



## BUSINESS PAPER

### ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 11 December 2019  
3pm

at

Guyra Council Chambers

#### **Members**

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

AGENDA

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20.2	For Decision: Construction of the Armidale Regional Airport Business Park - Stage 1  <i>As this report deals with commercial information of a confidential nature which, if disclosed, confers a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business (Section 10A(2)(c) of the Local Government Act 1993). Council closes the meeting, in accordance with Council's Code of Meeting Practice, as consideration of this matter in open Council would be contrary to the public interest.</i>	
21	Close of Ordinary Meeting	

**Item:** 8.1 **Ref:** AINT/2019/28395  
**Title:** FOR DECISION: Rescission Motion: Council meeting 27 November 2019  
10.2 FOR DECISION: Hydrotherapy Pool - Stronger Country  
Communities Fund Round 2 **Container:** ARC16/0025  
**Author:** Diane Gray, Councillor  
**Attachments:** 1. Rescission Motion received - 29 November 2019

#### **MOTION TO RESCIND**

**That Minute No.247/19 be rescinded which RESOVED -**

**That a Sub-Committee of five Councillors be formed to urgently look at options to ensure the Hydrotherapy Pool goes ahead as part of the Monckton Aquatic Centre and look at options of an expanded and enlarged gym, Hydropool of 25m, and options of outsourcing the management and operation of the complex.**

**And replaced with:**

- a) **That, based on the limited scope of the proposed hydrotherapy pool funded under the NSW Government's SCCF-2 grant, Council resolves not to proceed with the project in its current form unless additional capital can be sourced, and under the condition that Hunter New England Health agrees to operate the new facility under an extended lease agreement with Armidale Regional Council.**
- b) **That Council, supported by NSW Government departments, commence an expression of interest process to secure sufficient external investment to extend the scope of the SCCF-2 grant, with the aim of developing a commercially viable Regional Hydrotherapy Pool complex (H2) within the Monckton Aquatic Centre.**
- c) **That the expression of interest include options to fund, design, construct and/or operate the H2 Complex on a commercial basis with third parties, under 'arms length' SPV, public-private partnership arrangements, and/or with Government agencies under lease or similar arrangements; and**
- d) **That, should an expression of interest prove unsuccessful in identifying suitable partner(s) for H2, Council undertake a review of the Monckton Aquatic Centre (including asset end of life timeframe and whole of life costs), with a view to generating options for development of a of an indoor heated pool at the Centre, both with and without a Hydrotherapy Pool.**

Submitted by Councillors Diane Gray, Bradley Widders and Libby Martin.

**Background: At the Ordinary Council meeting on 27 November 2019 the following was resolved.**

**10.2 FOR DECISION: Hydrotherapy Pool – Stronger Country Communities Fund Round 2**

*Ref: AINT/2019/26490 (ARC18/2965)*

**Moved Cr Bailey**

**Seconded Cr O'Connor**

**That a Sub-Committee of five Councillors be formed to urgently look at options to ensure the**

**Hydrotherapy Pool goes ahead as part of the Monckton Aquatic Centre and look at options of an expanded and enlarged gym, Hydropool of 25m, and options of outsourcing the management and operation of the complex.**

**The amendment being put to the vote was CARRIED.**

**Item:** 8.2 **Ref:** AINT/2019/28396  
**Title:** FOR DECISION: Rescission Motion - Council meeting 27 November  
2019 11.1 FOR DECISION: Response to Climate Emergency Resolution  
**Container:** ARC16/0025  
**Author:** Margaret O'Connor, Councillor  
**Attachments:** 1. Submitted Rescission Motion Item 11.1 from Crs O'Connor, O'Brien  
and Robinson

#### **MOTION TO RESCIND**

That Minute No. 240/9 parts of a), c) and d) be rescinded which RESOLVED -

- a) **That a report be prepared and presented to Council by July 2020 with input from a working group of the Environmental Sustainability Advisory Committee (ESAC) and the community, on the current initiatives and additional future actions that can be undertaken in the short, medium and long term to:**
  - 1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.
  - 2. Adapt to current and anticipated climate change impacts.
  - 3. Reduce atmospheric concentrations of greenhouse gases, e.g. Sequester and store carbon in trees and soils.
- b) **Endorse the establishment of a working group to establish a report on current initiatives and additional future actions.**
- c) **Endorse the draft Terms of Reference for the working group.**
- d) **That Project Zero30 have both input and review role over the short, medium and long term actions.**

And replaced with:

- a) **That a report be prepared and presented to Council by April 2020 with input from a working group of the Environmental Sustainability Advisory Committee (ESAC) and the community, on the current initiatives and additional future actions that can be undertaken in the short, medium and long term to:**
  - 1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.
  - 2. Adapt to current and anticipated climate change impacts.
  - 3. Reduce atmospheric concentrations of greenhouse gases, e.g. Sequester and store carbon in trees and soils.
- b) **Endorse the establishment of a working group to establish a report on current initiatives and additional future actions.**
- c) **Ask the Environmental Sustainability Committee to review** the draft Terms of Reference for the working group.
- d) **That Project Zero30 have is invited to contribute to and advise the working group** over the

**short, medium and long term actions.**

Submitted by Councillors Margaret O'Connor, Debra O'Brien and Dorothy Robinson.

**Background: At the Ordinary Council meeting on 27 November 2019 the following was resolved:**

**11.1 FOR DECISION: Response to Climate Emergency Resolution**

*Ref: AINT/2019/25747 (ARC16/0864)*

**Moved Cr Gray**

**Seconded Cr Robinson**

- a) That a report be prepared and presented to Council by July 2020 with input from a working group of the Environmental Sustainability Advisory Committee (ESAC) and the community, on the current initiatives and additional future actions that can be undertaken in the short, medium and long term to:
  - 1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.
  - 2. Adapt to current and anticipated climate change impacts.
  - 3. Reduce atmospheric concentrations of greenhouse gases, e.g. Sequester and store carbon in trees and soils.
- b) Endorse the establishment of a working group to establish a report on current initiatives and additional future actions.
- c) Endorse the draft Terms of Reference for the working group.
- d) That Project Zero30 have both input and review role over the short, medium and long term actions.

The original motion on being put to vote was CARRIED.

**Item:** 9.1 **Ref:** AINT/2019/28018  
**Title:** FOR DECISION: Hydrotherapy Pool Working Group **Container:**  
ARC16/0025  
**Author:** Peter Bailey, Councillor  
**Attachments:** Nil

**NOTICE OF MOTION**

**That Council choose the 5 councillors for the Hydrotherapy Working Group and one of those Councillors be elected as Chair.**

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Peter Bailey  
2 December 2019

**MANAGEMENT COMMENT:**

It is recommended that a project brief or Terms of Reference be drafted and presented to Council for consideration prior to considering this item. A Review of the Committees allowing Working Groups within the Terms of Reference will be presented to Council in the near future.



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**Item:** 9.2 **Ref:** AINT/2019/28039  
**Title:** FOR DECISION: Funding for facilities at Dumaresq Dam **Container:**  
ARC16/0025  
**Author:** Peter Bailey, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That ARC applies for a grant of up to \$4m to upgrade the Dumaresq Dam facilities with options for:**

- **Toilet and Shower block**
- **BBQ and picnic areas**
- **Walking and cycling track around the Dam**
- **The cycling track to connect to the Mount Duval MTB trails**
- **Casual camping**
- **Kiosk and Cafe**
- **Improved parking areas**

#### **Background**

In December 2017, Council's plans for a \$3 million upgrade to Dumaresq Dam and options to fund the project were reported in the press (<https://www.armidaleexpress.com.au/story/5121717/fundgates-open-for-dumaresq-dam-3-million-cash-splash/>). Given the resurgence of interest in this project, further funding options should be sought immediately to avoid the possibility that they might be lost.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Peter Bailey  
2 December 2019

#### **MANAGEMENT COMMENT:**

Clauses 3.11 and 3.12 of the Code of Meeting Practice make reference to Notice of Motions where it is anticipated that there will be expenditure of funds. The Chief Executive Officer (CEO) intends to report to Council on the financial implications and as such the CEO's report must be considered at the same meeting that the Notice of Motion is to be considered. In this instance, this Notice of Motion is to be deferred until the next Ordinary Council Meeting.

**Item:** 9.3 **Ref:** AINT/2019/28040  
**Title:** FOR DECISION: Shade cover on playgrounds **Container:** ARC16/0025  
**Author:** Peter Bailey, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That ARC immediately commences a replacement program for the shade cloth or materials on our various facilities and the first priority be the Arboretum**

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Peter Bailey  
2 December 2019

#### **MANAGEMENT COMMENT:**

Clauses 3.11 and 3.12 of the Code of Meeting Practice make reference to Notice of Motions where it is anticipated that there will be expenditure of funds. The Chief Executive Officer (CEO) intends to report to Council on the financial implications and as such the CEO's report must be considered at the same meeting that the Notice of Motion is to be considered. In this instance, this Notice of Motion is to be deferred until the next Ordinary Council Meeting.

**Item:** 9.4 **Ref:** AINT/2019/28041  
**Title:** FOR DECISION: Update on EOI Armidale Regional Airport **Container:**  
ARC16/0025  
**Author:** Peter Bailey, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That Councillors are provided with a comprehensive update report on the Airport EOI for the February 2020 meeting.**

#### **Background**

Page 23 of the 'Call for Expressions of Interest Competitive Dialogue' (ARC18/2977 Revision 11, V13, dated 22 February 2019) gives an expected closing of [27 August](#) for final tenders, and shows a work plan aiming to present a report to Council by 30th October 2019. At the September Council meeting, we were told that significant data gathering and analysis is still being undertaken.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Peter Bailey  
2 December 2019

**Item:** 9.5 **Ref:** AINT/2019/28042  
**Title:** FOR DECISION: Workshop - Financial Decision-Making **Container:**  
ARC16/0025  
**Author:** Debra O'Brien, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That the presenter of Workshop 1a - Financial Decision-Making in Local Government at the LGNSW 2019 Conference be invited (either in person or using council's virtual meeting facilities) to present the same material to a workshop of Armidale Regional Councillors and JO partner council and that staff also be invited to attend.**

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Debra O'Brien  
2 December 2019

#### **MANAGEMENT COMMENT:**

Council will investigate with a view to facilitating a *financial decision making in Local Government* workshop.

**Item:** 9.6 **Ref:** AINT/2019/28043  
**Title:** FOR DECISION: Communication with Councillors **Container:**  
ARC16/0025  
**Author:** Margaret O'Connor, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That information is provided to councillors about why Councillors were not informed about the NSW Government's Workshop on Net Zero and Climate Resilience held on 19 November, and what steps are being taken to prevent a recurrence of similar information breakdowns.**

#### **Background**

Despite Council's declaration of a Climate Emergency at the October meeting, councillors were not informed about the NSW Government Workshop on Net Zero and Climate Resilience workshop held on 19 November that was attended by at least two council staff, including one staff member who gave a presentation. The four councillors who attended found out about the event from members of the community. It is important for elected members (the governing body) to understand on what basis information relevant to their role is being provided or not provided to them by the CEO, Mayor and other executive staff.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Margaret O'Connor  
2 December 2019

#### **MANAGEMENT COMMENT:**

Council were not the conveners of the meeting, it was by invitation only. Those who attended, including employees, were invited to attend. If Council is aware of sessions designed for Councillors, and generally open, then we endeavor to circulate the information to all Councillors.

<b>Item:</b>	9.7	<b>Ref:</b> AINT/2019/28048
<b>Title:</b>	FOR DECISION: Complaints Register	<b>Container:</b> ARC16/0025
<b>Author:</b>	Margaret O'Connor, Councillor	
<b>Attachments:</b>	Nil	

#### **NOTICE OF MOTION**

**That councillors have access to a list of all complaints and requests for action (electronic or otherwise) and the date they were dealt with and that councillors be briefed about the functioning of Council's Complaints Register.**

#### **Background**

Councils web page <https://www.armidaleregional.nsw.gov.au/report-it> provides a portal to an online system for residents to report complaints and requests for action. Requests and suggestions received electronically and by ordinary letter are an important form of community liaison and consultation. It would be helpful for councillors to have access to a summary of these requests, the dates they were lodged and when they were actioned so that when they receive requests from the public about the outcome of their letters and emails to Council, including the Mayor and the CEO, councillors have a means of quickly advising where that community member's communication is up to within Council's response system.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Margaret O'Connor  
2 December 2019

#### **MANAGEMENT COMMENT:**

Council will provide quarterly reports about the nature and number of complaints. For privacy purposes, some information will not be available.

**Item:** 9.8 **Ref:** AINT/2019/28052  
**Title:** FOR DECISION: Funding for facilities at Dumaresq Dam **Container:**  
ARC16/0025  
**Author:** Margaret O'Connor, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That Council apply to the NSW State government (and the Federal Government as an alternative or co-funding body) for an urgent grant of \$4M so that upgrade of the water and related recreational facilities at the Dumaresq Dam recreation area can be undertaken as quickly as possible, (including on a design and construct basis) given that the ongoing drought and level 5 water restrictions prevent water being used to help our community cope with the summer heat.**

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Margaret O'Connor  
2 December 2019

#### **MANAGEMENT COMMENT:**

Clauses 3.11 and 3.12 of the Code of Meeting Practice make reference to Notice of Motions where it is anticipated that there will be expenditure of funds. The Chief Executive Officer (CEO) intends to report to Council on the financial implications and as such the CEO's report must be considered at the same meeting that the Notice of Motion is to be considered. In this instance, this Notice of Motion is to be deferred until the next Ordinary Council Meeting.

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<b>Item:</b>	9.9	<b>Ref:</b> AINT/2019/28044
<b>Title:</b>	FOR DECISION: Council Committees	<b>Container:</b> ARC16/0025
<b>Author:</b>	Dorothy Robinson, Councillor	
<b>Attachments:</b>	Nil	

#### **NOTICE OF MOTION**

- a) **That videoconferencing facilities such as Zoom or GoToMeeting are made available to Council Committees and Working Groups, to facilitate attendance by members who live out of town or are away from their home location when the meeting is held.**
- b) **That the quorum for the Community Wellbeing Advisory Committee is lowered to 7 members**
- c) **That the quorum for the Environmental Sustainability Advisory Committee is lowered to 5 members, and that members who are unable to attend for 3 consecutive meetings are removed from the Committee.**
- d) **That the ESAC meet before Christmas either electronically or in person.**
- e) **That Council Committees are able to establish Working Groups to progress matters within the Committee's Terms of Reference, and that the formation of such working groups is at the discretion of the Committee.**

#### **Background**

Some of our committees (especially the CWAC and the ESAC) cover a wide range of issues and have a many members, who often attend only when there are items on the agenda that relate to their field of interest. Sometimes this makes it difficult to achieve the required quorum of 50% of members plus one. Member's contributions are nonetheless extremely valuable, so it is in council's interest for these members to remain on the Committee.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Dorothy Robinson  
2 December 2019

#### **MANAGEMENT COMMENT:**

- (a) The Code of Meeting Practice is referred to in the Terms of Reference for all Committees (other than Audit and Risk). Within the Code, members must be present in order to participate in the meeting. This proposal sits outside the Terms of Reference and the Code of Meeting Practice and is therefore considered unlawful. [5.2 Code of Meeting Practice]
- (b, c, e) A Report on the Review of the Committees will be presented to Council in the near future, where it is proposed that the membership is reduced. A review of all the Terms of Reference for each Committee will take place.
- (d) Please refer to (a).



**Item:** 9.10 **Ref:** AINT/2019/28407  
**Title:** FOR DECISION: Interpretation of Rule 10:20 **Container:** ARC16/0025  
**Author:** Dorothy Robinson, Councillor  
**Attachments:** Nil

#### **NOTICE OF MOTION**

**That advice is sought from the OLG concerning the interpretation of rule 10:20:  
A councillor who, during a debate at a meeting of the council, moves an original motion, has the right to speak on each amendment to the motion and a right of general reply to all observations that are made during the debate in relation to the motion, and any amendment to it at the conclusion of the debate before the motion (whether amended or not) is finally put.**

#### **Background**

Many people would interpret '*a right of general reply*' to mean a right of reply at the conclusion of the debate to the motion (whether amended or not), rather than a right of reply to any proposed amendment. It would be really helpful if this issue could be clarified asap.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Dorothy Robinson  
5 December 2019

#### **MANAGEMENT COMMENT:**

The Co-ordinator Governance, Risk and Safety will be contacting OLG to seek their interpretation of rule 10:20 and report back to Council.

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**Item:** 9.11 **Ref:** AINT/2019/28409  
**Title:** FOR DECISION: Clarification of Public Exhibition Periods **Container:**  
ARC16/0025  
**Author:** Dorothy Robinson, Councillor  
**Attachments:** Nil

## **NOTICE OF MOTION**

**That advice is sought, and provided to councillors, about the rules for repeat public displays when changes are made in response to an initial public consultation.**

### **Background**

In the past, changes to policies based on comments received as part of the public exhibition period have not required a second period of exhibition. For example, in response to comments received in relation to the public exhibition of the Operational Plan 2019-2020, Revenue Policy 2019-2020, Fees and Charges 2019-2020 and Resourcing Strategy, the business papers state that: "*Council has taken this suggestion on and increased the pre-DA meeting fee to \$200 and removed the first hour being free.*"

This change was adopted at our 26 June meeting without any further public display of the draft policy. Council was required to adopt the policy before start of the next financial year, so a second public exhibition period would have been impractical.

Yet at the 27 November Council Meeting, councillors were told that allowing residents to pay off the cost of a water access card at \$1.10 per kL of water purchased using the card would require a new public exhibition period. If every change contemplated in a policy in response to public submissions required another public exhibition period, substantial delays might result. It is important for councillors to understand the rules, e.g. whether a second public exhibition period was required, so that we can follow the correct procedures.

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 11 December 2019.

.....  
Cr Dorothy Robinson  
5 December 2019

### **MANAGEMENT COMMENT:**

Council gives 'public notice' of meetings, elections and proposals where members of the public have a right to make a submission under the Local Government Act and other relevant Acts. Sometimes consultation is a legal requirement. At other times Council consults its residents in order to make good decisions that take into account community interests.

<b>Item:</b>	11.1	<b>Ref:</b> AINT/2019/26745
<b>Title:</b>	FOR INFORMATION: Council Cash Position	<b>Container:</b> ARC18/2703
<b>Author:</b>	Kelly Stidworthy, Service Leader - Finance	
<b>Attachments:</b>	1. Armidale Regional Council Cash Reserves	

**RECOMMENDATION:**

**That Council note the report on the cash position since merger of the Armidale Dumaresq Council and Guyra Shire Council to 30 June 2019.**

**Context**

At the Council meeting held 23 October 2019 Council resolved to receive a report on the cash position from the merger of the councils to date.

This recommendation arose from concerns raised by Council that there was no longer a plant and vehicle replacement reserve available from which to fund the plant and vehicle 2019/20 carry forward budget. At the meeting Council was advised the plant and vehicle replacement reserve was dissolved at 30 June 2018 due to the poor cash position at that time. In addition, there were impacts on other reserves as a result of the cash position at 30 June 2018.

**Executive Summary**

There are 3 categories that Council's cash is allocated into:

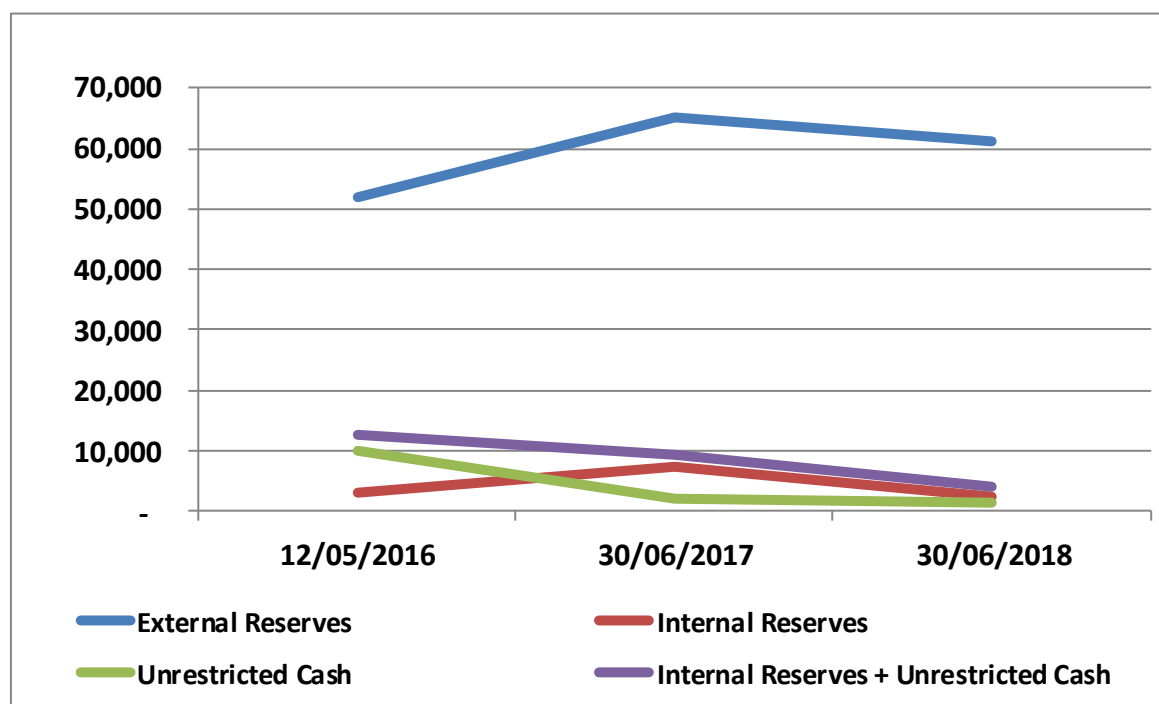
- External Reserves
- Internal Reserves
- Unrestricted Cash

This report includes reference to all of the above with a focus on Internal Reserves and Unrestricted Cash as these are the cash reserve levels that have declined since merger.

Review of pre and post-merger reserve balances shows that all internal reserves with the exception of the employee leave entitlements reserve were dissolved at 12 May 2016 and internal reserves for the newly formed Council were not established until 28 June 2017.

The immediate post merger reserve balances are shown in the following graph:

\$'000



A review of the cash movement to 30 June 2017 showed a decrease in internal reserves and unrestricted cash of \$3.5m. The original budget forecast a decrease of \$1.6m. The recalculated revised budget position shows a forecast decrease of around \$2.1m.

The cash position in the 2016/17 revised budget appears to have been overstated to the extent of \$24m. This was used as the starting point for the 2017/18 budget and it appears to have been accepted that there was more unrestricted cash available than was actually the case. The information available from that period does not provide any explanation of this.

A review of the cash movement to 30 June 2018 showed a decrease in internal reserves and unrestricted cash of \$5.2m. The original budget forecast a decrease of \$3.7m. The recalculated original budget position shows a forecast decrease of around \$5.4m.

The analysis in this report shows that it is primarily the adoption of deficit budgets during the period since merger that has reduced internal reserves and unrestricted cash levels and resulted in actions being taken such as the removal of the plant and vehicle replacement reserve.

At 30 June 2018 the internal reserves and unrestricted cash reached very low levels and Council was not able to fund 2017/18 carry forwards or the plant replacement reserve of \$2.4m that was included in the 2018/19 budget.

The 2018/19 original budget forecast an operating deficit of \$3.8m Consolidated and \$3.5m for the General Fund. It also forecast to spend all available cash and had no provision for budget overruns or unexpected costs. If no intervention had occurred Council would have been at risk of using external reserves to fund operations resulting in a financially unsustainable outlook and other negative consequences.

The intervention during the 2018/19 financial year resulted the following positive outcomes:

- Reduced the operating deficit from \$3.8m to \$0.9m
- Improved the operating performance ratio from (8.73%) in 2017/18 to 1.09% in 2018/19
- Improved the unrestricted cash position from \$1.5m to \$1.9m
- Improved internal reserves balances from \$2.5m to \$7.7m
- Improved the unrestricted current ratio from 1.5x in 2017/18 to 2.4x in 2018/19

The cash position remains tenuous as internal reserves are established for specific purposes and the unrestricted cash level is still low. There are also the following factors:

- A number of unbudgeted financial commitments remain that are beyond the financial capacity of Council to support without reducing service levels
- Eliminating the operating deficit remains an ongoing significant challenge
- There is no guarantee that the temporary SRV will continue
- The drought is ongoing and weather outlook is poor with recovery likely to take several years
- The following asset ratios were reported at 30 June 2019, which are all below the recommended benchmark levels:
  - asset renewal ratio 45% (benchmark  $\geq 100\%$ )
  - infrastructure backlog ratio 5% (benchmark  $< 2\%$ )
  - asset maintenance ratio 87% (benchmark  $> 100\%$ )

To achieve a financially sustainable outlook Council will need to continue to:

- Strengthen unrestricted cash and internal reserves, including the employee leave entitlements reserve balance
- Prioritise asset renewal and maintenance funding over new build within the budget process
- Size the capital program appropriately to meet the capability and capacity of the workforce
- Control operating expenditure and reduce where possible
- Look for revenue and funding opportunities

Financial sustainability is not an outcome that can be achieved quickly from where Council is now. It will take many years of applying the above strategies to achieve a financially sustainable outlook and this will require a long-term disciplined approach.

### **Purpose**

The purpose of this report is to provide an overview of Council's cash position from the merger of the Armidale Dumaresq Council and Guyra Shire Council to 30 June 2019. This will provide information regarding the origin and contributing factors to Council's poor cash position at 30 June 2018.

### **Proposal, Research and Analysis**

#### What are Reserves?

Reserves are a way of accounting for cash held by Council and classifying it into its designated use. Where cash is being held for a designated use it is referred to as 'restricted' cash.

Reserves, restrictions and restricted cash are terms that are often used interchangeably to refer to the same thing.

#### ➤ External Reserves

Cash held because of a legislative requirement. These reserves usually cannot be used for any other purpose other than which they are held for. Common external reserves include unspent loans, unspent grants, unspent developer contributions, water and sewer funds and domestic waste management.

#### ➤ Internal Reserves

Cash reserves established for corporate purposes. While internal reserves are usually established for a specific purpose, Council has the power utilise these reserves for any purpose with the exception of the Employee Liability Entitlements (ELE) reserve. These reserves vary from council to council but typically include a provision for carry forward works.

The ELE reserve is a legislative requirement to provide for the payment of employee leave balances and is calculated based on the minimum recommended provision, which is 38% of the total reserve balance. The current ELE reserve is \$3.2m.

#### ➤ Unrestricted Cash

Cash held without a specific purpose representing the 'buffer' that exists for budget overruns or unexpected costs such as natural disasters. The Office of Local Government has provided recommendations on the level of unrestricted cash that should be held.

The recent experience with drought and fires has shown that a reasonable level of unrestricted cash should be held at all times. Council should build the unrestricted cash level up to around 3 months cash holding ratio or around \$10m. While at this time the water fund has borne the brunt of drought related costs, recent experience has demonstrated that during natural disasters significant costs are incurred quickly without any advance payment of funding from State or Federal Government. It can take months to recoup costs incurred and typically not all costs are covered. Payment is usually only made after stringent review and verification processes are undertaken and Council has to wear additional costs during that time. At the same time, services still need to be provided and capital projects delivered despite the disruption that may exist in the community.

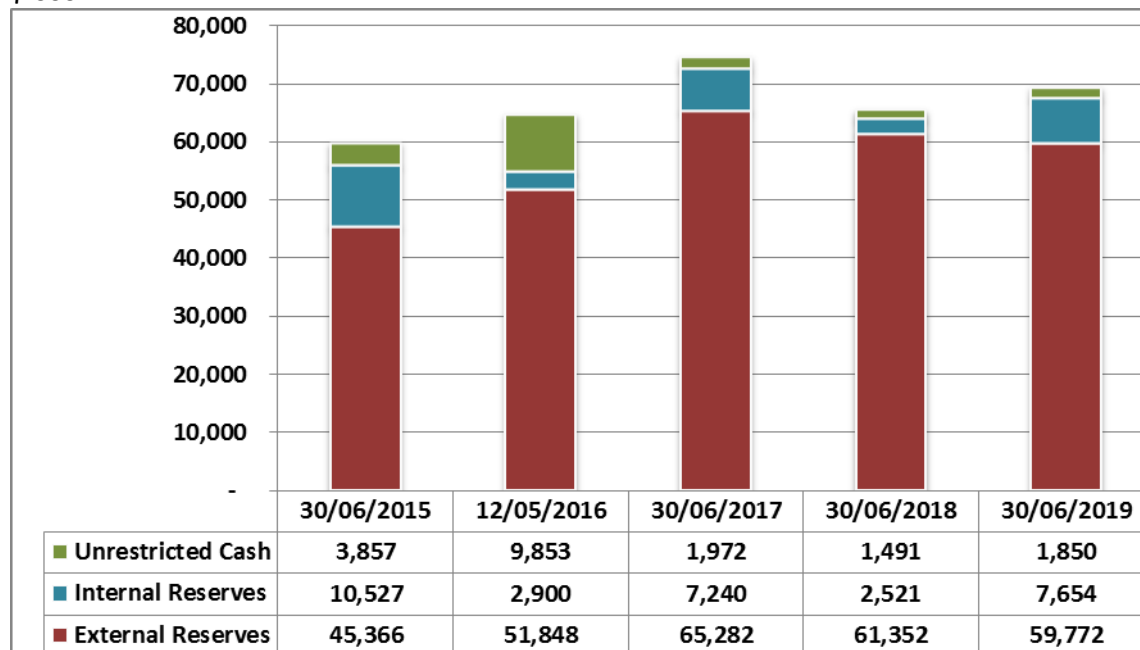
The combination of unrestricted cash and restricted cash makes up the total value of cash held by Council at any given time. The only time this can be accurately measured is at 30 June each year due to the number of reserves held and the large amount of underlying data that is used to calculate the balance of reserve, which takes considerable time.

Council's cash reserves are reported on annually in the audited financial statements under Note 6.

Council also reports an asset valuation reserve as part of equity in its audited financial statements but this is not a cash-backed reserve and relates to the movement in the fair value of assets resulting from asset valuations. This reserve will not be considered in this report.

Reserve Balance Movements

The following graph shows actual reserve balance movements from 30/06/2015 to 30/06/2019: \$'000



These reserve balances were taken from the audited annual financial statements. The periods to 12/05/2016 show the combined reserve balances for the former Armidale Dumaresq Council and Guyra Shire Council. The Armidale Regional Council was formed 13 May 2016 and placed in Administration until 27 September 2017 when the current Council was elected.

A full list of actual reserve balances over this time period is provided at the attachment for information.

2018-19 Reserve Balances

As at 30 June 2019 Council had the following reserve balances:

\$'000	30/06/2019
<b>External Reserves</b>	
Unexpended Loans	3,408
Developer Contributions	2,387
Unexpended Grants	6,997
Water Fund	28,070
Sewer Fund	15,457
Northern Inland Regional Waste	947
RMS Advance Payment	17
Domestic Waste Management	607
Trust	1,400
Other	482
<b>Sub Total</b>	<b>59,772</b>
<b>Internal Reserves</b>	
Employee Leave Entitlement	3,194
Carry Over Works	2,368
Kolora Sinking Fund	442
Kolora M&R	150
Airport Capital Works	1,000
Pre School Upgrade	500
<b>Sub Total</b>	<b>7,654</b>
<b>Unrestricted Cash</b>	<b>1,850</b>
<b>Total Cash</b>	<b>69,276</b>

These reserve balances were reported in Council's annual financial statements and were reviewed by Council's external auditors.

The 2018/19 third quarter budget review projected the following reserve balances:

\$'000	2018/19 Revised Budget
External Reserves	49,543
Internal Reserves	4,332
Unrestricted Cash	5,940
<b>Total Cash</b>	<b>59,816</b>

Key differences were noted in external reserves relating to the movement of reserves to accommodate carry forwards. Unexpended loans, unexpended grants, water and sewer funds



were all higher than the revised budget at 30 June 2019 and this is reflected in the balances of 2018/19 carry forwards brought forward into the 2019/20 budget.

The actual balance of internal reserves was around \$3.3m higher than the revised budget due to the establishment of the following reserves:

- Carry Over Works \$2.4m
- Airport Capital Works \$1.0m
- Pre School Upgrade \$500k

The actual balance of unrestricted cash was around \$4m lower than the revised budget due to:

- Airport land sales budgeted to be received of \$1.6m did not eventuate in the 2018/19 financial year (these have since been received in the 2019/20 financial year).
- The establishment of the Airport Capital Works and Pre School Upgrade reserves of \$1.5m were not budgeted for; however, these projects have grant funding dependencies and it was thought prudent to ensure a funding source was identified.
- The domestic waste management external reserve needed to be recognised as per legislation; this was not budgeted for and was calculated to be \$607k for 2018/19.

The balance of reserves can also be impacted by receivables and payables at 30 June. The reason for this is that these represent either cash to be received or paid out as at 30 June. While receivables and payables would have had some impact on the reserve balances at 30 June 2019, the reserve balances are largely in line with the revised budget apart from the above explained differences.

#### Pre-Merger Reserve Balances

As at the two financial periods prior to merger, 30 June 2015 and 12 May 2016, the former Armidale Dumaresq Council and Guyra Shire Council had the following amounts held in cash reserves as evidenced by their audited financial statements:

\$'000	30/06/2015			12/05/2016		
	Guyra	Armidale	Total	Guyra	Armidale	Total
External Reserves	8,845	36,521	45,366	8,993	42,855	51,848
Internal Reserves	7,126	3,401	10,527	900	2,000	2,900
Unrestricted Cash	1,258	2,599	3,857	8,165	1,688	9,853
<b>Total Cash</b>	<b>17,229</b>	<b>42,521</b>	<b>59,750</b>	<b>18,058</b>	<b>46,543</b>	<b>64,601</b>

The following table shows the combined balances of internal reserves and unrestricted cash as at 30/06/2015 and 12/05/2016:

\$'000	30/06/2015	12/05/2016
Plant & Vehicle Replacement	1,467	
Employee Leave Entitlement	2,900	2,900
Carry Over Works	569	
Asset Backlog	714	
Computer Replacement	210	
HACC Services	7	
Sports Council	322	
Swimming Pool	8	
Low Income Housing	29	
Real Estate	1,593	
Bridge Replacement	535	
Kolora - Council Contribution	2,166	
Preschool	7	
<b>Total Internal Reserves</b>	<b>10,527</b>	<b>2,900</b>
<b>Unrestricted Cash</b>	<b>3,857</b>	<b>9,853</b>
<b>Total</b>	<b>14,384</b>	<b>12,753</b>

Most internal reserves were dissolved at 12 May 2016, including the plant and vehicle replacement reserve, with only the internal reserve remaining held being the ELE reserve.

This appears to have occurred as the new Council had not resolved a position on reserves as required by the Local Government Accounting Code. This did not occur until 28 June 2017 when the *Financial Cash Reserves Accounting Framework* report was resolved by Council. This report does outline the establishment of a Plant Fleet Replacement Reserve with a qualification being that: *funds may not be transferred to this reserve when Council is reporting a negative operating position.*

The operation of this report was not to reinstate any previous reserve balances though; only to establish a policy framework for reserves going forward.

2017-18 Reserve Balances

As at 30 June 2018 Council had the following reserve balances:

\$'000	30/06/2018
External Restrictions	
Unexpended Loans	6,911
Aged Care Bonds	2,082
Developer Contributions	1,887
Unexpended Grants	9,358
Water Fund	24,695
Sewer Fund	13,922
Northern Inland Regional Waste	981
RMS Advance Payment	152
Trust	1,200
Other	164
<b>Sub Total</b>	<b>61,352</b>
<b>Internal Restrictions</b>	
Employee Leave Entitlement	2,521
<b>Sub Total</b>	<b>2,521</b>
<b>Unrestricted Cash</b>	<b>1,491</b>
<b>Total Cash</b>	<b>65,364</b>

From the table above, it can be seen that the ELE reserve was the only internal reserve that was able to be established with the total cash available. The reason for this is that external reserves are required to be established under legislative provisions and must be accounted for first. Only then can cash be allocated to other reserves.

Unrestricted cash was considered at a minimum level at \$1.5m. With this level of unrestricted cash Council just met the minimum benchmark for the Unrestricted Current Ratio of > 1.5x for the 2017/18 financial year.

As at 30 June 2018, an internal reserve should also have been established for carry forward works and the plant replacement program; however, there was insufficient funding available to do this. The shortfall in cash available to fund this is outlined below:

2017/18 Carry Forwards not funded	Amount
Harris Field Lighting	150,000
Airport Apron	1,500,000
Swimming Pool Facility Renewals	66,000
Pre School Upgrade	180,000
<b>Sub Total</b>	<b>1,896,000</b>
Plant Reserve not able to be funded	2,426,204
<b>Total</b>	<b>4,322,204</b>

If these provisions had been taken into account, the unrestricted cash position would have been negative for the 2017/18 financial year.

These projects were subsequently deferred or have not been done at all. In addition to this, there were a number of unbudgeted financial commitments made that are beyond the financial capacity of Council to support without reducing service levels.

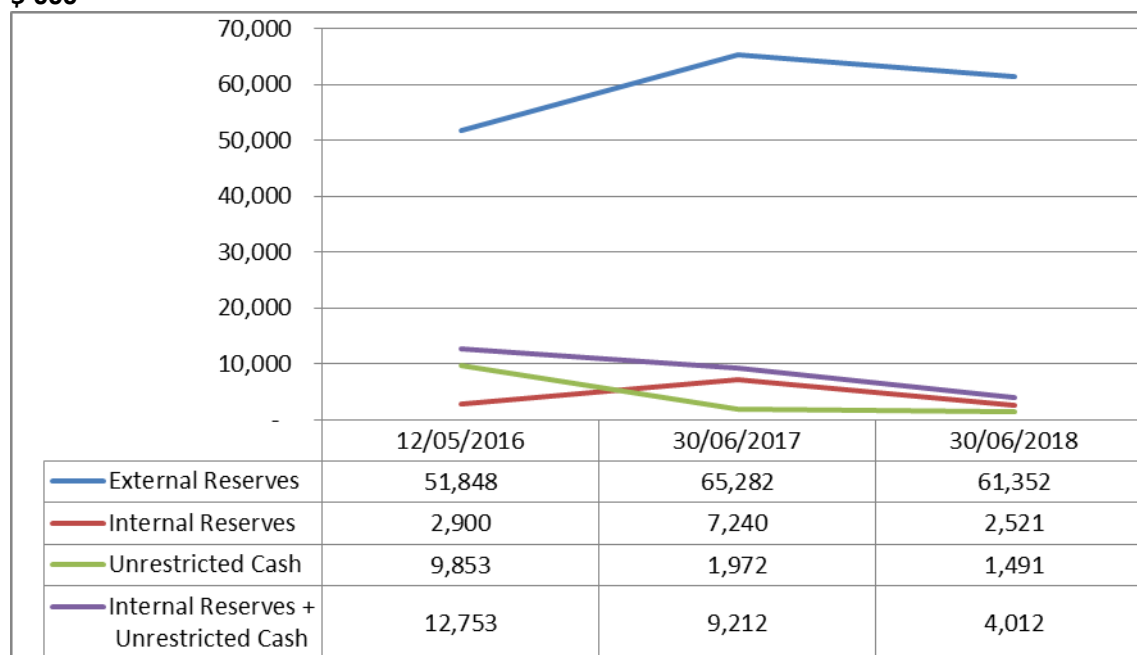
The 30 June 2018 cash position combined with the budgeted operating deficit of \$3.8m resulted in Council needing to take swift action to strengthen the liquidity of Council and underlying financial position during the 2018/19 financial year.

The reason for this is that without action, Council was at risk of using external reserves to fund operations and this would have indicated a financially unsustainable outlook and had a range of negative consequences. In addition, a 'zero-based' budget position had been adopted, which meant that Council budgeted to spend all funds generated in the 2018/19 financial year. This left no capacity for budget overruns or unexpected costs such as natural disasters. With the significant size of the capital program also adopted in the 2018/19 financial year there was a key risk of budget overruns, an unavoidable challenge in the area of infrastructure project delivery.

#### Post-Merger Reserve Balances

Between merger and 30 June 2018, the following graph shows that external reserves increased overall while internal reserves and unrestricted cash declined by around \$8.7m in total.

\$'000



A review of this period shows that the original budgets adopted included a decrease in internal reserves and unrestricted cash as follows:

2016/17 Original Budget	\$1.6m decrease
2017/18 Original Budget	\$3.7m decrease
Total	\$5.3m decrease

The actual decrease in internal reserves and unrestricted cash is around \$3.4m higher than the original budget.

This has been reviewed and it has been identified that the projected cash positions in the revised 2016/17 budget and 2017/18 original and revised budgets were overstated.

This appears to have occurred because of accounting adjustments made to accommodate the merger accounting periods that ended on 12 May 2016 and commenced on 13 May 2016.

It is not possible to provide further clarification as no employees from that period involved in the preparation of budget models, reports and decisions can be consulted with as they are no longer employed by Council.

As a result, a process was undertaken to eliminate the impacts of the merger accounting periods on the budgets for the 2016/17 and 2017/18 financial years and recalculate the position of internal reserves and unrestricted cash. This calculation shows that the budgets adopted for this period projected a decrease in internal reserves and unrestricted cash as follows:

2016/17 Recalculated Budget	\$2.1m decrease
2017/18 Recalculated Budget	\$5.4m decrease
Total	\$7.5m decrease

This is closer to the actual result. The actual result is still worse than budget particularly considering that no internal reserve could be established for carry forward works at 30 June 2018. A review of the budget review reports for 2016/17 and 2017/18 do not identify any obvious areas to explain the remaining variance though it is noted that some items such as the forecast for interest income were not met. While monthly budget variance reports are provided to Council now this has not always been the case. At the time period under review the only reports containing information on budget variances were the quarterly budget review reports.

Apart from the fact that the original budget forecast a decline in internal reserves and unrestricted cash, it is likely that there are a number of reasons as to why actual performance has been worse than budget. It did not help that operating deficits were also budgeted for in both years. Without further in depth investigation, which is beyond the resources of the current Finance team, it is not possible to provide further information.

The following Council reports were reviewed in preparing this report:

Date	Meeting	Report	Description
23/05/2016	Special Council	Integrated Planning and Reporting 2016-2017	Adoption of draft 2016/17 operational plan and budget for public consultation
29/06/2016	Ordinary Council	Adoption of Plans under the Integrated Planning and Reporting Framework and Making the Rates	Adoption of final 2016/17 operational plan and budget
12/04/2017	Ordinary Council	Second Quarter Budget Review	Adoption of revised 2016/17 budget
17/05/2017	Special Council	Adoption of Draft Four Year Delivery Program and Operational Plan 2017-2018	Adoption of draft 2017/18 operational plan and budget for public consultation

Date	Meeting	Report	Description
24/05/2017	Ordinary Council	Third Quarter Budget Review	Adoption of revised 2016/17 budget
28/06/2017	Ordinary Council	Adoption of Four Year Delivery Program and Operational Plan 2017-2018	Adoption of final 2017/18 operational plan and budget
28/06/2017	Ordinary Council	Financial Cash Reserves Accounting Framework	Reserves accounting framework adopted
22/11/2017	Ordinary Council	Quarterly Budget Review Statement First Quarter 2017-2018	Adoption of revised 2017/18 budget
28/02/2018	Ordinary Council	Quarterly Budget Review Statement Second Quarter 2017-2018	Adoption of revised 2017/18 budget
16/05/2018	Special Council	Adoption of Draft Three Year Delivery Program 2018 - 2021, Operational Plan 2018-19 and Resourcing	Adoption of draft 2018/19 operational plan and budget for public consultation
23/05/2018	Ordinary Council	Quarterly Budget Review Statement Third Quarter 2017-2018	Adoption of revised 2017/18 budget
27/06/2018	Ordinary Council	Adoption of Three Year Delivery Program 2018 - 2021, Operational Plan 2018-19 and Resourcing	Adoption of final 2018/19 operational plan and budget

### Impact

The analysis that has been performed has demonstrated that the internal reserves and unrestricted cash position has deteriorated from merger until 30 June 2018 at which point a strategy was put in place to improve the level of available cash reserves.

The information provided in this report shows that Council has largely made determinations through the budget process to draw down on internal reserves and unrestricted cash to help fund works and services in the 2016/17 and 2017/18 financial years. During the 2018/19 financial year the available cash position improved as a result of a deliberate strategy to improve liquidity and the underlying cash position.

What this report also demonstrates is that Council's financial position has only just started to improve and that a great deal of more work and discipline is required in order to ensure that a financially sustainable outlook is achieved. The improvement in the level of available cash reserves has not yet put Council back into the position at merger where the newly formed Council had \$12.8m in internal reserves and unrestricted cash.

The following ratios were reported at 30 June 2019:

- asset renewal ratio 45% (benchmark >=100%)
- infrastructure backlog ratio 5% (benchmark < 2%)
- asset maintenance ratio 87% (benchmark > 100%)

These indicators show that Council should be prioritising asset renewal and should have a focus on investing in asset renewals and building up an infrastructure reserve for this purpose.

**Summary**

This report was requested by Council to provide information on the origin and contributing factors to Council's poor cash position at 30 June 2018. The analysis performed shows that the cash position largely reflects the underlying budgeted positions adopted by Council since merger.

While Council's financial position has improved since 30 June 2018, there is still a lot more work and discipline needed to ensure that a financially sustainable outlook is achieved and spending should be prioritised on asset renewal in order to improve Council's key financial sustainability indicators.

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**Item:** 11.2 **Ref:** AINT/2019/28419  
**Title:** FOR DECISION: Suspension of Section 2.5.2 of the Street Trading Activities Local Approvals Policy and Alcohol Free Zone for the purpose of Twilight Food Markets Trial  
**Container:** ARC18/2923  
**Author:** Jade Meddemmen, Event & Administration Coordinator  
**Attachments:** Nil

**RECOMMENDATION:**

- a) That the operation of the Alcohol Free Zone within Central Mall be suspended within proposed contained areas for the purposes of the Twilight Food Markets (5-9pm) six month trial to take place on the following dates: 28 February 2020, 27 March 2020, 24 April 2020, 29 May 2020, 26 June 2020 and 31 July 2020, subject to the following conditions:
- i) The lifting of the prohibition does not preclude Council or the Police from taking any action considered necessary under the provisions of all relevant legislation.
  - ii) Any necessary liquor licences through the Office of Liquor, Gaming and Racing must be obtained prior to the period's identified events.
  - iii) At the completion of the proposed markets the prohibition to consume alcohol will return.
- b) That the prescribed and required public notification be undertaken in accordance with the requirements of 645(1) of the Local Government Act 1993.

**Context**

It is proposed that Armidale Regional Council host a twilight food market in the Central Mall on the last Friday of each month for a six month trial period. It should be noted that the event is in the early planning stages.

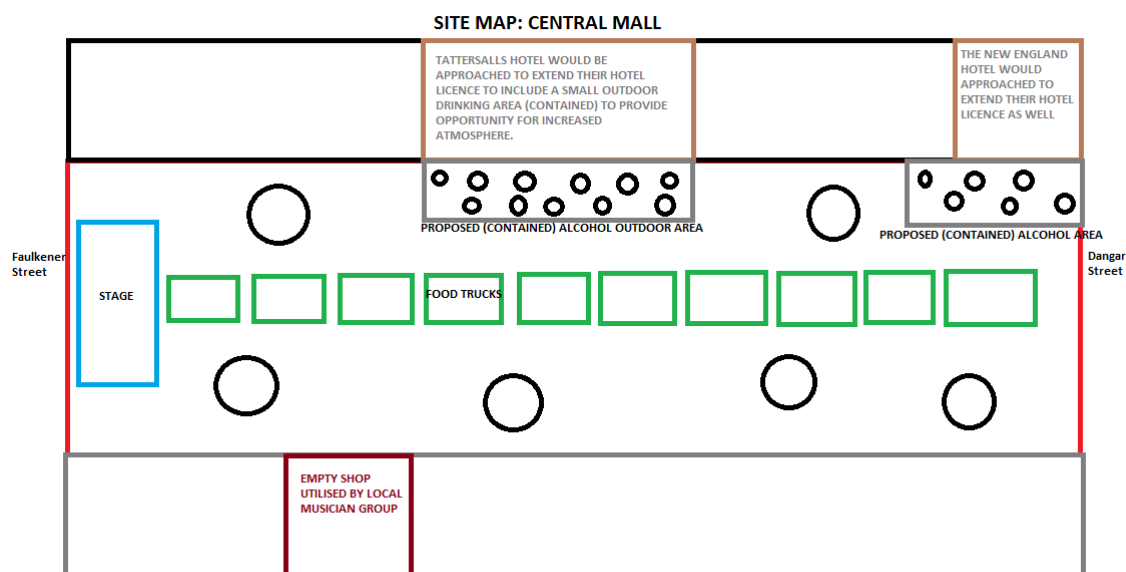
The event would run from 5:00pm – 9:00pm with approximately ten high quality touring food trucks to be invited per event. The success of such events (eg Coffs Harbour, Port Macquarie, Newcastle) is based on the appeal of *visiting* food trucks providing something different to that regularly on offer in town. There would be live acoustic music performed on the Mall stage, adjacent to the Post Office.

**Purpose**

To enhance the event and enjoyment of its patrons, the hotels in the Central Mall will be approached to see if they would be interested in applying to temporarily extend their "drink on premise license" in front of their premises in a designated and fenced area. This would allow patrons to enjoy a drink whilst taking in the atmosphere of the Twilight Foodie Market.

Patrons wouldn't be able to remove alcohol from the respective hotel's contained area, so creating a safe and maintained environment for all. It would be clearly stipulated to the businesses that outside the time of the Twilight Markets the Central Mall would return to an alcohol free zone and no further permanent application could be used in the future.





### Proposal, Research and Analysis

There are two separate Parts of the Local Government Act which relate to Alcohol Prohibited Areas (Part 2 Public Places) and Alcohol Free Zones (Part 4 Street Drinking). Alcohol Prohibited Areas cover Public Places other than a road such as Reserves and Parks. Within the Armidale Regional LGA it is assumed that the existing Alcohol Prohibited Areas were originally established under Section 632 of the Act and with the introduction of the Local Government Amendment (Confiscation of Alcohol) Act 2010, any existing Alcohol Prohibited Area carried over under a new Section 632A of the Act which amongst other things requires new areas to meet the following:

- (6) An alcohol prohibited area operates, in accordance with the terms of the declaration establishing the area, during such times or events as are specified in the declaration.
- (7) An alcohol prohibited area operates only so long as there are erected at the outer limits of the area, and at suitable intervals within the area, conspicuous signs:
  - (a) stating that the drinking of alcohol is prohibited in the area, and
  - (b) specifying the times or events, as specified in the declaration by which the area was established, during which it is to operate.
- (8) An alcohol prohibited area cannot be established without the approval of the Local Area Commander of Police for the area in which the proposed alcohol prohibited area is situated.
- (9) If a council is required by the guidelines in force under section 646 to provide the Anti-Discrimination Board with a copy of the council's proposal to establish an alcohol-free zone, the council cannot establish an alcohol prohibited area unless the council has complied with the consultation requirements set out in those guidelines.
- (10) For the purposes of subsection (9), the guidelines in force under section 646 apply, with such modifications as are necessary, in relation to a proposed alcohol prohibited area in the same way as they apply in relation to a proposed alcohol-free zone.

There are no clear directions within the Act or Regulations relating to the suspension or cancellation of an Alcohol Prohibited Area. As a consequence guidance is being taken from section 645 of the Act (below), being the provisions for the suspension or cancellation of an Alcohol Free Zone and also the Ministerial Guidelines established pursuant to section 646 of the Act as referred to above, have also been used.

The Ministerial Guidelines emphasise consultation with the Local Police before and after a decision has been made to cancel or suspend an Alcohol Free Zone.

**645 Suspension or cancellation**

- (1) The council may, at the request of any person or body or of its own motion, suspend the operation of an alcohol-free zone by publishing notice of the suspension in a newspaper circulating in the area as a whole or in a part of the area that includes the zone concerned.*
- (2) During the period indicated in such a notice as the period of suspension, the zone does not operate as an alcohol-free zone.*
- (3) In like manner the council may at any time cancel the operation of an alcohol-free zone.*

For the requested suspension period to have effect, a Public Notice must be published indicating the area and period of suspension.

Whilst the suspension does not enable anyone to set up and sell alcohol as this is governed through the Office of Liquor, Gaming and Racing and the liquor licensing process, it does enable the consumption of alcohol in the identified area and within the specified times in the Alcohol Free Zone area.

**Impact**

It is estimated that the initial 6 month event trial would cost approximately \$4,500, average \$750 per event. Should the trial prove successful it is envisaged that the event will become self funding with foodie trucks being charged site fees etc. The trial period costs will be funded through the current Events 19/20 budget.

**Summary**

The popularity of such events continues to grow in many regional cities. Touring foodie trucks are seeking new venues and Armidale with its multi cultural population is seen as an ideal location.

The cancellation of two recent (similar) events planned in Armidale during the Spring on 2019 demonstrated the level of community interest as evidenced on social media.

<b>Item:</b>	12.1	<b>Ref:</b> AINT/2019/27694
<b>Title:</b>	FOR DECISION: Adoption of EcoARC	<b>Container:</b> ARC17/2304
<b>Author:</b>	Sally Thorsteinsson, Sustainability Officer	
<b>Attachments:</b>	1. Collated amended EcoARC documents 2. All submissions for EcoARC	

**RECOMMENDATION:**

- a) That the public submission comments, staff comments and recommendations are noted.
- b) That the EcoARC be adopted.

**Context**

During the March 2019 Ordinary Council meeting, the motion was passed that the draft EcoARC (GreenPrint) be placed on public exhibition for members of the community to provide comment. Six written submissions were received, and prior to submitting the submissions to Council, it was decided to wait on the Wood Smoke Advisory Group (WSAG) report so that strategies and recommendations to do with the EcoARC Air topic could be aligned. This report has been prepared with inclusion of the recommendations of the WSAG report, which was received on 26 September 2019.

**Purpose**

This report gives Council an opportunity to review the submissions received from the public, together with the staff comments and recommendations for action.

**Proposal, Research and Analysis**

EcoARC is a document prepared as part of Council's commitment to the 2017-2027 Community Strategic Plan. It encompasses the outcomes of the WSAG report, and supports Project Zero30 and Council's Climate Emergency Declaration, but also extends to broader environmental and social commitments beyond improving air quality and reducing greenhouse gas emissions.

The submissions we received during public exhibition were comprehensive and detailed. They have been carefully considered and most suggestions have been recommended to be included in the EcoARC document. There is an accompanying explanation for those that have not. An introductory page has been added to clarify the purpose of EcoARC and include some suggested improvements.

Submission comments, organised by EcoARC topic, together with staff comments and recommendations for action, are tabulated below. The EcoARC document is attached, with amendments in Track Changes. We do not believe that the amendments change the intent of the document.

**Summary of EcoARC submissions**

<b>Topic</b>	<b>Submission comments</b>	<b>Staff comment</b>	<b>Recommendations for action</b>
<b>General</b>	Several submissions request more specific actions and priorities, timelines and standards, cost-benefits, current levels and numerical goals, including short-term.	Under the LGAct the CSP Delivery Plan and operational plan establish the KPI and budget allocation for implementation of programs. The purpose of the EcoARC is to inform this four yearly and annual process for budget allocation.  EcoARC is not a delivery document which sets target or deadlines as no budget is allocated to this.	An introduction which clarifies the purposes of the document (enaction of CSP, assistance to prioritise and streamline activities and inform planning processes, support for grant applications), includes more urgent language, and glossary of terms.
	Some Key Success Indicators are Strategies		Review/rewrite Key Success Indicators and Strategies
	Include a sense of urgency – UN states that we must act now on climate change to limit climatic disaster		More urgent and definite language used
	LEP – include an explanation of what this means		Add a glossary of terms, including ‘LEP’
	Recognise the depth of knowledge and positive environmental attitudes within our community	Important point.	Add in the introduction.
	Declare a Climate Emergency	This was resolved at the Council meeting 23 October 2019	EcoARC be updated accordingly to reflect the declaration of a climate emergency. LivingARC has been amended.
	Include community consultation in every aspect of the plan	Important point.	Ensure community consultation is included in each topic and introduction.
<b>AirARC</b>	Include air quality improvements for Guyra	There are no purple air monitors currently in Guyra so we are not currently receiving any	Add “Install at least one purple air monitor in Guyra, and follow up with action if

		data.	necessary.”
	Two submissions request inclusion of the adverse health effects of woodsmoke, and one suggested inclusion of the estimated health costs of installing new heaters.	Draft does include health effects but is not specific.	Amend to add greater emphasis on health effects. Currently detailed data for health costs of installing new heaters is not available, however, “including working with NSW Health and others to use the air pollution monitors to update the estimated health costs of Armidale’s wood smoke pollution.” is currently in AirARC.
	Include a clear statement that woodheating is not sustainable in terms of achieving good air quality or as a clean heating choice.		Adapted Scope and Intent.
	Include ban of woodheaters in new homes due to health and global warming impacts.	This is also included in the WSAG recommendations. Current legislation does not permit council to prohibit the installation of wood heaters.	Further emphasise that appropriate legislative options will be investigated and lobbied for at the state government level.
	Several submissions supported encouraging residents to remove woodheaters through incentives.	This is also included in the WSAG recommendations.	Look into funding a rebate program through State Government. This is already included under Advocacy – add emphasis/priority.
	ARC advise regulatory bodies that a health warning is attached to every new wood heater and include the warnings with applications to install them.	Noted. Councils can currently undertake education, undertake regulation on pollution and lobby for tighter legislation, but cannot regulate sellers.	Amend to include lobbying state government for more health warnings at point of sale.

	<p>Just have 2 Key Success Indicators, and list the rest as Strategic Initiatives:</p> <ol style="list-style-type: none"> <li>1. That air pollution measurements throughout the town are below the level (4ug/m<sup>3</sup> according to a recent Tasmanian study of wood smoke) at which adverse health effects have been observed</li> <li>2. That community surveys show everyone understands the health problems caused by polluted air, including the increased risk of heart attacks, strokes, dementia, cancers, lung diseases and effects on unborn babies and young children.</li> </ol> <p>Add Strategic Initiatives:</p> <ul style="list-style-type: none"> <li>• Develop wood heater policies designed to protect public health and conform to the principles of ecologically sustainable development, as required under s.89(1)(c) of the Local Government Act 1993.</li> <li>• Develop wood heater policies that protect the health of people living nearby</li> <li>• Develop education material to help the community understand the health damage and costs of wood smoke pollution</li> </ul>	<p>Noted. During the development of EcoARC, several versions of the Key Success Indicators and Strategic Initiatives for AirARC were discussed and considered.</p> <p>All these points have been included, some in Education or Advocacy.</p> <p>The current National Environment Protection Measure for Ambient Air (Air NEPM) sets national standards of no days exceeding an average of 25 µg/m<sup>3</sup> over 1 year and 8 µg/m<sup>3</sup> over 1 day for PM<sub>2.5</sub>. It is recommended that the EcoARC stays in line with the Delivery Program 2018-2021 Measures of Success which are:</p> <ul style="list-style-type: none"> <li>• Achieve National Air pollution targets by 2020, and</li> <li>• Aim for a 90% reduction in wood smoke pollution throughout the entire city by 2025</li> </ul> <p>rather than changing the Key Success Indicator to the level of 4ug/m<sup>3</sup> based on a Tasmanian study. However, it is important to investigate the Tasmanian study and its applications to Armidale and.</p> <p>Community surveys were also suggested in the</p>	<p>Some wording in the AirARC has been altered to more closely reflect these comments.</p> <p>Learning from air quality initiatives in similar jurisdictions (such as Tasmania) is included in Strategic Initiatives. Add “research”.</p> <p>Community surveys added.</p>

	<ul style="list-style-type: none"> <li>• Use the Purple Air monitoring network to warn the community when pollution levels are high, so they can choose to avoid outdoor activities and polluted areas.</li> <li>• Remove wood heaters and switch to non-polluting heating</li> <li>• Develop a close working relationship with government for strong and consistent advocacy for clean air, while recognising that state and federal governments consider local governments to be responsible for wood smoke pollution</li> <li>• Create partnerships with the NSW government and other stakeholders to develop and implement strategies to improve air quality across the region.</li> </ul>	<p>WSAG – to be included.</p> <p>Protecting the health of people living nearby through policy will be reviewed in the new LAP.</p>	
	<p>Recommendations from the WSAG report, September 2019</p>	<p>Staff have reviewed the recommendations and priorities.</p>	<p>Where relevant, they have been included in AirARC</p>
<p><b>Biodiversity</b> <b>ARC</b></p>	<p>Add “Appropriate vegetation” as a requirement in new developments        Include council improvement of public spaces</p>	<p>In the formulation of the new DCP, look at including improvement of public spaces, and “appropriate vegetation” for new developments</p>	<p>Include as DCP addition.</p>
	<p>Submissions requesting inclusion of education and/or regulation about weeds, impacts of feeding predatory birds on smaller bird species and cats.</p>	<p>Council does not have the ability to enforce keeping cats confined or indoors through current regulation.</p>	<p>Include further conservation education: cats, weeds, predatory birds. This could be undertaken in partnership with Landcare.</p>
	<p>Flagship program suggested would be valuable. Linking the koala</p>	<p>Increase koala flagship program to include the EECs on which they rely.</p>	<p>Include as suggested.</p>

	flagship to the EEC woodlands as an educational opportunity.		
	Strategies are required to prevent abuse of offset provisions.	Noted. Council does not have this ability under the Biodiversity Conservation Act.	No changes.
<b>Transport ARC</b>	Stronger statement about urgent need to reduce Carbon emissions from vehicles, especially private passenger vehicles, the largest growth sector of these emissions	Noted, good point. This will also be incorporated in Project Zero30.	Include in 'Scope and Intent', and 'Education' sections of TransportARC.
	Be more specific – ie. "Improved rail services" needs greater definition. ie Faster? More frequent? Network expansion?	In the LivingARC, 'fast or overnight' is specified for trains to Sydney.	Add these details to TransportARC, and also "Encourage use of public transport..."
	An overall bicycle strategy for all aspects of cycling for transport within the LGA, not just "regional and local cycle route planning"	2019 RMS funding application to revise the 2012 Bicycle Plan was not successful – ARC reapply once current water situation eases. Broaden to include all aspects of bike transport in the LGA.	Amend as suggested.
	Include "facilitate residential living within the CBD"	This is enabled in the LEP, but not actively encouraged – include in Armidale Regional Plan	Include reference to Armidale Regional Plan and ensure improved transport is included in the planning process.
	Include raising drivers awareness of cyclists, including signage, and improved provision of suitable bike parking	This is in process, and will be ongoing. Also in revision of Bicycle Plan.	Include as suggested.
	Two submissions suggested coordinating a vehicle sharing or fee-for-service, specifically for older people in the local area	Noted, good point. Liaise with Community Services. This could also be considered in Project Zero30.	Include as suggested.
<b>Living ARC</b>	Reduce the list of goals to 3 or 4 concrete aims with goals for the next 12 months	EcoARC is not intended as an action plan, but as a guidance document for IPR so adding short term goals is not the intent.	Clarify the intent of EcoARC in the introduction.



<b>WaterARC</b>	Encourage water tanks and use of greywater, including requirements in new developments (including communal areas for rain water and grey water collection in new developments), and education about cost savings for water efficiency.	Noted, good point. Water tanks and greywater, and cost savings for water efficiency –all have an increased profile from council recently due to the water situation. This should be ongoing after the drought to encourage ongoing water conservation. Greywater for new dwellings – consider in the revised DCP.	Include as suggested.
	Review water charges to reflect environmental cost – increase consumption charges and reduce connection charge	Water charges are currently under review	
	Introduce penalties for sporting clubs who allow irrigation of fields until waterlogged and running off.	Water wastage education has become a priority. Include this as an ongoing action. Council become a role model for water efficiency.	Emphasise water wastage and efficiency education in the Education section.
	Remove “To work with the community to ensure they use best practice sensitive urban water design for new dwellings...” as it is unfair to ask new home owners to bear additional costs. Additionally, there are low or negative benefits to residents making homes more water efficient, compared to making homes energy efficient, unless current water charges are reviewed.	WaterARC does not propose requirements over and above BASIX for water efficiency, however, encouraging voluntary water efficiency measures and the associated financial savings is important with changing climatic conditions.	As above.

<b>WasteARC</b>	Prioritise a waste “processing plant” for the LGA and other regional areas. Could be located in the developing industrial area.	Great idea.	Add “Prioritise investigation of plastic/glass recycling plants, and potential local reuse of the materials and products”
	Include how to reduce and reuse e-waste, including within Council.	Work with the EPA, and also internal council procurement/processes.	Ensure e-waste is included.

### **Impact**

The EcoARC fulfils E2.4 in the Delivery Program 2018-2021: *Develop a Sustainability Strategy which includes objectives for the region as a whole as well as Council operations.*

Financial impacts will be managed through the annual budget process.

Implementation of some aspects of the EcoARC will be affected by the water crisis on financial and time priorities in the foreseeable future.

### **Summary**

Most recommendations from the submissions have been included in EcoARC, as per table above, as the document benefits from these additions.

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<b>Item:</b>	12.2	<b>Ref:</b> AINT/2019/27731
<b>Title:</b>	FOR DECISION: Draft Community Participation Plan ARC19/3588	<b>Container:</b>
<b>Author:</b>	Shili Wang, Strategic Planner	
<b>Attachments:</b>	1. DCP Marked up version 2. FINAL Draft ARC Community Participation Plan Nov 19	

**RECOMMENDATION:**

- a) **That the Armidale Regional Council Community Participation Plan be placed on public exhibition for a minimum period of 28 days beginning 8 January until Monday 11 February 2020;**
- b) **That the amended Armidale Dumaresq Development Control Plan 2012, as outlined in the report be placed on public exhibition for a minimum period of 28 days beginning 8 January until Monday 11 February 2020;**
- c) **That a further report be provided to Council for consideration of any submissions received, however if no submissions are received within the submission period, both the Armidale Regional Council Community Participation Plan and amended Armidale Dumaresq Development Control Plan 2012 be adopted.**

**Context**

In March 2018, changes to the *Environmental Planning and Assessment Act 1979 (EPA 1979)* set out new requirements for Councils to prepare a Community Participation Plan (CPP). All Planning Authorities, including the Department of Planning and Environment and Councils, will be required to have in place a Community Participation Plan by 1 December 2019. The *EP&A Act* does not contain any consequences if the 1 December 2019 deadline is not met.

**Purpose**

The CPP seeks to enhance the opportunities for all members of the community to participate in planning decisions (under the EPA 1979) to achieve better planning outcomes, at an appropriate level relative to the project. It also acknowledges the aspirations of, and provides guidance to the development sector to avoid growth and development becoming unreasonably frustrated.

The purpose of this report is to obtain Council's approval to place the CPP and amended Development Control Plan on public exhibition for a period of 28 days.

**Proposal, Research and Analysis**

The purpose of the CPP is to provide a single document that clearly states how the community can participate in planning matters. The document combines Council's existing community engagement approach and the minimum public exhibition timeframes of the legislation for planning functions.

The documents also promote transparency in decision making, rights of access to information, inclusivity and opportunities for community participation in planning matters.

A key legal function of the CPP is to inform the community of the different minimum public exhibition timeframes that Council sets for different types of strategic planning and development applications. Currently, the Armidale Dumaresq Development Control Plan 2012

(DCP 2012) provides some information on exhibition periods along with advertising and notification guidelines in relation to development approvals.

In order to streamline processes in and around community participation in relation to planning matters, the NSW Department of Planning, Industry and Environment (DPIE) recommends the removal of community participation requirements from DCP 2012, as a consequence of adopting the CPP. Accordingly, the relevant Section 1.1 – Introduction and Public Notification is proposed to be deleted from DCP 2012 as detailed in Attachment 1.

The proposed Armidale Regional Council Community Participation Plan (prepared under Section 2.23(2) of the EPA Act 1979) contains all of the relevant information and necessary guidance to the regional community on minimum public exhibition timeframes and circumstances whereby advertising and/or notification may occur in relation to strategic planning matters and development applications. The draft CPP is contained in Attachment 2.

### **Impact**

Preparation of the CPP has involved consulting with relevant staff within Council. The draft CPP must be exhibited for a minimum of 28 days after which time the draft CPP will be reconsidered by Council if any submissions are received. The final CPP is submitted to the Department of Planning, Industry and Environment for loading on the NSW Planning Portal.

Amendments to the Armidale Dumaresq DCP 2012 are also required to be publicly exhibited for a period of 28 days. This will run concurrently with the exhibition of the draft CPP.

### **Summary**

Council is required to prepare a Community Participation Plan under amendments to the *Environmental Planning and Assessment Act 1979*. It is proposed that the draft CPP be placed on public exhibition to enable community feedback prior to a consideration of its adoption by Council.

**Item:** 14.1 **Ref:** AINT/2019/28053  
**Title:** FOR INFORMATION: Cash and Investment Report November 2019  
**Container:** ARC16/0469  
**Author:** Brad Munns, Financial Accountant  
**Attachments:** 1. Curve Securities - Term Deposit Report Nov 2019

**RECOMMENDATION:**

**That Council receive and note the Cash and Investment Report - November 2019.**

**Context**

As at 30 November 2019, Council held \$74,757,551 in cash and investments.

**Purpose**

The Cash and Investment Report provides an overview of cash and investments for the period 1 November 2019 – 30 November 2019 and certifies compliance with Council's Investment policy and the Local Government Act 1993 and Regulations.

**Proposal, Research and Analysis**

Cash and Investments

Balances were as follows:

Item/Account	November 2019 \$	October 2019 \$	Movement \$
<b>Cash at Bank</b>			
General Fund Bank Account	-	-	-
Trust Fund	1,439,193	1,437,993	1,200
<b>Total Cash</b>	<b>1,439,193</b>	<b>1,437,993</b>	<b>1,200</b>
<b>Investments</b>			
High Interest Cash At Call Account	11,053,888	11,095,519	(41,631)
T-Corp IM Cash Fund	5,264,470	5,259,509	4,961
Term Deposits	57,000,000	56,000,000	1,000,000
<b>Total Investments</b>	<b>73,318,358</b>	<b>72,355,028</b>	<b>963,330</b>
<b>Total Cash &amp; Investments</b>	<b>74,757,551</b>	<b>73,793,021</b>	<b>964,530</b>

Summary of movements for November 2019:

Term Deposit Maturities

- NAB \$1,000,000
- NAB \$2,000,000
- NAB \$8,000,000
- Westpac \$1,000,000
- TOTAL \$12,000,000

New Investments

- MyState \$1,000,000
- NAB \$2,000,000
- NAB \$1,000,000

- Macquarie \$8,000,000
- Macquarie \$1,000,000
- TOTAL \$13,000,000

Interest Earned – November 2019

- Term Deposits \$74,995
- T-Corp IM Cash Fund \$4,961
- High Interest Account \$8,905
- Trust Account \$1,200
- Total \$90,061

As per the attached investment report (refer Attachment 1 section 2), as provided by Council's investment advisor Curve Securities, the investments are diversified across a range of institutions, with no one institution exceeding 35% of average annual funds invested to ensure the portfolio is in line with the Investment Policy.

Actual to Budget Comparison

YTD Actual income	YTD Budget	Difference
\$660,049	\$839,320	(\$179,271)

With a reduction of the RBA official cash rate to 0.75%, interest income from cash and investments is lower than budgeted.

Investment Yield

Benchmark 30 day BBSW index	0.89%
ARC Average Rate November 2019	2.03%

**Regulations**

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 2005 – Reg 212.

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

**Summary**

The Cash and Investment Report provides an overview of cash and investments as at and for the period ended 30 November 2019 and demonstrates compliance with Council policy.

**Item:** 14.2 **Ref:** AINT/2019/27745  
**Title:** FOR INFORMATION: Wood Smoke Advisory Group report **Container:**  
ARC17/2442  
**Author:** Sally Thorsteinsson, Sustainability Officer  
**Attachments:** 1. WSAG Report 26sep19

**RECOMMENDATION:**

- a) **That the Wood Smoke Advisory Group report be noted.**
- b) **That Council formally thanks the Wood Smoke Advisory Group for applying their knowledge and donating their time to producing this report;**
- c) **That the actions, identified below, and their confluence with EcoARC, Project Zero30 and Local Approvals Policy be noted.**
- d) **That Council recognises that some of the actions need resourcing (4.6 & 4.7) and will be referred to the Manager Development and Regulatory Services for inclusion in the 2020/2021 budget.**

**Context**

The Wood Smoke Advisory Group (WSAG) was formed in November 2018 by the Mayor, to review information about Armidale's air pollution related to wood heating and make recommendations on addressing the issue.

The resulting WSAG report, *Cosy Home, Clean Air. A Strategy for Addressing Wood Smoke Issues in Armidale*, was provided to the Mayor on 26 September 2019, attached.

The report was presented to the Environmental Sustainability Advisory Committee at their meeting on 14 October 2019. Council staff have reviewed the recommendations and priorities and added actions for implementing them (see table below).

Where relevant, the recommendations from the report have been included in EcoARC.

**Purpose**

This report provides Council with a summary of the WSAG report recommendations, together with staff priorities and suggested actions. It indicates how the WSAG report informs EcoARC and the Local Approvals Policy, and where it dovetails with Project Zero30.

**Proposal, Research and Analysis**

The WSAG *Cosy Home, Clean Air* report contains details of the local wood smoke issue, the history of actions and policy in Armidale, heating options, and expansion of the recommendations. The WSAG resolved that a three pronged approach is needed to improve air quality, namely education, replacement and enforcement, and the recommendations revolve around these approaches. The WSAG report notes that the recommendations are broad based only and suggests Council will need to "engage a consultant(s) and/or relevant staff members to fully develop these recommendations into a tangible, viable and equitable program of achievable strategies and outcomes."

Council staff have reviewed the recommendations and priorities and added actions for implementing them in the context of current resourcing, budgetary and social limitations. It is recognised that whilst the drought is impacting our community, it is not an opportune time to focus heavily on wood smoke-related issues, and some short-term recommendations from the report have been amended to medium. However, some ongoing actions will still be appropriate and continue, until the time when we can refocus larger efforts on minimising the effects of wood smoke in Armidale.

More details can be found in the report (attached).



**Recommendations from *Cosy Home, Clean Air***

<b>Report section</b>	<b>Recommendation</b>	<b>Priority</b>	<b>Action</b>
<b>4.1 Boundaries and Limitations</b>	That if possible, a database of existing heaters, their make, model and age, be established within the boundary area as a way of benchmarking current and future use	Short	Implement as part of Project Zero30 – measuring phase. An accurate database of existing heaters is essential.
	That Council better promote the requirement for Section 68 approval for heater installation, working with the retailers at point of sale (though this will not pick up non-local purchases)	Short	Council Sustainability Officer to action.
	That, if possible, ensure only fully-compliant wood heaters are available for sale in Armidale in accordance with OEH requirements	Medium	EPA. Contact them to enquire how this is done.
	That any rebate replacement/upgrade program also address rentals with possible incentives for landlords	Short - medium	Yes. Look into funding rebate program through State Government.
<b>4.2 Community Awareness and Feedback</b>	That a new survey be conducted to determine the community's level of awareness, perception and understanding of the wood smoke issue; in so doing, the survey itself will reignite the discussion	Short-medium	Implement once the current water situation is alleviated. Work with UNE. Potentially also part of Project Zero30.
	That a visual display of daily PM2.5 levels be shown in the Mall and/or on the Armidale Exservices' external screen	Short	Investigate once the current water situation is alleviated. Also investigate screens on roundabout near Coles.
	That once the report and proposed Council strategies are nearing finalisation, that a public forum be held to inform the community and allow for constructive feedback for inclusion	Medium	Implement once the current water situation is alleviated.
<b>4.3 Heating Options</b>	That consideration of the various fuels and appliances need to take into account costs, availability and convenience	Medium	Yes. This considers some of the social implications. Implement as part of

			Project Zero30.
	That use of daytime solar electricity be encouraged to pre-heat houses with electrical appliances	Medium	Implement as part of Project Zero30.
	That the public be made aware that moisture meters are freely available in the Library to residents to ensure dry wood is being used	Short - ongoing	Continue ads in newspaper, Facebook, at the library etc
	That a wood-storage competition be held to encourage people to store their wood correctly	Short	Ads in newspaper, Facebook, at the library etc. Encourage purchase of next year's wood now, and the correct storage of it.
<b>4.4 Housing Stock</b>	That any rebate program for new heaters includes requirements and/or funding to upgrade house infrastructure as appropriate (eg minimal insulation levels, in order of priority)	Medium	Yes. As 4.1
	That SLA's previous curtain- and pelmet-making workshops might be revisited	Short	Liaise with SLA
	That information on improving existing housing stock be made readily available with possible incentives for upgrading	Medium	Implement as part of Project Zero30 – Also revised DCP and Sustainable Home checklist.
	That a program that addresses rentals and incentives for landlords need to be developed and implemented	Short	As 4.1
<b>4.5 Education and Behaviour</b>	That council provides links to 'how-to' videos on the Council website	Short - ongoing	Check website for current material – Council Sustainability Officer
	That a series of educational workshops be run to cover both heater operation and household behaviour, whether run by Council or external groups such as SLA	Medium - ongoing	Liaise with SLA. Implement once the current water situation is alleviated.
	That SLA's previous 'I Can Do It' program might be revisited		As 4.4
	That language used to address the issue be focused on positive outcomes rather than negative	Short - ongoing	Can be immediately implemented in Council messaging.

	impacts, though the message that wood smoke is not good for health still needs to be included		
	That Council investigate opportunities to set up demonstration projects (eg either individual homes or whole-of-community) for improving air quality	Medium - long	Investigate as part of Project Zero30. Also could be part of rebate/education program with state government funding. Potential to include water and energy efficiency.
<b>4.6 Monitoring</b>	That data continue to be collected via the OEH Monitor and Purple Air monitors to provide hard evidence of the situation	Short - ongoing	Council Sustainability Officer to action.
	That such data be publically available and visible	Short	Continue to publish on Council news, investigate other possibilities such as screens, inclusion in weather reports. Council Sustainability Officer to action.
	That OEH officers or Smoke Rangers be re-engaged to conduct smoke patrols and household interactions	Short-medium	A business case will be required, clear policy adopted and resources made available.
	That these officers be suitably trained in both technical and communication skills		As above.
<b>4.7 Legislation</b>	That Council commits to its policy of advice, warning and fines for those with repeatedly smoking chimneys	Ongoing	A business case will be required, clear policy adopted and resources made available.
	That Council impose a '3 strike policy' – ie if continually failing to improve heater behaviour, more drastic action be taken - dedicated Ranger patrol in winter warns and advises residence on effective operation, 2nd time a warning and notification, 3rd time substantial fine if cannot show cause and so on	Ongoing	A business case will be required, clear policy adopted and resources made available.
	That local retailers are held to	Short-medium	EPA. Find out how/if

	account to only sell fully compliant heaters to most recent EPA regulatory requirements.		they do this.
	The any new development (ie brand new homes) are not permitted to install wood heaters on the basis that it is now possible to create houses that do not require that degree of heating, commencing in say 2022, with prior promotion and education - appropriate legislative options will need to be investigated and lobbied for.	Medium - long	Current legislation does not permit council to prohibit the installation of wood heaters – will need to lobby state government.
	The Council, where possible, provides advocacy, consultation and collaboration with higher levels of government (ie NSW and Commonwealth governments) to tighten up national standards that address these issues, thus allowing Council themselves to act with clarity and without reprisal.	Ongoing	Continue meetings with Representatives from NSW Health, EPA and University of Sydney.

### Impact

Where relevant, the actions from this report have been added to EcoARC to be developed for budgetary consideration.

As previously noted, all of the above are broad based recommendations only – it is suggested in the report that Council will need to engage a consultant(s) and/or relevant staff members to fully develop these recommendations.

The priorities are consistent with Council’s Delivery Plan, and whilst accommodation can be made for short term priorities in the 2020/2021 budget, it is important to note that the drought and water conservation will take budgetary and staff time priority at present.

Under current legislation, Council has no power to prohibit the installation of wood heaters. Council would need to lobby state government to progress on this recommendation. However, it can prescribe maximum design emission levels for devices. The current level is in line with state legislation of 1.5g/kg (grams of particulate emissions per kilogram of fuel burned).

### Summary

The WSAG report, *Cosy Home, Clean Air*, as requested by the Mayor, provides a strategy for addressing wood smoke issues in Armidale. The recommendations within the report have been prioritised by staff who reviewed the short, medium and long term actions. Where relevant, actions have been included into EcoARC for budgetary consideration.

**Item:** 17.1 **Ref:** AINT/2019/28120  
**Title:** FOR INFORMATION: Minutes of the Audit and Risk Committee meeting held on 19 November 2019 **Container:** ARC16/0522-2  
**Author:** Nathalie Heaton, Service Leader Governance, Risk and Corporate Planning  
**Attachments:** 1. Minutes - Audit and Risk Committee - 19 November 2019

**RECOMMENDATION:**

**That the Minutes of the Audit and Risk Committee meeting held on 19 November 2019 be noted and the following recommendations endorsed:**

- a) **That Committee's name be changed to *Audit, Risk and Improvement Committee*.**
- b) **That the Charter be reviewed post adoption of nine core recommendations to accommodate the core requirements.**
- c) **That the Risk Management Framework be reviewed to ensure it is relevant and aligns with the core requirements.**

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<b>Item:</b>	19.1	<b>Ref:</b> AINT/2019/27984
<b>Title:</b>	QUESTION ON NOTICE: Cr O'Brien	<b>Container:</b> ARC16/0025
<b>Author:</b>	Debra O'Brien, Councillor	
<b>Attachments:</b>	Nil	

**Question on Notice 1.** (Cr O'Brien)

**Cancellation of ESAC Committee meeting**

That an explanation is provided for the claim that a rescission motion submitted for item 11.1 (27 Nov 2019) required council staff to cancel the Environmental Sustainability Advisory Committee (ESAC) meeting scheduled for 2 December, even after that motion was withdrawn (subject to the ESAC meeting going ahead).

**Background**

The ESAC Terms of Reference state: '*Meeting schedules will be determined by the Chairperson, in consultation with committee members.*' The date of 2 December has been listed on the ipads of Council Committee Members for several weeks. The last ESAC meeting was one member short of a quorum, so a substantial amount of business was discussed, but recommendations to council were held over until the next meeting. None of the clauses in Motion 11.1 (ARC Ordinary Meeting 27 November 2019, shown below) make any specific mention of holding a meeting of the ESAC, so it is hard to understand how it could be against Council's Code of Meeting Practice not to hold the scheduled meeting. The rescission motion was simply to change due date of the report and make minor changes to the role of Project Zero30 and specifically request ESAC to review the Terms of Reference of the Working Group.

Item 11.1 as passed by Council using the casting vote of the Mayor on 27 November 2019:

a) That a report be prepared and presented to Council by July 2020 with input from a working group of the Environmental Sustainability Advisory Committee (ESAC) and the community, on the current initiatives and additional future actions that can be undertaken in the short, medium and long term to:

1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.
2. Adapt to current and anticipated climate change impacts.
3. Reduce atmospheric concentrations of greenhouse gases, e.g. Sequester and store carbon in trees and soils.

b) Endorse the establishment of a working group to establish a report on current initiatives and additional future actions.

c) Endorse the draft Terms of Reference for the working group.

d) That Project Zero30 have both input and review role over the short, medium and long term action.

**Question on Notice 1.**

**Answer**

There was only one item on the agenda for the ESAC Committee. It was to consider the Terms of Reference and EOI for the working party. While the date had been set, a Rescission Motion had been received in respect of the Council resolution to establish the working party. That being the case, ESAC could not consider the Terms of Reference and the EOI. While one party to the Rescission Motion advised she would withdraw the Rescission Motion, but only if the meeting went ahead, nothing was heard from the other signatories to the Rescission Motion.

The conditionality (and therefore ambiguity) of the withdrawal of the Rescission Motion by one signatory and silence from the others meant that the motion was not withdrawn.

The Chair of the ESAC Committee was advised she could arrange another date for the meeting to consider other business with the General Manager. There needed to be time for preparation for other business items.

<b>Item:</b>	19.2	<b>Ref:</b> AINT/2019/28051
<b>Title:</b>	QUESTION ON NOTICE: Cr O'Connor	<b>Container:</b> ARC16/0025
<b>Author:</b>	Margaret O'Connor, Councillor	
<b>Attachments:</b>	Nil	

**Question on Notice 1.** (Cr O'Connor)

**Use of old library premises**

What was the decision making process by which the now vacant old Armidale War Memorial Library site has been allocated to a specific purpose, viz, business hub accommodation, and the financial implications of that decision?

**Question on Notice 2.** (Cr O'Connor)

**Cancellation of ESAC committee meeting**

What was the legal basis upon which the December 2019 scheduled meeting of the Environmental Sustainability Advisory Committee (ESAC) was cancelled against the wishes of the Chair of that Committee?

**Question on Notice 3.** (Cr O'Connor)

**Councillor PD**

Please provide a copy of the resolution of council which allegedly requires all councillors to complete the LGNSW PD in a Box survey, forward that to Ms Kim Bryan and have a meeting with Ms Bryan, then a separate meeting with the Mayor, prior to any professional development or conference attendance being approved for that councillor, so that the Councillor can use their professional development and or conference financial allocation to be used to pay for that professional development or conference costs and travel expenses.

**Question on Notice 1.**

**Answer**

The use of the old library as a business and innovation hub was proposed at the first and over subscribed Business Symposium held in July 2019 which was attended by Councillors, Council officers and members of the business community. Council took the action forward which was supported by a working group drawn from business representatives from the first symposium who volunteered to support that initiative. The repurposing of the old library as a business and innovation hub was again supported by those attending the 2<sup>nd</sup> Business Symposium held in November 2019 and again attended by Councillors, Council staff and a number of business representatives unable to make the July 2019 Symposium. No work has been undertaken to date by contractors. Costs are being finalised targeted at bringing the building up to code on matters such as fire safety and access.

**Question on Notice 2.**

**Answer**

There was only one item on the agenda for the ESAC Committee. It was to consider the Terms of Reference and EOI for the working party. While the date had been set, a Rescission Motion had been received in respect of the Council resolution to establish the working party. That being the case, ESAC could not consider the Terms of Reference and the EOI. While one party to the Rescission Motion advised she would withdraw the Rescission Motion, but only if the meeting went ahead, nothing was heard from the other signatories to the Rescission Motion.

The conditionality (and therefore ambiguity) of the withdrawal of the Rescission Motion by one signatory and silence from the others meant that the motion was not withdrawn.



The Chair of the ESAC Committee was advised she could arrange another date for the meeting to consider other business with the General Manager. There needed to be time for preparation for other business items.

**Question on Notice 3.**

**Answer**

As set out in the Local Government Regulation (2005), under Clause 185 (3) of the Local Government (General) Regulation 2005 the following has been extracted:

(3) The content of the ongoing professional development program required by this clause is to be developed (a) in consultation with the Mayor and each councillor, and (b) having regards to the specific skills required by the Mayor, each individual Councillor and the governing body of the Council as a whole to perform the role of Mayor, Councillor or the governing body (as the case may be).

(4) A Mayor or other Councillor must make all reasonable efforts to participate in any ongoing professional development program delivered to the Mayor or Councillor in accordance with a requirement under this clause.

The Councillor Induction and Professional Development Guidelines state that as part of 'Council's professional development program, an ongoing professional development plan must be developed for the Mayor and each Councillor... As a first step to developing individual plans, an assessment is required of the knowledge, skills and personal attributes of the Mayor and each Councillor bring to their roles and a comparison made against those that they need to effectively serve their community.' (P27 of the Guidelines). Reference is made to PD in a box on Page 29 of the Guidelines.

Council's are requested to nominate a Council Administrator for PD in a box and Kim Bryan is Council's nominee.

The Councillors' Expenses and Facilities Policy also state:

6.26 Approval for professional development activities is subject to a prior written request to the CEO outlining the:

- details of the proposed professional development
- relevance to Council priorities and business, and
- relevance to the exercise of the Councillor's civic duties.

6.27 In assessing a Councillor request for a professional development activity, the CEO must consider the factors set out in Clause 6.26, as well as the cost of the professional development in relation to the Councillor's remaining budget.

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<b>Item:</b>	19.3	<b>Ref:</b> AINT/2019/28047
<b>Title:</b>	QUESTIONS ON NOTICE: Cr Robinson	<b>Container:</b> ARC16/0025
<b>Author:</b>	Dorothy Robinson, Councillor	
<b>Attachments:</b>	Nil	

**Questions on Notice 1.** (Cr Robinson)

**Redundancy Payments**

What is the cost of redundancy payments for staff in the 2018-19 and expected in the 2019-20 budgets?

**Questions on Notice 2.** (Cr Robinson)

**Outstanding grant funding**

What is the outstanding grand funding that council has received and not spent?

**Questions on Notice 3.** (Cr Robinson)

**List of consultants**

Who are the consultants used, projects they worked on and the cost of each consultancy in the 2018-19 and anticipated for the 2019-20 FY?

**Questions on Notice 4.** (Cr Robinson)

**EIA**

Was an environmental impact assessment (EIA) done prior to the drilling operations for water bores, especially any drilling adjacent to Mother of Ducks lagoon?

**Questions on Notice 5.** (Cr Robinson)

**Hydrotherapy Pool funding**

What was Phase 1 and does it account for the difference between the \$1,093,196 for the original project and the \$607,331 of external funding stated to be available for Phase 2?

**Background:**

On 17 September 2018, a photo on Adam Marshall's website shows the CEO and several councillors holding a cheque for \$1,093,196 for the Armidale Hydrotherapy Pool. The papers presented to councillors on 6 May 2019 list under Projects currently not in the 2019-20 Budget Proposal Original: Armidale Hydrotherapy Pool H1 Phase 2: Proposal: \$971,730. External funding: \$607,331.

**Questions on Notice 6.** (Cr Robinson)

**Cancellation of ESAC Committee meeting**

Please provide an explanation for the claim that a rescission motion submitted for item 11.1 (27 Nov 2019) required council staff to cancel the Environmental Sustainability Advisory Committee (ESAC) meeting scheduled for 2 December, even after that motion was withdrawn subject to the ESAC meeting going ahead as scheduled.

The ESAC Terms of Reference state: '*Meeting schedules will be determined by the Chairperson, in consultation with committee members.*' The date of 2 December has been listed on the Ipads of Council Committee Members for several weeks. The last ESAC meeting was one member short of a quorum, so a substantial amount of business was discussed, but recommendations to council were held over until the next meeting. Motion 11.1 (ARC Ordinary Meeting 27 November 2019, reproduced below) shows that no specific mention is made of holding a meeting of the ESAC, so it is hard to understand how it could be against Council's Code of Meeting Practice not to hold the meeting as scheduled, especially after the rescission motion was withdrawn subject to the meeting

going ahead. The rescission motion was simply to change due date of the report and make minor changes to the role of Project Zero30 and specifically request ESAC to review the Terms of Reference of the Working Group.

Item 11.1 as passed by Council using the casting vote of the Mayor on 27 November 2019:

- a) That a report be prepared and presented to Council by July 2020 with input from a working group of the Environmental Sustainability Advisory Committee (ESAC) and the community, on the current initiatives and additional future actions that can be undertaken in the short, medium and long term to:
  1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.
  2. Adapt to current and anticipated climate change impacts.
  3. Reduce atmospheric concentrations of greenhouse gases, e.g. Sequester and store carbon in trees and soils.
- b) Endorse the establishment of a working group to establish a report on current initiatives and additional future actions.
- c) Endorse the draft Terms of Reference for the working group.
- d) That Project Zero30 have both input and review role over the short, medium and long term actions.

#### **Question on Notice 1**

##### **Answer:**

These figures have been provided in the Financial Reports and are as follows:

2018/19 redundancy cost \$653,528

2019/20 YTD redundancy cost \$651,592

2019/20 redundancy budget \$873,000.

#### **Question on Notice 2**

##### **Answer:**

At the Ordinary Meeting held 27 November 2019 Council was provided with the following reports:

- Audited annual financial statements for 30 June 2019 showing the value of the unspent grants reserve at \$7m.
- 2019/20 first quarter budget review showing the forecast value of the unspent grants reserve to be \$422k by 30 June 2020.

#### **Question on Notice 3**

##### **Answer:**

The cost of consultancies is reported in the quarterly budget review reports. The first quarter budget review was resolved by Council in November and included actual consultancy costs of \$298,420 as at 30 September 2019.

#### **Question on Notice 4**

##### **Answer:**

The Natural Resources Access Regulator (NRAR) under delegation from the Minister for Water, Property and Housing, has the ability to grant an exemption under clause 39A of the Water Management (General) Regulation 2018. This clause provides certain public authorities an exemption from having to apply for or hold a water supply works approval to construct or use a water supply work under the Water Management Act 2000. It is a temporary exemption

only available when conditions of drought exist. NRAR granted Armidale Regional Council exemption on the 26th September 2019.

**Question on Notice 5**

**Answer:**

The hydrotherapy pool project was split into 2 stages with part of the funding included in the 2018/19 budget (\$485,865) and referred to as phase 1. The total funding awarded is \$1,093,196 with the balance shown as one of the projects excluded from the 2019/20 capital budget.

**Question on Notice 6**

**Answer:**

There was only one item on the agenda for the ESAC Committee. It was to consider the Terms of Reference and EOI for the working party. While the date had been set, a Rescission Motion had been received in respect of the Council resolution to establish the working party. That being the case, ESAC could not consider the Terms of Reference and the EOI. While one party to the Rescission Motion advised she would withdraw the Rescission Motion, but only if the meeting went ahead, nothing was heard from the other signatories to the Rescission Motion.

The conditionality (and therefore ambiguity) of the withdrawal of the Rescission Motion by one signatory and silence from the others meant that the motion was not withdrawn.

The Chair of the ESAC Committee was advised she could arrange another date for the meeting to consider other business with the General Manager. There needed to be time for preparation for other business items.