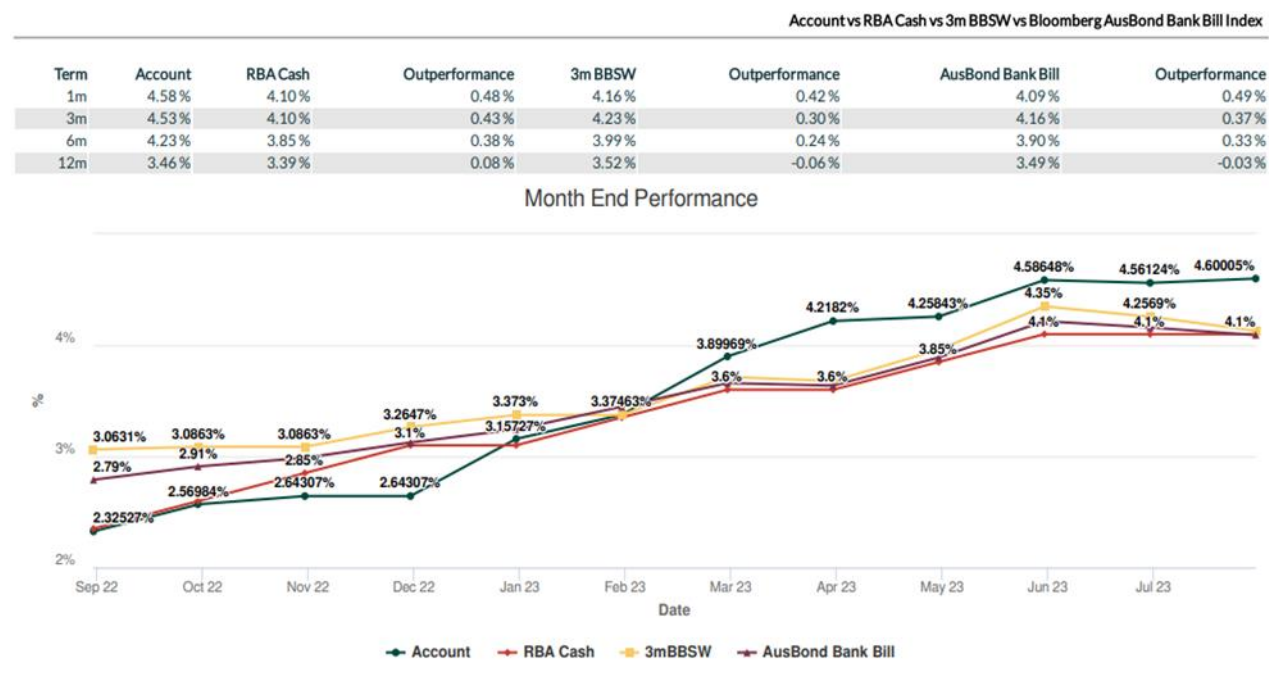
Investments are diversified across a range of institutions, with funds invested to ensure the portfolio is aligned with the Investment Policy.

Issuer	Short Term Rating	At Cost \$	% Total Value
AMP Bank	A2	6,000,000	6.0%
Bank of Queensland	A2	30,000,000	30.0%
Bendigo & Adelaide Bank	A2	5,000,000	5.0%
Commonwealth Bank of Australia	A1+	9,000,000	9.0%
ING Bank	A1	23,500,000	23.5%
National Australia Bank	A1+	16,030,000	16.0%
Westpac Banking Corporation	A1+	-	0.0%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,430,357	10.4%
<b>Total</b>		<b>99,960,357</b>	<b>100%</b>

#### 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



## 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, there will be lag between these rates if the BBSW moves quickly either up or down. Movement up may show as the BBSW being high as older council investments are held at lower historic rates. Conversely as the BBSW drops councils longer term investments maybe locked into higher rates of returns giving council a return advantage.

The recent history of increases in the official cash rate is detailed below:

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

February 2023	0.25%	3.10%	3.35%
March 2023	0.25%	3.35%	3.60%
April 2023	-	3.60%	3.60%
May 2023	0.25	3.60%	3.85%
June 2023	0.25	3.85%	4.10%
July 2023	-	4.10%	4.10%
August 2023	-	4.10%	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

<b>Budget Area:</b>	<b>Financial Services</b>						
<b>Funding Source:</b>	<b>General Fund (untied revenue)</b> <b>Water Fund (externally restricted)</b> <b>Sewer Fund (externally restricted)</b>						
<b>Budget Ref: (PN)</b>	<b>Description</b>	<b>Approved Budget (Revised)</b>	<b>Actual</b>	<b>Committed</b>	<b>Proposed</b>	<b>Total Forecast (Income)/ Expenditure</b>	<b>Remaining Budget</b>
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	\$2,720,000	\$1,208,053	Nil	Nil	\$1,511,947	\$1,511,947
210815.1.1760. 333.2430	Subscriptions	\$48,300	\$1,600	Nil	Nil	\$46,700	\$46,700



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)**

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

**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.

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<b>Item:</b>	<b>9.1</b>	<b>Ref: AINT/2023/22459</b>
<b>Title:</b>	<b>Public Exhibition of Draft Ecologically Sustainable Development (ESD) Policy</b>	<b>Container: ARC23/6155</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Planning and Activation</b>	
<b>Author:</b>	<b>Jesse Dick, Strategic Planner</b>	
<b>Attachments:</b>	1. Draft Ecologically Sustainable Development Policy	

## 1. Purpose

The purpose of this report is to request Council endorsement of the Draft Ecologically Sustainable Development (**ESD**) Policy for public exhibition. A further report will be presented to Council for consideration if any submissions are received. If no submissions are received it is recommended that Council adopt the Policy at the end of the exhibition period.

### OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the Draft Ecologically Sustainable Development Policy and place it on public exhibition for a period of 28 days;
- b. Receive a further report following the public exhibition period in the event that submissions are received and/or the Draft Ecologically Sustainable Development Policy is proposed to be amended;
- c. Authorise the adoption of the Draft Ecologically Sustainable Development Policy in the event that no submissions are received and no changes are made to the draft policy.
- d. Review the Policy within one year of the date of adoption.

## 2. Background

The draft ESD Policy (**Attachment 1**) has been developed by Council's planning team to incentivise development that accords with the principals of Ecologically Sustainable Development. The draft Policy aims to incentivise ESD by offering financial incentives if the development can clearly demonstrate that the objectives of the Policy have been met.

The Principals of ESD are embedded in several pieces of legislation, including the *Environmental Planning & Biodiversity Conservation Act 1999* (**EPBC Act, 1999**) which is Commonwealth legislation, the *NSW Environmental Planning & Assessment Act 1979* (**EP&A Act, 1979**), which is NSW State legislation, and the *Local Government Act 1993* (**LG Act, 1993**) which is NSW State Legislation that oversees the operation of Local Government in NSW.

Whilst all of the above acts contain ESD related provisions, the **EP&A Act 1979** is of particular importance to Council when assessing developments as this act imposes a legal obligation on Council to ensure that the development meets the objectives outlined in section 1.3 of the Act, which states:

### **1.3 Objects of Act**

*The objects of this Act are as follows—*

- (a) to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources,*
- (b) to facilitate **ecologically sustainable development** by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment,*
- (c) to promote the orderly and economic use and development of land,*
- (d) to promote the delivery and maintenance of affordable housing,*
- (e) to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats,*
- (f) to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage),*
- (g) to promote good design and amenity of the built environment,*
- (h) to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants,*
- (i) to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State,*
- (j) to provide increased opportunity for community participation in environmental planning and assessment.*

As a result of clause (b) above, Councils are legally required to ensure that ESD principals are considered in the assessment of developments in NSW. However, in addition to the assessment and regulatory role that Council's generally perform, the objectives of the Act also provide room for Council's to intervene and play a facilitative and promotional role in the facilitation of ESD.

Accordingly, the draft Policy has been developed so that Council can enable and stimulate ESD by offering economic incentives which can be applied during the planning and assessment phase of development. It is envisaged that by offering financial incentives through reductions in Development Application fees, Construction Certificate fees, Complying Development Certificate fees, Section 7.12 Developer Contributions and Water & Sewer Developer Servicing Charges (DSP's), this will foster an environment where ESD will increase and will become normal practice, rather than an afterthought or a seemingly unachievable target.

### **3. Discussion**

Broadly speaking, Local Government is well placed to ensure the principals of ESD are achieved in the assessment of development. Councils are generally in a good position to be able to assist and lead communities by example, education, regulation and incentives. In the most part, Councils are acutely aware of the need to balance the environmental, economic, social and cultural needs of their community and environment, and generally apply this balance in the assessment of development undertaken within the LGA.

As such Council's planning team has taken the opportunity to develop the policy in order to encourage and increase the number of developments undertaken within the LGA that accord with the principals of ESD.

Broadly the policy intends to:

- Provide simple and standard criteria to assess the reduction and/or waiving of fees and/or contributions for development which can clearly demonstrate adherence to ESD principals.
- Provide a standard procedure for the reduction and/or waiving of fees and/or contributions during the assessment of the development.
- Allow for the deferral of the payment of monies until such time as Council is satisfied that the development has been physically completed in accordance with the documentation submitted with the application.
- Determines when payment of fees will be required, should the development not be carried out as proposed in the application.

#### **4. Implications**

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

This policy closely aligns with the 'Future Region' theme, which is one of the Six Pillars of the *Community Plan 2022-2032 (CP)*. The pillars set out the key vision and goals for the next 10 years for our region. The pillars aim to clearly identify the community's main priorities and future aspirations and the strategies required to achieve them.

This Policy shows clear alignment with the aspirations goals and visions for our region, with Environmental Sustainability ranking second in order of priority for our Community to achieve by 2032.

If adopted the Policy will provide Council with the opportunity to incentivise sustainable development which will help achieve the abovementioned Future Region goals from the 2022-32 Community Plan.



Extract from the Final Delivery Program 2022-26.

#### 4.2. Risk

There is risk that the uptake of developments which may qualify for incentives under the Policy may compromise Council's operating budget, specifically the Section 7.12 contributions budget, the Development budget, and the Water Development Servicing Plan budget. Further information is provided under Section '4.4 – Financial' of this report.

To minimise the risk it is recommended that the Policy be reviewed within 1 year of the date of adoption of the Policy. This will then provide Council with an indication of the likely impact to budgets as a result of developments being undertaken where they have been offered an incentive under this Policy.

There is also a risk that the Policy may be taken up by large scale developments, including but not limited to; renewable energy projects, mining projects, large scale infrastructure projects and the like. However the Policy is targeted towards more domestic scale developments. As such the Policy confirms that it does not apply to State Significant Developments (SSD's) or Regionally Significant Developments (RSD's), as the impact to Council's budgets would be adversely impacted if the incentives offered under this policy were available for large-scale, multi-million dollar projects.

#### 4.3. Sustainability

The proposed Policy aims to increase the sustainability of the Armidale Region through increasing the number of developments that are undertaken which accord with the principals of ESD.

There may be an impact to Council's economic sustainability, however this is expected to be low (refer to section 4.4 Financial below). Furthermore, the impact on Council's budgets will be monitored and will be assessed when the Policy is subject for review in 1 year.

#### 4.4. Financial

This policy enables the refunding, reduction or waiving of the following fees and charges:

- Development Application (DA) fees. *Note this does not include the Planning Reform Fund Fee which is a State Government fee.*
- Construction Certificate (CC) fees. *Note Council must be appointed as the Principal Certifier (PC) in order to be able to qualify for this fee to be offset.*
- Complying Development Certificate (CDC) fees. *Note Council must be appointed as the Principal Certifier (PC) in order to be able to qualify for this fee to be offset.*
- S7.12 contributions (fees) as applicable under Council's Armidale Regional Council Section 7.12 Contributions Plan.
- Water DSP contributions (fees) as applicable under the Armidale and Guyra Development Servicing Plans.

At this time, it is not known what the uptake of the ESD policy may be and as such it is difficult to calculate the cost to Council's operational budgets per year. This is difficult to calculate for many reasons, including:

- Unknown uptake of ESD Policy;
- Large variations in the cost of development;
- Financial incentives may only be applied to certain aspects of the development (i.e. only limited developments will qualify for Water DSP offsets);
- Potential for private certifiers to be used, limiting the opportunity to waive CC & CDC fees.

However, based on industry feedback and a search of recent applications that have incorporated ESD principals some indicative figures have been calculated and may provide an indication on the likely incentives offered under this policy.

The below table provides figures which reflect a construction cost of \$500,000 and a construction cost of \$1,000,000.

Council budget line	APPROXIMATE Amount discounted (\$500,000 construction cost) – 2023-24 Financial Year	APPROXIMATE Amount discounted (\$1,000,000 construction cost) – 2023-24 Financial Year
<b>DA fees</b>	\$2,330	\$3,620
<b>CC fees</b>	\$4,000 (includes + \$1,500 for Inspections)	\$6,000 (includes + \$1,500 for Inspections)
<b>CDC fees</b>	\$4,500 (includes + \$1,500 for Inspections)	\$7,000 (includes + \$1,500 for Inspections)
<b>Section 7.12 Contributions</b>	\$5,000	\$10,000
<b>Water DSP charges</b>	\$8,000 (amount is averaging difference between Armidale/Guyra DSP cost per ET)	\$8,000 (amount is averaging difference between Armidale/Guyra DSP cost per ET)
	<b>Total Saving (DA/CC pathway including Water DSP):</b>	<b>Total Saving (DA/CC pathway including Water DSP):</b>

	\$19,330	\$27,620
	<b>Total Saving (DA/CC pathway excluding Water DSP):</b>	<b>Total Saving (DA/CC pathway excluding Water DSP):</b>
	\$11,330	\$19,620

If 10 applications are received in any given Financial Year which are eligible for the Policy, then the following budget impacts could be realised.

For the purposes of the below calculation 5 developments have been assigned a construction cost of \$500,000 and 5 developments have been assigned a construction cost of \$1,000,000.

- DA Fees waived per Financial Year: \$29,750
- CC Fees waived per Financial Year: \$50,000
- CDC Fees waived per Financial Year: \$57,500 (not applicable where DA/CC lodged)<sup>1</sup>
- Section 7.12 Development Contributions waived per Financial Year: \$75,000
- Water Development Servicing Plan fees waived per Financial Year: \$80,000<sup>2</sup>

It is therefore estimated that the total in foregone annual revenue under the above scenario is \$234,750.

*Note<sup>1</sup>: If a DA/CC is lodged then the fees associated with that approval pathway are not added to the CDC fees and vice versa. For example, if a CDC is lodged which has a construction value of \$500,000 then only the \$4,500 CDC fee will be saved, likewise if a DA/CC is lodged which has a construction cost of \$500,000 then only the \$6,330 fee will be saved. As such the total impact to the budget may be \$79,750 (assuming all 10 applications are CDC's) or \$61,000 (i.e. \$29,750 + \$50,000) assuming all 10 applications are DA/CC's.*

*Note<sup>2</sup>: The Water Development Servicing Plan fees would only apply to developments involving multiple dwellings or developments which create a higher water demand (i.e. dual occupancies or large commercial or industrial developments). Developments involving single dwellings and the like would not be subject to DSP's, therefore the amount of fees waived under this category may be significantly less than the above figure shows.*

## 5. Consultation and Communication

Internal consultation has been undertaken with relevant stakeholders, including the Manager of Water & Wastewater, Manager of Development & Certification & key staff.

Consultation on the Policy will be undertaken over the 28 day period and submissions received during that time will be considered as part of a review of the Policy.

## 6. Conclusion

This report recommends that Council endorse the Draft Ecologically Sustainable Development Policy (**Draft Policy**) for public exhibition. A further report will be presented to Council for consideration if submissions are received and for adoption of the Draft Policy.

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<b>Item:</b>	<b>9.2</b>	<b>Ref: AINT/2023/24170</b>
<b>Title:</b>	<b>New England Future Fund</b>	<b>Container: ARC17/1709-7</b>
<b>Responsible Officer</b>	<b>Acting General Manager</b>	
<b>Author:</b>	<b>Daniel Boyce, Acting General Manager</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is for Council to endorse in principle the the concept of a “Future Fund” to manage, invest and distribute contributions from renewable energy planning agreements and endorse further refinement and investigation of this delivery model.

### **2. OFFICERS’ RECOMMENDATION:**

That Council:

- a. Endorse in principle, the concept of a “Future Fund” governed by a Board of Guardians and a Community Benefit Panel to be established to manage, invest and distribute contributions from renewable energy planning agreements.
- b. Endorse approaching the Minister for Local Government seeking alternative investment options (outside Investment Order) which may include investing in real property and community energy projects in Armidale Local Government Area.
- c. Receive a further report on the progress of pursuing the above within 3 months.

### **3. Background**

Council endorsed the Draft Renewable Energy Community Benefit Framework (**Draft Framework**) for public exhibition at the August 2023 Ordinary Council Meeting (**OCM**). A further report will be presented to Council for consideration of submissions received and for adoption of the Draft Framework which is scheduled for consideration at the October 2023 OCM.

An important element of the Draft Framework seeks 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. 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. It is likely that Council will continue to negotiate individual planning agreements (**PAs**) and that a sizeable amount of money will accrue should the NSW Government ambition for the New England Renewable Energy Zone to generate network capacity of 8 gigawatts be realised.

### **4. Discussion**

It is now appropriate for Council to consider a delivery model which would ensure that the funds collected through PAs provide intergenerational benefit. Such a model requires two elements, preserving funds for future generations, and ensuring equitable allocation of funds across the community on a regular basis.



### **Preserving funds for future generations**

The concept of a Future Fund is well understood. Australia's sovereign wealth fund is invested for the benefit of future generations of Australians. Council could consider a "Future Fund" model established for contributions from the renewable energy PAs, and the proceeds of investment (which must be in accordance with the *Local Government Act 1993*) allocated to public purposes, with the capital being retained.

In terms of preserving the capital and investing for future generations, Council could appoint a *Board of Guardians* to whom authority is delegated (by resolution under s377, LG Act) to invest contributions collected via PAs in accordance with the Investment Order issued by The Minister for Local Government.

The Investment Order limits permissible investments being:

- any public funds or securities issued or guaranteed by the Commonwealth, a State or Territory;
- debentures or securities issued by a council;
- interest bearing deposits with, or debentures or bonds issues by an authorised deposit-taking institution (but not subordinated debt obligations);
- bills of exchange meeting certain criteria;
- a deposit with the NSW Treasury Corporation or investments in an Hour-Glass investment facility of the NSW Treasury Corporation.

The Future Fund will have a constitution detailing, among other things, its investment philosophy, risk appetite and dividend policy all of which the *Board of Guardians* will be responsible for ensuring adherence.

It may be an ambition of Council to utilise the considerable funds collected under the PAs to invest in assets such as real property in the Armidale LGA, community owned renewable energy projects etc. that meet certain community objectives as well as generating income for the Fund. To do this Council would need to seek approval from the Minister for Local Government for alternative investment (outside Investment Order).

### **Ensuring equitable allocation of funds across the community**

A central function of the *Board of Guardians* will be to determine the quantum of the annual dividend from the "Future Fund". It is envisaged that the majority of the dividend will be allocated to Council to improve the amenity of the region (as opposed to forming part of Council revenue) in a manner that is consistent with the Planning Agreements which formed the corpus of the Future Fund. The balance of the dividend could be allocated by a *Community Benefit Panel*.

Council could delegate authority to a *Community Benefit Panel* (by resolution under s377, LG Act) to allocate the proceeds of investment for 'public purposes'.

The Community Benefit Panel could comprise:

- community representatives
- a Councillor
- a Council staff delegate
- a representative from each community where a renewable project has been established.

The Panel would need a clear remit and rules of operation (which are publicly available), including having a transparent and democratic process for nomination, selection and renewal of its membership.

## 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)

The general terms of the planning agreement align with the above strategic direction set by Council as part of the new Delivery Program.

### 5.2. Risk

#### Financial Risk:

**Reputational Risk:** There is some potential reputational risk, should Council not ensure appropriate transparency around the management and allocation of funds from PAs. This report proposes to take a modest step towards establishing a Future Fund and requires further reports to come back to Council before any definitive position is established.

**Operational and Governance Risk:** The process of Planning Agreement is governed by the Environmental Planning and Assessment Act and Regulations and requires community consultation prior to Council entering into the agreement. Therefore there will be individual scrutiny applied to the specific PAs that are proposed to be entered into.

### 5.3. Sustainability

No sustainability implications have been identified.

### 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

Individual planning agreements are publicly exhibited in accordance with the Act. Planning agreements can continue to be negotiated while Council refines the Future Fund concept.

## 7. Conclusion

Council has a once in a generation opportunity to ensure that the community benefit from the transition to renewable energy. If Council endorses in principle the the concept of a "Future Fund" to manage, invest and distribute contributions from renewable energy planning agreements further refinement and investigation of this delivery model can occur.

<b>Item:</b>	<b>9.3</b>	<b>Ref: AINT/2023/24703</b>
<b>Title:</b>	<b>DA-22-2023 - Proposed food and drink premises at 121 Butler Street, Armidale</b>	<b>Container: DA-22-2023</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Planning and Activation</b>	
<b>Author:</b>	<b>Emily Tischner, Manager Development and Certification</b>	
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. S4.15 Assessment - 121 Butler Street, Armidale</li><li>2. Draft Development Consent - DA-22-2023 - 121 Butler Street, Armidale</li><li>3. Plans - DA-22-2023 - 121 Butler Street, Armidale</li></ol>	

### 1. Purpose

The purpose of this report is for Council to determine the development application for a proposed change of use from a dwelling to a food and drink premises at 121 Butler Street, Armidale.

### 2. OFFICERS' RECOMMENDATION:

That Council grant consent to Development Application DA-22-2023, subject to conditions outlined in attachment 2 of the report, for proposed change of use from a dwelling to a food and drink premises at 121 Butler Street, Armidale.

#### NOTE TO COUNCILLORS:

1. In accordance with the provisions of S375A of the Local Government Act 1993, a Division is to be called whenever a motion for a planning decision is put to the meeting, for the purpose of recording voting on planning matters. Pursuant to clause 2(a) under the heading Matters to be Included in Minutes of Council.
2. Under Council's adopted Code of Meeting Practice (as amended) a Division will be deemed to have been called by the mover and seconder of all motions relating to this report.
3. The benchmark set by the Court of Appeal for councillors dealing with development applications is that "the fair-minded observer will expect little more than an absence of personal interest in the decision and a willingness to give genuine and appropriate consideration to the application, the matters required by law to be taken into account and any recommendation of council officers" (McGovern v Ku-ring-gai Council (2008) 72 NSWLR 504; 161 LGERA 170 at [80]).

### 3. Background

The proposed development submitted for Council's consideration is for a change of use from a dwelling to a food and drink premises at 121 Butler Street, Armidale (**proposed development**).

The development application (**DA**) will be determined by Council as three or more councillors requested in writing that the matter be brought before Council for determination.

### 4. Discussion

The land is zoned MU1 Mixed Use pursuant to *Armidale Regional Local Environmental Plan 2012* (**Armidale LEP**).

The proposed development is permissible in the zone with development consent and consistent with the objectives of the zone.

The main issues arising from the assessment are:

- Submissions
- Car Parking

### Submissions

The DA was notified for a period of 14 days from 16 February to 2 March in accordance with Councils Community Participation Plan. A total of three (3) submissions were received during this period objecting to the proposed development. A further two (2) submissions objecting to the proposed development were received after the exhibition period. A summary of the key issues raised in the submissions received during and after the exhibition and comments are provided in the table below:

Matters raised in Submissions	Council comment
<p><b>Parking – On street and off street</b></p> <p>On street parking - cars are often parked in a spot well beyond the sign posted time. The timing of parking objection of the DA until parking issue is sorted.</p> <p>Off-street parking – Proposal for off-street parking to be accommodated in the garage to the rear not suitable as it may be utilised for storage and not for parking.</p>	<p>The timing of parking on the street is a regulatory matter that is outside the consideration of the development application. Councils regulatory team has been notified of the concerns regarding on street parking and will review the area in question. Adequate car parking is provided on site, and it is assumed that much of the patronage would be foot traffic from the hospital or adjoining areas.</p> <p>One (1) space will be provided in the rear shed area. This space will be for staff parking. A condition of consent will be imposed ensuring the parking space is utilised for staff parking only and is always kept clear and available for parking. If the applicant does not adhere to this condition, compliance action can be taken.</p>
<p><b>Traffic Report for Butler Street</b></p> <p>Entry/Exit into the site is narrow – very dangerous during Hospital Hours</p>	<p>All vehicles will be required to enter and exit the site in a forward direction. This can occur with a one way driveway the driveway is not required to be the width of two vehicles. A condition will be imposed. A review of the carparking proposed indicates that vehicles will be able to adequately manoeuvre on the site to exit in a forward direction. The current driveway is considered suitable for the proposed use/possible traffic demand.</p>
<p><b>Economic Impacts</b></p> <p>Issues raised with regard to increased commercial competition as a result of the development.</p>	<p>What a consent authority may lawfully consider when considering the economic impact of development has been dealt with in a number of cases. The cases establish a general principle that the consent authority may not have regard to issues of commercial</p>

	<p>competition between a proposed development and businesses in a locality unless the effects of such competition are likely to produce an overall community detriment by adversely affecting the availability or adequacy of services or facilities: <i>Fabcot Pty Ltd v Hawkesbury City Council</i> (1997) 93 LGERA 373; <i>AMP Investments Ltd v Newcastle City Council</i> [1999] NSWLEC 164; <i>Cartier Holdings Pty Ltd v Newcastle City Council</i> (2001) NSWLEC 170.</p>
<p><b>Compliance issues</b></p> <p>Previous works on the site being undertaken without approval.</p>	<p>The landowner was advised to stop work when Council became aware of the matter. The landowner was advised to book in a pre-lodgement meeting and to not conduct any further work without approval. The landowner was advised that the work undertaken was not considered to be exempt development and required consent. The landowner followed this instruction, had a pre lodgement meeting with Council and has proceeded to seek approval for the use through this application.</p> <p>Pursuant to the Model Compliance and Enforcement Model Policy (page 87) issued by the NSW Ombudsman:</p> <p><i>Where the offender has been proactive in the resolution of the matter and has assisted council in the resolution of the matter, it may be that the public interest would not be best served by prosecuting the offender, especially if the offending conduct or work has been rectified. If the offender has demonstrated a lack of contrition and is uncooperative with the investigation or remediation, a prosecution or monetary penalty would appear more appropriate.</i></p> <p>Council adopted the model policy including the above paragraph at page 16. Given that the work is proposed to be regularised by way of the DA it may not be appropriate for Council to prosecute.</p>
<p><b>Streetscape</b></p> <p>Proposed building works are inconsistent with the existing streetscape.</p>	<p>The proposed roof structure will be close to the boundary. No issue is raised with this as there will not be an adverse impact to the amenity of the streetscape. The streetscape in this area already comprises a variety of frontages. The landowner indicated that the food would be predominately prepared in the</p>

	existing facility at the Coles centre and would be transported to the subject site for sale, with the exception of coffee, which will be prepared on site. Conditions will be imposed regarding meeting public health/food safety requirements. A condition will be imposed to ensure the garden bed at the frontage is landscaped. The proposed development provides an active street frontage, will attract pedestrian traffic and will contribute to vibrancy of the street.
<b>Internal Fitout – Commercial Kitchen</b> No plans for a commercial kitchen shown on plans	The food will be prepared in the existing facility at Pho Plus, located at the Coles complex and transported to the site for sale, with the exception of coffee which will be prepared on site. Conditions will be imposed to meeting public health/food safety requirements.

### Car Parking

The car parking rate applied to the proposed development is contrary to the prescriptive rate provided in Chapter 2.9 Parking, of the Armidale Dumaresq Development Control Plan 2012.

The objectives of Part 2 Parking are:

0.1 To ensure that adequate provision is made for convenient off - street parking of passenger and service vehicles, while recognising historic deficiencies in parking provision on individual sites.

0.2 To ensure that parking areas are safe, functional and attractively designed and constructed for their expected uses.

Notwithstanding the non-compliance with the numerical standards prescribed in the DCP, the proposed development is consistent with the objectives of this chapter in providing adequate off-street parking at the rear of the site. The onsite parking area is functional in allowing vehicles to properly manoeuvre and exit the site in a forward direction.

Development type	Car Parking rate as per the DCP	Rate applied in this instance
Food and drink premises – restaurants, cafes	In B3 zone: 1 per 40m <sup>2</sup> GFA; In other zones: 1 per FTE staff + 1 per 3 customer seats	1 space per 30m <sup>2</sup> GFA

The subject site is zoned MU1 Mixed Use (previously B4 Mixed Use) and is subject to a car parking rate based on FTE staff and customer seating. If this rate is applied, the development requires a total of five (5) spaces; 2 staff spaces and three (3) spaces based on customer seats. The site cannot accommodate 5 spaces and the turning area required for vehicles to exit in a forward direction.

In this instance a rate of 1 space per 30m<sup>2</sup> GFA has been applied resulting in a requirement of four (4) spaces. The site can adequately accommodate four (4) spaces and the turning area required for vehicles to exit in a forward direction. The alternative rate represents a difference

of 1 space to the prescriptive requirements of the DCP. The location and nature of the development has also been considered in applying this rate given that it is likely the patronage of the premises will be predominately pedestrian traffic from the hospital.

The application of a 1 per 30m<sup>2</sup> rate, is based on the recommendations provided in the Armidale CBD Revitalisation Project: Parking & Mobility Study component prepared by the TPS Group dated June 2018. This rate is considered to be more appropriate than reliance on staff and customer numbers which can change over time. This rate has been applied to other café developments that would have been subject to the same control under Chapter 2.9.

## **5. Implications**

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

The determination of this DA is aligned with the following strategic goals and actions of the Integrated Planning Reporting framework.

E1 – Access to the services and support that facilitate quality of life.

E1.3 – Foster safety and security within our community and support the provisions of basic needs.

E1.3.3 – Undertake regulatory controls that maintain community order and safety including Companion Animals regulation, parking management, building compliance, and Development Applications.

### **5.2. Risk**

NIL

### **5.3. Sustainability**

NIL

### **5.4. Financial**

NIL

## **6. Consultation and Communication**

The development application was notified for a period of 14 days from 16 February to 2 March in accordance with Councils Community Participation Plan. A total of three (3) submissions were received in objection to the proposed development during the exhibition period and two (2) submissions after the exhibition period closed. A summary of the key issues raised in the submissions and comments are provided in the assessment.

## **7. Conclusion**

The proposed development has been assessed with regard to the relevant prescribed matters for consideration outlined in Section 4.15 of the *Environmental Planning & Assessment Act 1979* (EPA Act).

It is recommended that Council grant consent to Development Application DA-22-2023, subject to conditions, because:

- The proposed development is permissible with consent in the MU1 zone and is consistent with the objectives of the MU1 zone.
- The proposed development is a suitable use of the land.
- The proposed development complies with the relevant planning instruments.

- The proposed development will provide additional employment opportunities in the local area.
- The proposed development provides an active street frontage, will attract pedestrian traffic and will contribute to vibrancy of the street.
- The proposed development will not result in an overall adverse effect upon the extent and adequacy of facilities available to the local community.
- With the imposition of the recommended conditions the development will not have any unacceptable impacts on the surrounding area, environment and adjoining development.

The development is in the public interest because:

- It is consistent with the relevant objects of the EPA Act.
- It is consistent with the New England North West Regional Plan 2041.
- It is consistent with Advancing our region Your Community Plan 2022-2032



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<b>Item:</b>	<b>9.4</b>	<b>Ref: AINT/2023/25144</b>
<b>Title:</b>	<b>Gazettal of Roads for purposes of (DA-95-2022) subdivision of 32 A Crest Road, Armidale</b>	<b>Container: ARC23/6129</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Planning and Activation</b>	
<b>Author:</b>	<b>Annabelle Walsh, Senior Property Specialist</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is for Council to approve and endorse the Gazettal Transfer of certain Crown Road Reserves to Council to be the controlling authority, namely;

- a. Harden Street.
- b. Crest Road, Armidale.
- c. Gordon Street.
- d. Orr Lane.
- e. Chestnut Avenue.
- f. Glen Innes Road.
- g. Birch Crescent.

“**The Roads**” hereafter in this report.

### **2. OFFICERS’ RECOMMENDATION:**

That Council:

- a. endorse for the following Crown Road Reserves to be transferred to Council:
  - i. Harden Street.
  - ii. Crest Road, Armidale.
  - iii. Gordon Street.
  - iv. Orr Lane.
  - v. Chestnut Avenue.
  - vi. Glen Innes Road.
  - vii. Birch Crescent.
- b. delegate to the General Manager the authority to execute all documents and do all other things necessary to complete the transfer.

### **3. Background**

The Roads have long been developed with public streets, footpaths, street trees and services including water supply and stormwater drainage infrastructure within the road reserve. The Roads are presently maintained by Council, however, the Crown is the controlling authority.

It is appropriate that Armidale Regional Council be the controlling authority for these roads to allow for easier approval of easements and services, particularly for land developments

appurtenant. In this case, it is urgently required for Essential Energy Easements to be approved for DA -95-2022, the subdivision at 32A Crest Road, Armidale.

#### 4. Discussion

This Gazettal transfer will ensure that Council is the controlling authority and have all appropriate powers under the Local Government Act and the Roads Act to allow and approve easements for services to run along the noted road reserves for the purposes of future subdivisions and developments in the area.

Council is the controlling authority for the roads in grey noted in the below image. The magenta roads noted in the below image are the subject of this report.



This Gazettal transfer will deliver outcomes that are consistent with council's long- established role in managing public roads as part of the local road network for residential and rural needs.

The process involved to have a Gazettal Transfer is straight forward and requires a form to be submitted and the Transfer to be published in the NSW Government Gazette, after it is published, the control of The Roads will be Councils.

#### 5. Implications

##### 5.1. Strategic and Policy Implications

*L1.1 - Develop and maintain Council-owned facilities and service infrastructure in line with Asset Management Plans and community needs (L1.1.1)*

*Regularly review Council's property portfolio for functionality and seek opportunities for development or divestment (L1.1.2)*

This Gazettal transfer will ensure that developments are able to be progressed in a timely manner as Essential Energy and other bodies will only require Council's consent, not the consent of the Crown. It will encourage prompt works pursuant to Development Applications made and is a sensible approach given Council is already responsible for the upkeep of The Roads.

## 5.2. Risk

**Economic Risk** – If the development does not proceed in a timely manner, it risks the developer not proceeding with the development and therefore reducing the economic growth of the city. Council should be the controlling authority for a Road which it is responsible to maintain.

**Social Risk** – Armidale requires essential services to be provided to housing and businesses for the community.

**Operational Risk** – it is much timelier and appropriate for Council to have legal control of the Roads which it maintains and upkeeps.

**Reputational Risk** – It will show the community and developers alike that Council is proactive and encourages growth and development with essential services in the city.

## 5.3. Sustainability

This transfer will promote efficient and improved service delivery to the community as Council will be able to promptly approve plans for easements for services in a timely manner.

It should be noted that all roads surrounding The Roads are the legal control of Council. Council should have the authority to make decisions regarding services provided to develop the city and provide essential services to the community and to liaise directly with stakeholders and suppliers.

## 5.4. Financial

Budget Area:	Nil						
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

Council is already obligated to maintain The Roads, so this action will give it authority to control The Roads and approve essential services that run directly or appurtenant to The Roads.

## 6. Consultation and Communication

As Council is already maintaining The Roads, this gazettal transfer is an administrative change consistent with how other roads are controlled. On this basis, no consultation is considered appropriate.

## 7. Conclusion

This report recommends that Council approve and endorse all forms and items to be completed to facilitate the gazettal transfer of The Roads so that Council is the controlling authority and can make decisions and approvals regarding services which run appurtenant to those roads, in the future, in a timely manner, without consultation with the Crown.

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<b>Item:</b>	<b>10.1</b>	<b>Ref: AINT/2023/22188</b>
<b>Title:</b>	<b>Cafe Tenant Armidale Airport - The Alternate Root Cafe</b>	<b>Container: ARC23/6142</b>
<b>Responsible Officer</b>	<b>Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Angela Garvey, Manager Armidale Regional Airport</b>	
<b>Attachments:</b>	Nil	

### **Purpose**

The purpose of this report is to note the new prospective café tenant, The Alternate Root Café, at Armidale Regional Airport. The recommendation comes after notification of withdrawal of preferred candidates Tattersalls Hotel (May 2023) and Moxons Bakery (August 2023) from the Expression of Interest (EOI) run by the Professionals Real Estate Armidale in November 2022.

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

That Council:

- a. Note that the two respondents to the original Expression of Interest (EOI) conducted by the Professionals Real-estate (Tattersalls Hotel and Moxons Bakery) have declined to pursue at this time.
- b. Note that the new proponent, The Alternate Root Cafe at Uralla, has been engaged.
- c. Endorse the conditions of the proposed lease with the terms of:
  - i. Initial term of 3.5 years with a trial period of 6 months, where during this trial period, the tenant may terminate the lease with one month's notice without penalty.
  - ii. Upon completion of a trial period, ARC will honour the original rent-free period of a further 12 months', with year two and year three both charged at \$10,000 per annum plus GST (subject to CPI rent review).
  - iii. An ARC capital contribution of \$10,000 with expenditure to be adjusted in the first Quarterly Budget Review process.
  - iv. Use of the highway pylon sign for advertising at no cost for the term of the lease
  - v. Use of retail space adjacent to the café at no cost for the term of the lease.
- d. Note the tenant will seek their own liquor licence to serve and sell alcohol.

### **2. Background**

The Armidale Regional Airport café has long been a cherished amenity for our traveling community, enhancing visitor experiences and providing essential food and beverage customer service. The café has remained vacant since the 2020 COVID outbreak, with its absence being felt by our constituents, frequent fliers, and visitors.

In 2022, as passenger numbers began approaching pre-COVID levels, the council was contacted by various parties interested in the café operations. Subsequently, the Professionals Real Estate Armidale was appointed in October 2022 as an independent third party to oversee an Expressions of Interest. Of those who expressed interest, Tattersalls Hotel and Moxons Bakery were considered by the Growing Region Key Pillar Working Group (KPWG) as suitable tenants.

Tattersalls Hotel recommended by the KPWG as the preferred tenant at the Ordinary Council Meeting, February 2023. Council resolved to endorse this recommendation.

Unfortunately, Tattersalls opted to withdraw from the process in April 2023 before the lease was officially signed. Moxons Bakery have also subsequently communicated their decision to retract from all related negotiations in August 2023.

### 3. Discussion

Despite the withdrawal of interest from the preferred candidates, ARC has been proactive in seeking an alternative quality café tenant. The Alternate Root Café was approached and have agreed to extending operations at the Armidale Regional Airport, initially for a trial period of 6 months leading to a longer lease thereafter.

The Alternate Root Café holds a distinguished reputation in the broader region, patronised by many from the Armidale Region Local Government Area. It is hoped their presence at the airport will act as a drawcard and increasing airport footfall. Further, they have expressed interest in the vacant retail space adjacent to the Café, whereby they will sell their own and other produce from around the region. This has been offered as part of the lease.

With these factors in mind, ARC Officers & Professionals Real Estate have evaluated the suitability of the Alternate Root against the original assessment criteria as follows:

Proponent	Potential for financial return (incl. concessions)	Previous experience (Café/Hospitality)	Product Offering	Potential for longevity of tenancy	Use of retail space	Overall contribution to amenity for terminal / Armidale	Total Score
	(/10)	(/10)	(/10)	(/10)	(/10)	(/10)	(/60)
The Alternate Root Cafe	9	10	9	9	10	10	57

### 4. Implications

#### 4.1. Strategic and Policy Implications

The Armidale Regional Airport, vital for Armidale and the Northern Tablelands, possesses more than just its transportation value. The café, integral to the terminal's amenity, enhances the visitor experience. The airport café's operational resurgence stands as a symbol of the region's recovery, signalling our readiness to welcome travellers and potential investors. This sentiment is echoed in the Operational Plan 2023-24, emphasising the café's role beyond just a refreshment hub, but as a representation of the region's resilience and future aspirations.

C2.1 - Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure.

C2.1.5 - Conduct effective airport stakeholder engagement with local commercial airport operators:

C2.1.5 - Manage leases and tenancies and future developments

#### 4.2. Risk

**Reputation Risk:** A persisting vacancy at the Armidale Regional Airport café poses a considerable reputational risk. Feedback from our community has consistently pinpointed the vacant café as a detractor from the overall amenity of the terminal. This vacancy does not merely echo silence but sends out a message of a sub-par experience and negatively impacts our region's brand.

**Financial Risk:** While short-term concessions might be necessary to entice an appropriate tenant, it's crucial to emphasise the long-term financial implications. The café is still seen as a commercial asset. Filling its vacancy means increasing overall revenue and advancing the cause of cost recovery. Keeping it vacant represents a lost revenue opportunity and a potential depreciation of asset value.

#### 4.3. Sustainability

Ensuring the long-term viability and stability of any proposed tenant for the Armidale Regional Airport café is paramount. Our aim has been to strike a balance between immediate revenue and the sustainability of the lease to maintain the amenity of our terminal and serve our community. One primary consideration has been the financial health and longevity of the proponent.

The proponent has requested a six-month trial or "soft opening" period. Such a period allows for understanding operational dynamics and addressing initial challenges without jeopardising long-term commitment. Subsequently, an initial three-year lease term is being pursued. This timeline has been proposed to ensure consistency and reduce the likelihood of high tenancy turnover, which could undermine the café's stability and reputation.

The Alternate Root Cafe as a suitable tenant stem from its solid grounding in the local market. Recognised as an established local provider, they bring not only financial stability but also considerable experience in the hospitality sector to the table. Their longstanding relations with local suppliers provide an assurance of consistent service quality. Additionally, their deep-rooted local connections and community support signify an investment beyond just business—it indicates a commitment to the community and the region.

#### 4.4. Financial

The potential for revenue under this offer is expected to be minimal due to the current vacant nature of the operations and the continued uncertainty of demand around flight schedules. The Alternate Root have requested a capital contribution from ARC to the fit out and ready the space as part of the negotiations.

Given that there is uncertainty around demand, a substantial discount has been negotiated to attract a tenant, therefore no revenue has been forecast in the first 18 months of tenancy. However, it is proposed that the rent in the third year be \$10,000, which will contribute to revenue and help offset the cost of capital contributions to ready the space.

Budget Area:		Armidale Regional Airport						
Funding Source:		Airport Operations – (Revenue) & Expenses						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget	
272000.12830.165.1370	Rent and Lease (6 months)	(\$148,478)	(\$23,949)	(\$124,529)	(\$0) (Year 1)	n/a	(\$148,478)	

272000.12830. 333.2452	Repairs and Maintenance (one off allowance)	\$80,000	\$6,310	\$43,041	\$10,000	\$59,351	\$20,649
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## 5. Consultation and Communication

With the tenancy agreement nearing its final stages, we recognise the importance of positive public relations and community engagement. To this end, we plan to develop a comprehensive communications strategy. The objective of this strategy will be two-fold:

- i. Announcing the New Café Tenancy: Highlighting the Alternate Root Café's commitment to the Armidale Regional Airport, reflecting on the prospective enhancements in visitor experience and regional economy.
- ii. Boosting Airport's Public Image: This is an opportunity to reinforce the airport's role in regional development, underscoring its commitment to enhancing passenger amenities and overall travel experience.

The anticipated result of this communication strategy is not just the generation of publicity for the café tenant but also for the broader airport operations. Properly executed, this could increase foot traffic, foster community pride, and potentially attract additional business interests.

## 6. Conclusion

Council should note the independent process undertaken for the lease and the resulting tenant recommendation of The Alternate Root Cafe. Clear communication and proactive engagement have been the pillars of this negotiation process.

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<b>Item:</b>	<b>10.2</b>	<b>Ref: AINT/2023/23460</b>
<b>Title:</b>	<b>Review of ARIC Charter</b>	<b>Container: ARC23/5778</b>
<b>Responsible Officer</b>	<b>Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Simone Mooketsi, Manager Governance and Strategy</b>	
<b>Attachments:</b>	1. ARIC Terms of Reference	

### 1. Purpose

To seek the Council's approval of the revised Audit Risk and Improvement Committee's (ARIC) Charter which was been endorsed by the Committee at the 15 August 2023 ARIC meeting.

The ARIC Charter is proposed to be renamed the ARIC Terms of Reference to maintain consistency with the *Guidelines for Risk Management and Internal Audit for Local Government in NSW*.

### 2. OFFICERS' RECOMMENDATION:

That Council;

- a. Note the proposed changes to the Charter;
- b. Note the document will transition from a Charter to a Terms of Reference;
- c. Approve the Draft Terms of Reference for immediate use by ARIC;
- d. Notes the current term of the existing ARIC membership expires on 31 December 2023;
- e. Endorses commencing the process to re-appoint eligible ARIC members for an additional term subject to their willingness to continue and to fill any vacancies in accordance with the Terms of Reference; and
- f. Note the appointment of the ARIC members for the term commencing January 2024 will be subject to Council approval at a future Council meeting.

### 3. Background

Amendments made in 2016 to the *Local Government Act 1993* require each council in NSW to establish an Audit, Risk and Improvement Committee as a third line of defence to continuously review and provide independent advice and assurance on council's first and second lines of risk defence (s428A).

The current ARIC Charter was adopted by Council at the 9 December 2020 meeting. At the same meeting of Council, the current members of ARIC were appointed by Council for a term of 3 years expiring 31 December 2023. Therefore, it is ideal to review the Charter at this time so that any updates required for currency can be adopted by Council prior to completion of the current term of membership.

The Charter as adopted in December 2020, was prepared in consideration of what was then the OLG Discussion Paper on a new Internal Audit and Risk Management Framework for NSW councils. This Discussion Paper led to the creation of the *Risk Management and Internal Audit Guidelines for Councils in NSW*, which is presently being codified into regulation. All NSW local councils must operate an ARIC in accordance with the Guidelines.

Armidale Regional Council's ARIC is functioning well, as detailed in the ARIC Annual Report.



#### **4. Discussion**

Corrective updates for currency to align with the terminology and requirements of the Guidelines have been made to the Charter, henceforth to be referred to as Terms of Reference, and are presented for ARIC's consideration in a simple marked up version Word document format.

As agreed with the Chair of ARIC, Councillors are invited to an optional standing meeting with the Chair of ARIC immediately before each ARIC meeting.

#### **5. Implications**

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

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

The ARIC Terms of Reference and the ARIC contributes to the delivery of the *Advancing Our Region Community Plan 2022-2032* S2.1 Provide a strong, transparent, sustainable and responsive governance for our region.

The Delivery Plan 2022-2026 S2.1.3 requires Council "*implement robust Audit and Risk and Improvement processes and frameworks and undertake the requirements of the Internal Audit and Risk Management Framework for Local Councils*".

##### **5.2 Risk**

- Legislative and Regulatory Risk.

The *Local Government Act 1993* and the *Local Government (General) Regulation 2021* and these Guidelines require each council in NSW to have an audit, risk and improvement committee (ARIC), a robust risk management framework, and an effective internal audit function. Councils will be required to comply with these requirements from 1 July 2024 and, commencing with the 2024/25 Annual Report, to attest to their compliance with the requirements in their annual reports.

The Office of Local Government has issued the *Guidelines for Risk Management and Internal Audit for Local Government in NSW* to assist councils and joint organisations to implement these requirements. The Guidelines describe the model terms of reference and the requirement to be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

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

The draft Terms of Reference was provided to ARIC for their consideration at the 15 August 2023 meeting and was endorsed by ARIC for approval by Council.

#### **7. Conclusion**

The Audit Risk and Improvement Committee is a key component of Council's governance framework. The objective of the ARIC is to provide independent assurance and advice to the General Manager and Council by overseeing and monitoring Council's governance, risk and control frameworks and its external accountability requirements.

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<b>Item:</b>	<b>11.1</b>	<b>Ref: AINT/2023/23657</b>
<b>Title:</b>	<b>Kempsey Road Status Report</b>	<b>Container: ARC23/6087</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Glenn Spires, Manager Kempsey Armidale Road Restoration Project</b>	
<b>Attachments:</b>	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 14 September 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 – SUBMISSION RECEIVED AND UNDER REVIEW**

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).

The ECI submission has now been provided by SWC 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 30% Detailed Design;
- 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 <b>(Chair) (V)</b>
Alex Manners	Chief Officer Assets & Services Armidale Regional Council <b>(V)</b>
Ann Newsome	Chief Financial Officer Armidale Regional Council <b>(V)</b>
Cr Sam Coupland	Mayor <b>(V)</b>
Tony Gant	TfNSW Support <b>(V)</b>
Peter Steele	TfNSW Assessor <b>(V)</b>
<b>Officers in attendance to include, but not be limited to:</b>	
Glenn Spires	Manager Design and Delivery Armidale Regional Council
Sean Sample	Project Director Client-Side Armidale Regional Council
Tracy Cooper	Project Officer <b>(Secretary)</b>
Monica Kelly	Prevention Partners <b>(Probity Advisor)</b>
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 14 September 2023, the client-side Project Director provided the following update:

The ECI Final Proposal was received from SWC on 4 September 2023 and is currently being reviewed in accordance with the Final Proposal Evaluation Plan (FPEP) by appropriately qualified and experienced subject matter experts.

The FPEP is similar in format to a Tender Evaluation Plan and contains key elements to assess the value for money, technical compliance and risk associated with the ECI submission. The review of the ECI submission is expected to take several months and will be presented to Council prior to entering into a D&C Deed with the contractor.

It should be noted that the D&C Contract have not yet been finalised, as components of the D&C contract may be subject to change based on the ECI submission assessment and the content of the funding deed from TfNSW.

The Funding Deed from TfNSW for the AGRN 1012 EPA-RW on the Kempsey to Armidale Road was received by Council on 11 September 2023. This document prescribes the relationship between ARC and TfNSW as the administration body supporting the project. The document is currently being reviewed prior to a workshop and briefing to Council, prior to being considered at an Ordinary Council Meeting. A date for that has not yet been set. It should be noted that further work is required to finalise total upper limit of grant funding and works/ funding durations prior to this deed being executed.

The KARRP team structure consists of a high proportion of contractors to staff. In such a structure, to build a healthy team culture, the team need to be aligned with the Restore and Thrive culture change journey that ARC has been on since early 2021.

Supporting this culture is a need to build strong embedment into and alignment with the rest of Council centric functions. On 24 August, the KARRP team engaged in Council's World Café to work on the organisation strategic focus as part of our Restore and Thrive journey. Further, on 29 August, KARRP team underwent an induction process similar to Council's induction program. The induction was the first step in building better alignment with ARC.

#### **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.

It should be noted that there is considerable focus by Council staff to improve confidence in the delivery and the project more broadly. This proportionately reduces the financial risk in that achieving 98% confidence in the project, for example, reduces the reasonable proportion of risk to 2% of \$400M or \$8M.

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 LA.

### **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 14/09/2023**

Key Contracts / Funding Grants to Date				
Funding Grant	Budget	Open contracts / remaining commitments	Actuals (to month end)	Comments
AGRN898 TfNSW Grant	\$200,000.00	\$0.00	\$7,516.49	Open
KAR AGRN898 Re-construction of six drainage structures and Corn Patch (EPARW2)	\$6,412,752.24	\$0.00	\$4,920,188.26	Open
KAR AGRN1012 Interim Fund (EPARW4)	\$1,773,200.00	\$8,835.00	\$994,087.15	Open
KAR AGRN1012 Main Recovery Works (EPARW3) ECI/Early Works-1	\$408,000,000.00	\$3,344,406.54	\$6,604,742.04	Open
KAR FLR (R2) – Flying Fox Cutting (Improvement Works)	\$4,984,930.00	\$114,575.50	\$257,011.06	Open
KAR FLR (R3) – Blackbird Flat (Improvement Works)	\$2,996,000.00	\$79,110.00	\$180,386.63	Open
KAR FCR –Big Hill Projects (Improvement Works) 270444*1	\$4,671,083.00	\$102,753.50	\$185,679.87	Open
<b>TOTAL</b>	<b>\$449,811,702.65</b>	<b>\$3,649,680.54</b>	<b>\$30,635,888.54</b>	<b>N/A</b>

**Expenditure to Date**

The total expenditure to date is **\$30,635,888.54**

**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**

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

TfNSW have provided a funding deed for Council to consider which will be presented to Council once it has been reviewed.

Prior to entering into the funding deed with TfNSW, a briefing workshop will be arranged to familiarise Council with the contents and allow discussion between the relevant 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 14 September 2023.



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<b>Item:</b>	<b>11.2</b>	<b>Ref: AINT/2023/24886</b>
<b>Title:</b>	<b>Update - Gates and Stock Grids on Public Roads POL087 - Public Consultation</b>	<b>Container: ARC16/0652</b>
<b>Author:</b>	<b>Alex Manners, Chief Officer Assets and Services</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is for Council to note the update on public consultation regarding the revised Policy POL087 - Gates and Stock Grids on Public Roads.

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

That Council:

- a. Note the update report; and
- b. Note that the Connected Region Key Pillar Working Group requested that Policy POL087 - Gates and Stock Grids on Public Roads be deferred to the October 2023 Ordinary Council Meeting.

### **3. Background**

#### **Ordinary Council Meeting 26 April 2023**

At the Ordinary Council Meeting held 26 April 2023, Council resolved to

- a) Note the revised Policy POL087 – Gates and Stock Grids on Public Roads;
- b) Endorse the placement of revised Policy POL087 on public exhibition for 28 days;
- c) Run concurrent community engagement sessions in line with the public exhibition period, auspice by the Connected Region key pillar working group;
- d) Refer the outcomes of the public exhibition period and the community engagement sessions to the Connected Region key pillar working group and finalise the draft policy for determination by Council;
- e) Note, following that above, the implementation of the policy through the commencement of removal of obsolete grids and gates and the issue of new permits in accordance with the Roads Act (1993) following appropriate consultation with landholders.

#### **Ordinary Council Meeting 28 June 2023**

Following public consultation, the policy was then presented to Council for consideration and adoption with the results of the public consultation and responses provided by Council staff.

At the Ordinary Council Meeting held 28 June 2023, Council resolved to:

- a) Defer consideration of the Gates and Stock Grids on Public Roads Policy POL087 to the Ordinary Council Meeting for September 2023;
- b) run community engagement sessions auspiced by the Connected Region Key Pillar Working Group;

- c) refer the outcomes of the public exhibition period and the community engagement sessions to the Connected Region Key Pillar Region Working Group and finalise the draft policy for determination by Council.
- d) Note, following the above, the implementation of the policy through the commencement of removal of obsolete grids and gates, and the issue of new permits in accordance with the *Roads Act (1993)* following appropriate consultation with landholders.

At that Council meeting, the history of consultation was flagged and the recommendation to defer the report until the September 2023 Ordinary Council Meeting was discussed.

#### **4. Discussion**

Public consultation on the revised policy has been undertaken by the Connected Region Key Pillar Working Group conducted public consultation and during that time, two formal submissions were received and provided to Council.

To support the finalisation of the policy, the Connected Region Key Pillar Group have requested copies of historical submissions and proposed the policy be presented to the next Ordinary Council Meeting to be held 25 October 2023.

A copy of the legal advice received by Council regarding inclusions and application of the policy in relation to relevant legislation was also provided to the Key Pillar Working Group for reference.

#### **5. Implications**

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

Reviewing and implementing the policy aligns with Advancing Our Region - Your Community Plan 2022-2032 and with Council Delivery Program 2022-2026 as part of:

##### **Connected Region – Transport and Technology**

- C1 – Quality infrastructure that makes it safe and easy to travel around our region – Strategies:
  - o C1.1 Build and maintain quality, safe and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities.

##### **Strong Region – Engagement and Responsibility**

- S2. Strong governance and leadership that supports our region to grow and prosper
  - o S2.3 Manage public resources responsibly and efficiently for the benefit of the community
    - S2.3.5 Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden

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

##### **Reputation Risk**

The delay in implementing the policy has created frustration amongst landowners and over the proposed and potential outcomes.

### **Operational Risk**

Operationally, the implementation addresses the current operating conditions and maintenance liabilities. Failing to implement a revised policy may extend these liabilities.

#### **5.3. Sustainability**

Efficient and well maintained roadways are essential to sustainable farming. Well maintained fences, cattle grids and gates are essential in ensuring animals remain confined to their designated areas, and do not wander, creating additional impacts to the soil and waterways or become a public safety or biosecurity hazard.

Appropriate and clear policy ensure these assets and structures can be maintained and that the efficient operation of the transport network can be preserved.

#### **5.4. Financial**

There are no financial impacts of the proposed recommendation to defer consideration of the policy until the October 2023 OCM.

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

The policy has been placed on public exhibition for 28 days and the three submissions received have been referred to the Connected Region key pillar working group.

The community engagement sessions auspiced by Cr O'Connor, the Chair of the Connected Key Pillar Working Group has been undertaken.

### **7. Conclusion**

The Connected Region Key Pillar Working Group has conducted public consultation as per the recommendation at the Ordinary Council Meeting Held 28 June 2023. The Working Group require additional time to finalise the draft policy for determination by Council.

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<b>Item:</b>	<b>12.1</b>	<b>Ref: AINT/2023/24872</b>
<b>Title:</b>	<b>Welcome Signage</b>	<b>Container: ARC16/0025-7</b>
<b>Responsible Officer</b>	<b>Acting General Manager</b>	
<b>Author:</b>	<b>Bradley Widders, Councillor</b>	
<b>Attachments:</b>	<b>Nil</b>	

I hereby give notice of my intention to move the following motion at the Ordinary Council to be held on 27 September 2023.

After Community consultations stemming from the earlier motion at the June OCM, that Council erect signs at all main road Armidale city limit entrances stating “Welcome to the Ancestral Home of the Anaiwan people”, and that this will be the first step in further consultations in acknowledging the traditional custodians in other villages and/or the Armidale Regional Council boundaries. In addition, when Council events are held within the Armidale city limits that it be acknowledged as being held on Anaiwan land.

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Cr Bradley Widders

15 September 2023

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<b>Item:</b>	<b>13.1</b>	<b>Ref: AINT/2023/13208</b>
<b>Title:</b>	<b>Traffic Advisory Committee - Minutes of the meeting held 4 July 2023</b> <b>Container: ARC16/0168-8</b>	
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Belinda Ackling, Divisional Assistant Operations</b>	
<b>Attachments:</b>	1. Minutes - Traffic Advisory Committee - 4 July 2023 2. Agenda - Traffic Advisory Committee - 4 July 2023	

#### **RECOMMENDATION:**

That in relation to the report "Armidale Regional Council Traffic Advisory Committee Minutes – 4 July 2023", that Council:

- a) Endorse the extension to the No Stopping zone by 15m south on the eastern side of Glenelg Road, in front of 126 Handel Street;
- b) Endorse the request to extend the length of the No Stopping zone by 15m west on the southern side of Donnelly Street, in front of 116A Donnelly Street, Armidale; AND
- c) Endorse the change of parking restriction from No Stopping to No Parking adjacent to the UNE Clinics on the hospital grounds in Butler Street between Barney St and Rusden Street, Armidale. To provide a drop-off zone.

#### **1. Purpose:**

This report is to provide Council with the agenda, minutes and action list of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 4 July 2023 which details recommendations to Council for consideration and adoption.

#### **2. Discussion**

To consider the recommendation advice provided by the TAC, a Transport for NSW (TfNSW) committee comprising of experts from TfNSW, Police, State Member representative, ARC Councillor and ARC technical officers.

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

The TAC 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 TAC prior to exercising its delegated functions. Matters related to State Roads or functions that have not been delegated to the elected Council and must be referred directly to TfNSW or relevant organisation. Such matters must not be referred to the TAC.

### **3. Report:**

At its meeting on 4 July 2023 the TAC considered four items however, one item will require further investigation before an appropriate recommendation to Council will be submitted:

a) Extension to No Stopping zone - 126 Handel Street, Armidale

Council has received a request to improve the safety for the clients and staff of a business located on the SE corner of Handel Street and Glenelg Road, Armidale.

Investigation has identified that the lane width in this area is only 4.8m which limits the space for larger vehicles to manoeuvre when entering Glenelg Road (identified as Helen Avenue in the letter). There is a wide grass median in the centre of the road.

An extension of the existing No Stopping zone to the south by 15m will improve access to Glenelg Road and reduce the chance of an incident and improve sight distance.

b) Extension to No Stopping zone in front of 116A Donnelly Street, Armidale

To the west of the Faulkner Street intersection with Donnelly Street, the road rises steeply presenting sight distance problems for vehicles travelling northbound or southbound. Vehicles approaching from the west are not seen until they breach the crest of the hill. When a vehicle is parked immediately to the west of the existing No Stopping sign, this problem is exacerbated.

Extension of the existing No Stopping zone by 15m will improve the sight distance and reduce the chance of an incident.

c) Change of parking restriction adjacent to the UTS Clinic in Butler Street, Armidale.

The clinic has requested the provision of an area for the set down and pick up of clients. The change of the existing No Stopping zone adjacent to the clinic could be changed to a "No Parking" zone with minimal impact on the area. The No Stopping zone spans the driveway into the parking areas on the hospital grounds. The frequency of the drop-off or the pick-up should not interfere with traffic movements in and out of the area.

### **4. Strategic Directions:**

The function of the TAC aims to maintain safe and effective traffic facilities on the road network to industry and legislative standards.

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

#### **Connected Region – Transport and Technology**

- C1. Quality infrastructure makes it safe and easy to travel around our region
  - C1.1 Build and maintain quality, safe, and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities.
- C2. Transport and technology that enable connectivity both locally and outside the region
  - C2.1 Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure.

## 5. Relevant Legislation

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

## 6. Financial Implications

TfNSW Block Grant.

TfNSW provides block grants to Council as a contribution towards the cost of works on Regional Roads, under the terms of the Block Grant Agreement. Block Grants may be spent on preservation, restoration and enhancement works to the extent provided for in the Block Grant Agreement.

Every council has entitlement to an annual block grant. The grant comprises a roads component and a supplementary component (both available for works on Regional Roads) and a traffic facilities component (which may be spent on works on Regional Roads as well as traffic facilities on Local Roads).

Budget Area:	Traffic Facilities						
Funding Source:	Traffic Facilities Block Grant						
Budget Ref: (PN)	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
270219	Install Parking signs	\$119,000	\$0	Nil	\$450.00	\$400.00	\$118,550

The full cost of the purchase & installation of the signs and any pavement marking will be budgeted to the Traffic Facilities Block Grant.

## 7. Conclusion

That Council note the minutes of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 4 July 2023 and the recommendations to Council be considered for adoption.

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<b>Item:</b>	<b>13.2</b>	<b>Ref: AINT/2023/23449</b>
<b>Title:</b>	<b>Audit, Risk and Improvement Committee - Minutes of the meeting held 15 August 2023</b>	<b>Container: ARC23/5778</b>
<b>Responsible Officer</b>	<b>Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Simone Mooketsi, Manager Governance and Strategy</b>	
<b>Attachments:</b>	1. ARIC Minutes 15 August 2023	

### **1. Purpose**

The purpose of this report is to provide Council with Minutes of the Audit Risk and Improvement Committee (ARIC) meeting held on 15 August 2023.

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

That Council note the Minutes of the ARIC meeting held on 15 August 2023.

### **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 consists of three (3) independent external members. Councillors are ineligible to be voting members of the Committee, however Councillors may attend meetings by invitation from the Chair.



#### **Attendees (non-voting)**

- The General Manager, or delegate
- Executive Leadership Team (ELT)
- Internal Auditor/ Chief Audit Executive (Note - delegated to the Manager Governance & Strategy).

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**

The meeting of 15 August 2023 was preceded by an optional meeting between the Chair of ARIC, Mr Phil Thomas, and Councillors. Crs Redwood and Galletly attended the optional meeting.

Minutes of the ARIC meeting held on 15 August 2023 are attached for information and noting.

A summary of key meeting outcomes is:

- The Committee noted the status of the outstanding audit recommendations. Since the 15 June March 2023 ARIC meeting, 10 items were closed out since the previous ARIC meeting and no new items were added. 105 items remain open.
- An action plan for outstanding items will be developed and provided to ARIC at the November meeting. Outstanding items are to be reviewed and grouped where appropriate with the development of a project plan with realistic milestone timing and target completion dates.
- The focus of the next ARIC meeting (November 2023) will be risk management. Councils risk register will be provided to ARIC for feedback at the November 2023 meeting and there will be a risk informed approach to the development of the 2024/25 operational plan and budget.
- The Committee was provided with a verbal report on the status of the Renewable Energy Action Plan (REAP) implementation.
- The Committee noted the minutes of the ICT Steering Committee and discussed the Changeover from legacy TechOne on premise system to TechOnes's CiAnywhere cloud-based system.
- That ARIC considered the draft revised ARIC Charter and:
  - a) Noted the proposed changes to the Charter;
  - b) Provided feedback on the proposed changes; and
  - c) Endorse the Charter for adoption by Council's governing body

The Charter, to become a Terms of Reference, is subject of a separate report to Council.

The Committee noted the NSW Audit Office Annual Engagement Plan for 2023.

- The Committee noted received an update on the Kempsey Armidale Regional Road Project (KAARP).
- The Committee noted that the planned presentation of the draft financial statements to ARIC was delayed as foreshadowed with at the Councillor financial briefing session and with the ARIC Chair. The Committee agreed to have the draft financial statements provided via email out of session and, once satisfied resolve via email to approve the referral of the draft Financial Statements to Council's Auditor.
- The Committee noted that the systematic improvement of Council's financial reporting system is ongoing and a high priority for Council. The draft Financial Statements are expected to be delivered to auditors by the due date of 4 September.

## **5. Implications**

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

The revised ARIC Charter, to become a Terms of Reference, is subject of a separate report to Council at this meeting.

### **5.2. Risk**

Amongst 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**

A verbal report on the implementation of the Renewable Energy Action Plan (REAP) was provided at the meeting.

### **5.4. Financial**

The Committee Noted that the systematic improvement of Council's financial reporting system are ongoing and a high priority for Council. The draft Financial Statements are expected to be delivered to auditors by the due date of 4 September 2023.

The Committee noted a fourth quarter budget review is no longer a standard item for presentation to ARIC.

## **6. Consultation and Communication**

Nil

## **7. Conclusion**

Minutes of the 15 August 2023 meeting of ARIC are provided for noting by Council.

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<b>Item:</b>	<b>13.3</b>	<b>Ref: AINT/2023/24364</b>
<b>Title:</b>	<b>Traffic Advisory Committee - Minutes of meeting held 5 September 2023</b>	<b>Container: ARC16/0168-8</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Graham Earl, Technical Officer Engineering</b>	
<b>Attachments:</b>	1. Agenda - Traffic Advisory Committee - 5 September 2023 2. Minutes Traffic Advisory Committee Meeting 5 September 2023	

**RECOMMENDATION:**

That in relation to the report “Armidale Regional Council Traffic Advisory Committee Minutes – 5 September 2023”, that Council;

- a. Endorse the requested road closures for the New England Sporting Car Club (NESCC) Metz Gorge Rallysprint to be held 1 October 2023;
- b. Endorse the use of local roads for the use by Armidale Triathlon Clubs running and cycling sections for their annual race season 2023/2024;
- c. Note the recommendation by the TAC to endorse the use of the trails around Dumaresq Dam and local roads by the Armidale Athletics Club to conduct the annual Duval Dam Busters Trail Run;
- d. Endorse the rolling road closures of Faulkner Street and Rusden Street and Dangar Street Armidale on 28 October 2023, associated with the Freedom of the City parade route from Curtis Park to Central Park;
- e. Note the recommendation by the TAC to endorse the use of local roads within the LGA as part of the annual Ride for The Chopper - bicycle ride from 19 to 21 September 2023;
- f. Endorse the temporary road closures of Faulkner Street, Armidale between Cinders Lane and Moore Street for Halloween 2023 celebrations, on Friday 27 October 2023;
- g. Endorse the closure of Bradley Street between McKenzie Street and Ollera St, Guyra on Saturday 30 September for the Troutfest 2023 from 7:00am to 4:00pm;
- h. Endorse converting the 90° parking along Woodward Street, Armidale to parallel parking and alter the existing kerb line to move the parking away from the adjacent building (Burtons Saddlery), subject to further consultation;
- i. Note the proposal to conduct consultation and further investigation regarding a proposal to convert Woodward Street, Armidale to become a one-way traffic flow to reduce vehicle conflicts;
- j. Note the use of Armidale Council roads on 9 December 2023 for the New England

Bushrangers Ulysses Club to conduct their annual toy run;

- k. Council note the transport plan of the Armidale Live/Renew Armidale group to enable the movement of large Koala to various events, subject to the following conditions:
  - I. That the organisers provide registration and insurance details of the trailer;
  - II. That organisers make sure all oversize over mass requirements are met; and
  - III. That organisers reach out to Police for an inspection of the unit once together.
- l. Transport NSW request installation of line marking at a current Mobile Speed Camera Site for the Regulatory Unit at Guyra Road, Wandsworth.

### **1. Purpose:**

This report is to provide Council with the agenda, minutes and action list of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 5 September 2023 which details recommendations to Council for consideration and adoption.

### **2. Discussion**

To consider the recommendation advice provided by the TAC, a Transport for NSW (TfNSW) committee comprising of experts from TfNSW, Police, State Member representative, ARC Councillor and ARC technical officers.

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

The TAC 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 TAC prior to exercising its delegated functions. Matters related to State Roads or functions that have not been delegated to the elected Council and must be referred directly to TfNSW or relevant organisation. Such matters must not be referred to the TAC.

### **3. Report:**

At its meeting on 5 September 2023 the TAC considered eleven items however, two items have been recommended for endorsement by Council, but will be passed prior to the September Ordinary Council meeting and one item will require further investigation before an appropriate recommendation to Council will be submitted:

- a) **Special Event Transport Management Plan NESCC Rallysprint 2023**  
The New England Sporting Car Club (NESCC) is planning to conduct another motorsport event, the Metz Gorge Rallysprint, based at Echidna Gully on Sunday Old Hillgrove Road, then left onto Waterfall Way, then left into Gara Road, then left onto Silverton Road, then right onto Waterfall Way, then right onto Metz Road, then left onto Chinamans Gully Road and then right into Echidna Gully. The total distance of the event is 41.5 km, of which 17.5 is competitive sections on closed roads, and the

balance as transport sections where cars travel between competitive stages obeying all normal public road rules and speed limits.

- b) Special Event Transport Management Plan - Armidale Triathlon Club 2023/24 Season**  
The Armidale Triathlon Club's annual season of competition will consist of six rounds which will run from 22 October 2023 to 7 April 2024. It includes the traffic management associated with the event for use of local roads for the running and cycling legs.
- c) Special Event Transport Management Plan - Duval Dam Buster Trail Run**  
The Duval Dam Buster Trail Run (DDB) is a trail running event (foot race) held at Dumaresq Dam on land owned by Armidale Regional Council and Mt Duval on land owned by UNE including its "Newholme" farm property. The 2023 event will be the event's sixth year and the third year for the 50km distance which has been added to the already offered 3km, 8km, 16km and 32km distances.
- d) Special Event Traffic Management Plan - 12/16 Hunter River Lancers 75th Anniversary Parade**  
The 12/16 Hunter River Lancers will celebrate the 75th Anniversary of the regiment on the 27th and 28th of October 2023, by exercising their right to the Freedom of the City with a parade from Curtis Park to Central Park.  
When a regiment is granted the Freedom to Parade, it enables the regiment in full panoply, with swords drawn, bayonets fixed, drums beating, bands playing and colours flying.
- e) Special Event Traffic Management Plan - Ride For The Chopper 2023**  
The Ride For The Chopper is an annual fundraiser event for the Westpac Rescue Helicopter Service.  
The 2023 Ride for the Chopper will be held on the 15 – 22 September. The event will start in Tamworth, where riders will travel via bus to Woolgoolga, before riding through Dorrigo, Armidale, Walcha and back to Tamworth.
- f) Special Event Transport Management Plan - Halloween 2023**  
The 2023 Halloween Carnival will be held in the Armidale Mall, Faulkner Street and the East Mall on 27 October 2023. This event will promote civil activity within the community and encourage and promote active participation in the community for the residents of the LGA.
- g) Special Event Traffic Management Plan - Guyra Troutfest 2023**  
The 2023 Troutfest will be held at Bradley Street between McKenzie Street and Ollera St, Guyra on Saturday 30th September from 7:00am to 4:00pm. The festival will have street stalls and exhibits to encourage visitors to the area by highlighting the region and its attractions. The festival will also promote community engagement and enjoyment.
- h) Woodward Street Parking Arrangements**

The existing carpark has been identified as non-compliant. There is not suitable width to retain the 90 degree angle parking and the proximity to the nearby retaining wall would require some form of edge protection / Australian standard compliant barrier. The preliminary design assessment has indicated that there are three options to address the issues being:

- I. Endorse converting the 90 degree parking along Woodward Street to parallel parking and alter the existing kerb line to move the parking away from the adjacent building (Burtons Saddlery).
- II. Consider converting the street to one way traffic flow to reduce vehicle conflicts.

**i) Notification of Ulysses Annual Toy Run**

The New England Bushrangers Ulysses Club has provided a Special Events Transport Management Plan to hold the annual Toy Run to raise donations for the Salvation Army.

On Saturday 9 December 2023, at 12pm they will ride from Technology Park at UNE and, with the assistance of a police escort, will proceed to the Bunnings carpark finishing at 2:00pm.

**j) Transport Plan - Koala Tableau**

Armidale Live/Renew Armidale have prepared a plan to enable the transportation of the large koala statue to various events.

This is to ensure that the Koala Tableau can be moved around Armidale within the regulations.

**k) Line Marking Guyra Road**

Transport NSW requests installation of line marking at a current Mobile Speed Camera Site for the Regulatory Unit at Guyra Road, Wandsworth. TfNSW will fund maintenance of the line marking.

**4. Strategic Directions:**

The function of the TAC aims to maintain safe and effective traffic facilities on the road network to industry and legislative standards.

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

**Connected Region – Transport and Technology**

- C1. Quality infrastructure makes it safe and easy to travel around our region.
  - C1.1 Build and maintain quality, safe, and accessible road transport infrastructure including roads, footpaths, kerbs, bus stops and parking facilities.
- C2. Transport and technology that enable connectivity both locally and outside the region.
  - C2.1 Provide access to public and private transport services that link our community to our local towns and villages, other regions, our local attractions, and lifestyle infrastructure.

## 5. Relevant Legislation

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

## 6. Financial Implications

TfNSW Block Grant.

TfNSW provides block grants to Council as a contribution towards the cost of works on Regional Roads, under the terms of the Block Grant Agreement. Block Grants may be spent on preservation, restoration and enhancement works to the extent provided for in the Block Grant Agreement.

Every council has entitlement to an annual block grant. The grant comprises a roads component and a supplementary component (both available for works on Regional Roads) and a traffic facilities component (which may be spent on works on Regional Roads as well as traffic facilities on Local Roads).

<b>Budget Area:</b>	General Fund						
<b>Funding Source:</b>	Activation and Precincts						
<b>Budget Ref: (PN)</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual</b>	<b>Committed</b>	<b>Proposed</b>	<b>Total Forecast Expenditure</b>	<b>Remaining Budget</b>
90059	Item (f) Halloween 2023	\$40,000	\$220.14	\$9,765.63	\$304.50	\$10,290.27	\$29,709.73

Special Event Traffic Management costs to be borne by organisers for implementation of the traffic management by Council staff.

## 7. Conclusion

That Council note the minutes of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 5 September 2023 and the recommendations to Council be considered for adoption.