



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 28 August 2019
4pm

at

Armidale Council Chambers

Members

Councillor Simon Murray (Mayor)
Councillor Dorothy Robinson (Deputy Mayor)
Councillor Peter Bailey
Councillor Jon Galletly
Councillor Diane Gray
Councillor Libby Martin
Councillor Andrew Murat
Councillor Debra O'Brien
Councillor Margaret O'Connor
Councillor Ian Tiley
Councillor Bradley Widders

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19.3	FOR DECISION: Request to Purchase Part of 203 Marsh Street	
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20	Close of Ordinary Meeting	

Item: 10.1 **Ref:** AINT/2019/18901
Title: FOR DECISION: Rates Path Freeze Extension **Container:** ARC17/2315
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. OLG Letter - Rates Path Freeze Extension

RECOMMENDATION:

That Council resolves to advise the Office of Local Government that Armidale Regional Council wishes to opt out of the rates path freeze extension resulting in implementation of rates harmonisation from 1 July 2020.

Context

Newly Formed Councils

The Council Amalgamations Proclamation prescribes that the rating structure must be reviewed within the first Council term. The NSW Government amended the Local Government Act which allowed the Minister to require that the former councils' rating structures stay in place until 30 June 2020 (the rates path freeze).

Local Government Amendment Act 2019

The Local Government Act 2019 came into effect on 25 June 2019. The amendments included the extension of rates path freeze provisions from 30 June 2020 to 30 June 2021 unless Council advises the Office of Local Government that it wishes to 'opt out' by 6 September 2019.

Purpose

The Office of Local Government has advised in the attached letter that the rates path freeze has been extended by legislative amendment to 30 June 2021. This is 12 months longer than initially determined. If Council wishes to opt out of the rates path freeze extension it must advise the Office of Local Government of its decision by 6 September 2019.

Proposal, Research and Analysis

Potential Changes to Government Policy

The NSW Government announced a review into NSW rates legislation, asking the Independent Pricing and Regulatory Tribunal (IPART) to develop a report with recommendations for improved equity and efficiency in the rating system. The report was developed by IPART in 2016; it involved extensive consultation with stakeholders and received strong support from the local government sector. It made recommendations to the Minister for changes to the Local Government Act, addressing many of the existing limitations within the legislative framework for NSW rating. If accepted, many of those recommended changes would significantly affect the legislative framework for the setting of rating structures.

The final report *Review of the Local Government Rating System* was issued 21 June 2019:

[<https://www.ipart.nsw.gov.au/files/sharedassets/website/shared-files/investigation-section-9-legislative-review-of-the-local-government-rating-system/final-report-review-of-the-local-government-rating-system-december-2016.pdf>].

The key outcomes of the IPART report are as follows:

1. Use the Capital Improved Value (CIV) valuation method to levy local council rates.
2. Allow councils' general income to grow as the communities they serve grow.
3. Give councils greater flexibility when setting rates in residential areas.
4. Modify rate exemptions so eligibility is based on land use rather than ownership.
5. Improve assistance to pensioners.

6. Give councils more options to set rates within rating categories.

The IPART recommendations are being considered by the NSW Government but it is not yet known which, if any, recommendations will be implemented. There is a push by NSW councils to see at least some of the recommendations implemented to assist with managing the predicted impacts of rates harmonisation; however, at this time Council would need to develop its Rates and Revenue Policy under the current legislation as it stands.

Land Valuations

Rates are calculated on land values, and the distribution of rates within subcategories is based on the proportionate distribution of land values for the properties within the same subcategory. For rates purposes, land valuations are calculated every three years by the NSW Valuer General; the total rates pool isn't affected by the revaluation, but individual property rates can be affected to a small or large extent because of disproportionate value changes across large and disparate areas.

The next land revaluation is due to take effect on Council's rating structure on 1 July 2020, with the valuations due to be released to Council by December 2019. If there are disproportionate changes in land values in different areas of the LGA this will affect Council's rates modelling being prepared up to that point. At this time rates modelling can only be prepared on the basis of current land valuations.

Impact

Impacts of rates harmonisation on ratepayers will be dependent on the rates structure that Council determines. The two current structures (Armidale Dumaresq and Guyra) have different rate contributions by residential, business, farmland and mining ratepayers. Any new harmonised rating structure will necessarily have differences that may impact significantly on individual assessments.

Legislative changes arising from IPART's *Review of the Local Government Rating System* report are unknown as is the likely timing of the implementation of any changes.

The land valuation due in late 2019 will be effective for rating purposes from 1 July 2020. The impacts relating to these valuations will be known once Council has had the opportunity to perform modelling using them.

The requirement for Council to notify the Office of Local Government if it wishes to opt out of the rates freeze path extension by 6 September 2019 means that it will not have an opportunity to model impacts of changed rates structures on land valuations effective 1 July 2020 and must therefore make a decision in the absence of detailed information. The modelling that will be done will be on the basis of existing land valuations so the overall proportionate effects can be seen.

Summary

The Office of Local Government requires that Council notify in writing if it wishes to opt out of the rates freeze path extension by 6 September 2019.

Item: 10.2 **Ref:** AINT/2019/18902
Title: FOR DECISION: Special Rate Variation **Container:** ARC17/2315
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: Nil

RECOMMENDATION:

That Council resolves to pursue the application of a Special Rate Variation effective 1 July 2021.

Context

The former Armidale Dumaresq Council had a temporary Special Rate Variation (SRV) approved effective 1 July 2014 to 30 June 2021. The expiry of the SRV as at 30 June 2021 will reduce Council's recurrent revenue by \$1.5 million per annum.

Purpose

The reduction in recurrent revenue caused by the expiry of the SRV as at 30 June 2021 would potentially have a significant impact on current service levels. A review of long term expenditure requirements and all possible alternative funding sources is required to assist with determining whether an SRV is needed and, if so, to what extent.

Proposal, Research and Analysis

In comparison with other NSW councils, the former Armidale-Dumaresq and Guyra Shire used the SRV process minimally over the past decade. The need for SRVs has generally been driven by the need to provide a recurrent level of funding so while temporary SRVs have been applied for they have formed a permanent source of funding when viewed over the long term. The table below starts in 2005-06 and before that year the Councils had not applied for or been granted any SRV since 1997-98.

Table 1: History of Special Rate Variations

The 1st year for multi-year increases is shown in bold.

SRV rates include the rate peg

Temporary											
Council	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	
Rate Peg	3.50%	3.60%	3.40%	3.20%	3.50%	2.60%	2.80%	3.60%	3.40%	2.30%	
Armidale Dumaresq	5.78%	(expired Jun 14)								12.3%	(expires Jun 21)
Guyra Shire					8.43%	(expired Jun 14)			8.0%	Permanent	

Over the past five years there have been 101 SRV applications approved by IPART, with around 60% of all NSW councils applying for at least one SRV over that period. The SRV process has become a part of the normal way that councils manage their business, to provide funding for the increasing costs of providing the level of service expected by local communities.

Impact

Long term financial modelling will be prepared to determine the impacts of various expenditure and funding scenarios, including SRV scenarios.

Impacts on ratepayers will be determined through modelling performed on new land valuations to be received in late 2019.

Summary

Council is requested to resolve to investigate the application of a SRV effective 1 July 2021 due to the expiry of a temporary SRV at 30 June 2021.

Item: 10.3 **Ref:** AINT/2019/18909
Title: FOR DECISION: Status Report on Stronger Communities Fund and New Council Implementation Fund **Container:** ARC16/0014
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. Stronger Communities Fund and New Council Implementation Fund - Status Update 30 June 2019

RECOMMENDATION:

That Council:

- a) **note the current status of projects funded by the Stronger Communities Fund and New Council Implementation Fund; and**

- b) **apply to the NSW Government to redirect the following project savings towards the Guyra Main Street Upgrade:**
 - a. **Platform Road \$320,344**
 - b. **Kempsey Road Improvements \$159,137**
 - c. **Central Park Armidale \$10,429**
 - d. **Rockvale Road \$362,211.**

Context

On 12 May 2016 Armidale Dumaresq Council and Guyra Shire Council merged to become the Armidale Regional Council. As part of the merger, the newly formed council received \$15 million grant funding broken up as follows:

Stronger Communities Fund (SCF)

- \$1 million community grants component
- \$9 million major capital projects component

New Council Implementation Fund (NCIF)

- \$5 million administration component

Purpose

The merger funds require that a status report is provided to the Office of Local Government every six months with the latest report submitted 28 February 2019. The funding guidelines require that a quarterly report on progress in implementing projects is required to be tabled at an ordinary meeting of the council.

The attached report outlines the project completion status of the SCF and NCIF.

Proposal, Research and Analysis

Some projects under the Stronger Communities Fund will not meet the funding commitment deadline of 30 June 2019 and an extension was sought and agreed to. Council now has until 30 June 2020 to finalise projects.

The following projects have now been finalised with savings available:

Project	Description	Amount Unexpended @ 30 June 19
270416	Platform Road 2.32 km Bitumen Sealing of Pavement	\$320,344
270418	Kempsey Road Improvements	\$159,137
240379	Central Park Armidale	\$10,429
TOTAL		\$489,910

The 'savings' are a combination of genuine project savings and also a reflection of effort by Council staff to obtain and redirect other sources of grant funding towards these projects.

The Rockvale Road Upgrade was originally going to be funded 100% by merger funds but a review of available funding sources has identified that \$495,000 of the estimated project cost of \$1.2 million is available from the Roads to Recovery program. This would leave \$362,211 available to redirect to another project.

Due to locating underground fuel tanks in the Guyra Main Street and the subsequent revised project scope for the Guyra Main Street Upgrade no longer incorporating significant water or sewer infrastructure works, an envisaged contribution towards the total project cost of \$605,000 from Water and Sewer Funds to the Guyra Main Street Upgrade is no longer available. It is therefore recommended that Council seek approval from the NSW Government to redirect the above project savings plus the funding available from the Rockvale Road Upgrade to the Guyra Main Street Upgrade, as it is an existing project under the Stronger Communities Fund programme and the funding is required to offset the contribution no longer available from the Water and Sewer Funds.

Impact

Unspent merger funds are required to be spent by 30 June 2020. Some projects have identified savings that under the current guidelines are required to be repaid to the NSW Government. It is recommended that approval be sought to redirect project savings to the Guyra Main Street Upgrade. In addition, it is also recommended that Council seek approval to reallocate funding from the Rockvale Road Upgrade. This would provide sufficient funding to deliver the revised Guyra Main Street Upgrade revised scope and provide a small buffer for further contingencies. The funding remaining for the Rockvale Road Upgrade will be sufficient for the full scope for works planned to be delivered.

Summary

This report is provided for information regarding the status of Stronger Communities Fund and New Council Implementation Fund expenditure. A recommendation is also requested to apply to redirect project savings plus additional funding from the Rockvale Road Upgrade to the Guyra Main Street Upgrade project.

Item:	10.4	Ref: AINT/2019/19086
Title:	FOR DECISION: Regional Growth and Place Activation Advisory Committee	Container: ARC16/0759
Author:	Mark Piorkowski, General Manager Operations	
Attachments:	1. Draft Terms of Reference - Regional Growth and Place Activation Advisory Committee 2. Draft Selection Criteria for the Regional Growth and Place Activation Advisory Committee	

RECOMMENDATION:

- a) **That the Business Advisory Committee and Regional Growth Advisory Committees be dissolved and the Regional Growth and Place Activation Advisory Committee established, effective immediately.**
- b) **That an EOI for external members be sought on the basis of skills identified in the brief.**
- c) **That Cr Peter Bailey and Cr Diane Gray be appointed as Co-Chairs.**
- d) **That nominations be sought for the third Councillor on the Committee.**

Context

While the Business Advisory Committee and Regional Growth Advisory Committee were initially established to address different matters, in practice their agendas have overlapped in terms of both their external membership and their work. The Chairs of the committees request Council's support for the two committees to be merged as a pilot of a more streamlined advisory committee structure focussed on priorities identified in Council's Operational and Delivery Plans supported by key strategies.

Purpose

To create a more efficient and productive committee structure.

Proposal, Research and Analysis

It is proposed that the two existing committees be dissolved and a new committee created called the "Regional Growth and Place Activation Advisory Committee".

It is proposed that a new Committee be constituted and comprise the following membership:

- 3 Councillors
- 2-6 external members*.

*The final number is to be determined based on the quality and skills of respondents to an external EOI. Applications will be assessed by merit in view of the attached brief, which identifies the desired skills and expertise sought for members on the recasting of the proposed new committee.

It is proposed that the Committee meets quarterly, at a minimum. As appropriate, additional meetings will be scheduled to allow the Committee to review proposals of any Working Groups the Committee wishes to establish.

In its desire to achieve more with fewer members, the two Chairs wish to pilot a streamlined approach and consolidated focus in its committee structure. A dashboard review of this pilot committee will be undertaken after the September 2020 Council election. The review of the pilot would include what has and hasn't been effective and an assessment of outcomes and deliverables.

Impact

The merging of the committees will reduce internal resourcing requirements. There will be a very direct impact upon the Operational Plan and the Council's ability to meet its Delivery Plan. By tying the work of the two existing Committees (who may establish Working Parties to support it), Council can focus on more effective delivery, gain knowledge, skills and capacity to assist in the achievement of the objectives.

Summary

The pilot includes the ability to establish Working Parties to capitalise on the capabilities, capacities and knowledge that exist in the Armidale community to add real value to the work of the Council. The learnings of the pilot would be brought back to Council for consideration.

Item:	11.1	Ref: AINT/2019/18716
Title:	FOR DECISION: Planning Proposal No. 15 to amend Armidale Dumaresq LEP 2012	Container: ARC18/2910
Author:	Shili Wang, Strategic Planner	
Attachments:	1. Draft PP No 15 - for Council meeting	

RECOMMENDATION:

- a) **That Planning Proposal No. 15 to amend Armidale Dumaresq Local Environmental Plan (LEP) 2012, which proposes to:**
- **Alter the lot size standard for Lot 1 in DP 34495, Lot 9 in DP 112693, Lot 515-517, 730 and 733 in DP 755808 at 267 Long Swamp Road, Armidale from 40 hectares to 8 hectares.**
- Be forwarded to the Department of Planning and Environment with a request for Gateway Determination, in accordance with section 3.34 of the *Environmental Planning and Assessment Act 1979*.**
- b) **That, subject to a Gateway Determination, a further report be provided to Council following public exhibition of Planning Proposal No. 15 to amend Armidale Dumaresq Local Environmental Plan 2012.**
- c) **That the proponent be advised of Council's resolution.**

Context:

Council has received a Planning Proposal for 267 Long Swamp Road, Armidale being Lot 1 in DP 34495, Lot 9 in DP 112693, Lot 515-517, 730 and 733 in DP 755808 (the Site) seeking to amend Armidale Dumaresq Local Environmental Plan 2012 (the 'LEP') to reduce the minimum lot size from 40 hectares to 8 hectares. The area to which the Planning Proposal relates is shown below and in Figure 1 of the attached Planning Proposal (being Attachment A). 0

The Site comprises seven lots with an existing dwelling house on Lot 1 DP 34495. Under the LEP the erection of a dwelling house on each of the vacant lots is not permitted due to the lot size standard that applies to the land. It is proposed to reduce the current minimum lot size of 40 hectares to 8 hectares.

Purpose

The purpose of this Planning Proposal is to alter the lot size standard for the subject Site. This report recommends the Planning Proposal to be forwarded to the Department of Planning and Environment with a request for Gateway Determination, in accordance with section 3.34 of the *Environmental Planning and Assessment Act 1979*.

Proposal, research and analysis

The objective of the Planning Proposal is to enable subdivision of the Site to create lots of at least 8 Hectares where a dwelling house or dual occupancy could be erected on each lot. The Planning Proposal does not propose to increase the number of new lots created. Rather it seeks to allow for lots to have a more suitable configuration and shape for the intended residential purposes. The resulting lots would be of a similar density to many of the existing RU4 zoned lots surrounding the Site.

The proposal is considered to be consistent with the *Armidale Dumaresq Rural Residential Study* (Edge Land Planning, 2004), and it is also consistent with the key land use policies and principles for small rural holdings as identified in the *New England Development Strategy* (WorleyParsons,2010), both were adopted by Council and endorsed by the Director-General of the Department of Infrastructure, Planning and Natural Resources.

Impacts

The Planning Proposal is considered to be generally consistent with the following strategies/studies:

- *New England North West Regional Plan 2036* (August, 2017) by DEP, and
- *New England Development Strategy* (April, 2010) by WorleyParsons Ltd.

See the responses to Question 3 and 4 of Attached A for more details.

The Planning Proposal is considered to be consistent with applicable State Environmental Planning Policies and S9.1 Directions. Except for the following:

- Direction 1.5 Rural Lands
- Direction 4.4 Planning for Bushfire Protection

Refer to Attachment 4 of Attached A for further details.

The Planning Proposal is not considered to have impact on flooding, biodiversity or aboriginal cultural heritage.

Financial Implications

Clause 11 of the *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation 2000) allows Council to enter into an agreement or arrangement with a person who requests the preparation of a Planning Proposal, for the payment of the costs and expenses incurred by Council in undertaking studies and other matters required in relation to the Planning Proposal. Council has entered into an agreement with the proponent for Planning Proposal No. 15, to pay for costs associated with preparing the Proposal in accordance with the Fee Schedule in Council's Operational Plan 2018-2019.

Summary

This report recommends that the Planning Proposal, which has been submitted to Council and reviewed and edited by Council's Strategic Planning staff, be forwarded to the NSW Department of Planning and Environment (DPE) with a request for a Gateway Determination. Council will be seeking written authorisation for the DPE to use its local plan-making delegations, subject to the agreement of the Gateway, as the Planning Proposal is considered to be of local significance.

The next step in progressing the Planning Proposal is to refer it to DPE with a request for a Gateway Determination. Council will be seeking to use its local plan-making delegations, subject to the agreement of the Gateway, as the Planning Proposal is considered to be of local significance.

The Gateway Determination will specify any government agencies to be consulted, the terms of community consultation/public exhibition, and whether or not Council may exercise its local plan-making delegations. Once all of these matters have been addressed, a further report will be presented to Council advising on whether changes to the Planning Proposal are required, and whether the LEP amendment can proceed to be made.

Item:	11.2	Ref: AINT/2019/18726
Title:	FOR DECISION: DA-45-1989/B Family Restaurant - (Consent Modification to Permit 24/7 Operation of the McDonalds Drive-Thru Area at 131 Marsh Street, Armidale)	Container: DA-45-1989/B
Author:	John Goodall, Program Leader Building and Development	
Attachments:	<ol style="list-style-type: none">1. DA-45-1989/B - Assessment Report2. DA-45-1989/B - Conditions Document3. Submissions received DA-45-1989/B4. Police CPTED response to DA-45-1989/B	

RECOMMENDATION:

That having regard to the assessment of DA-45-1989/B, Council:

- a) Grant consent to the Application subject to the conditions, including a reviewable condition, as detailed in the conditions document in Attachment 2 to this report.**
- b) Notify all those who made a submission on the Application, of the determination.**

Context

The application submitted for Council's consideration is for the modification of the existing trading hours of the McDonalds restaurant at 131 Marsh Street, to permit the drive-thru service area to operate 24 hours, 7 days a week.

The Applicant's current approved hours of operation are from 5.00am to 12 midnight, 7 days a week. The proposal does not include an extension to the hours of operation of the restaurant area.

The application was notified to adjoining properties from 20 March 2019 to 4 April 2019, with three submissions being received by Council.

The matters raised in the submissions can generally be summarised as concerns relating to amenity impacts on an adjoining business due to increased noise and traffic, and these matters have been discussed in detail in the attached assessment report.

In response to the submissions, the Applicant has proposed a number of measures to be implemented with the proposal which they believe can successfully alleviate the concerns raised.

It is considered that with appropriate conditions on the activity and proactive management by the operator, that the concerns of the adjoining business can be satisfactorily addressed and confined to the subject site only.

Purpose

The purpose of the recommendation is to permit the 24/7 operation of the drive-thru area on an initial trial period only, to ensure that the measures to be employed on-site are effective in managing any ancillary impacts on adjoining properties. It will also provide an opportunity for the applicant to demonstrate that they can appropriately manage the operation and patron behaviour without any negative flow on effects to surrounding neighbours.

Proposal, Research and Analysis

As detailed above, the proposal submitted for Council's consideration is to permit 24/7 trading of the drive thru area of McDonalds.

A detailed assessment of the proposal together with consideration of relevant matters under section 4.15 of the *Environmental Planning and Assessment Act 1979*, including submissions, is included in the attachments.

Whilst the assessment raised some concerns in regards to potential impacts from the activity on sensitive receptors adjoining the site, it is considered that with the implementation of appropriate mitigation measures that both activities can successfully co-exist and not have any negative impacts on one another or the locality.

In this regard, it is recommended that any consent include a reviewable condition, that enables Council to review the increased hours of operation of the drive-thru area after a 12 month trial period, or at any time upon the provision of 14 days notice to the proprietor if complaints are received by Council in regards to any adverse impacts on adjoining properties.

Additionally, it is recommended that the entire southern car park area of the site and south western exit onto Marsh Street, be closed off between 12 midnight and 5.00am, with all vehicles to exit via Rusden Street. Such condition is to prevent vehicles from parking and/or exiting along the southern area of the site adjoining the motel, which will hopefully further mitigate noise and amenity impacts on the business.

Further conditions to address noise and amenity concerns have been included in the proposed conditions of consent, included in the attachments.

The Application has also been referred to the NSW Police force who have not raised any objection to the proposed 24/7 operations.

Impact

Any impacts from the proposal have been considered in detail in the attached assessment report.

Summary

Granting consent for McDonalds to operate the drive-thru area 24 hours a day, 7 days a week could provide some night time economy and with the modification including a reviewable condition on the hours of operation, Council has the ability to trial the operations and review the impact of the extended hours after 12 months, or at any time if complaints are received, and determine if the impact on the adjoining owners is alleviated.

Item:	11.3	Ref: AINT/2019/18957
Title:	FOR DECISION: Local Strategic Planning Statement, Masterplan and Merged Local Environmental Plan	Container: ARC19/3364
Author:	Ambrose Hallman, Service Leader Sustainability and Development	
Attachments:	Nil	

RECOMMENDATION:

- a) **That the Planning Proposal to merge the Armidale Dumaresq Local Environmental Plan 2012 and Guyra Local Environmental Plan 2012 into one merged Local Environmental Plan be placed on hold until the completion of the State mandated Local Strategic Planning Statement.**
- b) **That Council commence the process of preparing the Local Strategic Planning Statement for the whole Armidale Regional Council Local Government Area in conjunction and with the Masterplan.**

Context

Armidale Dumaresq Council and Guyra Shire Council were merged on 12 May 2016 to form Armidale Regional Council. Since the merger Armidale Dumaresq Local Environmental Plan 2012 (ADLEP 2012) has continued to apply to land within the former Armidale Dumaresq Local Government Area (LGA) and the Guyra Local Environmental Plan 2012 (GLEP) has applied to land within the former Guyra Shire.

Council staff prepared the merged Local Environmental Plan (LEP) document including maps to present to Council's July 2019 meeting recommending that a Gateway determination be requested from the Department of Planning Industry and Environment (DPIE).

On 4 July the DPIE advised Councils in the New England North West that they are required to complete their Local Strategic Planning Statement (LSPS) by 30 June 2020. During discussion concerning the LSPS and the Merged LEP, DPIE recommended that Council hold off on the merged LEP until the LSPS has been completed.

The LSPS will identify the strategic direction of for the Local Government Area and will also be used to inform future updates of the Regional Plan.

Purpose

- To ensure community engagement is consistent as the Masterplan and the LSPS projects are looking at the next 20 year horizon in land use planning while the merged LEP project is focused on merging the existing planning documents.
- To allow council staff to focus on the preparation of the LSPS and Masterplan.

Proposal, Research and Analysis

The merged LEP is a document that will have a short shelf life as it can not make any major changes to the existing planning framework that was in place prior to the amalgamation, without the DPIE requiring other supporting studies ie: biodiversity, commercial and industrial land reports.

The Local Strategic Planning Statement and Masterplan documents however will be future focused to help guide the growth and development of the whole region. Undertaking the

MasterPlan and LSPS projects in parallel together should result in better strategic documents being developed in collaboration with the whole community.

It is for this reason it is proposed to redeploy the resources assigned to the merged LEP into the development of the LSPS and supporting the MasterPlan consultant.

Merged LEP

Armidale Dumaresq Council and Guyra Shire Council were merged on 12 May 2016 to form Armidale Regional Council. Since the merger, Armidale Dumaresq Local Environmental Plan 2012 (ADLEP 2012) has continued to apply to land within the former Armidale Dumaresq Local Government Area (LGA) and the Guyra Local Environmental Plan 2012 (GLEP) has applied to land within the former Guyra Shire.

On 1st July 2019, part of the Armidale Regional Council LGA being the Tingha township and surrounding lands was transferred to Inverell Shire Council and remains subject to the GLEP 2012 until such time as an amendment is made by Inverell Shire Council to Inverell LEP 2012. The NSW Department of Planning and Environment (DPE) have prepared documents titled *Guidance for merged councils on planning functions* which sets out land use planning matters for new councils to consider whilst implementing a merger.

Accordingly, Council's Strategic Planning Officers have been preparing a merged LEP for Armidale Regional Council LGA.

Local Strategic Planning Statement

In March 2018, amendments to the Environmental Planning & Assessment Act (EP&A Act) introduced new requirements for councils to prepare and make Local Strategic Planning Statements (LSPS).



Local Strategic Planning Statements will set out:

- The 20 year vision for land use in the local area;
- The special characteristics which contribute to the local identity;
- Shared community values to be maintained and enhanced;
- How growth and change will be managed into the future.

The LSPS will be a pivotal tool for local strategic planning for Armidale Regional Council. The Statement will:

- Inform local statutory plans and development control plans;
- Give effect to the New England and North West Regional Plan;
- Identify where further strategic planning efforts may be needed;
- Act as a unifying document, drawing together and incorporating planning priorities throughout State, regional, district and local areas;
- Will shape how the LEP and DCPs evolve over time.

The LSPS is to be a concise and easy to understand document that will allow community members to understand and contribute to the future direction of land use in the Armidale Regional Council Local Government Area (LGA).

The LSPS will identify planning priorities for Armidale Regional Council and explain how these are to be delivered. They will also demonstrate how Council will monitor and report on the implementation of the priorities.

The LSPS focuses on the vision and priorities for land use in the local area whereas Community Strategic Plans (prepared under the Local Government Act 1993) have a broader focus on achieving the long term social, environmental and economic aspirations of the community.

The LSPS will be informed by strategic and community planning work undertaken across the Armidale Regional Council during the Masterplan preparation, making it a key resource to understand how strategic and statutory plans will be implemented at the local level.

Regional Councils must have their LSPS in place by 1 July 2020. LSPS's are intended to be a live policy – rather than a static document, fixed at one point in time. In addition to being reviewed at least every seven (7) years, the LSPS should be revised on an ongoing, as-needs-basis, to ensure that it continues to reflect the community's views on the future desired state for the local area and to ensure it remains responsive, relevant and local.

MasterPlan.

Council has received two responses to the request for quotations for the preparation of the masterplan. We have asked both consultants to provide additional information on the methodology to ensure we engage and collaborate with the whole community in the preparation of the MasterPlan.

The MasterPlan is aimed to develop a comprehensive vision for the Armidale region by:

- Serving its current and future residents within the city and region;
- Engaging, inspiring, motivating and embraced by the diverse people who make up our community ;
- Providing a broad blueprint to guide future development and land use for public bodies, private investment and the people who live, work and play in our region;
- Respecting and conserving the biodiversity of the city and region;
- Enabling residents, workers and visitors to access and enjoy the facilities and locations that the city and region has to offer;
- Facilitating the revitalisation of the city to serve as a hub for the wider region;

- Capitalising on both the challenges and the opportunities of long -term thinking with immediate initiatives, both public and private; enhancing our region's viability, image and public domain;
- Rewarding community confidence through 'smart city' living and regional prosperity.

Additional benefits of the Masterplan will be:

- Clarity: of direction and certainty for Council, the community and the private sector.
- Integration: of different fields (eg. transport, environmental, community services, urban design, infrastructure, etc.) to achieve enhanced gains.
- Alignment: between infrastructure investment priorities, and policy and planning directions.
- Support: for Federal/State funding submissions for key infrastructure projects.

The Local Strategic Planning Statement and Masterplan are documents which are future focused to guide the growth of the region. Undertaking these two projects together should assist in developing better strategic documents which has been prepared in collaboration with the community. It is beneficial to undertaken the preparation of these two plan in parallel os each other.

The merged LEP however is a short term project that can not make any major changes to the existing planning framework that was in place prior to the amalgamation.

Impact

Delaying the development of a single LEP is unfortunate; however the impact will be principally on Council's regulatory officers having to work under two different planning documents. This is however considered reasonable.

The development of the Masterplan and Local Strategic Planning Statement may recommend a new comprehensive LEP be prepared as a matter of urgency to enable actions from the Masterplan and LSPS to be implemented.

The timeframe for the LSPS and masterplan is to be completed by 30 June 2020, however it is extremely importance for both project to have a high level of community participation.

Summary

Due to advice from the Department of Planning Industry and Environment, it is proposed to refocus Council's resources on the development of the LSPS and the MasterPlan rather than merging the two LEPs into one.

Item: 13.1 **Ref:** AINT/2019/19017
Title: FOR INFORMATION: Cash and Investment Report July 2019 **Container:** ARC16/0001-4
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. Investment Reporting Pack - 2019-07-31

RECOMMENDATION:

That Council receive and note the Cash and Investment Report July 2019.

Context

As at 31 July 2019 Council held \$70,766,725 in cash and investments excluding the Trust Fund.

Purpose

The Cash and Investment Report provides an overview of cash and investments for the period 1 July 2019 – 31 July 2019 and compliance with Council policy.

Proposal, Research and Analysis

Cash and Investments

Council's at call account balances were as follows:

Bank Account	July 2019	June 2019 comparative	Movement
Cash at Bank			
General Fund	0	13,447	(13,447)
Trust Fund	1,460,838	1,459,073	1,765
Total	1,460,838	1,472,520	(11,682)
High Interest Savings and IM Funds			
High Interest Account	11,520,744	9,891,681	1,629,063
TCorp	5,245,981	5,236,392	9,589
Total	16,766,725	15,128,073	1,638,652

A daily sweep occurs to clear the balance of the general fund bank account to a nil balance with excess funds deposited into the High Interest Earning account.

During the month the following cash flows occurred. This also includes the transfers to and from the High Interest Account for the daily sweep.

	July 2019	June 2019 Comparative
Receipts	16,221,935	19,183,539
Payments	(16,233,617)	(19,186,488)
Net	(11,682)	(2,949)

There is a net increase in total cash and investments of \$2,638,652 from the previous month, as a result of water bills falling due at 31 July 2019 and large block of government funding received during July.

Opening Balance 1/7/2019	68,128,073
Redemptions of Investments	(4,000,000)
Reinvestments of funds	5,000,000
Net transfer to High Interest Account	1,636,636
Increased principle due to maturities	2,016
Closing Balance	70,766,725

Restricted Reserves are currently under review, with an up to date calculation being included as part of the annual financial statement audit.

As per the attached investment register (refer Attachment 1 section 2), the investments are diversified across a range of institutions, with no one institution exceeding 35% of average annual funds invested to ensure the portfolio is in line with the Investment Policy.

Investments with a S&P Long Term Rating of BBB have been utilised to their limit, as these Investments are providing a higher return. The exposure to these investments is now over 50% of the Term Deposit Portfolio and 42% of the entire Investment portfolio. As these investments mature over the next 12 months, investments with an alternate rating will need to be sourced to ensure the exposure across the rating system is in line with the Investment Policy.

Investment Yield

The Council has invested in Term Deposits which have rates of return higher than the 30 Day BBSW Index. By investing in High Interest Savings Accounts this reduces the average yield across the entire portfolio to be more in line with the 30 day BBSW index.

Armidale Regional Council has out performed the RBA Cash rate, the 3 month BBSW and the AusBond Bank Bill Index, for all 12 terms up to July 2019.

The Council is continually researching and identifying ways to invest excess funds. With the RBA electing to decrease the cash rate by a further 0.25bp in July to its lowest point of 1.00%, investment in Term Deposits for a term of less than 12 months, it is becoming more difficult to realise returns of more than 2.00% for new investments.

Currently the Average Weighted Yield for The Council is 2.58%. At the same time last year the yield was 2.65% (which was the highest since August 2017). This slight decrease of 0.07% is a relatively strong outcome with the cash rate decreasing 0.5% during the same period.

With a further 2 interest rate cuts predicted in the next 12 months, and the Investment Policy due to be reviewed, a longer term outlook may need to be considered when investing.

The Council's adopted Long term Financial Plan (LTFP) should be drawn upon as the basis when investing Longer Term. This will ensure adequate funds are available for the projects identified in the LTFP at an appropriate time.

Impact

The current Institution Rating split across the S& P Long Term Rating Scale will require additional attention as the investments fall due. This is due to, the amount invested with any one Institution, based on their S&P rating, has been reduced to restrict single exposure. This will impact the return on investments, as typically the lower credit rating investments have a higher return. It should also be noted that some high term credit rating investments (such as AMP)

have set limits on how much we can invest with them. This adds an additional hurdle when investing.

The Council has again branched out to find new institutions to invest funds. During July a new Term Deposit was entered into with Bank Vic (previously known as the Police Credit Co Op). It is one of Victoria's largest Mutual Banks with assets in excess of \$1.3B. It has a short term credit rating of A2 and falls in line with the Council's Investment Policy. Offering returns of 1.95% and 2.1% for 12 months, this provided Council with an opportunity to spread exposure across another institution whilst receiving higher returns.

All of Council's investments for the period ending 31 July 2019 are in accordance with:

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

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

Summary

The Cash and Investment Report provides an overview of cash and investments to 31 July 2019 and demonstrates compliance with Council policy. Investment yields for new investments are lower than previously available; however, all investment options are being investigated with consideration of longer term investment options to be assessed for suitability.

Item: 13.2 **Ref:** AINT/2019/19093
Title: FOR INFORMATION: Monthly Financial Report July 2019 **Container:**
ARC16/0001-4
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. Monthly Financial Report July 2019

RECOMMENDATION:

That Council receive and note the Monthly Financial Report July 2019.

Context

Monitoring of YTD actual performance to budget is important to ensure that expenditure remains within available financial resources.

Purpose

The monthly financial report is provided to assist with monitoring the financial position of Armidale Regional Council; and ensure that sound financial management practices are employed to ensure expenditure remains within available financial resources.

Proposal, Research and Analysis

The monthly financial report is provided for the following funds:

- General Fund
- Water Supply Fund
- Sewer Supply Fund
- Consolidated

More detailed operating and capital budget reports are also provided.

General Fund

The General Fund is forecast to make an operating surplus of \$20k in 2019/20. The operating result as at 31 July 2019 was \$23m but this is because rates have been levied and recognised as income in the July period. As the year progresses expenditure will increase and will offset the surplus to bring the budget into closer alignment with the forecast operating position.

The net budget position represents the forecast cash impact of Council's operating and capital results for the year. Council's forecast is for a positive cash impact in 2019/20 to assist with reducing cashflow risk and improving the level of unrestricted cash. The main risk to the forecast cash position at this time is that the budget for land sales included the disposal of the former Kolora building, which may not be realised.

Water Supply Fund

The Water Fund is forecast to make an operating surplus of \$974k in 2019/20. The operating result as at 31 July 2019 was \$1.6m but this is because annual charges have been levied and recognised as income in the July period. As the year progresses expenditure will increase and will offset the surplus to bring the budget into closer alignment with the forecast operating position.

Council has budgeted for a negative cash impact in 2019-20 of \$2.0m due to the requirement to undertake capital works. These works will be funded from the water supply reserve fund.

Sewer Supply Fund

The Sewer Fund is forecast to make an operating surplus of \$1.0m in 2019/20. The operating result as at 31 July 2019 was \$5.5m but this is because annual charges have been levied and recognised as income in the July period. As the year progresses expenditure will increase and will offset the surplus to bring the budget into closer alignment with the forecast operating position.

Council has budgeted for a negative cash impact in 2019/20 of \$886k due to the requirement to undertake capital works. These works will be funded from the sewer supply reserve fund.

Consolidated

The Consolidated forecast to make an operating surplus of \$2.0m in 2019/20. The operating result as at 31 July 2019 was \$30m but this is because rates and annual charges have been levied and recognised as income in the July period. As the year progresses expenditure will increase and will offset the surplus to bring the budget into closer alignment with the forecast operating position.

Council's revised budget is for a negative cash impact of \$1.6m in 2019/20, which relates to capital works to be undertaken on water and sewer infrastructure. These works will be funded from the water and sewer supply reserve funds.

Impact

The adopted budget does not have provision for overspends or for initiatives not included in the original budget and, as a result, must be closely monitored to ensure that actual expenditure remains within available financial resources. Introduction of any new initiatives requiring expenditure or overspends will require us to make adjustments to either the quantum or quality of projects and services to accommodate. Any overspends or new initiatives identified outside of the original budget must have an accompanying funding source.

Summary

The monthly financial report provides information on Council's actual to budget performance.

Item: 13.3 **Ref:** AINT/2019/19021
Title: FOR INFORMATION: Summary of Resolutions of Council February 2019
- July 2019 **Container:** ARC16/0001-4
Author: Jessica Bower, Executive Officer
Attachments: 1. Resolutions of Armidale Regional Council - February 2019 to July
2019

RECOMMENDATION:

That the report outlining resolutions of Council from February 2019 to July 2019 and actions carried out, be noted.

Context

The attached document is a progress report on the implementation of resolutions of Council.

Purpose

This report aims to inform Councillors on the work carried out by Council Officers on the implementation of Council resolutions.

Proposal, Research and Analysis

Not applicable.

Impact

The resolutions outlined in the attachment have been previously adopted by Council. The impacts of each of the resolutions are varied and were outlined in the original reports to Council.

Summary

This report is for information purposes only and will be provided on a monthly basis for the previous six months.

Item: 16.1 **Ref:** AINT/2019/19173
Title: FOR DECISION: Minutes - Traffic Advisory Committee - 6 August 2019
Container: ARC16/0168
Author: Belinda Ackling, Personal Assistant
Attachments: 1. Minutes - Traffic Advisory Committee - 06 August 2019

RECOMMENDATION:

- a) That the Minutes of the Traffic Advisory Committee meeting held on 6 August 2019 be noted and endorsed.
- b) That the Special Event Transport Management Plan for the Armidale Markets in the Mall be endorsed as per the application.
- c) That approval be granted for the routes provided by the Armidale Triathlon Club for the 2019/2020 event season commencing 20 October 19 and conclude 29 March 2020, be approved in accordance with the submitted Transport Management Plan.
- d) That conditional approval be provided for the road closure routes required for the NESCC Rally Sprint, full approval will be provided on receipt of Police endorsement.
- e) That the new Public Liability for NESCC Rally Sprint event be provided prior to the event.
- f) That a 10 mt Loading zone be installed in front of the Armidale Central Shopping Centre in Jessie Street on the northern side of the current Taxi Zone.
- g) That a loading zone in Marsh Street be installed using one parking space either side of the Pet Shop driveway adjacent to 100 Marsh Street.
- h) That the request for a Loading Zone in Beardy St (between Dangar & Jessie St) has the potential for a loading zone on the eastern side of Beardy Street midblock. The use of the old IGA Loading dock will be investigated prior to approval.
- i) That the existing 2 x 2hr parking bay in Moore St adjacent the Mall Arcade be endorsed as a temporary 'No Parking - Driverless Bus Excepted' for the ARDi trial period.
- j) That the 2 x ¼ Hr parking spaces adjacent to the New England Hotel in Dangar St be approved for a temporary 'No Parking Driverless - Bus Excepted' for the ARDi trial period.
- h) That a BB centreline (anti skid) be installed in Moore Street.
- i) That the No Parking zone in front of the Town Hall be extended to incorporate 1hr parking bay on the east end of the parking zone for the period of the ARDi trial.
- k) That reinforcement speed signs be installed near Meredith Road and Park Road for entering and exiting traffic.