



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 22 February 2023
4pm

at

Armidale Council Chambers

Members

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

AGENDA

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Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Oath or Affirmation of Office

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

Ethical decision making

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

Conflict of interest

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

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

The test for conflict of interest

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

Identifying problems

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

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

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

Local Government Act 1993 and Model Code of Conduct

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

Disclosure of pecuniary interests / non-pecuniary interests

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

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

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

Item:	5.1	Ref: AINT/2023/00921
Title:	Minutes of Previous Meeting held 14 December 2022	Container:
	ARC16/0001-8	
Responsible Officer	General Manager	
Author:	Melissa Hault, Executive Officer	
Attachments:	1. Draft OCM Minutes - 14 December 2022	

RECOMMENDATION:

That the Minutes of the Ordinary Council meeting held on 14 December 2022 be taken as read and accepted as a true record of the meeting.

Item: 5.2 **Ref:** AINT/2023/03003
Title: Minutes of Extraordinary Council Meeting held 30 January 2023
Container: ARC16/0001-8
Responsible Officer: General Manager
Author: Melissa Hoult, Executive Officer
Attachments: 1. Draft Extraordinary Council Meeting Minutes - 30 January 2023

RECOMMENDATION:

That the Minutes of the Extraordinary Council meeting held on 30 January 2023 be taken as read and accepted as a true record of the meeting.

Item:	6.1	Ref: AINT/2023/02928
Title:	Mayoral Minute - Recognising the Achievements of Richard Deakin OAM with Keys to the City	Container: ARC16/0025-7
Responsible Officer	General Manager	
Author:	Sam Coupland, Mayor	
Attachments:	Nil	

1. Purpose

This Minute is to recognise the achievements of Richard Deakin OAM and to award him with the Keys to the City

2. OFFICERS' RECOMMENDATION:

That Council award the Keys to the City of Armidale to Richard (Tony) Deakin OAM in recognition of his connection to Armidale and the outstanding contribution he has made to the architecture of Armidale.

3. Keys to the City/Town

The granting of the Keys to the City is a symbolic presentation that represents the highest honour that a city can confer on an individual or an organisation. In the case of individuals who have given a particularly high level of long-term service and contribution to the community over and above the criteria outlined for the Australia Day Awards.

The Keys to the City is traditionally presented by the Mayor at an appropriate official Ceremony/Civic Reception to acknowledge the achievement/contribution of an individual or organisation in furthering the ideals of the city. It may be awarded to recognise outstanding achievement in sport, community or humanitarian work by a resident of the Armidale Regional Council Local Government Area at an International or National level.

4. Summary of Accomplishments

Mr Deakin joined the architecture firm Magoffin and Deakin in 1965 where he travelled from Sydney to Armidale two days a week from 1965 until the end of 1972, travelling by DC3 aircraft for the first several years and staying overnight at Tattersall's Hotel when required. Mr Deakin and his family moved permanently to Armidale at the end of 1972.

Reg Magoffin and Tony Deakin went into part partnership as Magoffin and Deakin in 1974. R J Magoffin retired in 1984 but the Firm's name Continued as Magoffin and Deakin.

The Firm's offices were in 'Birida' for 20 years, in Hanna's Arcade from 1986 -1996 and since then in the Catholic Church Office building at 172 Dangar St. (Both buildings were designed by Magoffin and Deakin.)

Tony Deakin retired in 2005 in his 52nd year as an architect, and in the firm's 32nd year. The firm was bought by former employee, Michael McPhillips, architect, who continues to operate under its original name. Tony Deakin has continued working for Magoffin and Deakin on a part-time consultancy basis particularly in the field of Heritage work.

Magoffin and Deakin owns most of the Hickson and Harris original drawings, which have been catalogued but not yet published. They also hold all the original hand-drawn designs and

working drawings carried out by the firm until about the late 1990's when computer documentation was introduced to the office. These records cover more than 2000 projects in all. They do not include many hundreds of house inspections for prospective purchasers, valuation reports, miscellaneous reports commissioned by solicitors, arbitrations, heritage reports and Conservation Management Plans.

The firm's architectural work nearly always comprised preparation of a brief with clients, production of sketch plans, production of working drawings and specifications, calling tenders and administering building contracts.

A summary of projects;

- Schools
 - TAS, PLC, NEGS, O'Connor Catholic High School – building included libraries, classrooms, technics workshops, arts and crafts buildings, science laboratories, boarding houses, a swimming pool, gymnasiums, music buildings, a chapel and a theatre, together with many alterations and additions to existing building.
 - Several state government school buildings, (in Tenterfield, Jennings, Ben Venue, Red Range, Garah, Bingara, Moree, Bundarra) including several projects under the recent Federal Government's Building the Education Revolution programs.
 - University and Teachers' College/CAE + TAFE Colleges –
Several miscellaneous, general minor, alterations and additions, as well as landscaping over many years (totalling 43 projects) at UNE.
Duval College Conference Centre
Moree and Tenterfield TAFE Colleges – major additions
Renovations to Smith House for ACAE.
- Hospitals and Health Care Buildings –
Armidale Hospital –
The Chapel, alterations to wards and design of new Children's Ward, Day Surgery and X-Ray Departments (in association with Carthy Architects), new Dental Surgeries, alterations to Nurses' Home, and Maternity "Motel".
New Ophthalmic Surgery building in Butler St, new doctors' surgeries in Rusden St; and alterations and additions to four other doctors' surgery buildings.
New Aboriginal Health Care Building, Broken Hill.
- Shops and Commercial Buildings
Hanna's Arcade, Beady St; Alpha Furnishers building; Rusden St Armidale Building Society building, Faulkner St; Australian Poll Hereford Society Office building; J.B. Young Shopping Centre, Queanbeyan: Dept. of Main Roads Office Building, Glen Innes; K.G. Motors Showroom; Girraween Shopping Centre and Service Centre; 7 Brothers Restaurant; Additions and alterations to two building for Treloars, Tamworth; Forsyth's Office building, Faulkner St; Paddington's Crematorium; miscellaneous additions and alterations to 4 hotels and 6 motels; several new buildings and many alterations for J Richardson & Co; New England Country Council building.
- More than 100 houses
 - Several blocks of flats, including the flats on the corner of Dangar & Brown Sts which have basalt stone walls.

- Retirement Villages and Aged-Care Accommodation
 - Autumn Lodge Armidale – every building since 1976 including four hostel blocks plus Ningana Dementia Care Hostel, Wollemi High-care Building, 42 aged-care houses and the administration wing/community building.
 - Coleman Court Retirement Village in Jessie St for the Catholic Church.
 - Several projects for the Royal Freemasons Benevolent Institution, including additions to the Armidale Masonic Village, additions to Moonbi House.
 - Kolora Hotel and Units, Guyra.
 - Hilton (now Bupa) Nursing Home Units.
- Cinemas and Theatres
 - Michael Hoskins Centre at TAS (in association with PTW Architects)
 - The Playhouse, Armidale – alterations and renovations
- Work for Local Government Councils and Government Departments
 - Armidale City Council – the original Mall and its subsequent redesign in 1988
 - Armidale Tourist Information Office and Bus Station.
 - Guyra Shire Council – Showground Pavilion
 - Pastures Protection Board buildings in Armidale and Inverell.
 - Motor Registry additions in Moree, Inverell and Armidale.
 - Police Station additions in Armidale, Inverell, Moree and Bundarra.
 - Dept. of Housing & Aboriginal Corp houses in Armidale, Guyra and Uralla.
 - Sheep research building and laboratory at CSIRO, Chiswick.
 - Dumaresq Shire Council Building 1970 and additions, Jessie St.
 - Gwydir Shire Council Living Classroom rural buildings.
 - Armidale City Council Swimming Centre buildings.
- Churches
 - St Peter's Cathedral Armidale – new north porch plus adjacent cloisters and Parish Centre.
 - St Mary's Church West Armidale – new sanctuary and new vestry additions to church.
 - St Mary and St Joseph's Cathedral Armidale – miscellaneous repairs and renovations and including the new narthex.
 - Ursuline Convent – major alternations and renovations 1982.
- Community Buildings
 - New England Regional Art Museum (Stage 1) in association with NSW Government Architect, 1983.
 - Aboriginal Cultural Centre and Keeping Place, Kentucky St, 1988.
 - Armidale Showground Pavilion, Canambe St, 2009.
 - Child Care Centres at Armidale, UNE, Glen Innes and Uralla.
 - Salvation Army building additions, Armidale.
 - Armidale Tennis Club.

A selection of major and/or interesting projects;

- First job in Armidale was the Apex Lookout D H Drummond Memorial.
- The Armidale School – designed and/or supervised the construction of almost every building at the school, both new buildings and alterations and additions since R J Magoffin's Memorial Hall in 1957, including the Michael Hoskins Centre (in association with PTW Architects). All the buildings were designed using Armidale 'blue' bricks with red brick trims to compliment the original 1893 buildings designed by Sir John Sulman.

- The Armidale Mall – original commissioned by the Armidale Council when one Beardy St was closed to traffic. The firm subsequently won a design competition for State 2 of the Mall, as it is now.
- New England Regional Art Museum (Stage 1), designed in association with NSW Government Architect, which won an RAIA Commendation Award, 1984.
- The Aboriginal Cultural Centre and Keeping Place, Kentucky St, a 1988 Bicentennial Project on which he worked on with Thelma McCarthy and Steve Widders and other members of the Aboriginal community to develop the design.
- Hanna's Arcade in Beardy St, commissioned by the Hanna family with the brief that the arcade was to have a feeling like the Strand Arcade in Sydney.
- St Peter's Cathedral – The Parish Centre was commissioned in 1973 but took 20 years to design under three different Deans, including nine alternative basic designs, but was continually delayed due to lack of funding. The new North Porch to the Cathedral as well as the Cloisters and the Parish Centre were designed to complement the Horbury Hunt buildings of the Cathedral and the Deanery. Special bricks were made by both Glen Innes and Armidale brickyards to match some of those used in the Horbury Hunt buildings.
- The old St Peter's Parish Hall, on the corner of Faulkner and Rusden Streets, was sold to help fund the new Parish Centre and was commissioned to design major additions (originally a video shop and subsequently offices).
- Catholic Church Office building on the corner of Dangar and Rusden Streets was designed to complement the other buildings on the Catholic Church site, using Armidale 'blue' bricks with yellow brick trims.
- Trim's Store restoration in Crescent Street - for the St Vincent de Paul Society. The building was nearly derelict and had a Council demolition order on it. Subsequently restored the building adding some residential units within the original 1888 building and several small houses adjacent to it. The restored building won a Council Heritage Award and a Wattyl Paints Colour Award.
- Tony Harris's house on the corner of Faulkner and Barney Streets became R J Magoffin and Son's first Armidale office and we subsequently restored and converted it to the current Lindsay House Hotel. It had been used as university student accommodation for some years and was in poor condition.
- The major additions and alterations to the Fisher Wing (1956) at The Armidale School, which won the firm's first Heritage Award in 1991.
- The Poll Hereford Society offices on the Uralla Road was the subject of our second Council Heritage Award in 1992.

Miscellaneous Other Projects

Guyra Bowling Club – This was Tony's first project in Guyra in the winter of 1966. We came out from the opening ceremony dinner to find the car windscreen covered in ice, our first experience of the phenomenon.

- The oldest house worked on was alterations and renovations to Ohio Homestead, built in 1840.
- Involved with the Armidale Rotary Club in repairs and renovations to the hospital on Tanna Island Vanuatu.

- Involved in the St Peters Cathedral Bells project, to the extent of detailing the design of the bell frames and reconstruction of the stairs in the tower. The bells and their frames were built by the Whitechapel Foundry in London.
- Over a number of years we have carried out alterations and additions work at the Armidale and Tamworth hospitals.
- Recently completed additions, alterations and renovations/restorations to an 1882 house in Burgess St, originally built by the Burgess Family, later owned for many years by Jacky Baker, the jockey on Phar Lap in his first win in 1928.

Achievements

- Mr Deakin was Mayor in 1987.
- In 2000 Mr Deakin was awarded the medal of the Order of Australia General Division for Services to the Community particularly in the field of Architecture.

Item:	7.1	Ref: AINT/2023/02989
Title:	Council Actions Report January 2022 - January 2023	Container:
	ARC16/0001-8	
Responsible Officer	General Manager	
Author:	Melissa Hoult, Executive Officer	
Attachments:	1. Action Items Report 22 Feb 2023 OCM	

1. Purpose

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

2. OFFICERS' RECOMMENDATION:

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

3. Background

This is a standard monthly report.

4. Discussion

The resolutions outlined in the attachment have been previously adopted by Council. This report is designed to track progress on implementation from January 2022. Actions marked complete will be reported to Council once and then removed from subsequent reports.

5. Implications

5.1. Strategic and Policy Implications

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

5.2. Risk

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

5.3. Sustainability

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

5.4. Financial

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

6. Consultation and Communication

This report informs Councillors and the community and increases transparency.

7. Conclusion

The information is for noting only.

Item:	8.1	Ref: AINT/2023/02434
Title:	2022-23 Second Quarter Budget Review	Container: ARC20/4361
Responsible Officer	Chief Financial Officer	
Author:	Piyush Joshi, Coordinator Management Accountant	
Attachments:	1. 2022-23 Council Quarterly Budget Review Report Q2 FINAL	

1. Purpose

The purpose of this report is to provide Council with information on the 2022-2023 Revised Budget position and to obtain approval to amend the adopted budget for those amounts.

2. OFFICERS' RECOMMENDATION:

That Council:

- Note the 2022-2023 Second Quarter Budget Review.
- Note the proposed revised 2022-2023 budget produces an unrestricted cash forecast of \$4.993 million
- Note the proposed revised 2022-2023 operating surplus/ (deficit) budget as per table below:

Fund	Operating Surplus / (Deficit) ('000	Operating Surplus / (Deficit) ('000	Operating Surplus / (Deficit) ('000)
	ORIGINAL	QBR 1	QBR 2
General	(\$3,193)	(\$4,708)	(\$4,899)
Water	\$1,285	\$1,632	\$1,637
Sewerage	\$912	\$1,739	\$1,765
Consolidated Result	(\$996)	(\$1,337)	(\$1,496)

- Resolve to adopt the amendments in the 2022/23 budget in accordance with the Quarterly Budget Review Statement for the period 1 October 2022 to 31 December 2022 tabled in the attachments.

3. Background

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

The document attached to this report, 2022-23 Second Quarterly Budget Review Statement (QBR2), is provided in the format required by the Office of Local Government *Quarterly Budget Review Statement for NSW Local Government*, which outlines the minimum disclosure requirements. Council has the option to show the QBR2 at a consolidated level or by fund. For the purpose of transparency, the statement contains the impact of the quarterly budget review by fund. A consolidated result is also included.

As required by the Office of Local Government, QBR2 is attached and includes the following documents in order:

1. Income Statement (containing operating income and expenses) by fund
 - 1.1 Operating budget adjustment by fund
2. Capital Budget by fund
 - 2.1 Capital budget adjustments by fund
3. Cash & Investments by fund – movement in unrestricted cash and internal and external reserves
4. Cash & Investments position
5. Key Performance Indicators by fund
6. Contracts entered into and Consultancy/Legal expenditure.

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

4. Executive Summary

The Quarterly Budget Review Statement (QBR2) presents a summary of Council's financial position at the end of the second quarter for the financial year ended 30 June 2023.

The quarterly budget review process is the mechanism through which Council and the Community are informed of Council's progress against the Operational Plan (annual budget), together with recommendations for changes and reasons for budget variations.

The December Quarterly Budget Review shows an unfavourable operating adjustment with the projected 2022/23 operating result (before capital items) changing from a projected operating result deficit of (\$1,337,000) as per the 2022/23 approved September 2022 Quarterly Review to an overall projected operating deficit at 30 June 2023 of (\$1,496,000). This is a net change of \$159,000 this quarter.

Budgeted capital expenditure is expected to decrease by \$125,000. This will increase expected net capital expenditure from \$103,829,000 as per the 2022/23 approved September 2022 Quarterly Review, to \$103,703,000.

5. Discussion

QBR2 covers the period October – December 2022; however, up to date information is included in the budget forecast.

QBR2 was conducted in order to:

- Review Council's current financial position;
- Identify savings, deferral of expenditure, potential budget overruns and additional funding sources where necessary;
- Improve Council's financial sustainability; and
- Identify carry-forward expenditure (where required).

The activities undertaken as part of the Quarterly Budget Review (QBR) include:

- Identification of expenditure savings or potential budget overruns. For budget overruns, the budget review process requires the budget owner to firstly aim to contain the overrun within their own budget, by identifying funding that can be transferred from within their own budget. If that is not possible, then funding should be identified within the relevant Directorate. If that is not possible, then a funding source may be determined in consultation with the Executive Leadership Team (ELT). The ELT may require for the project to be re-scoped to reduce the impact of the potential overrun.
- Identification of deferred expenditure. For example, projects that were planned for 2022-2023 but are now expected to be undertaken in 2023-2024. This mainly occurs in the capital program.
- Identification of additional funding sources or potential revenue shortfalls. The process for dealing with revenue shortfalls is similar to budget overruns (i.e. aim to contain the shortfall within the budget area, or the Directorate, or ELT consultation). Where additional revenue is expected above budget, the source of the additional revenue will be considered and whether it is appropriate to return any overall budget improvement to a reserve.
- Identification of new projects that require recognition of both revenue and expenditure. For example, a new grant that Council has successfully obtained since the original budget was adopted.
- Re-alignment of expenditure against budget i.e. where actual costs may be allocated to a different line item than the budget, creates a need to reallocate funds within the budget. An example is if a budget was allocated in the “materials and contracts” category but actual expenditure was allocated to the “other expenses” category. Realignment of budget between “materials and contracts” and “other expenses” is required.

The overall aim of the budget review process is two-fold:

- To identify where expenditure and revenue are not tracking against budget and to adjust where necessary; and
- To maintain the Council’s forecast financial position for the remainder of the financial year, in respect of the operating result and the unrestricted cash position.

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

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

2022-2023 Operating Budget

There are a range of budget movements outlined in the report attachment which includes detailed explanations of the movements.

Overall, the consolidated position has fallen from the adopted budgeted net operating deficit of (\$0.996m) to a budgeted net operating deficit of (\$1.496m), a fall of \$0.500m.

Budgeted Capital Grants and Contributions increased by \$0.265m predominantly from development contributions due to higher development activity.

The budget amendments proposed are:

- Increase in user fees and charges and other revenue due to increase in activity \$30,000; mainly in sports field lease income.
- Increase in operating grants and contributions income \$106,000; Major contributors are \$70,000 for Active Transport Plan for Cycling, \$9,000 for Education and training grants and \$27,000 for Library (State Library funding), Museum (Community Heritage grant) and visitor centre (donation received).
- Increase in material and contractor costs of \$120,000, includes new grant project for Active Transport Plan for cycling \$70,000 forecast to be spent in the current year, and \$30,000 in FY2023-24 (Council is required to contribute \$20,000 to the Grant amount, making the total costs \$100,000) and \$42,000 for an urban forest contract not previously included in the budget.
- Other Expenses are higher by \$118,000, predominantly due to increases in fuel price and electricity.
- Increase in depreciation \$40,000 as additional depreciation on I.T. assets.

2022-2023 Capital Budget

2022/23 Capital Program

QBR52 shows a net decrease of \$1.3m in the capital program, with the capital budget decreasing from \$97.9m to \$96.6m.

Significant changes in the capital budget include:

- A \$1.2m deferral of expenditure (from reserves) in the forecast for the Long Swamp Road Baler, placed on indefinite hold, and Waste Transfer Station Upgrades 22/23 \$200,000 will start next year. This amount is partially negated by increased expenditure on the weighbridge at Long Swamp Road \$255,000.
- A \$119,000 reduction in the forecast for the Sewer fund as the final work proposal from Public Works Advisory (PWA) was less than originally estimated for the Armidale Sewer Treatment Plant (STP) upgrade.

These projects will be predominantly funded from grants.

It was noted during the preparation of this report that there will be a requirement to change the methodology for the recording of expenditure from Reserves when taking up original Operational Plan figures, to more accurately reflect Reserve Balances.

Budgetary transfers (in and out of Reserves) during the year are disclosed at a high level. While detailed entries to Reserves are performed as part of year end reconciliations and preparation of the annual financial statements, quarterly Reserve movements are not currently reflected at

a detailed level in the attached report. The Finance team are working on a process to provide detailed quarterly reserve movements within the Quarterly Budget Review Statement.

Implications

5.1. Strategic and Policy Implications

The quarterly budget review process contributes to:

- Council's Delivery Program 2022-2026 theme category of "Restore and Thrive" 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

QBRs2 and subsequent budget reviews provide the opportunity to review the actual position against the adopted budget, providing transparency and highlighting potential financial risks.

Council resolved to adopt a deficit budget for FY2023, the QBRs2 outcome at consolidated level remains steady should Council resolve the proposed amendments to the 2022-2023 budget for the period 1 October to 31 December 2022. It is notable that the economic risks associated with the financial position and cash reserves for the future is highly dependent on:

- 1) Effective budget management and;
- 2) The continuation of maintaining services at existing levels to remain within the funding available.

Other risk areas include: Water income is highly dependent on weather conditions, completion of major capital projects are dependent on supply chain and weather conditions and approval of funding where the projects are funded from external income (i.e. grants). Interest income is dependent on economic conditions.

5.3. Sustainability

Through an in-depth review process, Managers reviewed their adopted budget against planned operational activities. The amendments to the budget are predominantly movements to re-align the budget to match actual expenditure. Other identified amendments outlined in the operating and capital adjustments are partly due to:

1. Deferral of activities to the 2023-2024 financial year;
2. Review of operational activities against Council priorities;
3. Constraints in relation to labour resourcing, supply chain and delivery of programmed works; and
4. Improved revenue funding streams.

Some minor operational budget overruns required attention. These overruns were managed and offset by identified savings and re-alignment of the budget with expenditure. Managers are

aware that financial sustainability is a priority and will remain frugal in managing their respective budgets.

The recommendation for the Council to resolve to amend the 2022/23 budget in accordance with the budget review statement for the period 1 October 2022 to 31 December 2022 as tabled at the attachment will contribute to the economic sustainability of the Council.

5.4. Financial

Budget Area:	All – as per quarterly budget review attachments						
Funding Source:	Various						
Budget Ref: (PN)	Description	Original Approved Budget \$'000	Actual 31/12/22 \$'000	Committed @31/12/2022 \$'000	Proposed QBR2 Adjustment \$'000	Total Forecast	Remaining Budget
OPERATIONAL BUDGET							
GENERAL FUND							
2	REVENUE	\$62,782	\$38,094	\$0	\$87	\$64,302	\$26,208
2	EXPENDITURE	\$65,975	\$32,833	\$8,697	\$285	\$69,200	\$27,670
2	NET OPERATING SURPLUS/(DEFICIT)	(\$3,193)	\$5,260		(\$199)	(\$4,899)	
WATER FUND							
3	REVENUE	\$12,962	\$7,604	\$0	\$20	\$13,462	\$5,858
3	EXPENDITURE	\$11,677	\$4,961	\$439	\$15	\$11,825	\$6,425
3	NET OPERATING SURPLUS/(DEFICIT)	\$1,285	\$2,643		\$5	\$1,637	
SEWER FUND							
4	REVENUE	\$9,589	\$8,795	\$0	\$30	\$10,062	\$1,267
4	EXPENDITURE	\$8,677	\$4,056	\$272	\$3	\$8,297	\$3,969
4	NET OPERATING SURPLUS/(DEFICIT)	\$912	\$4,739		\$27	\$1,765	
CAPITAL BUDGET							
GENERAL FUND							
20	FUNDING	\$89,404	\$13,570	\$0	(\$6)	\$81,712	\$68,142
20	EXPENDITURE	\$89,404	\$12,812	\$12,422	(\$6)	\$81,712	\$56,478
20		\$0	\$758		\$0	\$0	
WATER FUND							
22	FUNDING	\$12,607	\$3,603	\$0	\$0	\$18,676	\$15,073
22	EXPENDITURE	\$12,607	\$8,937	\$2,695	\$0	\$18,676	\$7,043
22		\$0	(\$5,334)		\$0	\$0	
SEWER FUND							
23	FUNDING	\$1,550	(\$0)	\$0	(\$119)	\$3,316	\$3,316
23	EXPENDITURE	\$1,550	\$87	\$46	(\$119)	\$3,316	\$3,183
23		\$0	(\$87)		\$0	\$0	

The net result of QBR2 is a consolidated operating deficit of (\$1.496m) compared to the adopted estimated consolidated operating deficit of (\$0.996m), representing an increase in the consolidated deficit of \$0.500m.

The General Fund continues to be a key focus of the budget review. The forecast operating deficit of the General Fund has increased by (\$1.706m) from a deficit of (\$3.193m) to (\$4.899m). This is primarily due to increase in fuel costs, electricity costs and contractor costs which are partially negated by additional operating grant revenue.

The projected General Fund deficit position of (\$4.899m) is inclusive of the forecast surplus position of the Waste Operations of \$2.8m and revenue from the Roads to Recovery (RTR) grant funding of \$1.5m. The surplus cash position from the waste business should be placed into reserve to provide funding for landfill rehabilitation liabilities and funding from the RTR grant is used in the capital program.

The table below shows if these items are removed from the revised Budget result, a forecast deficit of (\$9.2m) will result in the General Fund and a (\$5.86m) deficit at the consolidated level. The table below demonstrates the near \$9m funding deficit that exists in the General Fund and the extent of work required to bridge that gap. This reinforces the importance of the proposed 50% SRV to help provide a sustainable future for the General Fund.

Table showing the impact of removal of Waste Operations Surplus and RTR Grant on the Budget Position.

	General Fund	Water Fund	Sewer Fund	Consolidated
	\$m	\$m	\$m	\$m
Adopted Budget Forecast	-3.2	1.3	0.9	-1
QBR1 budget adjustments	-1.5	0.3	0.8	-0.3
QBR2 budget adjustments	-0.2	-	0.1	-0.2
Revised Budget Forecast	-4.9	1.6	1.8	-1.5
Deduct Waste Operations Surplus	-2.8	-	-	-2.8
Deduct Roads to Recovery (RTR) Grant (Operating Grant spent in the Capital Program)	-1.5	-	-	-1.5
Revised Budget position after deduction of Waste Surplus & RTR Grant	-9.2	1.6	1.8	-5.8

Unrestricted cash is forecast to be higher at 30 June 2023 than the 2022-2023 adopted budget balance of \$4.893m with the year end result forecast at \$4.993m mainly due to Operating and capital grant income.

Impact

The overall financial results are summarised as follows:

Net Operating Result \$'000	Fund			Consolidated
	General	Water	Sewer	
Original Budget	(\$3,193)	\$1,285	\$912	(\$996)
Carry Forwards	(\$3,193)	\$1,285	\$912	(\$996)
QBR 1	(\$4,708)	\$1,632	\$1,739	(\$1,337)
QBR 2	(\$4,899)	\$1,637	\$1,765	(\$1,496)

Cash Restrictions \$'000	Fund		
	General (Unrestricted Cash)	Water	Sewer
Original Budget	\$3,158	\$24,624	\$22,677
Carry Forwards	\$3,896	\$22,538	\$23,848
QBR 1	\$4,893	\$22,538	\$23,848
QBR 2	\$4,993	\$22,543	\$24,035

6. Consultation and Communication

QBR2 entailed an extensive review of budgets at project level analysing data based on the current year to date expenditure. Managers were consulted on areas that were identified as potential risks and/or savings. Managers were provided with the opportunity to convey budgetary implications, risk areas and identified savings that would need to be considered and reported to Council within QBR2.

7. Conclusion

This report recommends that the 2022-2023 Second Quarter Budget Review for the period 1 October to 31 December 2022 tabled at the attachment, be endorsed by Council so that the approved budget and underlying financial results can be recognised.

Item:	8.2	Ref: AINT/2023/02721
Title:	Cash and Investment Report 31 January 2023 Container: ARC20/4311	
Responsible Officer	Chief Financial Officer	
Author:	Brad Munns, Financial Accountant	
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 January 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 January 2023.

3. Background

As at 31 January 2023, Council held \$85,269,280 in investments (market value) and \$26,761,104 in cash, giving a combined total of \$112,030,384.

4. Discussion

Cash & Investment Balances	January 2023	December 2022	Movement
	\$	\$	\$
<u>Cash at Bank</u>			
NAB General Accounts	-	-	-
NAB Cash At Call	25,408,155	5,073,520	20,334,635
AMP Saver Account	19,430	19,405	25
NAB Trust Fund	1,333,519	1,329,788	3,731
Total Cash	26,761,104	6,422,713	20,338,391
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,153,626	10,110,156	43,470
Term Deposits	75,115,654	87,080,491	(11,964,837)
Total Investments	85,269,280	97,190,647	(11,921,367)
Total Cash & Investments	112,030,384	103,613,360	8,417,024

Summary of investment movements for January 2023:

<u>Investment Maturities/Movements</u>		<u>New Investments</u>	
Institution	Amount \$	Institution	Amount \$
CBA	(5,000,000)	NAB	8,000,000
NAB	(10,000,000)		
WBC	(5,000,000)		
Movement in Interest Receivable on Term Deposits	35,163		
Market Movement T-Corp Investment Fund	43,470		
Total	(19,921,367)	Total	8,000,000

Funds from term deposit maturities are held in the NAB Cash at Call account and pending cashflow requirements, are invested in further term deposit investments. During January, Council received an advance remittance of \$8m from TfNSW for the Kempsey Road Project. The funds were placed in a term deposit on a 30 day term while we await the project works to commence. Term Deposit maturities during January are detailed above. The next term deposit maturities are \$3m in February 2023 (AMP), \$10m in March 2023 (ING), \$10m in April 2023 (ING) and \$10m in May 2023 (WBC).

During January 2023, term deposit rates progressively increased with the market expectation of future Reserve Bank of Australia ("RBA") rate rises in an effort to restrain inflation. On 7 February 2023, the RBA increased the official cash rate by 0.25% from 3.10% to 3.35%.

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

	January 2023	December 2022	Movement
	\$	\$	\$
NAB General Cash Account	3,480	-	3,480
Term Deposits	162,725	192,939	(30,214)
NSW T-Corp IM Fund (Note 1)	43,469	31,714	11,755
NAB Cash at Call Account	36,408	13,206	23,202
AMP Saver Account	25	15	10
NAB Trust Account	3,731	3,416	315
Total	249,838	241,290	8,548

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

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

Issuer	Short Term Rating	Market Value \$	% Total Value
AMP Bank	A2	6,063,321	7.11%
Bank of Queensland	A2	10,175,096	11.93%
Bendigo & Adelaide Bank	A2	5,064,041	5.94%
Commonwealth Bank of Australia	A1+	5,087,608	5.97%
ING Bank	A1	20,311,274	23.83%
National Australia Bank	A1+	8,038,522	9.43%
Westpac Banking Corporation	A1+	20,375,792	23.88%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,153,626	11.91%
Total		85,269,280	100%

Certification:

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

Investment Yield

	January 2023			December 2022		
Term of Investment	ARC*	BBSW rate #	Out/(under) performance	ARC	BBSW rate	Out/(under) performance
6 months	2.46%	3.64%	(1.18%)	2.17%	3.66%	(1.49%)
12 months	1.62%	3.61%	(1.99%)	1.39%	3.59%	(2.20%)

* The ARC returns are backward looking and represent the average investment yield

The BBSW rate is forward looking and represents the current bank bill swap rate

5. Implications

5.1. Strategic and Policy Implications

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

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- The *Local Government (General) Regulation 2021* – Reg 212

The investment of surplus funds must remain in line with Council's Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2021*.

The Investment Policy relates to:

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

5.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index however the recent increase in fixed interest rates has resulted in the BBSW index moving ahead of Council's returns. For the month of January 2022, the 1-year BBSW rate increased from 3.59% to 3.61%. Council's 1-year return to January 2023 of 1.62% is less than the 1-year BBSW rate of 3.61%. Council's one month return for January 2023 was 3.25%.

The BBSW has moved to 3.61% over calendar 2022 and 2023 (up from 0.59% in Jan22). The BBSW is influenced by forward looking returns in the market/where the market is pricing future interest rate movements in the short term, while Council's returns are based on historical term deposit rates i.e. backward looking e.g. 0.35% return for a 12-month Term Deposit in October 2021.

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

Date	Rate Increase	From	To
4 May 2022	0.25%	0.10%	0.35%
8 June 2022	0.50%	0.35%	0.85%
5 July 2022	0.50%	0.85%	1.35%
2 August 2022	0.50%	1.35%	1.85%
6 September 2022	0.50%	1.85%	2.35%
5 October 2022	0.25%	2.35%	2.60%
2 November 2022	0.25%	2.60%	2.85%
7 December 2022	0.25%	2.85%	3.10%
7 February 2023	0.25%	3.10%	3.35%

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

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

5.3. Sustainability

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

5.4. Financial

Budget Area:	Financial Services						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget (Revised)	Actual	Committed	Proposed	Total Forecast (Income)/ Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$2,908,115) (\$1,431,000) original budget	(\$1,441,150)	Nil	Nil	(\$1,441,150)	(\$1,466,965)
210815.1.1760. 333.2430	Subscriptions	\$10,700	\$5,350	\$3,000	Nil	\$8,350	\$2,350

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

Interest Income	YTD Actual \$	YTD Budget (Original "O" & Revised "R") \$	Difference \$
YTD January 2023	\$1,441,150	\$834,750 (O) \$1,696,400 (R)	\$606,400 (O) (\$255,250) (R)
YTD December 2022	\$1,191,312	\$715,500 (O) \$1,454,058 (R)	\$475,812 (O) (\$262,746) (R)
Movement	\$249,838	\$119,250 (O) \$242,342 (R)	\$130,588 (O) (\$7,496) (R)

There is a YTD favourable budget variance of \$606,400 (original budget), unfavourable budget variance of \$255,250 (revised budget) to 31 January 2023 (including accrued interest). Term deposit rates steadily increased during January 2023 with the market expectation of future RBA rate rises. Council continues to closely monitor investment markets and returns. The FY2022-23 budget which was adopted by Council on 29 June 2022, was based upon a forecast average investment return of 1.5% for investment income. With the increase in term deposit rates during the FY2022-23 year to date, the rate of return is above the 1.5% forecast average so a budget adjustment was adopted by Council as part of the Quarter 1 Budget Review, as presented to Council in November 2022.

Restricted & Unrestricted Funds

As at 31 January 2023, total restricted and unrestricted funds were fully funded by cash and investments. Between the reported (audited) balances as at 30/06/2022 and the draft unaudited balances as at 31/01/2023, there is a increase in externally restricted cash of \$4.3m, an increase in internally restricted cash of \$3.5m and a decrease in unrestricted cash of \$2.1m, giving an overall net decrease of \$5.7m. This is supported by a decrease in Cash and Investments of \$5.7m. The tables below provide more details of the balances at 30 June 2022, 31 January 2023 and the movement.

Actual Position at 30 June 2022 (audited)

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

Movement from June 2022 to January 2023 (unaudited)

\$'000	General	Water	Sewer	Total
External Restrictions	2,258	(1,042)	3,163	4,379
Internal Restrictions	3,495			3,495
Total Restrictions	5,753	(1,042)	3,163	7,874
Unrestricted	(2,131)			(2,131)
Total Funds	3,622	(1,042)	3,163	5,743

Draft Position at 31 January 2023 (unaudited)

\$'000	General	Water	Sewer	Total
External Restrictions	29,193	27,968	26,313	83,474
Internal Restrictions	24,889			24,889
Total Restrictions	54,082	27,968	26,313	108,363
Unrestricted	3,650			3,650
Total Funds	57,732	27,968	26,313	112,013

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 ended 31 January 2023 and demonstrates compliance with Council policy.

Item:	8.3	Ref: AINT/2023/00423
Title:	Cash and Investment Report 31 December 2022	Container:
	ARC20/4311	
Responsible Officer	Chief Financial Officer	
Author:	Brad Munns, Financial Accountant	
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 December 2022, 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 December 2022.

3. Background

As at 31 December 2022, Council held \$97,190,647 in investments (market value) and \$6,422,713 in cash, giving a combined total of \$103,613,360.

4. Discussion

Cash & Investment Balances	December 2022	November 2022	Movement
	\$	\$	\$
<u>Cash at Bank</u>			
NAB General Accounts	-	-	-
NAB Cash at Call	5,073,520	6,039,263	(965,743)
AMP Saver Account	19,405	19,390	15
NAB Trust Fund	1,329,788	1,311,371	18,417
Total Cash	6,422,713	7,370,024	(947,311)
<u>Investments</u>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,110,156	10,078,442	31,714
Term Deposits	87,080,491	86,887,552	192,939
Total Investments	97,190,647	96,965,994	224,653
Total Cash & Investments	103,613,360	104,336,018	(722,658)

Summary of investment movements for December 2022:

<u>Investment Maturities/Movements</u>		<u>New Investments</u>	
Institution	Amount \$	Institution	Amount \$
Movement in Interest Receivable on Term Deposits	192,939	No new investments in Dec 2022.	-
Market Movement T-Corp Investment Fund	31,714		
Total	224,653	Total	-

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. During December there were no new investments or maturities. The next term deposit maturities are \$20m in January 2023 (NAB, CBA, WBC), \$3m in February 2023 (AMP) and \$10m in March 2023 (ING).

During December 2022, term deposit rates remained relatively steady at or near 4.25% - 4.50%. On 7 December 2022 and again on 7 February 2023, the Reserve Bank of Australia ("RBA") increased the official cash rate by 0.25% from 2.85% to 3.10% and from 3.10% to 3.35% respectively.

Council continues to monitor investment markets. While investment markets appear to have peaked with long term interest rates appearing to stabilise, Council continues to take a conservative position holding cash reserves, along with reviewing longer term investment options to take advantage of higher returns.

Investment Revenue Earned

	December 2022	November 2022	Movement
	\$	\$	\$
NAB General Cash Account	-	-	-
Term Deposits	192,939	177,273	15,666
NSW T-Corp IM Fund (Note 1)	31,714	38,077	(6,363)
NAB Cash at Call Account	13,206	13,270	(64)
AMP Saver Account	15	8	7
NAB Trust Account	3,416	3,154	262
Total	241,290	231,782	9,508

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. Over the past eight months, with the increase in interest rates, the value of the T-Corp investment fund units has been negatively impacted in certain months. This resulted in several months where negative investment returns were recorded. Now that longer term interest rates appear to have stabilised, the NSW T-Corp Short Term Income Fund has provided positive investment returns.

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

Issuer	Short Term Rating	Market Value \$	% Total Value
AMP Bank	A2	6,050,170	6.23%
Bank of Queensland	A2	10,138,712	10.43%
Bendigo & Adelaide Bank	A2	5,045,411	5.19%
Commonwealth Bank of Australia	A1+	10,109,970	10.40%
ING Bank	A1	20,277,258	20.86%
National Australia Bank	A1+	10,105,363	10.40%
Westpac Banking Corporation	A1+	25,353,607	26.09%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,110,156	10.40%
Total		97,190,647	100%

Certification:

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

Investment Yield

	December 2022			November 2022		
Term of Investment	ARC*	BBSW rate #	Out/(under) performance	ARC	BBSW rate	Out/(under) performance
6 months	2.17%	3.66%	(1.49%)	1.88%	3.59%	(1.71%)
12 months	1.39%	3.59%	(2.20%)	1.20%	3.69%	(2.49%)

* The ARC returns are backward looking and represent the average investment yield

The BBSW rate is forward looking and represents the current bank bill swap rate

5. Implications

5.1. Strategic and Policy Implications

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

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- The *Local Government (General) Regulation 2021* – Reg 212

The investment of surplus funds must remain in line with Council's Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2021*.

The Investment Policy relates to:

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

5.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index however the recent increase in fixed interest rates has resulted in the BBSW index moving ahead of Council's returns. For the month of December 2022, the 1-year BBSW rate decreased from 3.69% to 3.59%. Council's 1-year return to December 2022 of 1.39% is less than the 1-year BBSW rate of 3.59%. Council's one month return for December 2022 was 2.91%.

The BBSW has moved to 3.59% over calendar 2022 (up from 0.59% in Jan22). The BBSW is influenced by forward looking returns in the market/where the market is pricing future interest rate movements in the short term, while Council's returns are based on historical term deposit rates i.e. backward looking e.g. 0.35% return for a 12-month Term Deposit in October 2021.

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

Date	Rate Increase	From	To
4 May 2022	0.25%	0.10%	0.35%
8 June 2022	0.50%	0.35%	0.85%
5 July 2022	0.50%	0.85%	1.35%
2 August 2022	0.50%	1.35%	1.85%
6 September 2022	0.50%	1.85%	2.35%
5 October 2022	0.25%	2.35%	2.60%
2 November 2022	0.25%	2.60%	2.85%
7 December 2022	0.25%	2.85%	3.10%
7 February 2023	0.25%	3.10%	3.35%

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

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

5.3. Sustainability

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

5.4. Financial

Budget Area:	Financial Services						
Funding Source:	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
Budget Ref: (PN)	Description	Approved Budget (Revised)	Actual	Committed	Proposed	Total Forecast (Income)/ Expenditure	Remaining Budget
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$2,908,115) (\$1,431,000) original budget	(\$1,191,312)	Nil	Nil	(\$1,191,312)	(\$1,716,803)
210815.1.1760. 333.2430	Subscriptions	\$10,700	\$4,850	\$3,500	Nil	\$8,350	\$2,350

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

Interest Income	YTD Actual \$	YTD Budget (Original "O" & Revised "R") \$	Difference \$
YTD December 2022	\$1,191,312	\$715,500 (O) \$1,454,058 (R)	\$475,812 (O) (\$262,746) (R)
YTD November 2022	\$950,022	\$596,250 (O) \$1,211,715 (R)	\$353,772 (O) (\$261,693) (R)
Movement	\$241,290	\$119,250 (O) \$242,343 (R)	\$122,040 (O) (\$1,053) (R)

There is a YTD favourable budget variance of \$475,812 (original budget), unfavourable budget variance of \$262,746 (revised budget) to 31 December 2022 (including accrued interest). Term deposit rates remained steady during December 2022. Council continues to closely monitor investment markets and returns. The FY2022-23 budget which was adopted by Council on 29 June 2022, was based upon a forecast average investment return of 1.5% for investment income. With the increase in term deposit rates during the FY2022-23 year to date, the rate of return is above the 1.5% forecast average so a budget adjustment was adopted by Council as part of the Quarter 1 Budget Review, as presented to Council in November 2022.

Restricted & Unrestricted Funds

As at 31 December 2022, total restricted and unrestricted funds were fully funded by cash and investments. Between the reported (audited) balances as at 30/06/2022 and the draft unaudited balances as at 31/12/2022, there is a decrease in externally restricted cash of \$2.0m, an increase in internally restricted cash of \$1.5m and a decrease in unrestricted cash of \$3.9m, giving an overall net decrease of \$4.4m. This is supported by a decrease in Cash and Investments of \$4.4m. The tables below provide more details of the balances at 30 June 2022, 31 December 2022 and the movement.

Actual Position at 30 June 2022 (audited)

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

Movement from June 2022 to December 2022 (unaudited)

\$'000	General	Water	Sewer	Total
External Restrictions	(4,414)	(168)	2,591	(1,991)
Internal Restrictions	1,532			1,532
Total Restrictions	(2,882)	(168)	2,591	(459)
Unrestricted	(2,208)			(2,208)
Total Funds	(5,090)	(168)	2,591	(2,667)

Draft Position at 31 December 2022 (unaudited)

\$'000	General	Water	Sewer	Total
External Restrictions	22,521	28,842	25,741	77,104
Internal Restrictions	22,926			22,926
Total Restrictions	45,447	28,842	25,741	100,030
Unrestricted	3,573			3,573
Total Funds	49,020	28,842	25,741	103,603

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 ended 31 December 2022 and demonstrates compliance with Council policy.

Item:	10.1	Ref: AINT/2023/02735
Title:	Child Safe Organisational Standards and Action Plan	Container:
	ARC22/5007	
Responsible Officer	Chief Officer Corporate and Community	
Author:	Simone Mooketsi, Manager Governance and Strategy	
Attachments:	1. Child Safe Action Plan 2023	

1. Purpose

The purpose of this report is to inform the governing body of Council of Council's obligations under the Child Safe Standards and to seek Council's endorsement of the Child Safe Action Plan.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. Endorse the Child Safe Action Plan for review by the Children's Guardian and any feedback received from the Children's Guardian be incorporated into the plan.
- b. Once approved by the Children's Guardian, the Child Safe Action Plan is implemented across Council.

3. Background

On 15 December 2017 the Royal Commission presented a final report to the Governor-General, from the five-year inquiry into institutional responses to child sexual abuse and related matters. The report is across 17 volumes and contains 409 recommendations. Both the Australian Government and the NSW Government responded to the recommendations in June 2018.

One key recommendation, accepted in principle by the NSW Government, is 6.12: *"With support from governments at the national, state and territory levels, local governments should designate child safety officer positions from existing staff profiles to carry out the following functions:*

- *developing child safe messages in local government venues, grounds and facilities*
- *assisting local institutions to access online child safe resources*
- *providing child safety information and support to local institutions on a need's basis*
- *supporting local institutions to work collaboratively with key services to ensure child safe approaches are culturally safe, disability aware and appropriate for children from diverse backgrounds."*

As part of this recommendation, the NSW Government through the Office of the Children's Guardian will engage with councils.

The Child Safe Scheme and the Child Safe Standards

Councils, as leaders in the community and providers of spaces and services which children and young people access, have a responsibility to ensure councils are child safe institutions.

A key outcome of reforms has been the adoption in NSW of the 10 Child Safe Standards, and subsequent legislation. The *Children's Guardian Amendment (Child Safe Scheme) Bill 2021* passed parliament on 10 November 2021, and triggers new responsibilities for all council staff, volunteers and councillors to protect and listen to their youngest residents and workers.

Essentially, it stipulates that certain organisations, including all councils, will be required to implement the 10 child safe standards and become 'child-safe' organisations. The standards focus on education and training across the organisation, policies and processes, and engagement with children, young people and their families.

The standards are based on recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse.

National Redress Scheme

The National Redress Scheme is part of the Federal Government's response to the Royal Commission into Institutional Responses to Child Sexual Abuse.

Councils, and mayors specifically, have new obligations under these reforms, which the State Government has committed to.

The NSW Government's response focuses on three areas: justice for victims; criminal justice and sentencing; and child safe institutions and prevention.

While historical cases of child abuse in councils and council-run institutions are expected to be rare, councils were signed up to the National Redress Scheme by the NSW Government, which will underwrite any financial liability.

New legislation introduced during 2018 in response to the Royal Commission has also clarified the legal responsibility of organisations to protect children, report abuse and, in some cases, increased penalties for not doing so.

Legislative Changes affecting councils

Child Protection (Working with Children) Amendment Statutory Review Act 2018 NSW (April 2018)

Implications for councils: New sections to make it an offence for an employer to fail to obtain and verify the details of a worker employed to work with children or to keep a record of the details that were obtained. The bill provides for penalty infringement notices to be served on employers who fail to ensure that staff working with children have obtained clearance. Employers can verify whether a worker has the appropriate clearance through an online process.

Criminal Legislation Amendment (Child Sexual Abuse) Act (June 2018)

Implications for councils: This includes the 'failing to protect' offence where a person will commit an offence if they know that another adult in the organisation who works with children poses a serious risk of physically or sexually abusing a child.

This also includes the 'failing to report' offence where a person will commit an offence for failing to report child abuse. The new offence, Section 316A, will apply where a person knows, believes or reasonably ought to know that a child abuse offence has been committed against a child.

Civil Liability Amendment (Organisation Child Abuse Liability) Act 2018 (October 2018)

Implications for councils: Councils can be held vicariously liable for the abuse of children perpetrated by people who are employed by council and by people who are "akin to employees" of council. This may include family day care workers, as well as volunteers and contractors.

In addition, councils, as providers of children's services, which do not take reasonable steps to prevent child abuse of children in their care, may be liable in a negligence action.

Children's Guardian Act 2019 (November 2019),

Implications for councils: All councils, county councils and Joint Organisations are relevant entities for the purposes of the Act. This means that councils will have obligations to investigate reportable allegations which are allegations that an employee who is engaged to provide services to children or who is required to hold a Working with Children Check (WWCC) has engaged in sexual offences, neglect or assault or ill-treatment of a child, and to make determinations about reportable convictions, which are convictions for an offence.

The Act requires an employee of an approved education and care service to report to the general manager of the council a reportable allegation or reportable conviction that relates to an employee of the service. The Act also requires a relevant entity to have a code of conduct and policies in place to prevent and detect reportable conduct by employees of the entity. LGNSW has provided a summary of the Act.

New enforcement powers and penalties from 1 February 2023

From 1 February 2023, Part 9A of the *Children's Guardian Act 2019* will come into force, which will allow the Children's Guardian to take action to ensure organisations comply with the Child Safe Standards. This means where organisations do not comply with the Child Safe Standards, the Children's Guardian can:

- issue a compliance notice to the organisation, or
- accept an enforceable undertaking from the organisation.

If an organisation fails to comply with a compliance notice or enforceable undertaking, the Children's Guardian may commence proceedings to issue penalties.

The Children's Guardian will rely on these enforcement powers, where organisations demonstrate persistent, or deliberate non-compliance with the Child Safe Standards.

4. Discussion

In order to implement the Child Safe Standards, Council has developed a Child Safe Action Plan (attached).

The Office of the Children's Guardian considers organisations in NSW that are implementing the National Principles will be simultaneously implementing the Child Safe Standards.

Through the Child Safe Action Plan, child safety is embedded in organisational leadership, governance and culture Child Safe. Additionally, Council has already taken proactive steps to address Child Safety through the incorporated of a Child Protection within the Code of Conduct (clauses 3.13-3.15) adopted on 14 December 2022.

Once adopted by Council, the Child Safe Action Plan will be submitted to the Office of the Children's Guardian for review. The Office of the Children's Guardian may provide feedback on the Child Safe Action Plan for Council to incorporate. The updated Plan will be then submitted to Office of the Children's Guardian for approval and subsequent implementation across Council.

The Office of the Children's Guardian may also choose to report publicly on the Council's Child Safe Action Plan and its implementation, including comments of the effectiveness of its implementation.

Council must publish the finalised Child Safe Action Plan on its website.

If required to do so, by written notice from the Children's Guardian, Council may need to provide progress report on the implementation of the Child Safe Action Plan within 90 days of receiving the notice.

The implementation of the plan will be a whole of Council activity coordinated by the Manager of Community Services and overseen by the Chief Officer Corporate & Community.

5. Implications

5.1. Strategic and Policy Implications

Once the Child Safe Action Plan is adopted by Council, Council will commence implementing the Plan. This will include a review of all policies and procedures relating to activities which may interact with children.

5.2. Risk

The Child Safe Action Plan and inclusion of the Child Protection clauses within then Code of Conduct provide a framework for managing child protection risks related to child safety and protection.

As the Child Action Plan is implemented, child safety will be considered as a risk for mitigation across all areas of Council's activities and included in Council's risk registers. The mitigation put in place will be commensurate to the level of risk relate to the activity type noting Council's activities span a broad range of area from little to no contact with children (e.g. water treatment plant) to high contact with children (e.g. libraries and childcare) hence there is no "one size fits all" risk mitigation approach that can be adopted. There is already robust child protection practices in place in the high contact areas such as the Child Care Centre, however the existing mitigation will be reviewed in accordance with the Child Safe Action Plan.

Failure to adopt or implement the Child Safe Action Plan may lead to non compliance with the Child Safe Standards and penalty from the agency.

5.3. Sustainability

N/A

5.4. Financial

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

6. Consultation and Communication

The Child Safe Action Plan was developed based on the recommended best practice example of Mid Coast Council. Consultation was undertaken with Council staff in customising the Action Plan content for Council.

The Child Safe Action Plan is not required to be publicly exhibited as it is not a Policy and the final approving body of the Child Safe Action Plan is the Children's Guardian.

7. Conclusion

Council is committed to the Child Safe Organisation Standards and the implementation of the Standards via the Child Safe Action Plan. Therefore, it is recommended that Council endorses the draft Child Safe Action Plan.

Item:	10.2	Ref: AINT/2022/49480
Title:	Recommendation for Cafe Tenant Armidale Airport	Container:
	ARC17/1679	
Author:	Darren Schaefer, Chief Officer Corporate and Community	
Attachments:	Nil	

1. Purpose

The purpose of this report is to endorse the Growing Region Key Pillar Working Group (KPWG) recommendation for a café tenant at Armidale Regional Airport. The recommendation is based on an independent Expression of Interest (EOI) run by the Professionals Real Estate Armidale.

2. OFFICERS' RECOMMENDATION:

That Council:

- a. note the independent process that has been undertaken to select a tenant, by the Professionals Real Estate Armidale, including, developing and running the EOI, marketing, evaluation and selection.
- b. endorse the preferred proponent as Tattersalls as a result of the EOI process.
- c. note that any unbudgeted capital expenditure to ready the space will be made via adjustments in the Quarterly Budget Review process.
- d. note that the tenant will have the option to transfer their liquor licence operation to the café to serve alcohol

3. Background

The Armidale Regional Airport café represents a large part of the airport amenity and plays an important role to the traveling community via the provision of refreshments and adding to the visitor experience of our region. It has been closed since the 2020 COVID lockdown with the previous tenant abandoning the lease. Armidale Regional Council terminated the tenancy and sort payment through court claims and debt recovery agents. Post legal termination, a call for café operators was undertaken in late 2021 with no formal offers received. This was due to the Covid Pandemic creating uncertainty around travel restrictions and the flow on effects for passenger numbers and the potential revenue for the café. Airlines would take some time to recover and scale back to their pre-pandemic flight schedules.

Passenger numbers are now nearing pre-COVID levels and Council have received a number of approaches about operating the café. Council staff recommended to re-lease the café by appointing an external agent to undertake an Expressions of Interest (EOI) to the market. The agent appointed was The Professionals Armidale whom council have a pre-existing relationship with as they currently administer some residential property.

A number of incentives were thought possible to attract a quality tenant including;

- Lease free period
- Capital contribution to fit out
- The potential to join cleaning and catering operations to a single entity

4. Discussion

The use of an experienced local real estate agent to undertake an independent EOI means a level of probity is maintained in recommending a best fit for a future operation. A number of interested parties were contacted by the agent about the lease, seven were sent the EOI and two formal submissions were received for consideration. These were from Moxons Bakery and Tattersalls.

The Professionals Armidale have provided a recommendation that Tattersalls be considered as the best fit for the operation at the Armidale Regional Airport. This was based on the following criteria:

Proponent	Potential for financial return (incl. concessions) (/10)	Previous experience (Café/Hospitality) (/10)	Product Offering (/10)	Potential for longevity of tenancy (/10)	Use of retail space (/10)	Overall contribution to amenity for terminal / Armidale (/10)	Total Score (/60)
Moxons Bakery	7	9	8	9	7	9	49
Tattersalls	10	9	9	9	10	10	57

5. Implications

5.1. Strategic and Policy Implications

The Armidale Regional Airport is a significant asset for Armidale as well as many towns throughout the Northern Tablelands. The leasing of the café is considered an integral part of the amenity of the terminal and visitor experience. It is also an important indicator of the regions recovery post the Covid-19 pandemic, sending a signal to the travelling public and businesses and that this is a vibrant region ready for relocation and investment. The strategic implication is evident in the action items of the Operational Plan 2022-23.

Operational Plan 2022-23

C2.1.5: Manage leases and tenancies and future developments that support General Aviation productivity, growth and development

5.2. Risk

Reputation Risk: The risk of not undertaking a tenancy agreement is significant due to community feedback identifying the current vacancy as negatively impacting on the amenity of the terminal and a sub-standard experience/brand for the region.

Financial Risk: While some concession may have to be made to attract a suitable tenant in the short term, securing a paying tenant for the use of the café contributes to overall revenue and cost recovery of this commercial asset.

Regulatory Risk: These risks will be negated by the use of an external real estate agent and using a commercial leasing arrangement on standard industry terms and conditions.

5.3. Sustainability

The financial sustainability of the proponents was one of the key considerations to ensure the longevity of the lease term. An initial two-year lease term is being sort to avoid a high turnover of tenancy. The recommendation of Tattersalls as a sustainable tenant comes from being a known local provider with the necessary financial security and experience in the hospitality sector. As such, they have established relationships with existing local suppliers along with local connections and support. The combination of these factors indicates a position for a sustainable long-term tenant.

5.4. Financial

The potential for revenue under this offer is expected to be minimal due to the current vacant nature of the operations and the uncertainty of demand around flight schedules. Both proponents have requested a capital contribution from ARC to the fit out via the provision of additional storage and security as part of the negotiations. An unbudgeted allowance will be set aside as part of “maintenance and repairs” to ready the space. This will appear as an adjustment in the Quarterly Budget Review.

Given that there is uncertainty around demand, a substantial discount is likely to be negotiated to attract a tenant, therefore no revenue has been forecast in the first year of tenancy. However, it is proposed that the rent in the second 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 (PN)	Ref:	Description	Approved Budget	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
272000.12830.165.1370		Rent and Lease (6 months)	(\$148,478)	(\$65,440)	(\$83,038)	\$0 (Year 1)	n/a	(\$148,478)
272000.12830.333.2452		Repairs and Maintenance (one off allowance)	\$95,500	\$62,629	\$32,571	\$23,000	\$118,500	-\$23,000

6. Consultation and Communication

The EOI process ran from 15 November and closed 4 December 2022 and incorporated the following promotional campaign:

- Promotional flyer drops to local hospitality businesses
- Paid social media
- Professionals website advertising
- Direct consultation with various interested parties via email (including EIO documents) and follow up telephone.

It is anticipated that a communications plan will be formed on the announcement of the new café tenancy which should generate additional publicity for the café tenant and airport operation.

7. Conclusion

Council should note the independent process undertaken for the lease and the resulting tenant recommendation of Tattersalls from the Growing Region Key Pillar Working Group.

Item:	13.1	Ref: AINT/2023/02266
Title:	Traffic Advisory Committee - Minutes of the meeting held 6 December 2023	Container: ARC16/0168-8
Responsible Officer	Chief Officer Assets and Services	
Author:	Belinda Ackling, Divisional Assistant Operations	
Attachments:	1. Minutes - Local Traffic Committee December 2022 2. Agenda - Traffic Advisory Committee - 6 December 2022	

RECOMMENDATION:

That in relation to the report “Armidale Regional Council Traffic Advisory Committee Minutes – 6 December 2022”, that Council:

- a) Note that approval was granted for the temporary road closure of Canambe Street between Dumaresq and Kirkwood Street for the 20, 21 & 22 January 2023, for the Annual Armidale Camp draft.
- b) Note that the committee endorsed the road closure of Bradley St, Guyra between Ollera St and McKenzie St on Saturday the 21 January 2023 for the annual Guyra Lamb and Potato Festival.
- c) Endorse the extension to the No Stopping zone on the western side of Miller Street to the northern boundary of the property at 159 – 161 Miller Street (Paperware Distributors), Armidale.
- d) That Council deny the request for the provision of a 10m No Stopping zone in Gordon Street west of Arundel Drive and 50m in Arundel Drive north of Gordon Street, Armidale.
- e) That Council endorse the provision of a 12m No Stopping zone in Barney Street west of Taylor Street and 25m in Taylor Street north of Barney Street, Armidale.

Officers Note: On the 23 December 2022 GHD updated their previous recommendation for the load limit assessments along the Kempsey-Armidale. TAC was provided a copy of the information from GHD and the below recommendations reflect the new assessment that endorses the load limit be raised from 4.3 tonne to 10 tonne.

- f) Note and endorse the weight limits and restrictions which apply to the Kempsey Road for the life of the recovery works project as supported by expert geotechnical advice. These are:
 - I. The Kempsey Road will continue to remain closed to the general public until further notice due to landslides and unstable road pavements from recent rainfall events.
 - II. Access to Kempsey Road is provided to authorised vehicles only including local residents for essential travel, emergency and essential services, and Council authorised vehicles supporting construction activities only. Access is to be restricted to outside construction schedules and or hours of work.

- III. A weight limit restriction of 10 tonnes be applied to the road with the exception of inducted and authorised access under managed conditions which allows vehicles with weights up to 20 tonnes GVM.
- IV. A vehicle length restriction of 12.5m be applied for the road. Vehicles (including their trailers) with a length greater than 12.5m will not be able to traverse the Kempsey road.
- V. Implement a full road closure when in excess of 50mm of rainfall occurs within any 12-hour period and only re-open the road following a full onsite inspection of the road to assess the ground conditions and the existing or any new slips. And
- VI. Note that weight limits and access restrictions including supporting signage are to be revised from time to time as conditions of the road change and construction activities allow following supporting geotechnical advice.

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, 6 December 2022 which details recommendations to Council for consideration and adoption.

2. Background

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 6 December 2022 the TAC considered six items;

a) Special Event Transport Management Plan - Armidale camp draft 2023

The Armidale camp draft is an annual event which occurred on the 20, 21 & 22 January 2023. Council was requested to install a temporary road closure of Canambe Street between Dumaresq Street and Kirkwood Street from 7am until 6pm for the safety of contenders, stock and the general public.

b) Special Event Transport Management Plan - Guyra Lamb and Potato Festival

The Guyra Lamb and Potato Festival is an annual event that occurs adjacent to the New England Highway in Guyra which occurred on the between Wednesday 11 Jan – Monday 23 January 2023.

Council received a request that the street closure of Bradley Street between Ollera and Mackenzie Street Saturday 21st January between 6.30am and 3.30pm for the Car display, eliminating the risk of contact between pedestrians and moving vehicles.

c) Request for Extension to No Stopping zone - 159 - 161 Miller Street, Armidale

Council has received a request for the provision of a No Stopping zone adjacent to the business "Paperware Distributors" located on the NE corner of Miller St and Mann St, Armidale. Vehicles often park close to the driveways which then presents a difficulty for vehicles, particularly trucks, entering and exiting the business. The problem is exacerbated by a large tree that is between the two driveways limiting the available space.

d) Provision of a No Stopping zone on the NW corner of Gordon St and Arundel Drive, Armidale.

Council has received a request to address the parking in Arundel Drive, north of Gordon St, Armidale, requesting the provision of No Stopping zone on the NW corner of Gordon St and Arundel Drive, Armidale.

However, this has a clear sight distance and narrowing of the road has a traffic calming effect, TAC do not support the removal of parking to the area, TAC do not support the request.

e) Provision of a No Stopping zone on the North West corner of Taylor St and Barney St, Armidale.

A request has been received from Council's Acting Manager –Roads and Drainage for the installation of a No Stopping zone at this intersection.

A building was constructed on this corner property, which had previously been occupied by a residential dwelling that was set back from the road. The new building is positioned such that the walls are on the limits of the property boundary making sight distance difficult.

f) Weight limits, length and access restrictions on Kempsey Road

The purpose of this report is to advise the Local Traffic Committee of the circumstances which gave rise to this road restoration program and the geotechnical considerations that support the current road limits which apply to vehicular traffic on Kempsey Road from ch72.95km - ch116.00km.

Officers Note: On the 23 December 2022 GHD updated their previous recommendation for the load limit assessments along the Kempsey-Armidale. TAC was provided advice from GHD and the recommendations reflect the new assessment that endorses the load limit be raised from 4.3 tonne to 10 tonnes.

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:

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		\$119,000	\$30,735.92	Nil	\$400	\$31,135.92	\$87,864.08

7. Conclusion

That Council note the minutes of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 6 December 2022 and recommendations to Council be considered for adoption.

Item:	13.2	Ref: AINT/2023/02378
Title:	Aboriginal Advisory Committee Minutes of Previous Meetings held 15 September 2022 and 15 November 2022	
		Container: ARC16/0605
Responsible Officer	Chief Officer Corporate and Community	
Author:	Aimee Hutton, Coordinator Libraries, Museums and Visitor Information Centre	
Attachments:	<ol style="list-style-type: none">1. Minutes - Armidale Regional Aboriginal Advisory Committee - 15 September 20222. Minutes - Armidale Regional Aboriginal Advisory Committee - 15 November 2022	

RECOMMENDATION:

That the Minutes of the Aboriginal Advisory Committee meetings held on 15 September 2022 and 15 November 2022 be noted.

1. Purpose

This report is to provide Council with the minutes of the Aboriginal Advisory Committee meetings held on 15 September 2022 and 15 November 2022.

2. Background

The primary responsibilities of the Aboriginal Advisory Committee are to:-

- develop and implement strategies which reflect mutual respect, awareness and dignity in services for and to Aboriginal people;
- promote the status of Aboriginal people in the Armidale Regional Council local government area;
- facilitate positive relationships between Council and the local Aboriginal community;
- provide an information exchange forum on local initiatives and issues;
- provide advice on issues related to Aboriginal Community Development;
- promote mutual awareness and respect for the cultures of both the Aboriginal and non-Aboriginal communities;
- increase the Council's and the public's awareness of the needs of the Aboriginal community;
- actively participate in and promote significant events;
- inform, monitor and evaluate Council's Reconciliation Plan

The Committee representatives include various community representatives working within local Aboriginal services, or representing the needs of Aboriginal people, across the region, along with and ARC Councillor and ARC's Aboriginal Community Development Officer.

3. Report

At the meeting held on 15 September 2022, the committee discussed the following items: -

- The possibility of dual naming of the Newling Oval to recognise the contribution of the Narwan Football Club.
- The need for a bus stop at the Narwan reserve and the upcoming opportunity to participate in community engagement relating to the bus network, being conducted by Transport for NSW.
- The Mayor's Reconciliation Cricket Match referred to in Council's current operational plan and the possibility of changing this to a more engaging and relevant community activity.
- The draft of the Reconciliation Action Plan by Armidale Regional Council and how this needs to align to the Closing the Gap Plan.
- The need to readopt a new Terms of Reference for this committee, now this committee has been formally reinstated, which reflects the changes to the Local Government Area, i.e. the removal of Tingha.
- The NSW Governments latest Closing the Gap Implementation Plan was tabled for the information of the committee
- Plans for the upcoming NAIDOC events were discussed, including the Guyra Family Fun Day and A Day in the Dale.

At the meeting held on 15 November 2022, the committee discussed the following: -

- Terms of Reference were discussed, final draft for recommendation to Council to be tabled at the next meeting.
- Aboriginal community involvement in the Armidale Creeklands Project.
- An invitation was extended to the Armidale Aboriginal Land Council CEO to present at the next committee meeting.
- ARC Library staff were invited to the next meeting to provide an update on the Aboriginal Elders Tech Savvy Program.
- Committee hoping to see draft of the Reconciliation Action Plan by March 2023 to discuss.
- The committee supported and endorsed the Enriched Region Key Pillar Working Groups effort in relation to improving health outcomes locally.

4. Strategic Directions

Key Direction		Enriched Region
Objective	E2 Goal	A proud, inclusive and cohesive community that celebrates our region in all its diversity and culture.
Strategy	E2.3	Celebrate our local Aboriginal history and traditions, and support cultural understanding and development.

5. Relevant Legislation

Not Applicable

6. Financial Implications

Not Applicable

7. Conclusion

That Council note the minutes of the Aboriginal Advisory Committee meetings held on 15 September 2022 and the 15 November 2022.

Item:	13.3	Ref: AINT/2023/02929
Title:	Traffic Advisory Committee - Minutes of the meeting held 7 February 2023	Container: ARC16/0168-8
Responsible Officer	Chief Officer Assets and Services	
Author:	Belinda Ackling, Divisional Assistant Operations	
Attachments:	1. Minutes -Traffic Advisory Committee - 7 February 2023 2. Agenda - Traffic Advisory Committee 7 February 2023	

RECOMMENDATION:

That in relation to the report "Armidale Regional Council Traffic Advisory Committee Minutes – 7 February 2023", that Council:

- a) Endorse the holding of the Legacy Centenary Torch Relay and the closure of Faulkner Street between Moore Street and Dumaresq Street, Armidale on the 2 July 2023;
- b) Endorse the use of the Armidale local roads for the Charity Ride for Back Track Youth Works to be held from 2 April 2023 to 4 April 2023 inclusive;
- c) Endorse the road closure of Faulkner Street between Dumaresq Street and Kirkwood Street, Armidale for the Culture Festival 2023, to be held on 10 March 2023;
- d) Note the Traffic Management Plans for the Tour De Rocks event and:
 - a. Endorse the temporary closure of Dangar Street between Dumaresq and Kirkwood Streets, Armidale, for the commencement of the Tour de Rocks 2023 from 6am to 9am on Thursday 20 April 2023;
 - b. Endorse the Special Event Transport Management Plan for the staging along Route 1 of the Tour de Rocks on Thursday 20 April 2023, for the occupation and usage of Armidale Regional Council Local Government Area (LGA) local roads only, pending approval for the use of local roads within the LGA of Kempsey Council, and of any regional classified roads from TfNSW, and any further recommendations from NSW Police;
 - c. Endorse the Special Event Transport Management Plan for the staging along Route 2 of the Tour de Rocks from Thursday 20 April to 22 April 2023, for the occupation and usage of Armidale LGA local roads being: Day 1 starts at 6am at Civic Park and ends at Wollomombi, 36 km East of Armidale. Day 2 of the ride commences at Wollomombi at 8am and ends at the Guyra Showground, 85 km North West of Wollomombi. The final day of the ride commences at Guyra Showground at 6am and ends at Sport UNE Armidale, and pending approval of any regional classified roads from TfNSW, and any further recommendations from NSW Police; And

- e) Endorse the provision of “KEEP CLEAR” pavement marking in front of the driveway of the SES, at 203 Mann Street, Armidale.

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, 7 February 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 7 February 2023 the TAC considered five items;

- a) Special Event Transport Management Plan - Legacy Centenary Torch Relay 2023

Legacy will be celebrating their centenary with The Legacy Centenary Torch Relay 2023 presented by Defence Health marking 100 years of service to those who have sacrificed. Beginning in Pozieres, France in the lead up to ANZAC Day in 2023, the Centenary Torch will travel around the world, stopping at all 45 Legacy Clubs, including Armidale. The holding of the Legacy Centenary Torch Relay and will require the closure of Faulkner St between Moore St and Dumaresq St, Armidale on the 2 July 2023.

- b) Special Event Transport Management Plan - Charity Ride for Back Track Youth Works.

Entores have applied to use local roads for a charity bike ride.

The event is a 3-day cycle tour from Armidale to Tamworth, Tamworth to Bingara, and Bingara to Armidale April 2 to 4 2023. The event is network based and established as a charity cycle event to raise much needed funds for Back Track Youth Works. No road closures are required for the event.

c) Special Event Transport Management Plan - Culture Fest 2023

The Culture Fest is an evening festival to be held in Civic and Curtis parks, Armidale to celebrate the diversity of culture in the New England Region.

The festival is organised by the University of New England and will celebrate the cultural diversity of the region. There will be international food stalls, pop-up bars and local food vendors.

The festival will have numerous activities for all ages of the community including kids' art, live music and dance performances and for this reason have requested the closure of Faulkner Street between Dumaresq Street and Kirkwood Street.

d) Special Event Transport Management Plan - Tour de Rocks 2023

The purpose of the report is providing notice for the conduct of the annual Tour de Rocks charity bike ride to be conducted from Thursday 20 April to 22 April 2023. The charity event will raise \$250,000 for researching a cure for cancer. The Tour de Rocks is an incorporated charitable organisation that distributes funds to both research and local cancer program providers.

Approximately 500 cyclists will ride from Armidale to South West Rocks over a three-day period with support personnel. Each day's route provides specific challenges and hazards relative to distance, terrain, frequency of vehicular traffic, road surface.

With the current conditions of Kempsey Road, the organisers have been advised to provide two routes in case of poor conditions or road closures.

e) Proposed "Keep Clear" zone Armidale SES Headquarters

Council has received an email request from the Armidale SES to improve access to the Mann St headquarters by the provision of "KEEP CLEAR" pavement marking and additional signage.

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:

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	Item (e)	\$119,000	\$45,041.44	Nil	\$1,210.00	\$46,251.44	\$72,748.56

7. Conclusion

That Council note the minutes of the Traffic Advisory Committee (TAC) meeting held on Tuesday, 7 February 2023 and the recommendations to Council be considered for adoption.