



## BUSINESS PAPER

## ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 27 January 2021  
4pm

at

Armidale Council Chambers

### **Members**

Councillor Ian Tiley (Mayor)  
Councillor Debra O'Brien (Deputy Mayor)  
Councillor Peter Bailey  
Councillor Jon Galletly  
Councillor Andrew Murat  
Councillor Margaret O'Connor  
Councillor Dorothy Robinson

AGENDA

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*As this report deals with personnel matters concerning particular individuals (Section 10A(2)(a) 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.*

17.2 Code of Conduct Review and Response Cr O'Brien

*As this report deals with personnel matters concerning particular individuals (Section 10A(2)(a) 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.*

17.3 Legal Services Panel - Tender Evaluation

*As this report deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the Local Government Act 1993). Council closes part of this 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.*

17.4 University of New England Smart Region Incubator Lease Agreement 122  
Faulkner Street Armidale

*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.*

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<b>Item:</b>	<b>7.1</b>	<b>Ref: AINT/2021/00734</b>
<b>Title:</b>	<b>Mayoral Minute: Maker Lab at the Library</b>	<b>Container: ARC16/0025</b>
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## **1. Purpose**

The purpose of this report is to endorse the provision of a Maker Lab in the Armidale War Memorial Library, to accept funding pledges and to support external funding measures to equip the Lab over time.

### **RECOMMENDATION:**

- a. **That Council confirm its endorsement of the provision of a Maker Lab to be located in the Armidale War Memorial Library.**
- b. **That the project be funded over time from non- Council sources.**
- c. **That Council convey its appreciation to Prof Sorensen for his \$5000 pledge to commence fund-raising and note also the pledge of \$2000 from the Mayor.**
- d. **That Council make representations to Hon Adam Marshall MP for State Government support to the project**
- e. **That the General Manager be authorised to explore crowd funding options and to canvass local groups, organisations, and individuals for contributions to the Maker Lab.**
- f. **That a report be provided to Council on how the Maker Lab will operate, integrate with other library services and how it will be managed.**

## **2. Background**

In late 2016, at the time Council decided to proceed with the Rusden Street library facility, it was also decided that a Maker Lab would be provided. A space was allocated upstairs in the front of the building. After the facility construction was completed Telstra provided some devices to 'kick off' the Maker Lab. Regrettably, since that time no action has been taken to install the Maker Lab and the Council resolution remains unfulfilled.

## **3. Benefits of Maker Labs**

A local champion of this concept is Professor (Tony) Anthony Sorensen of UNE, with whom I met in late December 2020. Tony has kindly contributed the following to explain the Maker Lab concept and its benefits quote: -

"We are at the start of the 4th industrial revolution in which a constellation of new technologies and mutual interactions between them will likely transform contemporary economy and society dramatically. This applies, for example, to the work we do and the necessary skills to perform various tasks. In this respect, many in the workforce may need periodic reskilling and familiarisation with new equipment and devices to secure jobs. The realms of school and university education are also changing fast as students seek the necessary knowledge and skills to secure future and often unpredictable employment opportunities.

Emerging technologies will likely extend greatly, human longevity and length of retirement, during which time the elderly will also have to become familiar with a range of new equipment

and their uses. Moreover, as we have witnessed during the current COVID-19 pandemic, work and communicate with others is also changing fast – and perhaps permanently. Working from home has apparently contributed to increased workforce productivity in many industry sectors. If the public at large can access and learn to apply a wide range of new technologies, people are much more likely to adjust successfully to a rapidly evolving economy and society. Alas, poorer and less knowledgeable members of our community risk being left behind in adapting to rampant change, to their great disadvantage.

Herein lies the benefit of what have been termed Maker Labs – or maker-spaces, hackerspaces, fab labs and even Tech Sheds (which is what Tamworth's facility is called). These are spaces house a range of devices (or equipment) accessible by members of the public at little or no cost. The people can experiment with them under supervision and acquire the necessary skills to apply them at home or work. Moreover, some Maker Labs have even triggered proposals for start-up businesses where people come together and discuss their mutual understandings and preferences. Such labs also can appeal to people of all age groups from about 5 to 85 years old. The equipment may vary from one place to another, but typically include such devices as 3-D printers, robots, virtual reality headsets, drones, and computer equipment that generates artwork or music. These can sit alongside such more familiar equipment as sewing machines, cooking devices, drills and welding equipment, and perhaps even agricultural equipment like that developed at the UNE smart farm. These facilities will likely need instruction and supervision. In the United States, civic libraries often house maker-spaces to facilitate public access and safety. Some libraries also have adjacent meeting rooms where users can meet to discuss ideas for the development or use of technologies. It is preferable that timetables segregate users according to age." End Prof Sorensen quote.

#### **4. Financial Issues**

It is not intended, because of Council financial strictures, that Council funds be applied to this project.

I am delighted to announce that Prof Sorensen has pledged the sum of \$5000 to commence a pool of funding to equip the Maker Lab over time. I am pledging \$2000 of my own funds to the pool. I have talked about this proposal to a member of the Friends of the Library Committee, who has agreed to speak to the Committee regarding possible financial support for the Lab. Council should also approach Hon Adam Marshall for State funding support.

It is proposed that Council also canvass local groups, organisations, and individuals for contributions to this new community facility. Crowd funding could be a likely source for the purchase and maintenance of necessary devices and equipment, given Armidale's intellectual and innovative capacity. Rather than Council managing the quest for funds and their 'storage' this could be something that, for example, The Regional Australia Bank might manage as members of the public might place more trust in RAB as a receptor of donations.

#### **5. Other matters**

It has been suggested that Council should appoint an advisory panel of interested parties (technophiles and futurists) to provide ideas for the Lab's operations. Many technology issues these days are transforming rapidly and are so complex that multilateral ideas and advice should be welcomed.

Cr Tiley  
Mayor  
6 January 2021

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<b>Item:</b>	<b>7.2</b>	<b>Ref: AINT/2021/01211</b>
<b>Title:</b>	<b>Mayoral Minute: Write off of balance of long-term water account debt - Armidale Rams Rugby League Club</b>	<b>Container: ARC16/0025</b>
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

To exercise compassion and fairness and relieve the balance of a long-term water account debt of the Armidale Rams Rugby League Club to the Council. The information contained in this report was provided to me in 2018 and subsequently by the Club President Mrs Jess Smith who has stoically led efforts to reduce the debt since becoming Club President in 2017.

### **2. RECOMMENDATION:**

**That Council:**

- a. Waive the outstanding sum of \$25,925.51 and being balance of water usage account by Armidale Rams Rugby League Club.**
- b. Resolve that no future debts of the Club will be written off.**

### **2. Background**

The account relates to water usage at Rugby League Park at 175 Dumaresq Street Armidale. The account originated in 2009 and 2010 and at its peak in May 2018, the water debt to Council was \$42,831 and had been accumulating interest of more than \$8000, which Council waived in 2018. At 31 October 2020 the account balance was \$25,925.51. Since June 2018 the Club states that it has made payments of \$13,471 in monthly amounts of \$709. It has also paid all current usage charges for each period in addition to the \$709 per month payments. During Covid 19, when the Club had no fixtures and thus no income, the Council has given an exemption from payments.

The primary reason for the growth in size of the water account was a water leak, which remained undetected for a long period of time until around 2013. It was eventually ascertained that the leak was underneath the clubhouse located on the eastern boundary and the exit point was into Harris Park which is Council land. The leak was eventually detected by a Council employee when mowing Harris Park. The Club is of the view that the increase in the Club water bill debt was primarily attributable to this leak, of which members had no knowledge for several years.

### **3. Issues**

The ground has been run and managed by the Armidale Rugby League for several decades with very little Council support.

The Club supports the junior league which operates from and relies on the ground. There are over 100 registered junior players. It is the only junior rugby league club in Armidale and therefore fosters the future players of both Rams seniors and Narwan Club. The Club strongly promotes junior football and wishes to do more in that regard. However, it is restricted because of its ongoing long-term debt to Council. I am advised by the Club President that if the senior Club is unable to survive and prosper then the juniors may not have a home ground.

The Club is of the view that a financially healthy Rugby League Club is a vital part of the Armidale and region's social fabric. I am informed that the ground is in use most weekends which is a significant economic driver for the community.

Rugby league has large social and economic benefits to the Armidale community. Players including from lower socioeconomic backgrounds playing rugby league leads to better lifestyles, meaning less crime and further enhancing the local community, as well as teaching them valuable skills they can all use in their everyday lives. The Club advises that people travel from across north western NSW and the greater New England region to participate or be spectators at Rams games. They spend money in town whilst they are here, thus supporting local businesses. The Rams use local suppliers for the canteen and field maintenance, further supporting local businesses.

The current facilities at Rugby League Park are in poor condition, outdated and inadequate to cater for the needs of senior and junior male and female rugby league competitions and the many other sporting activities conducted at the ground.

The Club is desirous of making improvements to the ground and in late 2020 applied unsuccessfully for funding under the NSW Government's Office of Responsible Gambling Infrastructure Grants Program. A Development Application (DA-108-2020) was approved for the project by Council. The Club intends to pursue other grant funding opportunities. If the balance of debt is relieved the Club has indicated that it will have greater capacity and will commit to making gradual ground improvements.

There are good reasons for the Council to write off the balance of the debt using the Council Water Account Adjustment Management Policy which allows adjustment of water accounts for undetectable leaks, the primary cause of this long-term unmanageable debt to Council.

In July 2010, Armidale Dumaresq Council wrote off \$19396.90 from the NARWAN Rugby League Club sundry debtor account for work Council undertook for the 2010 Koori knockout which Narwan Club hosted. This was because of the inability of that Club to pay the account. The RAMS Club considers, with respect, that this precedent is justification for Council to also assist RAMS Club with its debt write off request.

I understand that previous Councils have not written off any account for Rams although it is acknowledged that interest on the debt approximating \$8000 has previously been waived. The write off of the Narwan account has perhaps confused this issue. The recommendation includes, at the request of Council's Financial Controller, that Council not write off any future debts of the Club.

Mr Rayner also requested provision of a table as provided in the protocols and same follows.

<b>Budget Area:</b>	Water Services						
<b>Funding Source:</b>	Water Fund Reserve						
<b>Budget Ref (Project Number)</b>	<b>Description</b>	<b>Approved Budget</b>	<b>Actual</b>	<b>Committed</b>	<b>Proposed</b>	<b>Total Forecast Expenditure</b>	<b>Remaining Budget</b>
280010.2.3310.165.1250	Water User Charges Revenue	(\$8,100,000)	(\$3,376,488)		\$25,925	(\$3,350,563)	(4,749,437)

This is a Water Fund debt and therefore the write off would have no effect on the General Fund of Council.



#### **4. Conclusion**

The RAMS Club is desirous to make a fresh start so that it can better support junior and senior rugby league players and competitions and to provide improved facilities and grow the sport of rugby league for the benefit of the Armidale regional community. I appeal to Council to support this request.

Cr Tiley  
Mayor  
7 January 2021

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<b>Item:</b>	<b>7.3</b>	<b>Ref: AINT/2021/00911</b>
<b>Title:</b>	<b>Mayoral Minute: Hydrotherapy Centre for Armidale Region</b> <b>Container: ARC16/0025</b>	
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

To have Council resolve to continue to explore options for a hydrotherapy centre not requiring incurring of costs against Council, and to pursue representations with Council's State Parliamentary Representative to secure State Government commitment to provision, at its cost, of a replacement hydrotherapy centre and ongoing funding for operating expenses.

#### **RECOMMENDATION:**

- a. That Council continue to explore options for a hydrotherapy centre to serve Armidale and the region, on the basis of not incurring direct costs to Council.**
- b. That an expert be engaged either directly by the State Government or by Council with State Government funding to undertake a specific study to assess:**
  - **Components including size/capacities/multi use etc.**
  - **Demand and need**
  - **Management and operating models**
  - **Financial modelling for capital and operational costs**
  - **Location and partnership development options.**
- c. That Council make representations to the State Government through its State Parliamentary Representative, Hon Adam Marshall MP for provision, at its cost, of a replacement hydrotherapy centre and ongoing funding for operating expenses.**

### **2. Background**

For at least 18 months the elected Council has recognised the urgent need to secure a hydrotherapy centre to replace the dilapidated former facility at the Armidale Hospital. A Committee of five Councillors was formed over a year ago to investigate options.

On 25 November 2020 the Interim Administrator determined as follows: -

"That Council:

- a. Take no further action in relation to the Hydrotherapy Centre project.
- b. Make representations to the local Federal and State Members and funding authorities and negotiate the possible re-allocation of grants from the Hydrotherapy Centre to the Guyra Long Day Care Centre Project and other projects. Moved and declared carried by the Interim Administrator".

### **3. Issues**

Based on the evidence provided and the due diligence undertaken by the Acting General Manager and detailed in his report to the 25 November meeting, and given the provisions of the

Minister's Performance Improvement Order and the Council's answerability to Mr Rayner as Financial Controller, Council must accept part a of the 25 November resolution.

This Minute does not suggest or promote the incurring of Council expenditure on a new facility.

Further exploration is considered warranted for alternate options to secure this vital community facility. For example, Council may be able to provide in-kind commitment by way of land at say Monckton Pool or elsewhere, with the State Government meeting the capital cost and then the Government commercially leasing the facility. There may well be other viable options worth considering which would not involve cost to Council.

Part b of the 25 November resolution requires that Council seek re-allocation of the funding that has been secured of \$1.46m from the NSW Stronger Country Communities Funding (to be expended by June 2021). The total cost of the project was estimated to be \$3.9m in 2018.

I do not propose that part b of the November 2020 resolution be rescinded but rather that in addition to those representations, the Council lobby the State Government to meet the full capital and operating costs of a hydrotherapy centre.

For many years, the State Government provided a hydrotherapy facility at the Armidale hospital precinct. It is my firm view that it is and should remain a State responsibility and not that of a local government to provide the hydrotherapy service at its cost. To pass the responsibility to Armidale Council with an amount of funding that is less than 40 per cent of the capital cost, and does not in any way reimburse the Council for ongoing running costs, is unfortunately another example of continuing cost shifting on to local government.

I bring this matter back to Council being very aware of my councillor colleagues concerns for the unfortunate people of our Council area who presently, if they require hydrotherapy, are forced to travel to Tamworth, a round trip of approximately 220km. This inconvenience for them is unfair and unacceptable and is the reason for part b of the recommendation in this Minute.

On 11<sup>th</sup> January I obtained the following advice, inter alia, on this matter from Mr Rayner, Council's Financial Controller and Temporary Adviser quote: -

"The recent proposal was poorly scoped and the business case was questionable. Important steps in pursuing OLG approval under either the Capital Expenditure Guidelines or the Private Public Partnership legislation and guidelines were not brought into the process and therefore the necessary rigour was not applied to the project. If Council or the State Government is to pursue the project it is essential that the project be properly researched and scoped and the owner/operator be aware of whole of life costs for the project.

Whilst the project was estimated to cost \$3.9m in 2018, that will not be the cost today or in 2 years' time. Council has a history of poorly scoping major capital projects and regardless of who builds, funds and operates the facility the processes must be thorough and detailed. At the moment there is no certainty on the scope of the project, costs/income, the exact location at the Monckton Swimming Centre, how best to fund provide and operate, and how such a facility would co-exist with other water based recreational facilities and health services in Armidale.

My suggestion is that an expert be engaged either directly by the State Government or by Council with State Government funding to undertake a specific study to assess:

- Components including size/capacities/multi use etc
- Demand and need
- Management and operating models
- Financial modelling for capital and operational costs
- Location and partnership development options.

I consider this as a necessary first step i.e., seeking funding for this study as a basis for potentially obtaining government funding for the capital and net operating costs of the facility".  
End quote.

Part b of the recommendation in this Minute reflects exactly the suggestion of Council's Financial Controller.

#### **4. Conclusion**

The purpose of this Minute is for Council in its leadership and representative role, to continue to explore options and to lobby the State Government for the purpose of maintaining efforts to secure a much-needed hydrotherapy centre for the people we serve in the Armidale region.

Cr Tiley  
Mayor  
12 January 2021

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<b>Item:</b>	<b>7.4</b>	<b>Ref: AINT/2021/01306</b>
<b>Title:</b>	<b>Mayoral Minute: Armidale Regional Council Financial Protocols</b>	<b>Container: ARC16/0025</b>
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## 1. Purpose

The objective of this report is to acquaint the Councillors, Council staff and the public with the Financial Protocols, developed by ARC Financial Controller Mr Rayner and required by the Minister for Local Government as part of the Council's Performance Improvement Order. The recommendation is that Council accepts and adheres diligently to the financial protocols.

### **MOVED:**

**That Council accepts and adheres diligently to the financial protocols.**

On 12 January the General Manager and I received the following advice, inter alia, from Council's Financial Controller Mr John Rayner:

"I appreciate Council's public commitment to comply with the Performance Improvement Order and that will lead to the Council being in a stronger financial position.

Section 438HC of the Local Government Act gives the Financial Controller wide ranging powers including *"a payment may not be made from any funds of the Council unless payment is authorized by the financial controller"*.

Payment is therefore authorized for:

- salaries, wages and entitlements under the award and endorsed agreements,
- invoices properly authorized and procured,
- contractors in accordance with provisions of the contract or quotation subject to proper authorization
- loans and other creditors
- grants, subsidies donations and the like subject to the payments being properly authorized by the Council or under delegation
- payments to the Mayor and Councillors as per Council decision in setting fees.

There may be other payments that are routine in nature that I haven't listed, but I want business of the Council to continue as normal. Please let me know if that is the case.

To improve accountability, scrutiny and awareness I am seeking your co-operation in introducing the attached protocols to the business of the Council and responsibilities and performance requirements of the staff". End quote.

The Protocols provided by the Financial Controller are as follows:

### **"PROTOCOLS**

## Introduction

The Minister for Local Government's Performance Improvement Order, plus the fact that she has appointed a Financial Controller, demonstrates the Minister's desire that the Council improves its financial position.

Action 13 of the Order requires:

"Council must take immediate steps to implement improvements to Council's financial monitoring and reporting. In doing so Council is to:

- utilise the services of the financial controller to assist Council in assessing the adequacy or otherwise of the existing system of financial accounting, monitoring and reporting;
- have due regard to the advice of the financial controller to ensure Council has an effective system of financial accounting and internal control;
- prepare an improvement plan with advice and direction from the financial controller giving timeframes for each action and requiring all improvements to be implemented by 04 September 2021."

In his report "Review of Council Finances" Robert Finch observed significant over-expenditures, capital purchases proceeding without a Budget and projects initiated on the assumption that Reserves existed but in fact they had been extinguished.

To improve accountability and provide Council with greater control over its Budget it is proposed that a number of financial protocols be introduced.

### **1. Reports to Council**

The "Financial" section of the report for both a project based spend and a service spend to include a table showing:

- Budget description and reference that can be traced back to the accounting system
- Approved Budget (Council adopted budget)
- Source of funding
- Actual Expenditure to date (A)
- Committed costs (B)
- Proposed future expenditure (C)
- Total forecast expenditure (A+B+C)
- Remaining budget (Approved Budget less Total forecast expenditure)

**2. Reports to Council** to specify and articulate the reference to the proposal in the IP&R framework.

### **3. Mayoral Minutes**

Clause 9.10 of the Code of Meeting Practice states:

*"Where a mayoral minute makes a recommendation which, if adopted, would require the expenditure of funds on works and/or services other than those already provided for in the council's current adopted operational plan, it must identify the source of funding for the expenditure that is the subject of the recommendation. If the mayoral minute does not identify a*

*funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the recommendation if adopted”.*

It is proposed that the table outlined in 1 above be included in the Mayoral Minute if possible, otherwise in the follow up report from the General Manager.

#### **4. Motions, Amendments and Notices of Motion**

Clause 10.9 of the Code of Meeting Practice states,

*“A motion or an amendment to a motion which if passed would require the expenditure of funds on works and/or services other than those already provided for in the council’s current adopted operational plan must identify the source of funding for the expenditure that is the subject of the motion. If the motion does not identify a funding source, the council must defer consideration of the matter, pending a report from the general manager on the availability of funds for implementing the motion if adopted”*

On the floor of Council, it will not be possible to meet the “table” requirements in 1 above however with a Notice of Motion or in the follow up report from the General Manager the table must be provided.

#### **5. General protocols**

Section 211 of the Local Government (General) Regulation 2005 states that expenditure must not be committed without an approved budget.

Changes to the budget are only to occur at Quarterly Budget Reviews. Council decisions to refer proposals to the next QBR and other proposals, including from staff, with a financial impact are only to be considered following presentation of forecast financial position.

An exception will be expenditure in an emergency situation.

Under Section 203 of the Regulation the QBR statement must include *“a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimates of income and expenditure”*

If that position is unsatisfactory the General Manager must provide recommendations for remedial action.

#### **6. Future budgets**

No commitments are to be made to future budgets. Items may be referred for consideration in a future budget.

#### **7. Directors, Managers and Project Managers**

Performance agreements and position descriptions are to emphasise responsibility and accountability for over-expenditures, waste, efficiency in delivering services and control of budgets.

#### **8. Over-expenditure**

It is a requirement that project managers and managers immediately notify Council when it becomes apparent that a project will run over budget. This applies to any project or service with an allocation of \$100,000 or more.

Reporting must include reasons for the anticipated over-expenditure and options to eliminate or minimizing any expenditure exceeding the approved budget including opportunities to reduce the scope of the project or reduce service levels or frequency.

#### **9. Journal entries**

Journal entries to reallocate funds from one budget item to another must be the subject of a Council decision through the QBR process.

#### **10. Grants**

Council will always be the recipient of grants from both Federal and State Governments. These grants provide an opportunity for Council to bring forward projects and to maintain and upgrade essential infrastructure.

Many grants do not require a co-contribution from Council and will cover project management costs. However, a number of grants require a co-contribution from Council, usually not in kind. Council does make a budget provision for co-contributions but with the number of grants applied for this allocation can be over expended.

The number of current and potential grants can also have an impact on Council's ability to deliver its regular works program.

In applying for and accepting Grants, Council needs to be aware of the benefits grant funding brings and of the whole of life costs of the asset created.

A further issue is that whilst projects are usually required to be "shovel ready", many are not, leading to requests for an extension of a deadline, requests for substitution of projects and potentially loss of the grant.

Therefore, additional information needs to be put in Grant related reports to enable Council to fully understand the implications of pursuing and accepting grants. The business service area which has the proposal under its portfolio is responsible for preparing the report to Council.

Reports to Council are to include;

- What costs are eligible under the grant proposal
- What costs are ineligible under the grant proposal
- Regardless of whether or not a co-contribution is required the report must include costs to be incurred by Council including for design, consultation, obtaining approvals, inviting tenders and project management.
- A table as set out in 1 above.
- A project timeline from anticipated grant approval date, through the stages leading to commencement, anticipated completion and occupation (if applicable)
- The impact on Council's regular works program and existing grant commitments.
- A business plan (if applicable)
- "Whole of life costs" to ensure Council fully understands depreciation and operating costs.

Some smaller grants projects may, subject to the concurrence of the General Manager, not require a full business case but could include a compact version of a business case. In any event the report must enable the Council to have a full understanding of whole of life costs, risk matrix and financial implications.



### **11. Procurement**

There must be strict adherence to proper procurement practices including reporting on breaches. Local Government Act tendering and contract requirements are to be strictly adhered to.

### **12. Definition of Expenditure**

For the purposes of this protocol, *expenditure* is defined as any outlay of financial resources, whether this occurs as a payment to a third party, utilisation of existing Council resources (for example, staff time or plant usage) or the forgoing of debt or potential income.

To avoid doubt, the following items are within scope of *expenditure*:

- Payments to suppliers for goods and/or services
- Donations or contributions
- Reimbursements
- Waiving of fees, charges or interest
- Writing off debt
- Proposals to utilise staff and other internal resources (e.g., plant) for new projects or activities that would interfere in the ability to meet identified strategic and operational plan objectives
- Proposals that result in the creation of staff overtime or banking of time in lieu
- Proposals to take out new loans or any other form of debt now or into the future
- Proposals that create provisions or liabilities, such as committing the Council to make contributions to projects now or at a future point in time.

END PROTOCOL

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<b>Item:</b>	<b>7.5</b>	<b>Ref: AINT/2021/01490</b>
<b>Title:</b>	<b>Mayoral Minute: New England Science and Innovation Regional Hub (NESRIH)</b>	<b>Container: ARC16/0025</b>
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

To enlist the support of Council to the building by the University of New England (UNE) of a partnership, including with 11 New England and North-West councils, to design expansion for Armidale and the New England that delivers improved social and economic outcomes utilising as an anchor, science and innovation supported by UNE, the region's industry and the regional community.

#### **RECOMMENDATION:**

**That Council provide in-kind and letters support and continue to assist in the preparation of the proposal by UNE, for the university to seek critical co-investment from the Federal Government, State and private sector investors to develop a regional science and innovation hub for the New England region.**

### **2. Presentation by Vice Chancellor**

The Vice Chancellor of UNE, Professor Brigid Heywood, whom I had the pleasure of meeting immediately prior to Christmas, has accepted my invitation to attend the Council meeting on 27<sup>th</sup> January and to make a 15 minutes presentation to Council on the proposed Hub. I appreciate the advice and information provided to me in preparation of this Minute.

### **3. The Proposal**

UNE is building a partnership to design expansion for Armidale and the New England that delivers improved social and economic outcomes for Armidale, the region and NSW. This positioning of the New England as a powerhouse of economic and social development will utilize, as an anchor, science and innovation supported by UNE, the region industry and the regional community. The New England Science and Innovation Regional Hub (NESRIH) will house a number of Centres that will be distributed across the New England. The Centres will collectively create a STEM precinct, or a precinct without walls with headquarters in Armidale at UNE.

As a first step, UNE in conjunction with the Armidale community, the Armidale Regional Council, Business New England and other knowledge partners, is developing a proposal to seek critical co-investment from the Federal Government, State and private sector investors to develop a regional science and innovation hub. The 'New England Science and Innovation Regional Hub' (NESIRH) will attract new high-tech industry to Armidale and the region through physical and digital co-location of companies and start-ups that specialise in tools and services that deliver into the NESIRH foci.

The NESIRH will leverage UNE's science research and teaching in health, agricultural and environmental sciences to further excel and benefit the New England region and Australia. During industry and community consultations in November 2020, workshops provided an opportunity to consider a vision for Armidale as a hub of science and innovation that drives new

industries across the New England. The NESIRH vision requires that UNE contributes to the cultural, economic and social vibrancy of the New England. The establishment of the NESIRH will create a tri-corridor between Armidale, Tamworth and Moree, building on the UNE's existing presence in these locations.

The vision for the NESIRH is for UNE to build educational aspiration across the New England region, starting in schools and extending into workplaces and connecting communities. The NESIRH will be an exemplar for New South Wales and Australia in the following sectors:

- Creative Arts and Industries;
- Industry, Manufacturing and Technology;
- Business;
- Education; and
- Renewable Energy.

The NESIRH will:

- Attract industry to Armidale and the New England to leverage the exciting opportunities that are offered through partnerships with researchers and innovators;
- Be a distributed model across Armidale and the region, leveraging the UNE Tamworth Integrated Industry Centres and the Special Activation Precinct at Moree;
- Offer access to workforce both local and virtual;
- Provide self-employment opportunities for the region creating new business opportunity;
- Provide the necessary leadership through the creation of industry and community advocates;
- Be coordinated by UNE;
- Co-designed by UNE, community, business and industry; and
- Be led by University, Business, Industry and community to make the New England a better place.

The NESIRH will be delivered through an innovative partnership across government, industry, the community and the University via 5 'Precincts without Walls'. The NESIRH will foster the nexus of opportunity between education, research and industry to drive growth, facilitate innovation and underpin enabling economic recovery.

These precincts are the Centre for Business Innovation and Entrepreneurship; New England Virtual Health Network; College New England – Education; Centre for Applied Robotics in Manufacturing, Agriculture, Food and Fibre; Creative New England – Culture; and the Regional Rural Energy Institute – Energy. The Hub will also provide the opportunity to grow tourism linked to STEM enabled industries.

Council's ongoing support of this impressive project is to be encouraged and applauded. I commend the Recommendation to Council.

Cr Tiley

Mayor

19 January 2021

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<b>Item:</b>	<b>7.6</b>	<b>Ref: AINT/2021/01657</b>
<b>Title:</b>	<b>Mayoral Minute: Creeklands Master Plan Stage 1 Implementation</b> <b>Container: ARC16/0025</b>	
<b>Responsible Officer</b>	<b>Mayor</b>	
<b>Author:</b>	<b>Ian Tiley, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## **1. Purpose**

This Minute seeks to achieve continuation of momentum towards achieving some implementation of the adopted Armidale Creeklands Master Plan.

### **RECOMMENDATION:**

- a. **That Council makes representations to its State and Federal Parliamentarians for financial support to engage an appropriately qualified consultant to review Council's 2004, ERM Australia, 'Armidale Creek Lands Environmental Management Plan', and to:**
  - i. **Undertake soil testing within the area covered by the Creek Lands Master Plan**
  - ii. **Provide an updated management plan to ensure compliance with current EPA legislation.**
  - iii. **Provide an updated management plan that provides WHS compliant procedures to ensure environmental and human health safeguards can be effectively implemented and managed for any works that disturb these soils.**
- b. **That Council establishes an expanded working group of stakeholders to continually meet to continue project momentum and that such working group include representation from the Visions for Armidale Creek Lands Inc. group.**
- c. **That Council, without incurring costs, seek advice and support from the Soil Conservation Service of NSW in regard to Plan implementation.**

At the 28 October 2020 Council meeting the Council resolved: -

"That Council:

- a) Receive and note the submissions contained in the report.
- b) Adopt the Creeklands Master Plan with the following amendments:
  - i. The option to retain the Civic Park pond.
  - ii. The option to retain the labyrinth in its current location.
- c) At a quarterly budget review, consider the engagement of appropriately qualified consultant to review Council's 2004, ERM Australia, 'Armidale Creeklands Environmental Management Plan', and to:
  - i. Undertake soil testing within the area covered by the Creeklands Master Plan
  - ii. Provide an updated management plan to ensure compliance with current EPA legislation.

- iii. Provide an updated management plan that provides WHS compliant procedures to ensure environmental and human health safeguards can be effectively implemented and managed for any works that disturb these soils.
- d) Endorse the proposed stage 1 Implementation Plan.
- e) Note the community priorities are to be reported at the next available Council meeting.

## 2. Issues

After years of discussion regarding the need to improve the Armidale Creek Lands (and specifically Dumaresq creek), Council, finally, in October 2020 adopted the Plan with two amendments as above. The committed group known as Visions for Armidale Creek Lands Inc. under the leadership of Prof Jim Scott, deserve considerable praise and recognition for their long-term efforts in achieving this milestone.

On 19<sup>th</sup> January, accompanied by staff members S MacDonald and R Morsley, I met with Prof Scott and five members of the Creek Lands group. The group was supportive of the Council's 28 October resolution and was desirous of securing ongoing progress with the project. I have invited Prof Scott (he has accepted) to address Council at the February OCM in the Presentations segment concerning the Plan and Project. He will also speak to the Group's longer-term desire to secure a proof of proposal: Black Gully Creek Billabongs.

The total current day estimated cost of full implementation of the Master Plan is \$14.514 million while the estimate to complete stage one is \$1.368 million. Clearly Council does not currently have available funds. However, now that the Plan is adopted it is in my view important that Council seek to achieve some plan implementation for this exceptional project.

In this regard there are a number of steps Council can resolve to take to progress the project. Firstly, Council can approach its State and Federal Parliamentarians for funding to address part c of the 28 October 2020 Council resolution. This suggestion is part A of the recommendation above.

Recommendation 2 at page 84 of the report is that Council establish an expanded working group of stakeholders to continually meet to continue project momentum. It will be important that representation is included from the Visions for Armidale Creek Lands Inc group. This is part B of this Minute's recommendation.

Mr MacDonald has informed me that the Soil Conservation Service of NSW, a Government Agency now aligned with Local Land Services, has conducted creek restorations, particularly in the Newcastle area and currently has an estuary rehabilitation project at Ballina. It may be possible that this Government entity may be able to provide valuable advice and support with the Armidale project but on the understanding that Council not incur expenditure at this time. This is recommendation C of this Minute.

Cr I Tiley

Mayor ARC

20 January 2021

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<b>Item:</b>	<b>8.1</b>	<b>Ref: AINT/2021/00039</b>
<b>Title:</b>	<b>Draft Privacy Management Plan</b>	<b>Container: ARC16/0178</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Privacy Management Plan	

### **1. Purpose**

To seek endorsement to place the Draft Privacy Management Plan on public exhibition for a period of 28 days.

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

**That Council:**

- a. Endorse the draft Privacy Management Plan to be placed on public exhibition for a period of 28 day commencing 1 February 2021 and concluding 1 March 2021.**
- b. Receive a further report should any submissions be received as a result of the exhibition period, however should no submission be received the policy be adopted.**

### **3. Background**

This policy has been developed in order to define the framework under which Armidale Regional Council collects, stores and uses a broad range of information for the purpose of facilitating its business. A significant part of that information is personal and health information. It is important that the community and Council officials, including Councillors, employees, contractors and volunteers, understand how we manage personal information.

In addition, Council is required to have a Privacy Management Plan under s33 of the Privacy and Personal Information Protection Act 1998 (NSW) (PPIPA). This Plan outlines how Council complies with the legislative requirements of the PPIPA, the Health Records and Information Privacy Act 2002 (HRIPA) and the Privacy Code of Practice for Local Government (Code). This Plan should be read in conjunction with the Code of Practice for Local Government. Nothing in this Plan is to:

- Affect any matter of interpretation of the Codes or the Information Protection Principles and the Health Privacy Principles as they apply to the Council.
- Affect any obligation at law cast upon the Council by way of representation or holding out in any manner whatsoever.
- Create, extend or lessen any obligation at law which the Council may have.

### **4. Discussion**

The main objectives of this policy are to:

- Inform the community about how their personal information will be collected, used, stored and accessed by Council.
- Provide Council officials with their obligations in relation to handling personal information and when they can and cannot disclose, use or collect it.
- Introduce Council policies and procedures to maximise compliance with the PPIPA and the HRIPA.

## **5. Implications**

In order to properly manage the personal information it holds, it is essential for the provisions of this policy to be observed by Councillors, employees, contractors and volunteers.

### **5.1. Policy**

Council's Privacy Management Plan outlines Armidale Regional Councils policies and practices which ensure compliance with the requirements of the *Privacy and Personal Information Protection Act 1998* (the "PPIPA"), and the *Health Records and Information Privacy Act 2020* (the "HRIPA").

### **5.2. Risk**

Armidale Regional Council Policy POL157 has not undergone a review since 2013. It is important that the Privacy Management Plan is updated to ensure the community is informed about how their personal information will be used and accessed after it is collected by Council and also inform council staff of their obligations in relation to handling information and when they can and cannot disclose, use or collect it.

### **5.3. Sustainability**

No identified sustainability implications have been identified with the adoption of this Policy.

### **5.4. Financial**

There are no identified financial implications of the recommendations or actions in this report.

## **6. Consultation and Communication**

The draft Privacy Management Plan will be placed on public exhibition for a period of 28 days, Commencing 1 February 2021.

## **7. Conclusion**

The content and format of this Draft Privacy Management Plan was based on the Model Privacy Management Plan for Local Government.

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<b>Item:</b>	<b>8.2</b>	<b>Ref: AINT/2021/00142</b>
<b>Title:</b>	<b>Government Information Public Access ACT (GIPA) Annual Report 19-20</b>	<b>Container: ARC16/0698</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Annual GIPA report 19-20	

### **1. Purpose**

This report is provided to Council for adoption of the Annual GIPA report for 2019/2020 financial year.

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

**That Council:**

- a. Adopt the attached GIPA Annual Report for 2019/2020.**
- b. Submit Armidale Regional Council's 2019/2020 Annual GIPA report to the Information & Privacy Commissioner as required by legislation.**

### **3. Background**

On the 1st July 2010 the *Government Information (Public Access) Act 2009* (GIPA Act) came into effect. All agencies subject to the GIPA Act must report annually information and data on their obligations under the GIPA Act.

### **4. Discussion**

In accordance with Section 125 (1) of the Government Information (Public Access) Act 2009 (GIPA), Armidale Regional Council is required to report annually on its obligations under the GIPA Act and submit this report to the Minister of Local Government by 31 October each year, however the timetable for the submitting of annual reports was amended by the operation of the COVID-19 Legislation Amendment (Emergency Measures - Treasurer) Bill 2020 which extended the timeframes that annual reports may be submitted. A copy of the report is to be provided to the Information & Privacy Commissioner.

Clause 8 of the GIPA Regulation requires Council to report on four categories of information concerning their GIPA obligations (the GIPA data). That information is:

- a. Details of how the agency carried out the review required by section 7(3) of the GIPA Act of its program for the proactive release of the information it holds. An agency must also report on any information the agency made public during the reporting year as a result of the review.
- b. The total number of formal access applications an agency received during the reporting year, including withdrawn applications (but not invalid applications).
- c. The total number of formal access applications an agency received during the reporting year that the agency refused, either wholly or partly, because the application was for information for which there is conclusive presumption of an overriding public interest against disclosure (information listed in Schedule 1 to the GIPA Act).



- d. Statistical information about formal access applications received by an agency during the reporting year required to be included in the eight tables in Schedule 2 to the GIPA Regulation.

## **5. Implications**

The annual GIPA report is required to be submitted to the Information & Privacy Commissioner as soon as practical if adopted by Council.

### **5.1. Policy**

Council must comply with the reporting requirements under the GIPA Act and GIPA regulation

### **5.2. Risk**

By not fulfilling Council obligations under the *GIPA act* would result in a breach of the act.

### **5.3. Sustainability**

No sustainability implications have been identified with the adoption of this Policy.

### **5.3. Financial**

There are no identified financial implications of the recommendations or actions in this report.

## **6. Consultation and Communication**

Council is required to adopt the Annual GIPA return before the submitting it to the Information Commissioner.

## **7. Conclusion**

Following Councils adoption of the Annual GIPA report the report will be submitted to the Information and Privacy Commissioner via the online tool.

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<b>Item:</b>	<b>8.3</b>	<b>Ref: AINT/2021/00200</b>
<b>Title:</b>	<b>Draft Fraud and Corruption Prevention Policy</b>	
		<b>Container: ARC17/1788</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Fraud and Corruption Prevention Policy	

### **1. Purpose**

This Fraud and Corruption Prevention Policy reinforces Council's commitment to fraud and corruption prevention by providing clear guidance and expectation of staff that responsibility falls with every individual who is involved with the functions and/or operations undertaken for, or on behalf of Council.

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

**That Council:**

- a. Adopt the Fraud and Corruption Policy which concluded its 28 day public exhibition period on 24 December 2020, noting no submissions were received during this period.**
- b. Rescind POL197 Minimisation of Corruption Policy.**

### **3. Background**

Council is undertaking a review of its corporate policies in line with an ongoing governance review. The review identified the need for Council to ensure it has a current Fraud Control Framework including this policy.

The *Independent Commission Against Corruption Act 1988*, mandates the requirements Councils must follow and the NSW Ombudsman provides guidelines to local government including the model of which a Council's Fraud and Corruption Prevention Policy should follow.

### **4. Discussion**

This policy applies to all staff, councillors, contractors and volunteers and works in concert with the Public Interest Disclosures – Internal Reporting Policy and the Statement of Business Ethics. Both policies are being presented for adoption at the Council meeting and form part of an integrated Fraud control Framework which drives good governance across Council.

### **5. Implications**

Council considers that its fraud and corruption control program is an integral component of its overall risk management framework which builds upon the requirement for transparent and accountable processes consistent with sound business practices and organisational standards of compliance.

#### **5.1. Policy**

This policy has linkages and forms part of an improved and connected suite of policies to drive good governance and an open transparent council.

## **5.2. Risk**

This policy has been developed to reduce the risk of fraudulent and corrupt behaviour to Council.

## **5.3. Sustainability**

No sustainability implications have been identified with the adoption of this Policy.

## **5.4. Financial**

No financial implications are identified with the adoption of this policy.

## **6. Consultation and Communication**

This policy impacts all staff, councillors, contractors and volunteers. As such a program to ensure awareness of this policy is undertaken.

## **7. Conclusion**

Council is embarking on a governance review program to ensure Council is responsible to the community and is seen as an open and transparent organisation which delivers good governance. The Fraud and Corruption Prevention Policy is part of a broader and connected framework of fraud and corruption control.

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<b>Item:</b>	<b>8.4</b>	<b>Ref: AINT/2021/00207</b>
<b>Title:</b>	<b>Business Ethics Policy</b>	<b>Container: ARC21/4473</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Statement of Business Ethics Policy	

### **1. Purpose**

This policy outlines the ethical standards required of both Armidale Regional Council delegates and its private industry business partners when engaged by Council. Adherence to these standards by both parties will enable the development of a mutually beneficial business relationship.

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

**That Council:**

- a. Adopt the updated draft Business Ethics Policy.**
- b. Table the report at the next meeting of the Audit, Risk and Improvement Committee for information.**

### **3. Background**

Council is undertaking a review of Council policies. This involves reviewing and amending existing policies, identifying policy gaps and developing new policy where none have existed.

The Statement of Business Ethics policy has been one identified that is missing from Council's Policy Register. This is a new Policy.

### **4. Discussion**

Council is committed to ensuring its business relationships are ethical, honest, fair and consistent. Our business dealings will be transparent and open to public scrutiny wherever possible.

Council's business principles are as follows:

- All procurement is conducted on the basis of value for money and aligned to other relevant Council policies
- All business relationships with external parties will be transparent
- Procurement and appointment decisions will be based on merit and will be impartial and will not take extraneous issues into account

The attached policy provides further detail to how these principles will be applied across Council.

One (1) submission was received requesting an additional point under "What We Ask of You" to include:

"To ensure perceived or real conflicts of interest are declared to Council and managed with the highest level of probity".

This recommendation was adopted and included in the draft policy now attached.

## **5. Implications**

Contractors are also expected to make any sub-contractors they employee aware of this Policy and the consequences of breaching it.

### **5.1. Policy**

This is a new policy and will contribute to embedding good governance across Council.

### **5.2. Risk**

The Statement of Business Ethics Policy will contribute to the reduction of risk and will form part of Council's efforts to reduce and manage the implications associated with risk.

### **5.3. Sustainability**

No identified sustainability implications are associated with this policy.

### **5.4. Financial**

No identified financial implications are associated with the adoption of this policy.

## **6. Consultation and Communication**

This draft Business Ethics Policy was placed on public exhibition for a period of 28 days concluding 24 December 2020. One piece of feedback was received recommending amendment as shown in recommendation a. which has been identified as a suitable and required amendment to the policy.

## **7. Conclusion**

Council is embarking on a considerable review of its Policy Register. Work is being undertaken to ensure Council has up-to-date policies to lead good governance at Council. The intent of the Statement of Business Ethics Policy is to enhance Council's level of openness and transparency and to guide the business community on what it can expect when dealing with Council.

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<b>Item:</b>	<b>8.5</b>	<b>Ref: AINT/2021/00469</b>
<b>Title:</b>	<b>Code Of Conduct Review and Procedure</b>	<b>Container: ARC16/0617-1</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Procedures for the Model Code of Conduct for Local Councils in NSW 2020	

### **1. Purpose**

To inform Council of the status of Code of Conduct Reviews undertaken within the most recent reporting period and to table the required procedures for two current reviews.

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

**That Council:**

- a. Note that a total of twelve Code of Conduct complaints were received and referred to an external reviewer for investigation last calendar year.**
- b. Note the procedure for responding to the two reviews tabled at this meeting under separate cover.**

### **3. Background**

A total of 12 Code of Conduct complaints were subject to external review in the 12 months to end September 2020. With the appointment of an Administrator in June 2020, the process was suspended until Council's reinstatement in December 2020.

Of the 12 complaints:

- 2 are the subject of reports to the Ordinary Council meeting of 27 January 2021
- 8 complaints are redundant as the respondent is no longer with Council
- 2 complaints are under further investigation.

The method of responding to alleged breaches of the *Code of Conduct* ("the Code") is defined in the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW 2020* ("the procedures").

In cases where a breach of the code has been determined and a recommendation made in the final report, the role of Council is to impose a sanction. The manner in which this should occur is defined in the procedures. Key clauses are replicated below.

### **4. Discussion**

For the purpose of following correct process, the following clauses of the Procedures state the following:

**7.49** Prior to imposing a sanction, the council must provide the respondent with an opportunity to make a submission to the council. A submission may be made orally or in writing. The respondent is to confine their submission to addressing the investigator's recommendation.

**7.50** Once the respondent has made their submission they must absent themselves from the meeting and, where they are a councillor, take no part in any discussion or voting on the matter.

**7.51** The council must not invite submissions from other persons for the purpose of seeking to rehear evidence previously considered by the investigator.

**7.52** Prior to imposing a sanction, the council may by resolution:

- a) request that the investigator make additional enquiries and/or provide additional information to it in a supplementary report, or
- b) seek an opinion from the Office in relation to the report.

**7.53** The council may, by resolution, defer further consideration of the matter pending the receipt of a supplementary report from the investigator or an opinion from the Office.

**7.54** The investigator may make additional enquiries for the purpose of preparing a supplementary report.

**7.55** Where the investigator prepares a supplementary report, they must provide copies to the complaints coordinator who shall provide a copy each to the council and the respondent.

**7.56** The investigator is not obliged to notify or consult with any person prior to submitting the supplementary report to the complaints coordinator.

**7.57** The council is only required to provide the respondent a further opportunity to make an oral or written submission on a supplementary report if the supplementary report contains new information that is adverse to them.

**7.58** A council may by resolution impose one of the following sanctions on a respondent:

- a) in the case of a breach by the general manager, that disciplinary action be taken under the general manager's contract of employment for the breach, or
- b) in the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the LGA, or
- c) in the case of a breach by a councillor:
  - i. that the councillor be formally censured for the breach under section 440G of the LGA, and
  - ii. that the matter be referred to the Office for further action under the misconduct provision of the LGA.

**7.59** Where the council censures a councillor under section 440G of the LGA, the council must specify in the censure resolution the grounds on which it is satisfied that the councillor should be censured by disclosing in the resolution, the investigator's findings and determination and/or such other grounds that the council considers may be relevant or appropriate

**7.60** The council is not obliged to adopt the investigator's recommendation. Where the council proposes not to adopt the investigator's recommendation, the council must resolve not to adopt the recommendation and state in its resolution the reasons for its decision.

**7.61** Where the council resolves not to adopt the investigator's recommendation, the complaints coordinator must notify the Office of the council's decision and the reasons for it.

## **5. Implications**

Breaches of Council code of conduct are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*.

### **5.1. Policy**

The *Model Code of Conduct for Local Councils in NSW* and the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* are prescribed under the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

### **5.2. Risk**

There are no identified adverse impacts financially, operationally, and no community group will be negatively impacted on by adoption of the recommendations. Council has an obligation to follow the Code of Conduct, and Administration Procedures as adopted.

### **5.3. Sustainability**

No sustainability implications have been identified as a result of the recommended actions.

### **5.4. Financial**

The cost of the external investigations for the 12 complaints to date is \$85904.82.

## **6. Consultation and Communication**

The process in which each complaint will be considered by Council are in accordance with the Procedures for the Administration of The Model Code of Conduct.

## **7. Conclusion**

The Code of Conduct is the key mechanism for promoting and enforcing ethical and behavioural standards. It is important that Council's Code of Conduct and associated processes are applied.



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<b>Item:</b>	<b>8.6</b>	<b>Ref: AINT/2021/00536</b>
<b>Title:</b>	<b>Legislation Compliance Policy</b>	<b>Container: ARC21/4472</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Legislation Compliance Policy for Council adoption Nov 2020	

### **1. Purpose**

The purpose of this new Policy is to outline Council's commitment to promote a culture of compliance with applicable laws and foster continuous improvement in the compliance process. The Policy aims to support and strengthen the framework for the monitoring and management of legislative compliance within the organisation.

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

**That Council:**

- a. Adopt the draft Legislation Compliance Policy.**
- b. Note that no feedback was received during the 28 day public exhibition period that concluded on 24 December 2020.**
- c. Subject to adoption, refer the Policy to the Audit, Risk and Improvement Committee for information.**

### **3. Background**

This Policy has been developed in response to recommendations made by the following:

- NSW Audit Recommendation – letter to Council 16 February 2018
- Report on Local Government 2019 (NSW Audit Office – March 2020)
- External Review of Governance Arrangements (Sept 2020 p. 20/44)

And is subsequently a component of the Performance Improvement Order issue to Council on 9 December 2020.

### **4. Discussion**

Good governance is an integral part of Council's ability to manage its risks. Effective legislative compliance management supports Council to maintain integrity, mitigate reputational risk and meet legislative obligations to demonstrate Council's corporate and social responsibilities.

Subject to Council's approval, a copy of the Policy will be tabled at the Audit, Risk and Improvement Committee (ARIC) Meeting.

## **5. Implications**

Adoption of this draft policy will support adherence to legislative requirements for Council in a structured and timely manner.

### **5.1. Policy**

This Policy links to a number of related Council policies including the Complaints Policy, Code of Conduct, and Privacy Management Plan.

### **5.2. Risk**

Development and adherence to the intent of this Policy will assist to mitigate a number of Council risks including reputational and legislative risks.

### **5.3. Sustainability**

No identified sustainability implications are evident with the adoption of this Policy.

### **5.4. Financial**

No identified financial implications have been identified with the adoption of this Policy.

## **6. Consultation and Communication**

Adoption of the Legislation Compliance Policy will act to support a good governance and compliance culture across Council for Councillors and Council employees. Working with council staff will be ongoing to build a robust and embedded Legislative Compliance Framework.

## **7. Conclusion**

Council is committed to promoting a culture of legislative compliance and, as a result, enhance the level of openness and transparency we provide to the community. The adoption of a new Policy for Legislative Compliance has been developed in response to several recommendations and standards of best and leading practice.

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<b>Item:</b>	<b>8.7</b>	<b>Ref: AINT/2021/00593</b>
<b>Title:</b>	<b>Public Interest Disclosures - Internal Reporting Policy</b>	
		<b>Container: ARC21/4474</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Internal Reporting Policy	

### **1. Purpose**

The purpose of the Public Interest Disclosure – Internal Reporting Policy is to establish an effective internal reporting system in accordance with the NSW *Public Interest Disclosures Act 1994* (PID Act) which encourages and facilitates the reporting of disclosures in relation to the five areas below without fear of reprisal:

- Corrupt conduct
- Maladministration
- Serious and substantial waste of public money
- Breach of the NSW Government Information (Public Access) Act 2009, and
- Local Government pecuniary interest contravention

Council is committed to the objectives of the IPD Act and encourages the reporting of wrongdoing.

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

**That Council:**

- Adopt the Public Interest Disclosure – Internal Reporting Policy noting no feedback submissions received from the exhibition period.**
- Rescind superseded policy POL007 Internal Reporting Policy.**

### **3. Background**

Armidale Regional Council is undertaking an extensive review of its Policy Register. As part of this review it has identified the NSW Ombudsman's Office have released a July 2020 update of their guidance to NSW Councils in respect to the PID Act.

This revised policy has been modelled on the NSW Ombudsman's recommended policy template.

### **4. Discussion**

Council is committed to the principles of the *Public Interest Disclosures Act 1994* (PID Act). The PID Act establishes mandatory requirements for all NSW public sector agencies including local councils, as well as establishing a system and guidelines under which people working within the NSW public sector can make reports about the functioning of the public sector in a way that minimises the risk of reprisal.

Public interest disclosures can be made about five different categories: corrupt conduct, serious maladministration, serious and substantial waste, a failure to properly fulfil functions under the Government Information (Public Access) Act 2009, and pecuniary interest contravention under the Local Government Act 1993.

The updated policy has been prepared and modelled on the NSW Ombudsman's recommended policy template.

The policy establishes Council's commitment to encouraging the reporting of public interest disclosures; provides guidance on the reporting and management of alleged instances of wrongdoing; the roles and responsibilities of Council and staff and provides information on internal and external resources for the reporting of wrongdoing.

## **5. Implications**

The PID Act provides protection for people reporting wrongdoing by imposing penalties on anyone who takes detrimental action proven to be substantially in reprisal for them making the public interest disclosure.

### **5.1. Policy**

This updated policy will improve Council's openness and transparency.

### **5.2. Risk**

This policy forms part of Council's good governance framework. By encouraging and reporting wrongdoing, staff members are helping to promote integrity, accountability and good governance within council.

### **5.3. Sustainability**

No sustainability implications are identified with the adoption of this policy.

### **5.4. Financial**

No financial implications are identified with the adoption of this policy.

## **6. Consultation and Communication**

This policy applies to all council staff, councillors, contractors and volunteers. As such, ensuring the content of this policy is known broadly will form part of the role undertaken by Council's PID Designated Officer.

## **7. Conclusion**

This policy will ensure Council is compliant with the model practices recommended by the NSW Ombudsman and will ensure Council has an effective system for internal reporting in accordance with the NSW Public Interest Disclosures Act 1994.

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<b>Item:</b>	<b>8.8</b>	<b>Ref: AINT/2021/00682</b>
<b>Title:</b>	<b>Reviewed Community Strategic Plan 2017-2027, Delivery Program 2018-2022 and Resourcing Strategy 2020-2021</b>	
	<b>Container: ARC17/2315</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Renata Davis, Principal Advisor - Corporate Planning</b>	
<b>Attachments:</b>	1. Community Strategic Plan CSP 2017-2027 2. Delivery Program 2017-2022 3. Resourcing Strategy 2020-2021	

### **1. Purpose**

The purpose of this report is to seek adoption of the reviewed Community Strategic Plan 2017-2027, Delivery Program 2018-2022 and Resourcing Strategy 2020-2021 that were placed on public exhibition from 10 December 2020 to 7 January 2021.

The documents were reviewed in order to:

- align to extended legislative timelines for Integrated Planning and Reporting (IP&R);
- adopt previously exhibited Delivery Program 2018-2021 changes; and
- meet the requirements of Council's Special Rate Variation application to IPART.

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

**That Council:**

#### **a. Adopt the following documents:**

- 1. Community Strategic Plan 2017-2027;**
- 2. Delivery Program 2018-2022; and**
- 3. Resourcing Strategy 2020-2021 (Addendum to revised Delivery Program 2018-2022).**

#### **b. Note the inclusion in the Community Strategic Plan 2017-2027, Delivery Program 2018-2022 and Resourcing Strategy 2020-2021 of Armidale Regional Council's intention to apply to IPART for a Special Rate Variation, at a rate to be determined.**

#### **c. Note that there were no public submissions received during the exhibition period regarding the draft documents.**

### **3. Background**

As outlined in a report to the Ordinary Council Meeting of 9 December 2020, Council has reviewed the Community Strategic Plan 2017-2027, Delivery Program 2018-2021 and Resourcing Strategy 2020-2021 in response to legislative timeframe adjustments and regulatory compliance, and in preparation for Council's Special Rate Variation (SRV) application in 2021.

The revised documents were placed on public exhibition from 10 December 2020 to 7 January 2021, with no formal submissions received from the public.

#### **4. Discussion**

In response to COVID-19, the NSW Government extended a number legislative timeframes. These changes included postponing the Council Elections that were due to be contested in 2020 to the new date of 4 September 2021.

Accordingly, the Council's current Delivery Program will apply for a further 12 months and any proposed additional activities, that are significantly different to those in the existing document, are required to be placed on public exhibition.

It has also come to Council's attention that a series of minor changes to the Delivery Program 2018-2021 were placed on public exhibition, but not included in the suite of Integrated Planning and Reporting documents adopted on 26 June 2019. Those changes are included in the reviewed Delivery Program 2018-2022 and a summary of changes was attached to the report presented to the 9 December 2020 Ordinary Council Meeting.

Additionally, at the Ordinary Council Meeting on 28 October 2020, Council resolved to commence community engagement on a proposed Special Rate Variation application and to formally notify IPART that Council intends to submit a Special Rates Variation. In order to comply with the expectations of IPART, Council must review the Community Strategic Plan 2017-2027, Delivery Program 2018-2021 and Resourcing Strategy 2020-2021 to include reference to its intention to apply and provide further information on the reasons for, and impact of, a Special Rate Variation.

The purpose of this review is to adopt a number of small, but significant, changes such as the addition of Council's intention to apply for a Special Rate Variation, in accordance with the advice of the NSW Government. A full review of the Community Strategic Plan, including extensive community consultation, and the development of a new Delivery Program will occur following the Council Elections on 4 September 2021.

#### **5. Implications**

##### **5.1. Policy**

As outlined in the report.

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

The adoption of the Delivery Program 2018-2022 will ensure that Council's Integrated Planning and Reporting documents are aligned with revised legislative timeframes, and that previously exhibited Delivery Program changes are formally endorsed by Council.

It is necessary to update the Community Strategic Plan, Delivery Program and Resourcing Strategy to meet the requirements of the Special Rate Variation process and be able to submit a successful application to IPART for the 2021-2022 Financial Year.

Not undertaking the recommended Special Rate Variation steps could result in the inability to, at a minimum, retain the existing temporary Special Rate Variation and result in a significant detrimental impact on the 2021-2022 budget and ongoing.

##### **5.3. Sustainability**

The IP&R suite of documents supports financial and corporate sustainability by providing an annual works plan for the organisation, which supports the medium and long-term planning of the Delivery Program and Community Strategic Plan.

These documents also contain a number of actions and initiatives based on improved environmental sustainability to be delivered during the 2020-2021 Financial Year.

#### **5.4 Financial**

A considerable amount of effort and resources has been committed to the Special Rate Variation process to date. This work has been funded in the current 2020-2021 Budget and outlined in the 2020-2021 Operational Plan.

The rating impacts of SRV scenarios have been communicated to the community. The following SRV options have been proposed:

1. A permanent SRV of 18.5% plus 2.0% rate peg (total 20.5%) commencing in 2021-22;
2. A permanent SRV of 8.5% plus 2.0% rate peg (total 10.5%) commencing in 2021-22; and
3. Discontinuation of the temporary SRV of 10% (above the rate peg) applied by the former Armidale Dumaresq Council and ending on 30 June 2021.

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

The Draft Community Strategic Plan 2017-2027, Draft Delivery Program 2018-2022 and Draft Resourcing Strategy 2020-2021 were placed on public exhibition for 28 days. No public submissions were received.

This process coincided with an extensive program of community engagement for feedback on the three Special Rate Variation scenarios – see separate Council Report for the summary of SRV Public Submissions and an outline of community engagement.

#### **7. Conclusion**

As part of the Special Rate Variation application process, and to ensure compliance with legislative requirements, Council officers seek endorsement of the revised Community Strategic Plan 2017-2027, Delivery Program 2018-2022 and Resourcing Strategy 2020-2021.

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<b>Item:</b>	<b>8.9</b>	<b>Ref: AINT/2021/01200</b>
<b>Title:</b>	<b>Tabling of Disclosure of Pecuniary Interest Container: ARC16/0001-6</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. Cr Galletly Disclosure of Pecuniary Interest 19-20</li><li>2. Cr Murat Disclosure of Pecuniary Interest 19-20</li><li>3. Cr O'Bailey Disclosure of Pecuniary Interest 19-20</li><li>4. Cr O'Brien Disclosure of Pecuniary Interest 19-20</li><li>5. Cr O'Connor Disclosure of Pecuniary Interest 19-20</li><li>6. Cr Robinson Disclosure of Pecuniary Interest 19-20</li><li>7. Mayor Tiley Disclosure of Pecuniary Interest 19-20</li><li>8. General Manager James Roncon Pecuniary Interest Return - redacted</li></ol>	

#### **1. Purpose**

As per the *Model Code of Conduct*, Council is required to table any newly lodged *Disclosures of Pecuniary Interest* at the next meeting of council. With the return of Councillors and the commencement of a new General Manager a number of Disclosures are now tabled.

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

**That Council:**

- Note the tabling of Disclosures of Pecuniary Interest for Councillors**
- Note the tabling of Disclosure of Pecuniary Interest by General Manager**
- Note that redacted Disclosures of Pecuniary Interest will be uploaded to Council website as per the *Public Access Act*.**

#### **3. Background**

Cause 4.21 of the Code of Conduct Council states officials are required to disclose their personal interests in publicly available returns of interest. These operate as a key transparency mechanism for promoting community confidence in Council decision making, whether by Councillors or by staff or others under delegation.

#### **4. Discussion**

Returns lodged within 3 months of 30 June must be tabled at the first Council meeting after the last day of the return was required to be lodge. Returns lodged at any other time must be tabled at the first Council meeting after the return was lodged.

Councillors and staff may update their Disclosures at any time.



## **5. Implications**

Council officials must not lodge a return that they know or ought to know is false or misleading. Complaints about breaches of these requirements are to be referred to the Office of Local Government.

### **5.1. Policy**

Council must make all returns of interests publicly available in accordance with the requirements of the *Government Information (Public Access) Act 2009*, the *Government Information (Public Access) Regulation 2009* and any guidelines issued by the NSW Information Commissioner.

### **5.2. Risk**

If a council official becomes aware of any new interests that need to be disclosed, the Council official must submit a new return within three months of becoming aware of the interests.

### **5.3. Sustainability**

There are no identified Sustainability implications as a result of this recommendation.

### **5.4. Financial**

There are no identified financial implications as a result of this recommendation.

## **6. Consultation and Communication**

This report contributes to the delivery the Community strategic Plan 2017-2027: Leadership for the Region Community Outcome 3– being that Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.

## **7. Conclusion**

The tabling of returns at the first Council meeting following lodgement satisfies Council's obligations under the Model Code. Completed returns of Councillors and designated persons have been included in Council's register of returns.

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<b>Item:</b>	<b>8.10</b>	<b>Ref: AINT/2021/01755</b>
<b>Title:</b>	<b>Code Of Meeting Practice Amendments</b>	<b>Container: ARC16/0620</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Draft Code of Meeting Practice proposed amendments Jan 2021	

### **1. Purpose**

A number of amendments are proposed to the Code of Meeting Practice to address Council resolution 367/20 from 9 December 2020 Council meeting, resolution 410/20 from 22 December Council meeting and also to fulfil requirements of the Performance Improvement Order (point 8 & 9 of schedule 2) issued on 9 December 2020 by the Minister for Local Government.

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

**That Council**

- a. Endorse the amended Code of Meeting Practice for public exhibition for 21 days commencing the 01 February 2021.**
- b. A further report be provided to Council following the conclusion of the exhibition period.**

### **3. Background**

Point 8 and 9 of schedule 2 of the *Performance Improvement Order – Action required to improve performance – Section 438A(3)(b)* requires Council to review its Code of Meeting Practice to ensure it complies with the *Model Code of Meeting Practice for Local Councils in NSW* (the Model Meeting Code). Council must amend its Code of Meeting Practice to adopt 3.32 and 3.34 – 3.35 of the model meeting code and to provide that councillors briefing are to be open to the public unless the General Manager is satisfied that grounds exist to exclude members of the public from a briefing to consider information that should not be made public.

At the Ordinary Council meeting on 9 December 2020, resolution number 367/20 required an additional part added to the Code of Meeting practice “Workshops” part 22, clauses 22.1 through to 22.14. An amendment was also made to Clause 3.22 adding the word “Workshops” and clause 3.31 amended to delete “ if requested by a majority of Councillors”.

Further, at the 22 December 2020 Ordinary Council Meeting, resolution number 411/20 required a new agenda item “Presentations” be added to the Code of Meeting Practice. Presentations are invited by community groups and organisations and also Commonwealth and State bureaucracies to brief the Council and community on salient issues of the day.

### **4. Discussion**

All proposed amendments to the Code of Meeting Practice have been highlighted in the draft attachment.

## **5. Implications**

Armidale Regional Council is required to undertake all actions specified in schedule 2 of the Performance Improvement Order. Point 10 of schedule 2 states that Council must conduct its meetings in accordance with its Code of Meeting Practice and must not make decisions at Councillor Briefings and workshops.

### **5.1. Policy**

Amendments to the Code of meeting practice is inline with Council resolutions 367/20 and 410/20 and also the Performance Improvement Order.

### **5.2. Risk**

To ensure Council is compliant with Section 438A Performance Improvement Order, the proposed amendments are required.

### **5.3. Sustainability**

No sustainability implications have been identified with the adoption of this recommendation.

### **5.4. Financial**

No financial implications are identified with the adoption of this recommendation.

## **6. Consultation and Communication**

The draft amendments to the Code of Meeting Practice will be placed on public exhibition for 21 days commencing 1 February 2021. A further report will be presented to Council following the conclusion of the exhibition period.

## **7. Conclusion**

Amendments to the Code of Meeting Practice are to be formalised within 3 months of the Performance Improvement Order issue date of 9 December, 2020.

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<b>Item:</b>	<b>9.1</b>	<b>Ref: AINT/2021/00227</b>
<b>Title:</b>	<b>Exposure Draft Bill - Local Government Rating Reform</b>	<b>Container: ARC19/3336</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Alan Langford, Revenue Officer</b>	
<b>Attachments:</b>	1. Attachment A - Ministers Message - 22 December 2020 2. Attachment B - Local Government Amendment Rates Bill 2021 3. Attachment C - Consultation Guide To Local Government Rating Reform	

### **1. Purpose**

To:

- provide Council with information on the recently released Exposure Draft Bill *Local Government Amendment (Rates) Bill 2021*;
- outline potential implications for Armidale Regional Council; and
- confirm information to be included in Council's submission.

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

**That Council:**

- a. Note the information provided in the report; and**
- b. Endorse the provision of feedback to the Office of Local Government by 5 February 2021 as outlined in the report along with any additional feedback provided by Council to the Manager Financial Services by Tuesday, 2 February 2020.**

### **3. Background**

The Office of Local Government released an Exposure Draft Bill for public consultation on 22 December 2020 as part of the NSW Government's commitment to implement reforms to ensure a fairer and more flexible rating system for councils and ratepayers.

The Bill proposes to implement key elements of the NSW Government's response to the Independent Pricing and Regulatory Tribunal's (IPART's) review of the local government rating system, which was released in June 2020.

The proposed changes will provide greater flexibility to the way councils may determine rating structures from 1 July 2021 and includes different options for the harmonisation of rating structures. A public consultation period on the Exposure Draft Bill runs until 5 February 2021.

### **4. Discussion**

#### Local Government Amendment (Rating) Bill 2020

If passed by Parliament, the provisions contained in the proposed *Local Government Amendment (Rating) Bill 2021* would:

- Allow 17 councils created in 2016 to gradually harmonise rates over four years to protect ratepayers from excessive and sudden rate rises
- Allow councils to levy special rates above the rate peg for infrastructure jointly funded with other levels of government, without the need for IPART approval
- Create a new rating category for environmental land to allow councils to levy fairer rates for properties that cannot be developed
- Allow councils to create more flexible residential, business and farmland rating subcategories to enable them to set fairer rates that better reflect access to services and infrastructure
- Allow councils to create separate rating subcategories for vacant residential, business and mining land which would provide additional flexibility for councils to tailor their rates to the needs of local communities
- Remove the rating exemption for land subject to new conservation agreements and provide for it to be rated under the new environmental land category
- Allow councils to choose whether to exempt certain properties from special rates for water and sewerage
- Require councils to publicly report the value of any rating exemptions they choose to grant each year to improve transparency
- Narrow the scope for rezoned property owners to postpone rates and let councils choose whether to write them off, and
- Allow councils to sell properties for unpaid rates after three years rather than five years.

#### Other Key Rating Reforms

The rates reform package also includes measures that do not rely on legislative amendments. As part of the final response to the IPART rating review, the NSW Government committed to aligning rating income growth with population growth within the rate pegging system. This will help councils provide for growing communities while still protecting residents from sudden, excessive rate rises.

In addition, the NSW Government supported IPART's recommendation that any difference between mining and business rates should primarily reflect differences in the councils' costs of providing services. This will be implemented through future guidance to the local government sector rather than legislation.

Finally, it is proposed to not progress any change to the residual rating category arrangements, and to limit the requirement for councils to report the value of exemptions to only those they choose to grant each year.

## **5. Implications**

The areas of proposed legislative change that would cause the most significant impacts on Council's rating structure and processes are outlined below.

### Rates Harmonisation

Since amalgamation of Armidale Dumaresq and Guyra Shire Council in 2016, Council has been required to maintain two rating systems for the local government area. This was due to a four year rate freeze imposed by the NSW Government.

Under current legislation, from 1 July 2021, Council must maintain one consistent rating structure to ensure a fairer and more equitable system across all rating categories within the Armidale Regional local government area. This is known as rates harmonisation and will require adjustment to some rating categories to align them with the requirements of the Local Government Act and Regulation.

Current rate modelling has identified that the Farmland, Residential Non-Urban/Residential Village and Business Non-Urban rate categories are those most affected by rates harmonisation. Therefore, options to harmonise rates more slowly or by other methods are welcomed as they would assist with being able to mitigate significant one off rate increases on individual ratepayers.

The options available to harmonise rating structures contained in the Exposure Draft Bill are:

- a) by the levying of a new rate for the category of land, with effect from 1 July 2021,
- b) by the use of sub-categorisation of the category of land, or
- c) by gradual harmonisation of rates for the category over no more than 4 years.

At a minimum, a four year gradual harmonisation of rates would smooth the transitional increases in rates between rate categories.

It is likely that the optimum rates harmonisation structure will need to be a combination of the above options and further modelling will need to be undertaken to determine this. Assuming the legislation is passed, if Council elects to undertake rates harmonisation over 4 years, it would need to apply no more than 50% of the total increase in rates at the rating category level over the period, in any one of the four financial years. Councils that choose to harmonise gradually will be required to set out their intended approach over the full four years in their IP&R documents.

### Ability to Levy Special Rates for Jointly Funded Infrastructure

Councils are increasingly entering into arrangements to jointly fund infrastructure projects with the NSW Government and the Australian Government. To generate additional revenue to contribute to these projects, which may be a condition of the project going ahead, councils are applying to IPART for a special variation. This imposes a high regulatory burden that extends timeframes and can deter councils from helping to deliver projects that benefit their local communities.

The Exposure Draft Bill proposes the ability to raise extra rate income for infrastructure jointly funded with other levels of government, without the need for IPART approval.

This proposal is welcomed as it would provide local government with a much higher level of flexibility around what projects it can commit to financially but it will require a level of governmental control and reporting to ensure accountability and that sustainable outcomes are achieved.

#### Ability to establish new rating categories and sub-categories

There are a range of changes proposed in the Exposure Draft Bill to introduce the ability to create new rating categories and sub-categories.

The main change to rating categories is the introduction of the ability to establish an Environmental category. The proposed criteria are the location of the land and/or whether the land is subject to a conservation agreement.

Council currently has 8 rate assessments subject to conservation agreements within Farmland rating categories, one of which is subject to 100% reduction in the general rate. The Environmental category also refers to the location of the land, geographical and zoning restrictions requiring subjective decisions by Council. It is not known at this stage how many such rating assessments could be affected by this proposed change.

Council may also create rating sub-categories for land on the basis of:

- The location of the land (farmland, residential, business)
- Whether or not the land is “vacant” (residential, mining, business)
- Whether land is industrial or non-industrial (business)

These proposed changes to the ability to set rating sub-categories change the way councils may look at how rating structures are harmonised and offer greater flexibility around determining rating structures.

#### Postponed Rates

It is proposed to provide limits on the postponement of rates. This would see little change for Council, however, the draft legislation continues to require amounts more than 5 years in arrears to be written off and it is believed that this should be reduced to more than 3 years in arrears to be in line with the proposed changes to the ability to sell land for unpaid rates.

#### Sale of Land for Unpaid Rates

It is proposed that councils be permitted to seek to sell properties that are not vacant for unpaid rates and charges after 3 years rather than 5 years.

The ability to sell land for unpaid rates after 3 years is in line with other state legislation and allows for more timely reduction of overdue debts. Council has approximately 50 rate assessments with more than 3 years rates outstanding compared to 26 under the current legislation.

#### Setting General Income to rise in line with Population Growth

IPART has traditionally calculated the Rate Peg by reference to the Local Government Cost Index (LGCI) and improvements in productivity. The LGCI measures price changes for operational inputs—including labour—used by an average council over the previous year. This overall approach to calculating the rate peg has been in place since 2010.

The NSW Government has asked IPART to deliver a report recommending a rate peg methodology that allows the general income of councils to be varied annually in a way that accounts for population growth. This review is expected to be completed within nine months.

The NSW Government has stated will not consider any further changes to the rate peg or allowable income at this time.

#### Reporting on Rating Exemptions

IPART recommended that councils publish the estimated value of rating exemptions within their local government area in their annual reports or other information made available to the public.

The NSW Government accepted this recommendation, which is designed to improve consistency between councils as well as improving transparency of the rating system for ratepayers.

Council currently has more than 600 non-rateable assessments which may require public reporting of rating exemptions. Many of these properties although exempt from general rates remain liable for special rates for water, sewerage and waste (for example, churches and schools).

While this change is welcomed, as it will improve transparency of the level of ratepayer subsidy that occurs to the not-for-profit sector, a level of financial support to assist with implementation of the new reporting requirements will be sought in Council's submission.

#### **5.1. Risk**

There does not appear to be any high risks in the legislative changes that are proposed. If passed, they will provide the NSW local government sector with greater flexibility and enable councils to better respond to their local conditions in relation to how the rating structure is determined and also assist with more flexible funding options for jointly funded government projects.

#### **5.2. Sustainability**

The draft legislation, if enacted, will impose additional administrative and reporting functions on Council while making it more transparent and accountable.

The legislation also provides for a more flexible and equitable method of levying rates and harmonisation of rates over four years and would be welcomed by most ratepayers.

#### **5.3. Financial**

The ability to raise extra rate income for infrastructure jointly funded with other levels of government without the need for IPART approval will place less burden on the general rate to provide this funding, allowing Council to better allocate funds to other priorities.

The reduction of time required to sell land for unpaid rates will assist in more timely collection of outstanding rates in addition to potentially improving Council's outstanding rates and charges ratio.

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

Council has until 5 February 2021 to provide feedback to the Office of Local Government. Council's draft submission is contained on the following pages.



**FEEDBACK FORM – Towards a Fairer Rating System**

**Section Two – Local Government Amendment (Rating) Bill 2020**

**1. Allowing gradual rates harmonisation**

Q.1. Are you from a local government area newly formed in 2016 that has not yet harmonised rates?

YES

Q.2. Do you agree with the proposal to enable new councils to gradually harmonise rates across former council areas over four years?

YES

Comment:

The ability to harmonise rates more gradually will provide relief to ratepayers who would otherwise been facing significant one off increases, particularly Farmland properties in the former Guyra Shire Council region. Recent community consultation undertaken by Council showed a strong preference from ratepayers to have a more gradual harmonisation option.

**2. Allowing councils to levy special rates for jointly funded infrastructure**

Q.3. Do you agree with the proposal in relation to levying special rates for jointly funded infrastructure?

YES

Comment:

Council supports the proposal for the introduction of special rates for the joint delivery of infrastructure projects, with income generated being on top of the permissible income (rates cap).

**3. Increasing flexibility through new rating categories and subcategories**

**3.1 Allowing councils to set different residential rates in contiguous urban areas**

Q.4. Do you agree with the proposal to allow for different residential rates in contiguous urban areas?

YES

Comment:

N/A

Q.5. Do you agree with the proposal to limit the highest rate structure across all residential subcategories to no more than 1.5 times the average rate structure?

NO

Comment:

This could be limiting in regional areas where the cost to provide services can be different for different locations and new developments may require different rating sub categories to be established to reflect higher levels of service. As the number of properties is not as high as

urban areas the 1.5 times factor would limit the ability for regional councils to recover costs effectively from the residents that most benefit from those services.

### 3.2 Creating a new rating category for environmental land

Q.6. Do you agree with the proposal about how to create a new rating category for environmental land, including how environmental land is proposed to be defined?

YES

Comment:

N/A

Q.7. Do you agree that a portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of environmental land?

YES

Comment:

N/A

### 3.3 Enabling different business rates to be set for industrial land and commercial land

Q.8. Do you agree with the proposal about how to enable different rates for industrial and commercial land?

YES

Comment:

It is also suggested that a new rate category for energy installations be created. eg for windfarms and solar arrays.

### 3.4 Enabling different rates for residential, business or mining land that is vacant

Q.9. Do you agree with the proposal to allow subcategories for vacant land to be created for residential, business and/or mining land, including the proposed factors set out above?

YES

Comment:

N/A

### 3.5 Enabling different rates for residential, business or mining land that is vacant

Q.10. Do you agree with the proposal to enable councils to also set farmland rates based on geographical location?

YES

Comment:

N/A

## **4. Changing specific exemptions from ordinary and special rates**

### 4.1 Removing mandatory rates exemptions for land with new conservation agreements

Q.11. Do you agree with the proposal to remove the requirement for councils to apply a rating exemption for land subject to new conservation agreements?

YES

Comment:

N/A

4.2 Removing certain mandatory exemptions from special rates for water and sewerage

Q.12. Do you agree with the proposal to remove certain mandatory exemptions from special rates for water and sewerage?

YES

Comment:

N/A

**5. Improving public confidence in the rating system**

5.1 Narrow scope to postpone rates and let councils choose whether to write them off

Q.13. Do you agree with the proposal to restrict who can seek postponement of rates?

YES

Comment:

Also suggest changing more than 5 years to more than 3 years in arrears be written off to be in line with the proposed changes to the ability to sell land for unpaid rates.

Q.14. Do you agree with the proposal to remove the requirement to write off rates debts?

YES

Comment:

N/A

5.2 Allow councils to sell properties for unpaid rates after three years

Q.15. Do you agree with the proposal to enable councils to sell properties for unpaid rates after 3 years?

YES

Comment:

N/A

**Section Three – Other rating reforms**

Encouraging councils to levy rates on mining land to reflect additional costs

Q.16. Do you agree with the proposal to implement this reform through guidance?

NEUTRAL

Comment:

N/A

Retaining the rating category for business as the 'residual' rating category

Q.17. Do you agree with the proposal to retain the business land rating category as the residual category?

YES

Comment:

N/A

Requiring councils to report the value of exemptions they grant each year

Q.18. Do you agree with the proposal that councils report on the value of exemptions they choose to grant through their annual reports?

YES

Comment:

It would be appropriate for a level of financial support to be made available to local government from the NSW government to enable the required system changes and processes to be established to do this consistently and efficiently across the sector.

General Comments

N/A

## **7. Conclusion**

Advice has been received from the Office of Local Government regarding an Exposure Draft of the *Local Government Amendment (Rating) Bill 2021* affecting the way in which councils will be able to set rating structures and approach rates harmonisation. A public consultation period on the Exposure Draft Bill runs until 5 February 2021 and it is proposed to submit feedback on the basis of the information provided in this report.

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<b>Item:</b>	<b>9.2</b>	<b>Ref: AINT/2021/00781</b>
<b>Title:</b>	<b>Guyra Main St Roadworks Project - Principal Contractor Engagement Container: ARC17/1518</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Larissa Bittencourt, Senior Project Manager</b>	
<b>Attachments:</b>	1. Recommendation Report_RFQ Bradley Street Rehabilitation Stage 2 - Guyra CBD- <i>As this attachment deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the Local Government Act 1993). Council closes part of this meeting, in accordance with; AND deals with commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council (Section 10A (2)(d)(ii) of the Local Government Act 1993). Council closes this 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>	

### **1. Purpose**

The purpose of this report is to request that Council endorse the engagement of a Principal Contractor to reconstruct the section of Bradley Street extending from the intersection with Nincoola Street to the intersection with MacKenzie Street and delegate authority to the General Manager to enter into the Contract with the Principal Contractor should the General Manager be satisfied that the terms and conditions of the agreement are to be fair for both parties.

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

**That Council:**

- a. Endorse the engagement of Stabilcorp Pty Ltd as the Principal Contractor for the Bradley Street (Main St) Rehabilitation Stage 2 - Guyra CBD.**
- b. Delegate authority to the General Manager to enter into the Contract agreement with the Principal Contractor should the General Manager be satisfied with the terms and conditions of the agreement.**

### **3. Background**

The rehabilitation of the Bradley Street in Guyra CBD is included in the scope of works of Guyra Main St Beautification Project which looks to enhance facilities within the Guyra CBD.

The Request for Quotation (RFQ) sought a suitably experienced Contractor from Councils exiting panel of tender approved contractors to reconstruct the section of Bradley Street extending from the intersection with Nincoola Street to the intersection with MacKenzie Street.

The Request for Quotation was released via Vendor Panel on the 24 November 2020 and closed on the 15 December 2020. 65 Vendors from pre-approved panels were invited to price the works, but only two submissions were received. ARC internal crews were also invited to price, but no submissions were received.

The Principal Contractor will be responsible for supplying all resources, materials and equipment for the reconstruction of the road section specified above.

The design documents were completed by ARC design team.

The Quotation Evaluation Team members have assessed all two submissions based on Non-weighting and Weighting criteria. The Quotation Evaluation Meeting has been held on the 21 December 2020, where all scoring have been discussed and agreed on.

The detailed recommendation report is attached.

#### **4. Discussion**

The proposed Contractor engagement will allow Council to improve the current condition of Bradley St in Guyra as part of the beautification of this high street.

The proposed projects align with the Community Strategic Plan, specifically in relation to:

##### Growth, Prosperity and Economic Development

- G3 Tourism – The visitor economy generates additional revenue and employment to boost the local economy and creates opportunities for more vibrant cultural activities
  - G3.4 – Provide Central Business District (CBD) infrastructure that supports a more vibrant and varied offering of shopping experiences for tourists.

#### **5. Implications**

##### **5.1. Policy**

No policy implications have been identified at this point.

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

Council could face a financial risk during the construction works if the excavated material presents a level of contamination that requires special spoil disposal.

After removing the old fuel tanks at Bradley St, additional environmental investigations have been completed, and a Detailed Assessment of the area has been received by Council.

In order to mitigate this risk Council is implementing some measures as follows:

- The approved project budget provides enough contingency to cover additional costs for special spoil disposal if identified as necessary after excavated soil testing;
- The Vendors have received the Detailed Assessment of the former fuel tanks area during the request for quotation phase, which allows them to prepare an environmental management plan based on the known existing risks;
- An Environmental Consultant specialist will be engaged to revise the Contractor environmental management plan and oversee the construction works to ensure all procedures are followed. The specialist will also make recommendations for remediation if necessary.

##### **5.3. Sustainability**

If Council endorses the engagement of the Principal Contractor for the Bradley Street (Main St) Rehabilitation Stage 2 - Guyra CBD, the use of sustainable materials and practices during the delivery of projects will be highly recommended and adopted wherever and whenever possible.

##### **5.4. Financial**

The proposed engagement of the Principal Contractor Stabilcorp Pty Ltd is covered by the approved project budget, and no risk of overrun has been identified.

Find below key budget information based on the approved project budget FY20/21 Q1 of \$1,041,263.00.

- The proposed Principal Contractor engagement represents 43% of the total approved project budget;
- The financial commitments to date represent 25% of the total approved project budget;
- The estimated cost for project management, design team support works and environmental consultant engagement represents 6% of the total approved project budget;
- The remaining unallocated project budget, for possible soil remediation disposal and any other unforeseen costs, represents 26% of the total approved project budget.

Based on the information above, no budget overrun is identified at this stage of the project.

## **6. Consultation and Communication**

The community has been engaged during meetings in 2012, 2016 and 2018 and through walk presentation in 2019 to discuss the project scope of works and required revisions.

The revisions of the first scope were mainly based on funding availability and the discovery of the underground old fuel tanks in Bradley St that added to the project significant additional costs and restrictions on design solutions.

## **7. Conclusion**

The engagement of the Principal Contractor to reconstruct the section of Bradley Street extending from the intersection with Nincoola Street to the intersection with MacKenzie Street, if endorsed by Council, will allow Armidale Regional Council to delivery another item of the project scope of works of Guyra Main St Project which will improve the current condition of Bradley St in Guyra as part of the beautification of this high street.

<b>Item:</b>	<b>9.3</b>	<b>Ref: AINT/2021/00879</b>
<b>Title:</b>	<b>Cash And Investment Report November and December 2020</b>	
	<b>Container: ARC16/0001-6</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Deborah Walls, Accountant</b>	
<b>Attachments:</b>	1. November 2020 Laminar Report Pack (extract) 2. December 2020 Laminar Report Pack (extract)	

### 1. Purpose

The Cash and Investment Report provides an overview of cash and investments for the period 1 November 2020 – 30 November 2020 and period 1 December 2020 – 31 December 2021 and certifies compliance with Council's Investment policy and the Local Government Act 1993 and Regulations.

### 2. OFFICERS' RECOMMENDATION:

**That Council note the Cash and Investment Report for November 2020 and December 2020.**

### 3. Background

The following is the cash and investments particulars for the period 1 November 2020 to 30 November 2020. As at 30 November 2020, Council held \$55,359,311 in investments and \$22,357,939 as cash. Total of \$77,717,250.

The following is the cash and investments particulars for the period 1 December 2020 to 31 December 2020. As at 31 December 2020, Council held \$58,359,426 in investments and \$18,016,542 as cash. Total of \$76,375,969.

### 4. Discussion

#### Cash and Investments

Balances were as follows:

Item/Account	December 2020	November 2020	October 2020	Movement (Oct – Dec)
<b><u>Cash at Bank</u></b>				
NAB General Fund	-	-	-	-
High Interest Cash At Call	\$14,577,554	\$18,919,439	\$11,892,102	\$2,685,452
AMP Saver Account	\$2,000,164	\$2,000,000	-	\$2,000,164
Trust Fund	\$1,438,988	\$1,438,500	\$1,441,930	\$(4,942)
<b>Total Cash</b>	<b>\$18,016,707</b>	<b>\$22,357,939</b>	<b>13,334,032</b>	<b>\$4,682,675</b>
<b><u>Investments</u></b>				
T-Corp IM	\$15,317,368	\$10,317,253	\$10,306,680	\$5,010,688
Term Deposits	\$43,042,058	\$45,042,058	\$49,020,000	\$(5,977,942)
<b>Total Investments</b>	<b>\$58,359,426</b>	<b>\$55,359,311</b>	<b>\$59,326,680</b>	<b>\$(967,254)</b>
<b>Total Cash &amp; Investments</b>	<b>76,376,133</b>	<b>77,717,250</b>	<b>72,660,712</b>	<b>3,715,421</b>



Summary of Investment movements for November and December 2020:

<b>Investment Maturities</b>	
<b>Institution</b>	<b>Amount</b>
National Australia Bank	(\$2,000,000)
Macquarie Bank	(\$2,000,000)
Macquarie Bank	(\$2,000,000)
AMP	(\$1,000,000)
AMP	(\$1,000,000)
ING	(\$2,000,000)
<b>Total</b>	<b>(\$10,000,000)</b>

<b>New Investments</b>	
<b>Institution</b>	<b>Amount</b>
AMP	\$1,000,000
AMP	\$1,000,000
NAB	\$2,022,058
NSWTC IM Short Term Income Fund Unit Trust	\$5,000,000
Interest Reinvested/Market Movement	10,688
<b>Total</b>	<b>\$9,032,746</b>

The additional funds from the maturity is currently held in the High Interest Cash At Call account. This is held in this account to build up funds to allow the Council to invest in larger deposits to reduce admin time and to be able to negotiate for higher rates of return. The rate of return is currently at 0.4% for the High Interest Cash At Call account.

Investment Revenue Earned

	<b>December 2020</b>	<b>November 2020</b>	<b>October 2020</b>
General Cash Account	-	-	-
Term Deposits	\$37,867	\$41,344	\$47,828
T-Corp IM	\$116	\$10,573	\$3,086
High Interest Account	\$5,591	\$5,250	\$8,516
AMP Saver Account	\$164	-	-
Trust Account	\$487	\$519	\$652
<b>Total</b>	<b>\$44,225</b>	<b>\$57,686</b>	<b>\$60,082</b>

As per the attached investment report (refer Attachment 1 and Attachment 2), the investments are diversified across a range of institutions, with no one institution exceeding 30% of funds invested to ensure the portfolio is in line with the Investment Policy.

### Investment Yield

Term of Investment	December 2020			October 2020		
	ARC	3m BBSW rate	Outperformance	ARC	3m BBSW rate	Outperformance
6 months	1.17%	0.02%	1.15%	1.36%	0.07%	1.29%
12 months	1.42%	*0.04%	1.38%	1.59%	0.04%	1.55%

**\*3m BBSW rate as at 30 November. December 2020 rate not available at time of report**

The Armidale Regional Council Community Strategic Plan 2027 identifies the importance of Leadership for the Region. In particular;

L2 – Council exceeds community expectations when managing its budget and operations

L2.1 – Financial sustainability is maintained through effective short and long term financial management

L2.1.3 – Develop effective financial management systems

## **5. Implications**

### **5.1. Policy**

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.

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

### **5.2. Risk**

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

Armidale Regional Council has out performed the RBA Cash rate and the 3 month BBSW.

During December 2020, Armidale Regional Council invested a further \$5million in NSW Treasury Corporation Short Term Investment Fund. This Fund has the objective to earn rates of return higher than the benchmark returns over three year periods, on an after-fee basis. This is in line with the current investment policy of the Council. Investing in the Short Term Investment Fund allows diversification across the investment portfolio.

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

### 5.3. Sustainability

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

### 5.4. Financial

#### Actual Interest Income to Budget Interest Income Comparison

Yearly Budget Interest Income \$895,000.

Interest Income	YTD Actual	YTD Budget	Difference
YTD December 2020	\$363,162	\$447,500	(\$84,338)
YTD November 2020	\$318,838	\$372,917	(\$54,079)
YTD October 2020	\$261,151	\$298,333	(\$37,182)
Movement (Oct – Dec)	\$102,011	\$149,167	(\$47,156)

YTD Unfavourable Budget Variance of \$84,338 to 31 December 2020. Over the past 10 months, the Government has been providing many cash incentives to stimulate growth during the economic decline. This has flooded the banks with 'cheap money' at a time when businesses and households are not looking to borrow money. This in turn affects the Saving/Term Deposit rates offered as the banks do not need to 'buy' the money for loans, with some institutions closing their door to new deposits.

### 6. Consultation and Communication

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

### 7. Conclusion

The Cash and Investment Report provides an overview of cash and investments as at and for the period ended 31 December 2020 and demonstrates compliance with Council policy.

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<b>Item:</b>	<b>9.4</b>	<b>Ref: AINT/2021/00909</b>
<b>Title:</b>	<b>Special Rate Variation Application</b>	<b>Container: ARC17/2315</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Kelly Stidworthy, Manager Financial Services</b>	
<b>Attachments:</b>	1. Community Engagement Summary Report 2. 2021-22 Special Rate Variation Application - Written Submissions Part A 3. 2021-22 Special Rate Variation Application - Written Submissions - Part B	

## **1. Purpose**

To present Council with the community feedback provided during the Special Rate Variation consultation period and recommend that Council proceed with application for a section 508(2) (permanent) Special Rate Variation commencing in the 2021-22 financial year to support the provision of ongoing services, renewal of infrastructure and achieve compliance with section 8b of the *Local Government Act 1993*.

For the reasons outlined in this report, Option 1 provides Council the greatest opportunity to secure its longer term financial sustainability while at the same time seeking to review and improve its own service level commitments to enhance community outcomes.

Option 1 would also enable Council to meet the requirements of the Performance Improvement Order issued to Council on 9 December 2020 by the Hon. Shelley Hancock MP, Minister for Local Government.

Option 1 is a permanent Special Rate Variation of 18.5% plus 2.0% rate peg (total 20.5%) commencing in 2021-22.

Option 1 would result in the average Armidale Residential ratepayer paying an additional \$2.48 per week and the average Guyra Residential ratepayer paying an additional \$1.16 per week including the 2% rate peg.

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

**That Council:**

- a. Proceed with a section 508(2) (permanent) Special Rate Variation option in order to address Armidale Regional Council's financial sustainability and maintain essential community infrastructure including Council's road network, footpaths and community buildings.**
- b. Make application to the NSW Independent Pricing and Regulatory Tribunal for Option 1 being a permanent Special Rate Variation of 18.5% plus 2.0% rate peg (total 20.5%) commencing in 2021-22.**
- c. Acknowledge the feedback received from the community during the community engagement and public exhibition process and provide this to the NSW Independent Pricing and Regulatory Tribunal as part of the Special Rate Variation application by Armidale Regional Council.**

### 3. Background

#### History of Special Rate Variations

In comparison with other NSW councils, Armidale-Dumaresq and Guyra Shire Councils used the Special Rate Variation (SRV) process minimally over the past decades. Compared with other NSW councils, ratepayers in this region have experienced modest rates increases over 20 years+.

It can be seen from the table below that temporary SRVs have been used as an additional source of funding by both the Armidale Dumaresq and Guyra Shire Councils for at least the last 15 years. The percentage increases shown in the table include the SRV and the annual rate peg. The temporary nature of previous SRVs applied for has created a perception that Council is continually seeking additional SRV funding when in reality previous SRV applications have in part been made to replace existing SRV funding.

Council	2005 /06	2006 /07	2007 /08	2008 /09	2009 /10	2010 /11	2011 /12	2012 /13	2013 /14	2014 /15
Rate Peg	3.50%	3.60%	3.40%	3.20%	3.50%	2.60%	2.80%	3.60%	3.40%	2.30%
Armidale Dumaresq	5.78% (expired 2011/12)									12.30% (expires 2020/21)
Guyra Shire					8.43% (expired 2013/14)					8.00% permanent

#### *Armidale Dumaresq Council*

In 2021 a temporary SRV of 10% (above the rate peg) applied by the former Armidale Dumaresq Council over a seven year period will expire, reducing Council's overall rates income by \$1.5 million annually. Funding generated from the temporary SRV has paid for key asset renewal programs including the maintenance and renewal of community assets including roads, bridges, storm water drainage and facilities.

The need to, at a minimum, replace the funding generated from the temporary SRV has been known for some time. The consultation undertaken by Armidale Dumaresq Council in 2014/15 was on the basis of a 20% SRV under two different scenarios, however, application was made for a 10% SRV plus the rate peg in response to community concerns about affordability expressed during the consultation period.

The NSW Independent Pricing and Regulatory Tribunal's (IPART) determination of Armidale Dumaresq Council's 2014/15 SRV application, approved in June 2014, considered that the Council would need to seek a further special variation following cessation of the temporary SRV. Financial modelling performed for the 2014/15 SRV application showed that the General Fund operating performance would consistently remain in deficit even with the inclusion of the additional SRV revenue.

#### *Guyra Shire Council*

Guyra Shire Council applied for a permanent 8% SRV in 2014/15 including the rate peg. As the rate peg was 2.3% the SRV component was 5.7%. This replaced a previous temporary SRV of 8.43% including the rate peg and resulted in Guyra Shire Council's ordinary rate income increasing by \$58,275. The application for the permanent SRV only increased Guyra Shire Council's income minimally and was made for the purpose of retaining the temporary SRV permanently.

Financial modelling performed for the 2014/15 SRV application showed that the General Fund operating performance would consistently remain in deficit even with the inclusion of the permanent SRV.

The submission made by Guyra Shire Council in 2015 to IPART in response to the proposed mergers showed that the Council required a permanent special rate variation of 30% (27.5% above the rate peg) in 2016-17 as well as an overall 15% decrease in depreciation expense in order to reach a neutral operating position over ten years. IPART considered these assumptions to be unreasonable although the Council did undertake community consultation on the special rate variation proposal and advised that 70% of respondents would accept a 30% rate rise if Guyra was able to be considered a Rural Council.

#### *Former Council Outlook at Merger*

Including the above SRV funding, the General Fund forecast net operating result before capital grants and contributions forecast for the former councils and submitted with the 2014/15 SRV applications was:

<b>Council</b> <b>\$'000</b>	<b>2014</b> <b>/15</b>	<b>2015</b> <b>/16</b>	<b>2016</b> <b>/17</b>	<b>2017</b> <b>/18</b>	<b>2018</b> <b>/19</b>	<b>2019</b> <b>/20</b>	<b>2020</b> <b>/21</b>	<b>2021</b> <b>/22</b>	<b>2022</b> <b>/23</b>	<b>2023</b> <b>/24</b>
Armidale Dumaresq	(1,303)	(1,790)	(1,934)	(698)	(310)	(82)	334	(830)	(449)	(371)
Guyra Shire	(1,036)	(1,110)	(1,092)	(1,050)	(1,006)	(977)	(976)	(953)	(950)	(968)
Combined	(2,339)	(2,900)	(3,026)	(1,748)	(1,316)	(1,059)	(642)	(1,783)	(1,399)	(1,339)

The above table demonstrates that, despite the addition of SRV funding to the former councils revenue bases, significant General Fund operating deficits continued to be forecast.

#### *Current Council Outlook*

Council has faced some significant financial challenges since merger. The recently considered report entitled "Review of Council Finances" by Finch Consulting highlighted the deterioration in Council's net working capital and reserves since merger from \$29.8m at 12 May 2016 to \$18.2m as at 30 June 2019. The report stated "The decline in Net Current Assets by \$11.6m in the first three years since merger is due in part to Council adopting operating budget deficits and actual operating expenditure substantially exceeding budget, thus exacerbating the deficits, and major project expenditure overruns."

The net working capital and reserves position has since improved through a focus on minimising budget deficits and closely managing expenditure to remain with budget and stood at \$24.5m at 30 June 2020 with unrestricted cash of \$2.14m.

An improvement in unrestricted cash is currently forecast in the 2020/21 budget; however, is subject to the budget position withstanding negative impacts from the downturn in revenue resulting from Covid-19, which has proved much worse than anticipated when the original 2020/21 budget was developed. A key reason for the improved cash position is a significant reduction in the level of funding directed to infrastructure renewal in the 2020/21 budget but this cannot be sustained.

Implementation of the recommendations from the Review of Council Finances has been included as a mandatory action required to improve performance under section 438A(3)(b) of the Act in the Performance Improvement Order issued to Council on 9 December 2020 by the Hon. Shelley Hancock MP, Minister for Local Government. These recommendations are:

- a) Council should adopt surplus budgets that ensure financial sustainability over the longer term.
- b) Council should adopt a Reserves policy that ensures a minimum of \$4-5m is available as unrestricted cash to fund working capital requirements before setting aside funds as Internal Restrictions.
- c) Establishment and funding of Reserves should be supported by Council resolutions.
- d) Council should request a fourth quarter budget review report to ensure that Councils financial position and performance is sound and that the budget for the ensuing year is based on current information.
- e) Council and the Audit and Risk Committee should ensure appropriate governance oversight and risk monitoring of major projects and budget reporting.
- f) Council should ensure that the budget approval and monitoring process incorporates detailed information in relation to major capital projects and funding sources.
- g) Management should establish an appropriate Project Management framework that is best practice, together with a reporting architecture that ensures accountability for budget variances.
- h) Management should ensure that quarterly budget reviews are complete, timely and accurate and reflect any adverse trends known to management.
- i) Projects should not be initiated in the Projects Ledger unless there is a fully funded budget allocation. The Project Ledger should be regularly reconciled with the General Ledger and adopted budget.
- j) Office of Local Government guidelines pertaining to Capital Expenditure Reviews should be applied to relevant projects.
- k) Council should ensure that sufficient resources are provided within the organisation to address the above recommendations.

These recommendations are in addition to the Performance Improvement Order requirements to:

- Implement the recommendations from the Governance Arrangements Review under oversight of the Audit, Risk and Improvement Committee;
- Implement the recommendations from the Land Management Practices Review;
- Ensure that resources are provided to the General Manager so that adequate funds are provided for:
  - Governance standards to be maintained;
  - The delivery of the Operational Plan;
  - Infrastructure maintenance;
  - The improvement of financial ratios; and
- Implement improvements to Council's financial monitoring and reporting.

These recommendations are required to be implemented by 4 September 2021.

#### New Special Rate Variation Application

The process for consideration of making an application for a new SRV is supported by the following Council resolutions:

- 28 August 2019

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

- 29 July 2020

*That Council commence investigation and an analysis of options for a Special Rate Variation, with the purpose of considering an application for a Special Rate Variation effective 1 July 2021, with a minimum outcome being retention of funding provided by the current temporary Special Rate Variation.*

- 28 October 2020

*That Council:*

*a) Commence community engagement on the following Special Rate Variation (SRV) options:*

- 1. A permanent SRV of 18.5% plus 2.0% rate peg (total 20.5%) commencing in 2021-22;*
- 2. A permanent SRV of 8.5% plus 2.0% rate peg (total 10.5%) commencing in 2021-22;  
and*
- 3. Discontinuation of the temporary SRV of 10% (above the rate peg) applied by the former Armidale Dumaresq Council and ending on 30 June 2021;*

*b) On or before 27 November 2020, formally notify IPART that Council intends to submit a Special Rate Variation application;*

*c) Note that the community engagement will also cover rates harmonisation impacts effective 1 July 2021; and*

*d) Note that the Special Rate Variation and Rates Harmonisation community engagement period runs from Monday, 2 November 2020 through to Thursday, 10 December 2020.*

In accordance with the resolution made 28 October 2020, Council notified IPART of its intention to apply for a SRV on 18 November 2020.

During November and December 2020 Council conducted an extensive community consultation process to determine the community's views on the preferred SRV option.

Should Council wish to make application to IPART for a SRV it must do so by 8 February 2021.

#### **4. Discussion**

##### SRV Options

Armidale Regional Council is considering making an application to the IPART for a SRV to be retained permanently in the rate base.

The SRV funding would be used to fund asset renewals with a focus on roads, footpaths, community buildings and facilities. This would also support improved outcomes in terms of financial sustainability, maintaining service levels and the infrastructure backlog.

The SRV options presented to the community for feedback included:



<p><b>Option 1</b> <b>Improve Services</b> Continuation of the temporary SRV plus an additional SRV increase</p>	<p>Council will apply for a permanent Special Rate Variation of 18.5% plus the 2.0% rate peg (total of 20.5%). This will replace the funding currently provided by the temporary SRV and increase total rate revenue by \$1.8 million per annum.</p> <p>This option will result in the current level of assets and services maintained and Council will also be able to fund additional asset renewals and reduce the medium to long term financial risk. Roads, bridges, buildings and community facilities maintenance and renewal will be the focus of additional funds raised.</p> <p>This option provides Council the greatest opportunity to secure its longer term financial sustainability while at the same time seeking to review and improve its own service level commitments to enhance community outcomes.</p>
<p><b>Option 2</b> <b>Maintain Services</b> Continuation of the temporary SRV (Does not address future growth)</p>	<p>Council will apply for a permanent Special Rate Variation of 8.5% plus the 2.0% rate peg (total of 10.5%). This will replace the loss of the current SRV which is due to stop in 2021.</p> <p>This option will result in current levels of service maintained in the short term; however the asset renewal backlog will increase. This will increase costs in the medium to long term placing a financial burden on future generations. Council will have limited options to fund new assets as the region grows.</p>
<p><b>Option 3</b> <b>Decrease Services</b> Discontinuation of the temporary SRV (Financially unsustainable)</p>	<p>Council will not apply for a Special Rate Variation and revenue from ordinary rates will drop by \$1.5 million per annum.</p> <p>This option will bring a significant reduction in the services provided by Council and the asset renewal backlog will increase. Roads, buildings and public spaces will deteriorate placing a significant financial burden on future generations and threaten Council's medium and long-term financial sustainability.</p>

#### Integrated Planning & Reporting Framework

In conjunction with the SRV process, Council's Integrated Planning & Reporting (IP&R) documents have been updated including the:

- Community Strategic Plan 2017-2027
- Delivery Program 2018-2022
- Resourcing Strategy 2020-2021

A number of Delivery Program outcomes will not be possible to achieve without a SRV. These specifically include:

- Leadership for the Region

COMMUNITY OUTCOME - Council exceeds community expectations when managing its budget and operations

#### L2.1 Financial Sustainability

*Maintain financial sustainability through effective short, medium, and long-term financial management. That includes an application to IPART for a Special Rate Variation at a rate determined through community consultation – and in line with Council resources and viability - for the specific purpose of creating revenue to fund asset maintenance and renewals.*

##### ▫ Environment & Infrastructure

COMMUNITY OUTCOME - The community has access to transport which enables connectivity both locally and outside of the region

#### E4.1 Roads and Bridges

*Maintain safe and effective traffic facilities on the road network, through appropriate resourcing, including applying for a Special Rate Variation to maintain and renew roads and bridges to expected service levels.*

Under a scenario of no SRV and an associated drop in rate revenue of \$1.5 million per annum, it would be necessary to comprehensively reduce service levels and further community consultation would be needed on which service levels would reduce.

#### IPART Assessment Criteria

The criteria against which IPART is to assess SRV applications is based on what councils are required to do under IP&R. These criteria are:

Criteria	Council's Application
<ul style="list-style-type: none"><li>• The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&amp;R documents</li><li>• The relevant IP&amp;R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general income</li></ul>	<p>Council's:</p> <ul style="list-style-type: none"><li>• Community Strategic Plan 2017-2027</li><li>• Delivery Program 2018-2022</li><li>• Resourcing Strategy 2020-2021</li></ul> <p>Have been updated to include provision for the application of a SRV and placed on public exhibition.</p>

Criteria	Council's Application
Evidence that the community is aware of the need for and extent of a rate rise	<p>Council's SRV community engagement period ran from Monday, 2 November 2020 through to Thursday, 10 December 2020 and included a letter being mailed to every ratepayer to inform them of the need for the SRV and potential rating impacts of each SRV option.</p> <p>The potential rating impacts of rates harmonisation was also considered and included in the community engagement material.</p>
The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation	<p>Council's Delivery Program 2018-2022 has been updated to include a new section "Impacts on Ratepayers".</p> <p>IPART found that Armidale Dumaresq's 2014/15 SRV application for 12.3% had a moderate impact on ratepayers and Guyra Shire's previous SRV application for 8% was reasonable. This is in part due to the lower rating levels in the former GSC area compared to the former ADC area.</p>
The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period	<p>Council's Delivery Program 2018-2022 has been updated to include a new section "Productivity Improvements".</p>
Any other matter that IPART considers relevant	

SRV Rating Impacts

A breakdown of ratepayer impacts based on a harmonised rating structure is shown below.

Rating Category (Harmonised)	No Rate- payers	Average 2020/21	Average 2021/22			Per Week Increase/(Decrease)		
			Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
Residential - Armidale	8,225	\$1,126	\$1,255	\$1,148	\$1,059	\$2.48	\$0.43	(\$1.29)
Residential - Guyra	942	\$529	\$589	\$539	\$497	\$1.16	\$0.20	(\$0.61)
Residential - Ebor	53	\$425	\$473	\$433	\$400	\$0.93	\$0.16	(\$0.49)
Residential - Hillgrove	96	\$602	\$671	\$614	\$566	\$1.32	\$0.23	(\$0.69)
Residential - Wollomombi	16	\$576	\$642	\$588	\$542	\$1.27	\$0.22	(\$0.66)
Residential - Village	104	\$380	\$423	\$387	\$357	\$0.84	\$0.15	(\$0.43)
Residential Non- Urban	1,226	\$1,082	\$1,206	\$1,104	\$1,018	\$2.38	\$0.42	(\$1.24)
Business - Armidale	390	\$4,501	\$5,016	\$4,591	\$4,233	\$9.90	\$1.73	(\$5.16)
Business - Armidale Industrial	157	\$4,863	\$5,420	\$4,961	\$4,574	\$10.70	\$1.87	(\$5.57)
Business - Guyra	99	\$915	\$1,020	\$933	\$861	\$2.01	\$0.35	(\$1.05)
Business - Non- Urban	44	\$1,141	\$1,271	\$1,163	\$1,073	\$2.51	\$0.44	(\$1.31)
Farmland	1,510	\$3,228	\$3,597	\$3,292	\$3,035	\$7.10	\$1.24	(\$3.70)
Farmland - Intensive	2	\$6,285	\$7,004	\$6,411	\$5,911	\$13.83	\$2.42	(\$7.20)
Mining	11	\$5,925	\$6,603	\$6,044	\$5,572	\$13.04	\$2.28	(\$6.79)
<b>Total Assessments / Total Average</b>	<b>12,875</b>	<b>\$1,462</b>	<b>\$1,629</b>	<b>\$1,491</b>	<b>\$1,375</b>	<b>\$3.22</b>	<b>\$0.56</b>	<b>(\$1.67)</b>

### *Rates Harmonisation*

Council also consulted the community on the impacts of rates harmonisation during the SRV consultation process. This was because it was anticipated to have a significant impact on some categories of ratepayers in addition to any impact that may arise due to the proposed SRV.

It was identified that the Guyra Farmland rating category would be the most significantly impacted category due to rates harmonisation. This is because the Guyra Farmland unimproved land value is approximately \$1 billion with rate revenue of \$1.9 million versus the Armidale Farmland unimproved land value of approximately \$0.9 billion with rate revenue of \$2.9 million.

The large difference in rate revenue versus the close underlying land values for each category would result in a significant shift of the rate burden from the Armidale Farmland to the Guyra Farmland category if harmonisation was undertaken at 1 July 2021.

There were some other impacted rating categories identified but these had much smaller numbers of ratepayers and lower financial impacts.

The recently released Exposure Draft Bill *Local Government Amendment (Rates) Bill 2021* provides for further options for rates harmonisation than are available under current legislation. These include:

- a) by the levying of a new rate for the category of land, with effect from 1 July 2021,
- b) by the use of sub-categorisation of the category of land, or
- c) by gradual harmonisation of rates for the category over no more than 4 years.

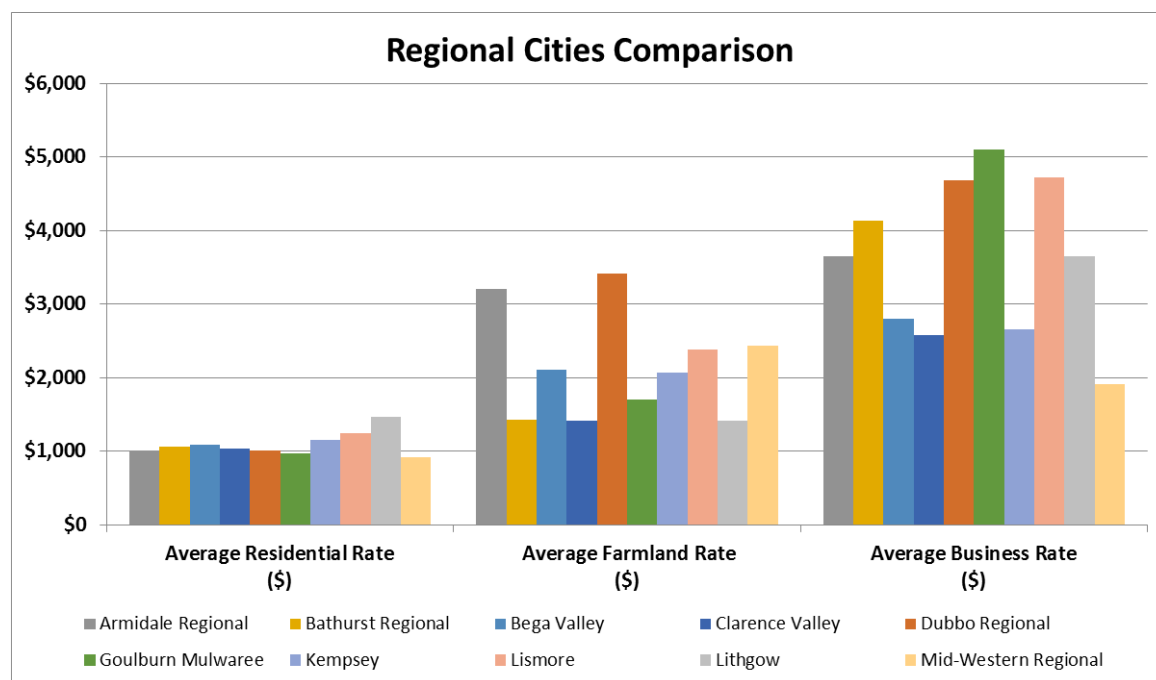
At a minimum, a four year gradual harmonisation of rates would smooth the transitional increases in rates between rate categories.

The provisions of the Exposure Draft Bill are subject to a separate report. However, it is anticipated that Council will consider the provisions in the revised legislation as part of the final rates harmonisation strategy determined and implemented from 1 July 2021. It should be noted that the Exposure Draft Bill is currently available for consultation and this legislation is not yet final.

### *Rating Comparisons*

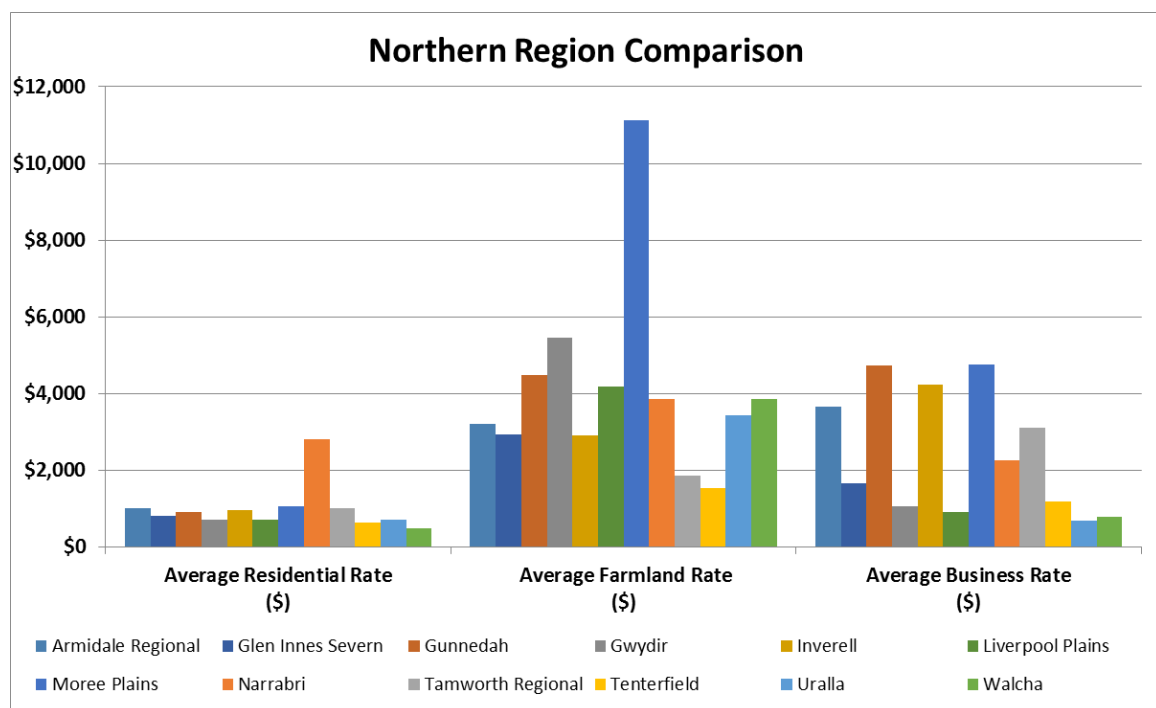
Comparisons are difficult to make to other councils because of a range of factors, including the area of land in the local government area, population density and the associated number of rateable assessments, the number and types of services provided and types of industry. Comparisons with financially-stressed councils are also problematic because it might seem they are more efficient but, in fact, they have many challenges ahead of them.

Council has compared its average rates with 10 'Regional Cities' group councils with relatively similar population size. The data is based on 2018/19 comparisons because this is the latest data available from the Office of Local Government's *Comparative Council Information*.



In this comparison, Council's average residential rate is the third lowest in the group, average farmland rate is the second highest and the average business rate is the fifth highest.

It is also worth comparing the Northern Region group of councils because they have large rural areas. In this comparative group, Council has the fourth highest average residential rate, the fifth lowest farmland rate and the fourth highest business rate.



#### Capacity to Pay

Socio-Economic Indexes for Areas (SEIFA), produced by the Australian Bureau of Statistics, are an assessment of the welfare of Australian communities. The index of Advantage / Disadvantage is a composite index in which lower scores indicate more disadvantaged areas and higher scores indicate more advantaged areas.

When compared to same local government areas in the rating comparison graphs above, Council's SEIFA ranking is the highest at 87. Council engaged Morrison Low to conduct a Capacity to Pay review in 2019. It found the Armidale Regional Council area has lower disadvantage and greater advantage than regional NSW but is below the state wide averages. The review also noted there are greater levels of wealth inequality within the Armidale Region local government area compared to regional NSW.

Key findings from the review:

Areas of Advantage			
Non - Urban and Rural Regions	There was a wealth and advantage bias towards the rural communities in council's LGA		
Former Armidale Dumaresq Shire	There was a wealth and advantage bias towards areas from the former Armidale and Dumaresq Shire in the same category		
Areas of Advantage	<ul style="list-style-type: none"> <li>• Rural Armidale</li> <li>• NEGS</li> </ul>	<ul style="list-style-type: none"> <li>• Rural East</li> <li>• North Hill</li> </ul>	
Areas of Disadvantage			
Common Characteristics	Regions of significant disadvantage had very low household incomes, high unemployment, a younger demographic profile, high levels of housing stress and a significant proportion of lone individual households		
Areas of Disadvantage	<ul style="list-style-type: none"> <li>• Central Armidale</li> <li>• South Hill</li> </ul>	<ul style="list-style-type: none"> <li>• University</li> <li>• Guyra</li> </ul>	<ul style="list-style-type: none"> <li>• Rural North West</li> </ul>

The average taxable income (excluding government pensions and allowances) in the Armidale Regional Council area in 2017 was \$50,884. The NSW average for the same period was \$65,196 and the New England and North West group was \$52,194.

Council has a hardship policy that aims to provide options for ratepayers deemed to be in genuine financial hardship and to provide equitable access to relief measures for all ratepayers.

The recommended benchmark for outstanding rates and charges for rural councils is less than 10%. The ratios below demonstrate that Council is generally able to recover its rates and annual charges within the year they are rated. Council's level of outstanding rates and charges indicates ratepayers have historically been able to consistently pay rates and annual charges.

Outstanding rates and charges		
2019-20	2018-19	2017-18
5.74%	5.46%	6.86%

Council has 1638 ratepayers eligible for the pension rebate. The highest proportion is in the residential rating categories. Pensioners comprise 22.6% of residential ratepayers in Guyra and 14.6% in Armidale.

In addition to pension rebate concessions provided by the NSW Government, Council also grants a pension rebate of up to \$25 on ordinary rates, \$25 on annual water charges and \$25 on annual sewerage charges to eligible pensioners.

Category of property	Number of pensioners	% of rateable assessments
Residential	1,585	14.9%
Farmland	53	3.5%

## **5. Implications**

### **5.1. Policy**

The determination by Council on a position regarding the SRV application may impact a number of policy positions due to the differing levels of funding that would result under each option.

### **5.2. Risk**

The decision to proceed or not with an application for a SRV contains various risk considerations. A drop in the level of funding available to the Council at the current time would present significant legislative, financial, operational and political/reputational risks as funding would not be available to meet legislative compliance obligations including the performance improvement order. Service levels would drop almost immediately and this would result in issues becoming prevalent in areas such as the condition of the road network.

If a decision to apply for a new SRV is made, the outcome will not be known until very late in the 2021/22 budget development process. This would require the preparation of at least two Operational Plan and Budget scenarios to accommodate the risk of a SRV application not being successful.

### **5.3. Sustainability**

The decision to proceed or not with an application for a SRV contains various sustainability considerations. A drop in the level of funding available to the Council would negatively impact its ability to consider how services could be delivered more sustainably into the future and to undertake sustainability initiatives contained in the Operational Plan.

The financial sustainability considerations are contained in the next section.

### **5.4. Financial**

#### Local Government Act Requirements

Section 8b of the *Local Government Act 1993* (the Act) requires Council to apply principles of sound financial management including:

- (a) Council spending should be responsible and sustainable, aligning general revenue and expenses.
- (b) Councils should invest in responsible and sustainable infrastructure for the benefit of the local community.



(c) Councils should have effective financial and asset management, including sound policies and processes for the following:

- (i) performance management and reporting,
- (ii) asset maintenance and enhancement,
- (iii) funding decisions,
- (iv) risk management practices.

(d) Councils should have regard to achieving intergenerational equity, including ensuring the following:

- (i) policy decisions are made after considering their financial effects on future generations,
- (ii) the current generation funds the cost of its services.

All NSW councils are required under the Act to apply these principles in order to ultimately achieve a financially sustainable position.

Application of these principles means:

- Council must achieve a fully funded operating position.
- Council must maintain sufficient cash reserves.
- Council must have an appropriately funded capital program.
- Council must maintain its asset base 'fit for purpose'.
- Council must have adequate resources to meet ongoing compliance obligations.

#### Fit For The Future Framework

To measure financial sustainability and provide a consistent method of comparing council performance, in 2014 the NSW Government decided to reform local government by creating a 'Fit For The Future' framework and assess councils against that framework. The assessment is based on a series of Key Performance Indicators (KPIs) including:

KPI	Description of Fit For The Future Targets
Operating Performance	This measures a council's achievement of containing operating expenditure within operating revenue.
Own Source Operating Revenue	This measures fiscal flexibility. It is the degree of reliance on external funding sources such as grants and contributions.
Building and Infrastructure Asset Renewal	Measures the rate at which infrastructure assets are being renewed relative to the rate at which they are depreciating.
Infrastructure Backlog	Measures the annual assessment of what one off spend is required to bring all infrastructure assets to a satisfactory condition relative to their total written down value.
Asset Maintenance Ratio	Compares actual versus required maintenance. A ratio above 1.0 indicates that Council is investing in enough funds to stop the infrastructure backlog figure from growing.

Debt Service Ratio	Measures the cost of debt servicing (principal and interest) against total operating revenue (excluding capital grants and contributions).
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If a council is able to demonstrate that it is able to meet the Office of Local Government (OLG) benchmarks set for the above KPIs this would effectively mean the council was financially sustainable. Financial sustainability is defined as when councils can generate sufficient funds over the long term to provide the planned level and scope of services and infrastructure for communities as identified through the IP&R process.

These KPIs continue to be used to measure financial sustainability in NSW local government and similar financial indicators are commonly used in all States to measure and compare local government performance.

#### SRV Option Financial Outcomes

Financial modelling undertaken on the SRV options has demonstrated that they produce very different impacts on the Fit For The Future KPIs used to measure financial sustainability in NSW local government. The impact of the different SRV options on the KPIs for the **General Fund** only is shown in the tables below.

#### *Option 1 – Improve Services*

Continuation of the temporary SRV plus an additional SRV increase.

Fit for the Future	KPI	OLG Benchmark	2021/22	2025/26	2030/31
Financial Sustainability	Operating Performance Ratio	>0%	(0.31%)	1.73%	2.79%
	Own Source Operating Revenue Ratio	>60%	71.30%	78.91%	80.88%
	Building and Infrastructure Asset Renewal Ratio	>100%	81.3%	85.6%	68.2%
Effective Infrastructure & Service Management	Infrastructure Backlog Ratio	<2%	2.27%	2.61%	3.09%
	Asset Maintenance Ratio	>100%	84%	84%	84%
	Debt Service Ratio	>0 <20%	6.80%	4.28%	0.13%
Efficiency	Real Operating Expenditure per capita over time	Decreasing Trend	\$1,623	\$1,563	\$1,518
Other (not FFF)	Amount available for Infrastructure Asset Renewal		\$8.02M	\$9.32M	\$8.40M

The above table demonstrates that Option 1 produces an operating surplus meaning that a sufficient level of revenue is generated to cover depreciation expense. This funding is then diverted to the capital program to fund capital renewal programs. The modelling demonstrates that an increase in revenue alone is not sufficient to increase the asset renewal ratio to a sufficient level over time, however, on average it is significantly improved over the other SRV

Options. Under Option 1, consideration would still be required in terms of prioritisation of spend on asset renewal over new assets and levels of service. However, this Option does enable financial capacity to be generated and unrestricted cash significantly improves in the later years of the forecast period.

The debt service ratio improves in all SRV Options as current debt is paid down over time. However, the generation of an operating surplus under Option 1 indicates that there is a greater capacity to take on new debt and meet repayments.

The level of infrastructure asset renewal funding under Option 1 is \$1.8 million per annum higher than Option 2 and \$3.3 million per annum higher than Option 3.

#### *Option 2 – Maintain Services*

Continuation of the temporary SRV.

Fit for the Future	KPI	Benchmark	2021/22	2025/26	2030/31
Financial Sustainability	Operating Performance Ratio	>0%	(3.71%)	(1.71%)	(0.78%)
	Own Source Operating Revenue Ratio	>60%	70.45%	78.19%	80.19%
	Building and Infrastructure Asset Renewal Ratio	>100%	63.1%	69.1%	53.6%
Effective Infrastructure & Service Management	Infrastructure Backlog Ratio	<2%	2.34%	3.01%	3.92%
	Asset Maintenance Ratio	>100%	84%	84%	84%
	Debt Service Ratio	>0 <20%	7.05%	4.45%	0.14%
Efficiency	Real Operating Expenditure per capita over time	Decreasing Trend	\$1,623	\$1,563	\$1,518
Other (not FFF)	Amount available for Infrastructure Asset Renewal		\$6.22M	\$7.52M	\$6.60M

The above table demonstrates that Option 2 does not produce an operating surplus and this has detrimental flow on impacts to the amount of asset renewal funding available to the capital program. The asset renewal ratio under Option 2 is 65% on average compared to 81% under Option 1 measured over a ten year timeframe.

Under this Option, prioritisation of spend on asset renewal over new assets would be necessary and levels of service would need to be reviewed and changed or reduced in some areas in order to improve the operating result and increase the level of funding available to renew assets.

The debt service ratio improves in all SRV Options as current debt is paid down over time. However, without generation of an operating surplus under this Option there is a lower capacity to take on new debt and meet repayments without creating further negative impacts to the asset renewal ratio and the cash position than Option 1.

The level of infrastructure asset renewal funding under Option 2 is \$1.5 million per annum higher than the Option 3.

*Option 3 – Decrease Services*

Discontinuation of the temporary SRV.

Fit for the Future	KPI	Benchmark	2021/22	2025/26	2030/31
Financial Sustainability	Operating Performance Ratio	>0%	(6.59%)	(4.63%)	(3.81%)
	Own Source Operating Revenue Ratio	>60%	69.73%	77.59%	79.60%
	Building and Infrastructure Asset Renewal Ratio	>100%	47.9%	55.3%	41.4%
Effective Infrastructure & Service Management	Infrastructure Backlog Ratio	<2%	2.41%	3.35%	4.67%
	Asset Maintenance Ratio	>100%	84%	84%	84%
	Debt Service Ratio	>0 <20%	7.26%	4.58%	0.14%
Efficiency	Real Operating Expenditure per capita over time	Decreasing Trend	\$1,623	\$1,563	\$1,518
Other (not FFF)	Amount available for Infrastructure Asset Renewal		\$4.72M	\$6.02M	\$5.10M

The above table demonstrates that Option 3 produces a significant operating deficit and this has significant detrimental flow on impacts to the amount of asset renewal funding available to the capital program. The asset renewal ratio under Option 3 is 51% on average compared to 65% under the Option 2 scenario measured over a ten year timeframe.

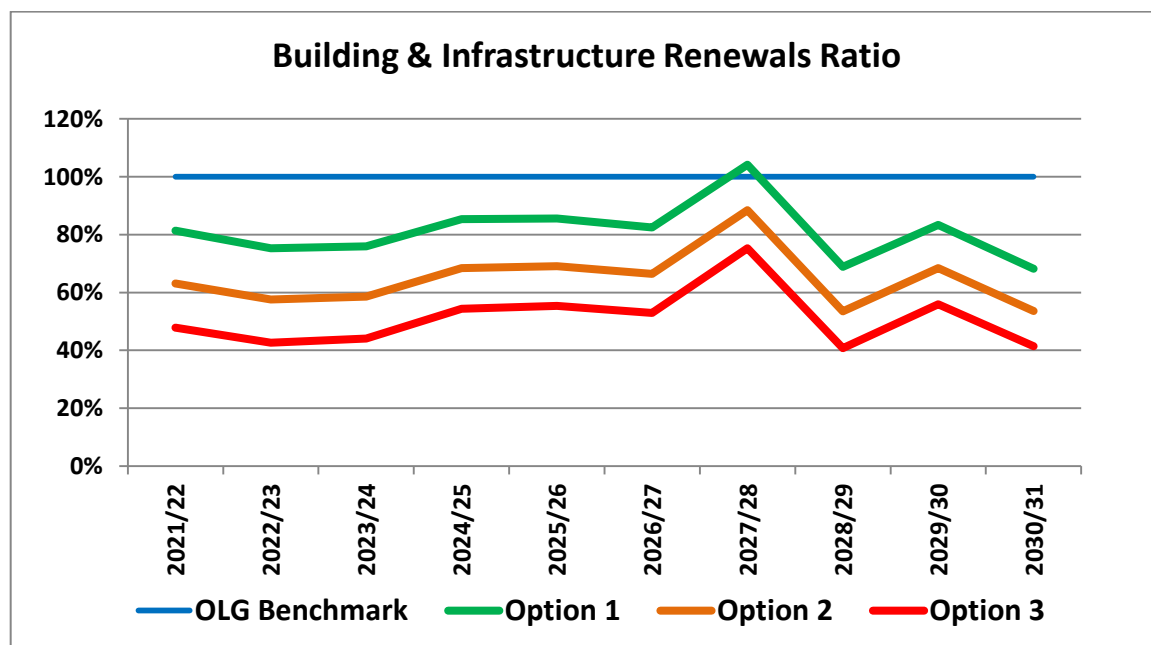
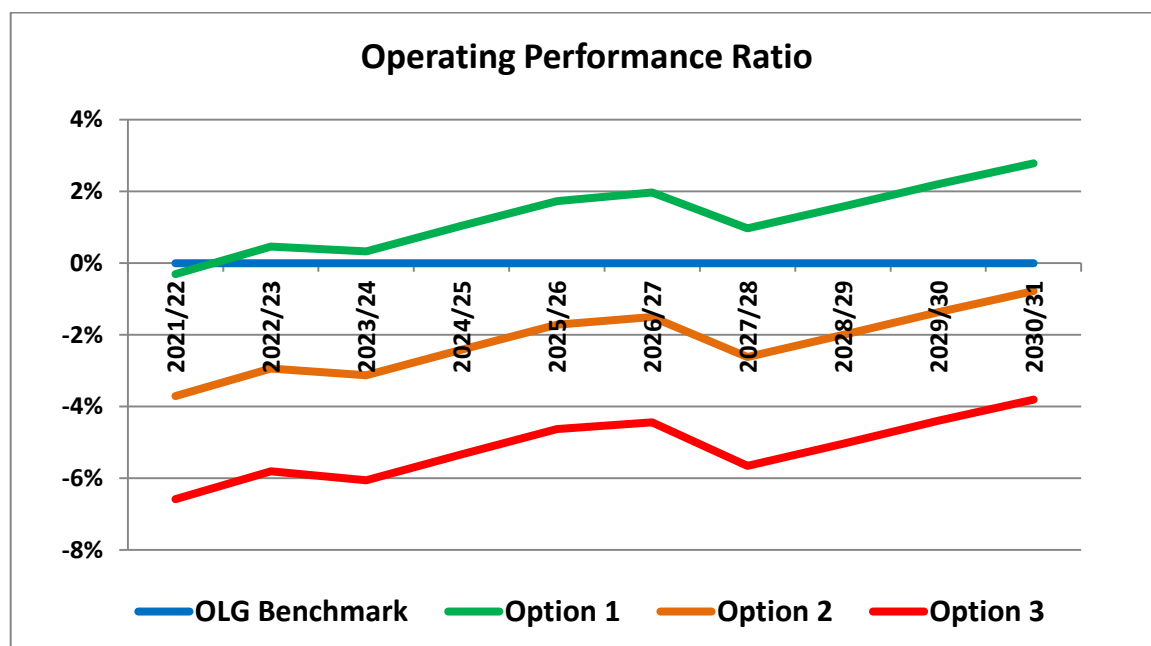
Under this Option, prioritisation of spend on asset renewal over new assets would be necessary and levels of service would need to be significantly reduced in order to increase the level of funding available to renew assets.

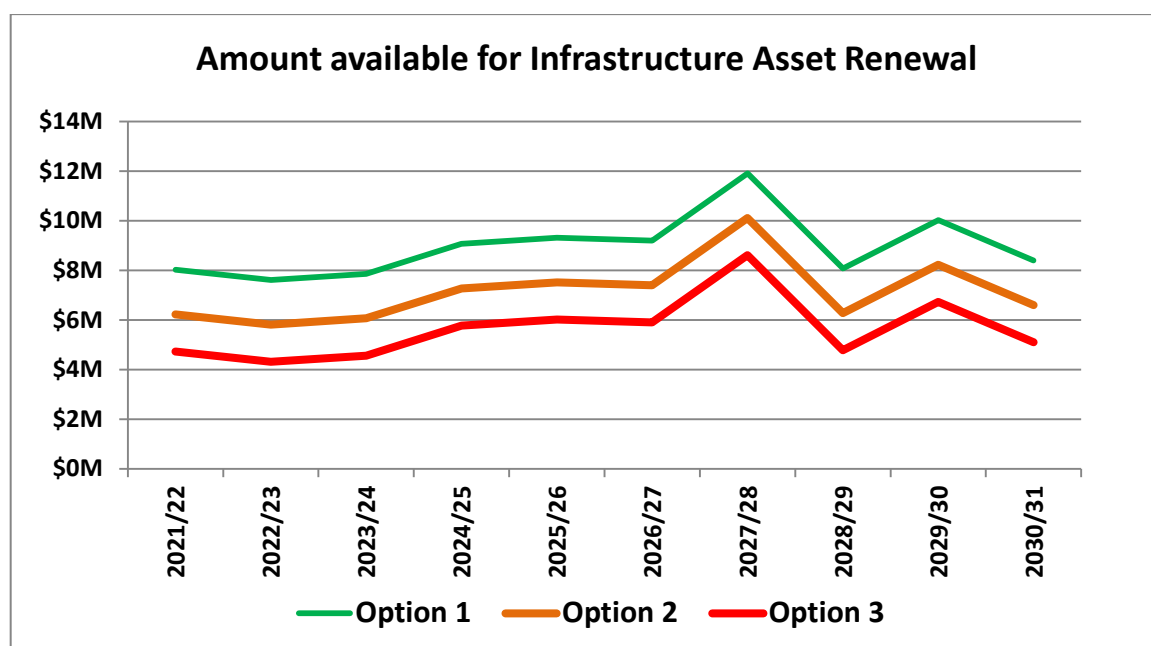
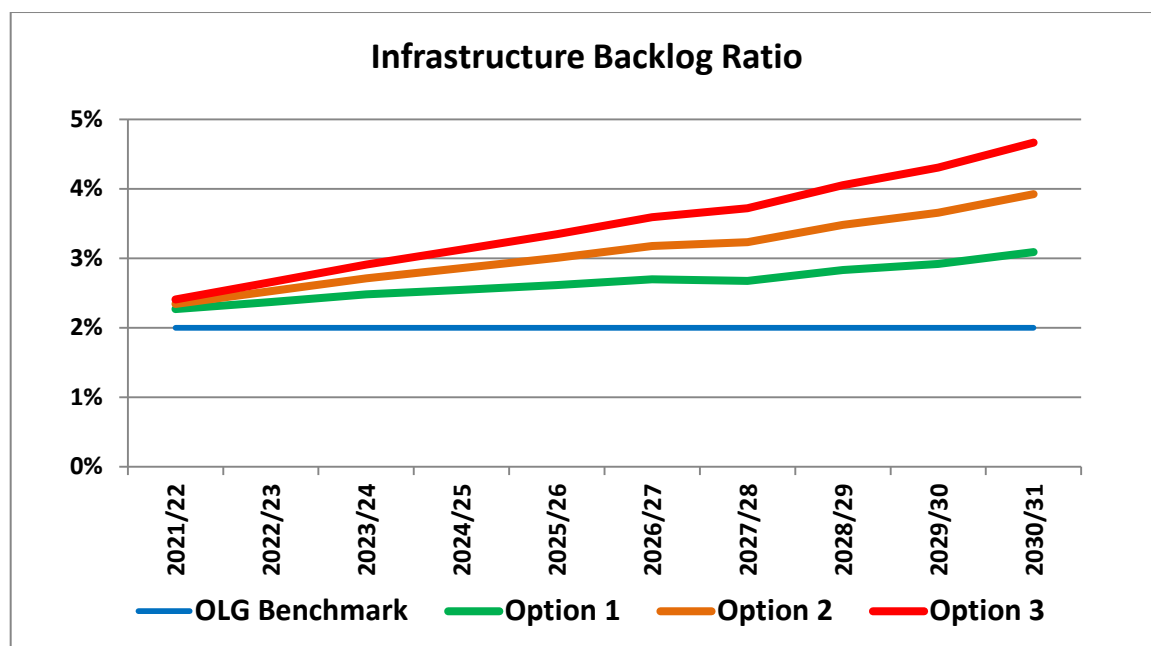
The debt service ratio improves in all SRV Options as current debt is paid down over time. However, without generation of an operating surplus under this scenario there is no capacity to take on new debt and meet repayments without creating further negative impacts to the asset renewal ratio and the cash position than Option 1 or 2.

The level of infrastructure asset renewal funding under Option 3 is \$1.5 million per annum lower than Option 2.

### Comparison of SRV Options

Comparisons of the KPIs that produce the most variation under each SRV Option are shown below.





## 6. Consultation and Communication

The community engagement period ran from Monday, 2 November 2020 through to Thursday, 10 December 2020. A report covering the community consultation process and all submissions received is contained at the Attachment.

The community engagement process included the following mechanisms for the dissemination of information and to gather community feedback:

- A letter and brochure was mailed to every ratepayer to inform them of the need for the SRV and potential rating impacts of each SRV option.

- Face to face presentations and community feedback sessions were held in Armidale and Guyra.
- Face to face presentations and community feedback sessions were held in Ben Lomond, Wollomombi, Hillgrove, Wards Mistake (Guyra Chambers), Black Mountain, Ebor and Lower Creek.
- Separate presentations and feedback sessions were held with the Armidale Ratepayers Association and NSW Farmers.
- Pop up stalls were held in Guyra Main Street, Armidale Farmer's Market and Armidale Markets in the Mall.
- Webinar presentation and community feedback session.
- A dedicated page was created on Council's Your Say Armidale website.
- Additional advertising included social media posts, media releases, newspaper ads, radio ads and Council e-news.
- Council also held a random phone survey between 23 November 2020 and 2 December 2020.

The community feedback is summarised in the attached report; however, some of the frequently raised issues included:

- Council does not listen to community views
- There is decreased community capacity to pay due to COVID, bush fires and drought
- Council needs to identify more efficiencies, cost savings and trim costs to fit budget
- Many questioned Council's financial management track record and capability if an SRV is granted

Apart from feedback provided at the meetings outlined above, there were 247 written submissions received during the consultation period and these are contained at the Attachment.

The written submissions received supported the following SRV options:

SRV Option	No Submissions	% Submissions
Option 1 – Improve Services	22	9%
Option 2 – Maintain Services	53	21%
Option 3 – Decrease Services	116	47%
Unsure	56	23%
<b>Total</b>	<b>247</b>	

Within the category of "unsure" no SRV option was identified in the submission; however, most submissions in this category made mention of 'no rate increase' so it could be presumed they supported Option 2 or Option 3.

The phone survey results yielded a slightly different outcome to the written submissions. 405 residents were contacted as part of the phone survey with a split of 75% to the former Armidale

Dumaresq LGA and 25% to the former Guyra Shire LGA. Questions were also included on the level of satisfaction with community facilities and services.

The key findings from the phone survey are:

- Satisfaction was highest with libraries, parks and gardens and recreation and sporting facilities – all of which enjoyed healthy mean (average ratings) well above “par” on a 1-5 satisfaction scale. Satisfaction was lowest with maintenance of local roads and bridges (2.83 mean) and maintenance of footpaths, kerbs and gutters.
- 68% of residents recalled receiving a letter from Council regarding the proposed SRVs. Of these, 78% had read it either in detail (34%) or by skimming it (44%). Other ways of finding out about the SRV were social media (37%), word-of-mouth (29%), local newspaper (16%) and local radio (12%).
- 57% of residents supported retaining the existing 8.5% SRV (with 31% opposed and 12% unsure). The major reason for support was an understanding that the major purposes of the SRV – maintenance and renewal of local roads, footpaths and community facilities – was a valid use of such funds.
- 28% of Armidale residents, and 26% of residents from the former Guyra Shire supported the additional 10% SRV (with opposition of 63% and 69% respectively). Major concerns included a lack of trust in Council and/or perceived wastefulness (raised by 29% of respondents), a perception that rates are already too high (1%) and that Council should “live within its means” (10%). Offsetting this, 14% felt rate increases were necessary to fund improvements to services and infrastructure, and 7% believed the amount proposed was affordable.

In terms of response numbers to compare with written responses received, the survey results can be broken down as follows:

*Option 1 – Improve Services*

	<b>Support</b>	<b>Oppose</b>	<b>Unsure/No Opinion</b>
All Respondents	110	261	34
%	27%	64%	8%
Ratepayers Only	77	235	26
%	23%	69%	8%

*Option 2 – Maintain Services*

	<b>Support</b>	<b>Oppose</b>	<b>Unsure/No Opinion</b>
All Respondents	231	124	50
%	57%	31%	12%
Ratepayers Only	187	113	38
%	55%	33%	11%

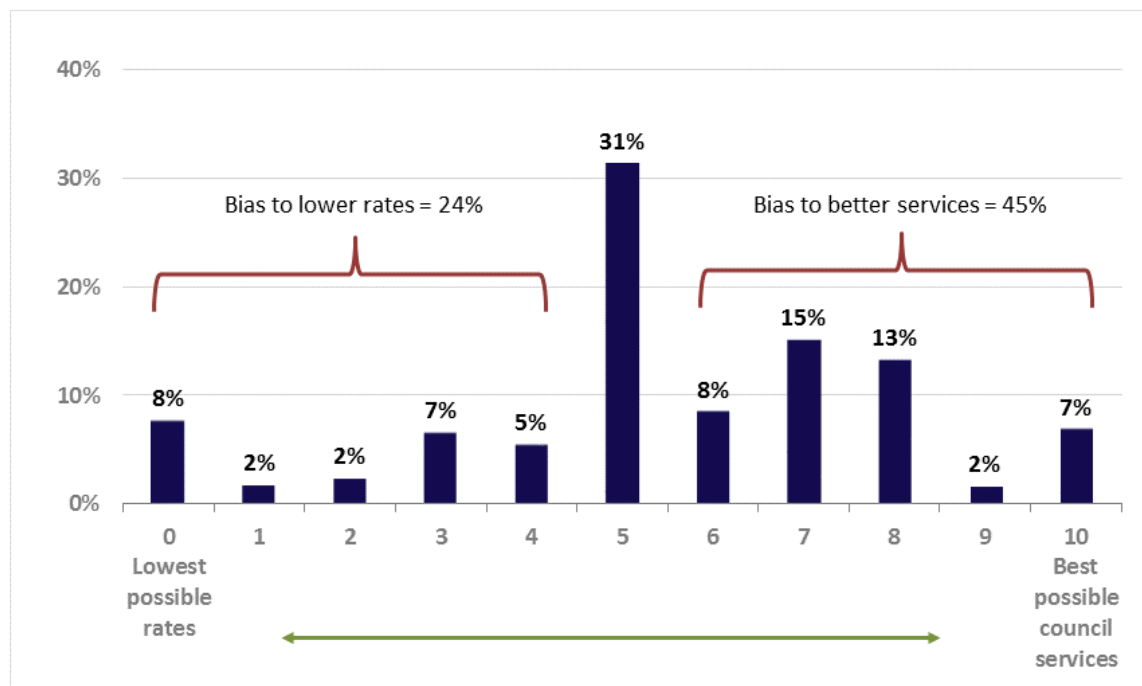


The above tables show that in contrast to the written responses received, the majority of residents who were surveyed by phone were of the view that service standards should be maintained rather than decrease as would be the outcome under Option 3.

There was also a higher level of support for Option 1 from residents who were surveyed by phone than through the written submissions received.

A question at the end of the survey was included to try and gauge whether residents valued lower rates more highly than the services they receive. This question was:

*And where would you sit on a sliding scale of 0-10, where 0 means you only want to pay the lowest possible rates, and 10 means you only want the best possible Council services?*



The response received to this question showed a bias towards better services with 45% on this side of the scale against 24% on the “lowest rates” side.

A wide range of issues and matters were raised as part of the public consultation process. The issue of lack of trust was a common denominator across all forums. It is clear from the feedback received that Council will need to put mechanisms in place to ensure greater transparency and accountability around financial performance and to ensure prudent management of public funds. For the next few months this will occur as part of the requirements of the Performance Improvement Order Council must operate under but it will need to continue beyond that. Building the community’s trust back up in the Council is going to take many years of maintaining a disciplined approach to management of the budget, finding ways of delivering services more efficiently and sound management of capital project development, funding and delivery.

## 7. Conclusion

This report provides Council with information pertaining to the need for a 508(2) (permanent) Special Rate Variation option in order to address Armidale Regional Council’s financial sustainability and maintain essential community infrastructure including Council’s road network, footpaths and community buildings.

#### Option 1 – Improve Services

*Council will apply for a permanent Special Rate Variation of 18.5% plus the 2.0% rate peg (total of 20.5%). This will replace the funding currently provided by the temporary SRV and increase total rate revenue by \$1.8 million per annum.*

Option 1 would result in the average Armidale Residential ratepayer paying an additional \$2.48 per week. The average Guyra Residential ratepayer would pay an additional \$1.16 per week. The average Armidale Business ratepayer would pay an additional \$9.90 per week and the average Farmland ratepayer would pay an additional \$7.10 per week. These amounts include the 2% rate peg, which is applicable for all Options.

Mainly due to the impacts on ratepayers, Option 1 was predominantly negatively perceived by the community through the process for written submissions and feedback provided at community meetings also did not demonstrate support for this Option. Community feedback from the phone survey indicated a higher level of support for Option 1 than written submissions.

The additional impact of rates harmonisation on some rating categories may have also contributed to the level of negative feedback received on this Option from the community and there will now be some further options to mitigate the impacts of rates harmonisation through the recently released Exposure Draft Bill *Local Government Amendment (Rates) Bill 2021*.

Option 1 provides for the best outlook in terms of meeting the Fit for the Future key performance indicators, including a consistently higher level of funding available for infrastructure asset renewal expenditure. It is noted that even with the higher level of funding assumed, Council would still not consistently achieve the target benchmarks for the Building and Infrastructure Renewals Ratio or the Infrastructure Backlog Ratio, however, there would be opportunity to refine service levels and review the mix of funding options to improve these ratios.

Under this Option a General Fund operating surplus is generated. In the long term financial modelling, this is initially a modest surplus position and improves in later years of the forecast. As Council would be fully funding depreciation under this Option, the generation of an operating surplus would indicate there would be funding available to improve service levels over time and also address the infrastructure challenges that will result from increased population growth.

An important consideration is that Option 1 will enable Council to meet the requirements of the Performance Improvement Order issued to Council on 9 December 2020 by the Hon. Shelley Hancock MP, Minister for Local Government. This includes a requirement for Council to adopt surplus budgets that ensure financial sustainability over the longer term and adopt a Reserves policy that ensures a minimum of \$4-5m is available as unrestricted cash to fund working capital requirements before setting aside funds as Internal Restrictions.

Another advantage from the generation of an operating surplus is that it is an important indicator of Council's capacity to take on new debt without creating further negative impacts to the asset renewal ratio and the cash position.

#### Option 2 – Maintain Services

*Council will apply for a permanent Special Rate Variation of 8.5% plus the 2.0% rate peg (total of 10.5%). This will replace the loss of the current SRV which is due to stop in 2021.*

Option 2 would result in all categories of ratepayers being subject to the 2% rate peg increase.

Due the minimal impact on ratepayers and that many residents do not want a decrease in services, Option 2 received a higher level of support than Option 1 from the community through

the process for written submissions and it also received majority support from the phone survey responses. It is noted that 23% of the written submissions were classified as identifying no option i.e. “unsure”. Many of these mention ‘no rate increase’ and it is likely that a reasonable number of these submissions could be associated with Option 2.

The General Fund operating position under Option 2 is forecast to be a significant cumulative deficit in the long term financial modelling. This in turn impacts the amount of funding available for infrastructure asset renewal and the Building and Infrastructure Renewals Ratio and Infrastructure Backlog Ratio are negatively impacted as a result.

Without generation of an operating surplus, there is a lower capacity to take on new debt and meet repayments without creating further negative impacts to the asset renewal ratio and the cash position.

As the forecast financial position under Option 2 is not financially sustainable, if Council were to instead recommend and support this Option, it could not do so without also resolving to implement a plan to review the organisation’s service levels to eliminate the unfavourable gap between operating income and expenditure.

#### Option 3 – Decrease Services

*Council will not apply for a Special Rate Variation and revenue from ordinary rates will drop by \$1.5 million per annum.*

Option 3 would result in the average Armidale Residential ratepayer receiving a decrease of \$1.29 reduction per week and the average Guyra Residential ratepayer a decrease of \$0.61 per week. The average Armidale Business ratepayer would receive a decrease of \$5.16 per week and the average Farmland ratepayer a decrease of \$3.70 per week. These amounts include the 2% rate peg.

Due to the favourable impact on ratepayers and the perceived negative views of Council, Option 3 received a high level of support from the community through the process for written responses but a lower level of support from the phone survey responses.

The General Fund operating position under Option 3 is forecast to be a significant cumulative deficit in the long term financial modelling. This in turn impacts the amount of funding available for infrastructure asset renewal and the Building and Infrastructure Renewals Ratio and Infrastructure Backlog Ratio are negatively impacted as a result.

Without generation of an operating surplus, there is no capacity to take on new debt and meet repayments.

Service levels would drop almost immediately and this would result in issues becoming prevalent in areas such as the condition of the road network. Community satisfaction with services would drop and Council would become at risk of failing to meeting compliance obligations.

Under a scenario of no SRV and an associated drop in rate revenue of \$1.5 million per annum, it would be necessary to comprehensively reduce service levels and further community consultation would be needed on which service levels would reduce.

#### Recommended Option

Option 1 provides Council the greatest opportunity to secure its longer term financial sustainability while at the same time seeking to review and improve its own service level commitments to enhance community outcomes.

Option 1 would also enable Council to meet the requirements of the Performance Improvement Order issued to Council on 9 December 2020 by the Hon. Shelley Hancock MP, Minister for Local Government.

While rate increases under Option 1 are moderate, the longer term costs of not maintaining infrastructure to the required standard will result in more significant costs to the community. Option 1 also provides financial capacity to address infrastructure challenges that will result from increased population growth and to take on new debt without creating further negative impacts to the asset renewal ratio and the cash position.

For these reasons and due to the need to achieve financial sustainability and effective infrastructure management as required under section 8b of the *Local Government Act 1993* and the Fit for the Future framework, Option 1 Improve Services requiring a permanent Special Rate Variation of 18.5% plus 2.0% rate peg (total 20.5%) commencing in 2021-22 is recommended.

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<b>Item:</b>	<b>9.5</b>	<b>Ref: AINT/2021/00947</b>
<b>Title:</b>	<b>Request for Fee Waiver for Australian Cricketers Association Bushfire Relief Masters Tour</b>	<b>Container: ARC20/4431</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Amy Biggs, Sports Coordinator</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is to request a fee waiver for the Australian Cricketers Association (ACA) use of the Armidale Sportsground for the ACA Bushfire Relief Masters Tour event.

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

**That Council approve a fee waiver of \$1722 for use of the Armidale Sportsground for the ACA Bushfire Relief Masters Tour event.**

### **3. Background**

Council has been collaborating with Sports Marketing Australia (SMA) in an effort to increase sporting tourism across the Armidale LGA. SMA approached ARC regarding an opportunity to submit an expression of interest for Armidale to host the 2021 ACA Bushfire Relief Masters Tour.

The ACA Masters tour is an opportunity for regional communities to engage with former Australian cricket players and high profile state players. The tour includes a Twenty20 match (ACA masters vs. regional representatives), coaching clinics and a Sportsman's Night. The local cricket association will benefit significantly from hosting the tour through fundraising and supporting the growth and development of cricket locally. This is a significant event that is expected to attract many spectators, both local and inter-regional to attend, providing significant economic benefit to the community.

Council was successful in the expression of interest and will pay a \$10,500 + GST hosting fee to ACA. There is an SMA hosting fee of \$2000 + GST in addition to this. These fees will come from the Events and Tourism budget. A nominal entry fee for spectators to the Twenty20 match will be charged and held by ARC in order to recuperate some of the hosting and service fees.

The coaching clinics and Twenty20 match are scheduled to be held at the Armidale Sportsground on Friday 26 February 2021, with the Sportsman's Night being held at the Armidale Bowling Club on Thursday 25 February 2021. Armidale Bowling Club has offered the use of one of their function rooms free of charge for this event.

### **4. Discussion**

A fee waiver is requested as ACA request the use of a venue for the match, free of any hire charges.

As per the 2020/21 ARC fees and charges, a fee of \$1722.00 for 'Major Events' for use of the Armidale Sportsground applies. It is requested that Council waive this fee given the economic benefit to the community, benefit to the local not for profit cricket club, and the positive impact of the large scale event being held in a regional area following a difficult few years of bushfire and drought.

## **5. Implications**

### **5.1. Policy**

There should be no policy implication should the fee waiver request be granted.

### **5.2. Risk**

There should be no additional risk to council for approving the fee waiver request.

The Public Liability Insurance for the event will be covered by the Australian Cricketers Association.

### **5.3. Sustainability**

There should be no negative impact on sustainability for the event, nor for the approval of the fee waiver.

### **5.4. Financial**

Revenue foregone of \$1722.00

The event makes no profit for the ACA and any fees or charges to the events within the tour are collected by either ARC or ADCA.

There is also an opportunity for an organisation to sponsor part or all of the Twenty20 match. This may see additional revenue of between \$3000-\$5000 to ARC to further assist with the recuperation of the hosting and service fees levies by ACA and SMA.

It is unlikely that the approval of this fee waiver will set a precedent for the waiving of fees for major events being held at the Sportsground. This event makes no profit for the organisers and is targeted at having a positive impact on bushfire and drought effected communities.

## **6. Consultation and Communication**

Discussions have been held with both internal and external stakeholders regarding the tour. ADCA, the Armidale Bowling Club and local radio station FM100.3 have engaged in discussions regarding the tour and are fully supportive of the event.

Residents on the streets surrounding the Armidale Sportsground will be notified of the event ahead of time.

Marketing materials will be prepared by ACA and will be distributed through multiple communications channels both internally and externally in an attempt to ensure the event is successful and has a wide spread benefit to the community.

The ACA will be required to acknowledge Council's contribution to the event.

## **7. Conclusion**

The report recommends that a fee waiver of \$1722.00 be given to ACA for the use of the Armidale Sportsground for their ACA Bushfire Relief Masters tour scheduled to be held on Friday 26 February 2021.

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<b>Item:</b>	<b>9.6</b>	<b>Ref: AINT/2021/01001</b>
<b>Title:</b>	<b>Presentation of Audited Financial Statements and Audit Reports Year Ended 30 June 2020</b>	<b>Container: ARC17/1711</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Brad Munns, Financial Accountant</b>	
<b>Attachments:</b>	1. Audited Financial Statements for the Year Ended 30 June 2020 2. Report on the Conduct of Audit for the Year Ended 30 June 2020	

### **1. Purpose**

Council's annual financial reports for the year ended 30 June 2020 have been completed, audited and submitted within the required extended timeframes and are now attached for presentation to Council and the Public as required by the *Local Government Act 1993 (NSW)*.

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

**That Council note the report on the presentation of the audited Annual Financial Statements for the year ended 30 June 2020.**

### **3. Background**

Sections 413 to 419 of the *Local Government Act 1993 (NSW)* contain the requirements for the preparation, audit and presentation of the annual financial reports required by the NSW Office of Local Government.

Council is required to prepare and have audited annually the following reports and to submit them to the NSW Office of Local Government with the Auditor's reports thereon:

- General Purpose Financial Report;
- Special Purpose Financial Report (for Council business units subject to National Competition Policy); and
- Special Schedule – Permissible income for general rates.

Council endorsed the draft financial statements at its meeting of 23 September 2020 and referred the reports to Council's Auditor. The Auditor completed the audits and provided Council with their signed audit reports. Council was granted an extension of time by the NSW Office of Local Government to 23 December 2020 to complete and lodge the audited financial statements. Due to material changes to the financial results occurring, the draft financial statements were re-presented to Council to approve on 22 December 2020.

As required by section 417 of the *Local Government Act 1993*, the audited financial statements and auditor's reports were submitted to the NSW Office of Local Government on 23 December 2020.

Council's Audited Annual Financial Statements for the Year Ended 30 June 2020 are ready for presentation to the public. Under section 418 of the *Local Government Act 1993*, Council is required to present its audited financial statements, together with the auditor's report, to the public having given 7 days notice.

The public notice on the following page has been provided through advertisements placed in local newspapers and by making the financial statements available on Council's website and available for viewing at Council's offices.

The General Purpose Financial Report, including the notes to the accounts, the Special Purpose Financial Report and Special Schedule for Permissible Income are attached. The NSW Auditor General has prepared audit reports, which provide their opinions on the financial reports for the year. These are also included in the attached reports. A representative from the NSW Audit Office will attend the meeting to present the auditor's reports.

#### 4. Discussion

The public notice, as required by the *Local Government Act 1993 (NSW)*, is provided below:

### Armidale Regional Council

#### General Purpose Financial Statements for the year ended 30 June 2020

##### Public notice – Presentation of financial statements

as per Section 418 (3) of the Local Government Act 1993.

In accordance with Section 418 (3) of the *Local Government Act 1993 (NSW)*, Armidale Regional Council advises that the ordinary Council meeting to be held on 27 January 2021 will include the presentation of the audited Financial Statements and the Auditor's Reports for the year ended 30 June 2020.

A summary of the Financial Statements is provided below.

	2020 \$ '000	2019 \$ '000
<b>Income Statement</b>		
Total income from continuing operations	96,538	89,646
Total expenses from continuing operations	78,402	74,329
<b>Operating result from continuing operations</b>	<b>20,136</b>	<b>15,317</b>
Less Loss on Boundary Adjustment - 2020: (42,986)		
<b>Net operating result for the year</b>	<b>(22,830)</b>	<b>15,317</b>
 <b>Net operating result before grants and contributions provided for capital purposes</b>	 <b>(2,889)</b>	 <b>(913)</b>
 <b>Statement of Financial Position</b>		
Total current assets	87,391	83,571
Total current liabilities	(25,868)	(18,332)
Total non-current assets	857,987	860,317
Total non-current liabilities	(45,186)	(28,364)
<b>Total equity</b>	<b>874,304</b>	<b>897,192</b>
 <b>Other financial information</b>		
Unrestricted current ratio (times)	2.64	2.40
Operating performance ratio (%)	0.90%	1.09%
Debt service cover ratio (times)	4.06	4.47
Rates and annual charges outstanding ratio (%)	5.74%	5.48%
Infrastructure renewals ratio (%)	17.81%	45.06%
Own source operating revenue ratio (%)	58.56%	65.51%
Cash expense cover ratio (months)	13.91	12.57

In accordance with Section 420 of the *Local Government Act 1993 (NSW)*, any person may make a submission in writing to Council with respect to the Council's Audited Financial Statements or the Auditor's Reports.

Copies of the Audited Financial Statements and the Auditor's Reports may be inspected at:

**Internet:** [www.armidaleregional.nsw.gov.au](http://www.armidaleregional.nsw.gov.au)

**Locations:** 135 Rusden Street, Armidale  
158 Bradley Street, Guyra

Submissions close one week after the above public meeting has been held (ie close date 3 February 2021).



## **5. Implications**

### **5.1. Policy**

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

As required by the *Local Government Act 1993 (NSW)*, the financial reports have been prepared in accordance with:

- The Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board;
- The *Local Government Act 1993 (NSW)* and Local Government Regulations;
- The Local Government Code of Accounting Practice and Financial Reporting; and
- The Local Government Asset Accounting Manual.

### **5.2. Risk**

The Australian Government, under the Public Governance, Performance and Accountability Act 2013, requires all Commonwealth entities to establish and maintain appropriate risk management systems and have an audit committee. The Public Governance, Performance and Accountability Rule 2014 and Commonwealth Risk Management Policy 15 prescribe the requirements for how risk is to be managed.

### **5.3. Sustainability**

This report contributes to the delivery of the Community Strategic Plan 2017-2027: Leadership for the Region Community Outcome 3– being that Council demonstrates sound organisational health and has a culture which promotes action, accountability and transparency.

### **5.4. Financial**

Preparation of Council's Financial Statements and completion of the annual audit is included in Council's approved budget.

## **6. Consultation and Communication**

In accordance with section 420 of the *Local Government Act 1993 (NSW)*:

- Any person may make submissions to the council with respect to the council's audited financial reports or with respect to the auditor's reports.
- A submission must be in writing and must be lodged with the council within 7 days after the date on which those reports are presented to the public.
- The council must ensure that copies of all submissions received by it are referred to the auditor.
- The council may take such action as it considers appropriate with respect to any such submission, including the giving of notice to the Director-General of any matter that appears to require amendment of the council's financial reports.

Written public submissions will be accepted from the date of this meeting until Wednesday, 3 February 2021. A report will be provided to Council at the next meeting outlining any submissions received.

The audited financial statements form part of Council's 2019-2020 Annual Report.

## **7. Conclusion**

Council's annual financial reports for the year ended 30 June 2020 have been completed, audited and submitted within the required timeframes and are now attached for presentation to Council and the Public as required by the *Local Government Act 1993 (NSW)*.

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<b>Item:</b>	<b>9.7</b>	<b>Ref: AINT/2021/01013</b>
<b>Title:</b>	<b>Future of Proposed Australian Transport Museum</b>	
		<b>Container: ARC16/0342</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Scot MacDonald, Director Businesses and Services</b>	
<b>Attachments:</b>	1. Review Australian Transport Museum Business Case 211220 2. Business-Case-Template ATM Master Version	

### **1. Purpose**

Clarify Council's commitment to the proposed Australian Transport Museum (ATM) following the review of the Business Case presented by the Australian Transport Museum Limited.

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

**That Council:**

- a. **Rescind ARC Motion 132/17 where Council resolved to lease 5000sqm of land within the airport industrial precinct to the Australian Transport Museum for a peppercorn rent of \$365 per year for 10 years (with an option for a further 10 years).**
- b. **Seek a variation to the Deed between Restart NSW (Grant # RNSW 1842) and Armidale Regional Council to remove the transport museum from the Armidale Airport Business Precinct Stage 1A.**
- c. **Work with the Australian Transport Museum Limited to identify other sites in the LGA to develop the museum that would be suitable for their purposes; develop visitation and not impose a significant financial burden and risk on Council and the community.**

### **3. Background**

The Administrator, Mr Viv May, requested the Australian Transport Museum provide an updated, credible Business Case (see attached) for the proposed transport museum to be located at the Airside Business Park. Mr May subsequently asked the Business Case be independently reviewed (see attached). Council provided funding for the updated Business case and its review.

The rationale for the reviews is the material cost and risks to Council, community, future ratepayers and development of the Airside Business Park.

### **4. Discussion**

At the Ordinary Council Meeting of the 24<sup>th</sup> May 2017, Council adopted the following Motion

**"That Armidale Regional Council agree to leasing an area of 5000sq metres of land within the airport industrial precinct to the Australian Transport Museum (ATM) and:**

- a. **The land (5000sq metres) be excised from lot 72 (service centre lot)**
- b. **A lease agreement be drawn up to reflect a peppercorn lease of \$365 per year**
- c. **The lease have a term of ten years with an option of ten years."**

This resolution followed extensive advocacy by members of the community, the Australian Transport Museum group and some Councillors (current and former). The ATM had initially

prepared a brief business case and advised they were seeking funding of approximately \$3.3million from the State and Australian governments to fund the construction of the Museum.

The Deed (Grant # RNSW 1842 November 2019) between the NSW Government and Council to fund \$6million for the development of the Armidale Regional Airport Business Park Stage 1A includes in the Project description “..generate additional employment and economic growth through the attraction of new businesses to the site (including tourism businesses – a transport museum)..”. Any change to the project would require a Deed variation that was approved by NSW Treasury.

The key issues to be considered by Council are –

- The high cost in foregone lease or sale revenue for at least a decade (in the case of the peppercorn lease).
- The indeterminate timing of the funding and construction of the Museum thereby leaving Lot 2 at the Airside Business Park undeveloped hindering the finalisation of Stage 1 and delaying subsequent stages of the Business Park.
- Material risks identified in the review of the business case including the reliance on at least 6000 visitors per annum; capacity to staff the facility using volunteers in perpetuity; on-going travel disruptions; sustainability of the organisation.
- Opportunity cost to Council requiring diversion of resources from core functions such as road and bridge maintenance.

The proposal has many meritorious features and therefore this Recommendation includes a direction to work with the ATM to investigate other sites that do not require such a high financial commitment from the current and future ratepayers of Armidale Regional Council.

The proposal aligns with the 2017-2027 Community Strategic Plan:

“Growth, prosperity and economic development. Community Outcome #3

Develop a Tourism Strategy to attract visitors to stay longer and also enhance the economic and cultural offerings and attractions of the region.”

However the proposal to subsidise the occupancy of a Lot at the Airside Business Park conflicts with the Community Strategic Plan 2017-2027 Performance Indicator –

“Council demonstrates strong financial performance. Target- The Fit for the Future benchmarks established by TCorp are met.”

## **5. Implications**

The Review of the ATM Business Case identifies “..foregone rate revenue and rent ..for an amount of between \$24,655 and \$33,655 per year indefinitely.” The implication is poorer financial performance when Council’s finances are constrained.

### **5.1. Risk**

Economic Risk: The Business Case review identifies a number of economic risks. Specifically the foregone annual rental income of between \$24,655 and \$33,655. Over the first 10 year lease this represents a minimum cost to Council of \$246,550.

Additionally any delay in the construction of the museum hinders the development of the Airside Business Park with subsequent impacts on the progress of the next stage(s) of the airport business precinct.

**Reputational Risk:** Any delay or failure of the museum will reflect negatively on the perception of Council's management of the Airside Business Park and its relationship with not for profit enterprises.

**Corporate Risk:** An elected Councillor is a Board member of the ATM. Unless clearly declared and explained to the community, this will be a governance and corporate risk to Armidale Regional Council. The ATM's registered address is 135 Rusden Street, Armidale potentially exposing Council to financial risk if the ATM incurs unfunded liabilities.

**Regulatory Risk:** In addition to the governance risk, Council may be in breach of its Deed with the NSW Government if it does not develop the Armidale Airport Business Park without including a transport museum (subject to any variation to the Deed).

## **5.2. Financial**

Rescinding Motion 132/17 as recommended will avoid an annual lease revenue loss of between \$24,655 and \$33,655.

The review of the Business Case identified the potential sale value of the Lot is between \$450,000 and \$500,000.

There is no existing budget for lease revenue loss.

## **6. Consultation and Communication**

No community consultation is proposed.

If the recommendation is not adopted, the project may be included in the next IP&R process where the community is informed about risks and liabilities (including subsidies) Council may be exposed to in 2021/2022.

## **7. Conclusion**

Council requested and funded an updated Business Case for the proposed Transport Museum to be located at Lot2, Airside Business Park. The Business Case was independently reviewed.

The Business Case and subsequent review highlighted risks and material financial burden to Armidale Regional Council. The recommendation is to rescind Motion 132/17 and not proceed with museum at the Airside Business Park. However Council officers will work with the ATM to find an alternative site that is operationally and financially sustainable.

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<b>Item:</b>	<b>9.8</b>	<b>Ref: AINT/2021/01037</b>
<b>Title:</b>	<b>Armidale Airside Business Park- Sales and Marketing</b>	<b>Container: ARC17/1499</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Will Winter, Principal Advisor Economic Development</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

This report provides an update on Armidale Airside Business Park lot sales. It also proposes guidelines for future real estate agency agreements, and recommends a performance-based approach to the allocation of marketing resources for enhanced sales results in the future.

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

**That Council:**

- a. Requests the General Manager to call for tenders (RFT) for the appointment of a registered sales agent or agents to market and sell land within, and in association with Armidale Airside Business Park.**
- b. Notes a requirement for future land agency agreements and associated tendering documents to reflect Council Codes of Conduct, Business Ethics and other guidelines in executing General Manager delegations under ARC19/3153 (December 2020).**
- c. Agrees to continue working with existing agency arrangements while (a) above is implemented.**
- d. In order to complement the marketing and sales initiatives (a – c) above, delegates the General Manager to apportion up to three percent (3%) of net sale proceeds each year, based on previous calendar year results, for marketing and site-enhancements to Airside Business Park lots.**

### **3. Background**

Stage 1 of the \$6.5 million Armidale Airside Business Park development was completed in September 2020, under budget and on time.

Stage 1 comprises 78,862 m<sup>2</sup>, excluding Lot 2 (5,001m<sup>2</sup>), potentially allocated to the development of a Transport Museum (see Report by S. MacDonald on the future of the proposed Museum).

The sales process is managed under General Manager Delegation, assisted by First National Armidale and affiliates.

This report provides an update on lot sales and makes recommendations on future real estate agency arrangements; marketing and marketing budgets.

#### **4. Discussion**

##### **Sales**

Council received interest from approximately ten prospective purchasers of Stage 1 Lots during 2020. Two contracts were signed under delegation in July and December, and are likely to settle April 2021 following registration of land titles in March. A third Contract was rescinded in October 2020 due to purchaser's expanding business plans. This party remains interested in a number of alternative Lots both within and adjacent to the Stage 1 development.

The area currently under contract (m2) comprises about one-third of the total offered, and just shy of fifty percent of the total valuation.

##### **Marketing**

Contracts written in 2020 have been achieved on a modest (approx. \$32,000) marketing budget. Marketing of lots will be escalated in 2021 to target regional, national and international investors. Value propositions include the Business Park's unique proximity to Airside; Stage 1 readiness for development; capital growth prospects; a skilled regional workforce; a network of 'smart' businesses including the University of New England; and expected high volume vehicular/pedestrian traffic.

The uniqueness of Armidale Airside Business Park places it at the 'premium' end of light industrial land offerings in Regional NSW and non-metro Australia. A September 2020 valuation confirmed these values.

It is recommended that Council approve GM delegation for up to three percent (3%) of net sale proceeds each year, for ongoing marketing and site-enhancements, subject to annual reviews and demonstrated success (indicated by average price/m2 achieved, and total metres sold in the previous year).

##### **Competitive Environment**

Sales and initial interest in lots for Stage 1 has been strong, and this is expected to increase in 2021 with expanded marketing. The cascading effect of sales precipitated by State funding in 2019 of business park infrastructure is in keeping with original public 'returns' targeted via a NSW Growing Local Economies Grant. These returns include a freeing up of light industrial land in the Region, including the eastern side of the Highway as well as Airside. The overall objective of this funding is to:

1. Generate local business efficiencies and growth prospects
2. Generate additional, high-value regional jobs
3. Increase Regional investment and economic growth (Gross Regional Product), and
4. Provide Council with sufficient revolving funds to develop a further forty nine lots (proposed Stages 2 and 3).

In relation to 2. (above) it is estimated that more than sixty jobs have so far been generated by Stage 1 investments(s).

##### **Agency Arrangements**

First National Armidale currently provide land sales agency services for Council in relation to Stage 1 lots. They also act for the Maguire Estate, and have been active in securing sales on the eastern side of the Highway. While arguably both industrial estates are in different price leagues and complement one another (see above), there is potential for conflicts of interest under current arrangements.

Council's contract with First National (A2019/08, Tender ARC19/3133) expired in 2020 and under GM delegation (ARC19/3153 AINT/2020/41901) is due for renegotiation. It is recommended that Agency agreements for the Airside Business Park are renegotiated through a public Expression of Interest process in accordance with Council's and OLG procurement guidelines.

#### **4.1. Risk**

Council's revenue from sales of Airside Business Park lots could be reduced if a common Agent advantaged our competitor without an appropriate sales strategy and conflict of interest mitigation plan.

#### **4.2. Sustainability**

This program allows businesses the opportunity to grow and maintain their sustainability throughout this economic climate and into the future.

#### **4.3. Financial**

Without compromising economic and commercial benefits, recommendations if adopted aim to optimise net returns from sale of Airside Business Park lots for Council, thereby assuring its capacity self-fund and develop future light industrial offerings proposed under Stages 2 and 3.

### **5. Consultation and Communication**

Formal community consultation requirements for marketing the Armidale Airside Business Park are not required. However, the GM and his/her delegates will work closely with the Marketing and Communications team in keeping the public informed about sales and developments at the Airport precinct.

### **6. Conclusion**

The aim of this report is to provide an update to Council in relation to sales of Armidale Airside Business Park lots.

It also proposes recommendations to enhance future sales and development of light industrial land in the Region, through a formularised marketing budget based on net sale proceeds in the previous year.

Council must manage real or perceived conflicts of interests when it appoints a sales agent. This can be managed by having an Agent not shared with a competing enterprise.



**Item:** 9.9 **Ref:** AINT/2021/01073  
**Title:** 2021/22 Operational Plan and Budget Timetable  
**Container:** ARC20/4311  
**Responsible Officer:** Acting Director Organisational and Corporate Services  
**Author:** Kelly Stidworthy, Manager Financial Services  
**Attachments:** Nil

### 1. Purpose

This report provides Council with a timeline for the preparation of the 2021/22 Operational Plan and Budget.

### 2. OFFICERS' RECOMMENDATION:

**That Council note the 2021/22 Operational Plan and Budget timetable.**

### 3. Background

The development of the annual Operational Plan and Budget normally occurs from October through to June each year. It is an extensive process encompassing everything from gathering budget data through to modelling rates, charges and fees. The process is resource intensive and involves many stakeholders. To manage the process a timetable is developed so that deadlines and meeting availability can be established and communicated across the organisation.

### 4. Discussion

The development of the 2021/22 Operational Plan and Budget supports the delivery of outcomes contained in the 2018-2022 Delivery Program and 2017-2027 Community Strategic Plan. It is a necessary process to support the establishment of service levels and funding available for programs and projects.

Date	Item	Stage	Engagement Level
14/10/2020	Preliminary meeting to establish timetable and framework	Plan Collation	Executive, Corporate Planning, Finance
29/10/2020	Operational Plan and Budget Briefing	Briefing	Directors, Managers, Coordinators, Principal Advisors
1/12/2020	Operational Plan Template Issued	Plan Collation	Managers
11/12/2020	Operational Plan Template Due	First Draft	Directors, Managers, Coordinators, Principal Advisors
18/01/2021	Draft Budget Template Issued	First Draft	Directors, Managers, Coordinators, Principal Advisors
28/01/2021	Draft Operational Plan Workshop	First Draft	Managers
2/02/2021	Draft Operational Plan Report Issued	First Draft	Executive

Date	Item	Stage	Engagement Level
4/02/2021	Draft Operational Plan Executive Review	Meeting	Executive, Corporate Planning, Finance
5/02/2021	Draft Budget Due	First Draft	Directors, Managers, Coordinators, Principal Advisors
8/02/2021	Draft Operational Plan Issued	Second Draft	Executive, Managers
8 Feb - 19 Feb	Draft Budget Review and Modelling of Rates, Charges & Fees	First Draft	Executive, Managers
22/02/2021	Draft Budget Distribution	Second Draft	Executive, Managers
2/03/2021	Budget Review Panel* Businesses and Services	Budget Review	Executive, Managers
3/03/2021	Budget Review Panel* Organisational/Corporate Services	Budget Review	Executive, Managers
10/03/2021	Operational Plan & Budget Workshop	Review	Councillor Workshop
16/03/2021	Draft Operational Plan and Budget Distribution	Third Draft	Executive, Managers
23/03/2021	Budget Review Panel*	Final Review	Executive, Managers
31/03/2021	Operational Plan & Budget Workshop	Final Draft	Council Briefing
5 Apr - 16 Apr	Operational Plan & Budget	Final Draft	Community Consultation
28/04/2021	Adopt Draft Operational Plan & Budget for public exhibition	Final Draft	Council Meeting
May	Operational Plan & Budget	Final Draft	Public Exhibition
23/06/2021	Adopt Final Operational Plan & Budget	Final	Council Meeting

\*Budget Review Panel consists of General Manager, Directors and Manager Financial Services with attendance by other Managers/Officers as required.

## 5. Implications

### 5.1. Policy

The budget setting process does include the requirement to establish rates, charges and fees as set out in Council's Revenue Policy and Fees and Charges documents.

### 5.2. Risk

Setting and working to a timetable will assist with minimising the risk of not complying with legislative timeframes and permitting time to undertake adequate review of the Operational Plan and Budget and undertake community consultation.

A major risk to both the Operational Plan and Budget this year is the expiry of the temporary Special Rate Variation (SRV). If a decision to apply for a new SRV is made, the outcome will not be known until very late in the process. This would require the preparation of at least two Operational Plan and Budget scenarios to accommodate the risk of a SRV application not being successful.

### **5.3. Sustainability**

This report contributes to the delivery of the Community Strategic Plan 2017-2027: Leadership for the Region Community Outcome 2– being that Council exceeds community expectations when managing its budget and operations.

*Maintain financial sustainability through effective short and long-term financial management, including applying to IPART for a Special Rate Variation. The SRV rate will be determined through community consultation and in line with Council resources and viability, specifically to provide revenue to fund asset maintenance and renewals.*

### **5.4. Financial**

Relevant elements, including estimated costs and performance targets, contained in the Performance Improvement Order issued by the Minister for Local Government on 9 December 2020 will also need to be incorporated into the 2021/22 Operational Plan and Budget.

The Operational Plan and Budget process will need to take account of the recommendations contained in the Review of Council Finances undertaken by Finch Consulting and as required under the Performance Improvement Order.

Additional costs are also expected to be incurred as a result of the Council elections in September 2021 and consideration will need to be made to induct a new Council.

## **6. Consultation and Communication**

Proposed timeframes for public consultation have been included in the 2021/22 Operational Plan and Budget timetable. These may be subject to change.

## **7. Conclusion**

This report provides Council with a timeline for the preparation of the 2021/22 Operational Plan and Budget and outlines some of the key considerations that will need to be made when preparing the 2021/22 Operational Plan and Budget including the financial risk of the expiring SRV and inclusion of relevant elements from the Performance Improvement Order that will be applicable for the 2021/22 financial year. There will also be local government elections in September 2021.

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<b>Item:</b>	<b>9.10</b>	<b>Ref: AINT/2021/01074</b>
<b>Title:</b>	<b>Councillor Review of 2020/21 Budget</b>	<b>Container: ARC19/3335</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Kelly Stidworthy, Manager Financial Services</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

This report provides a timetable for a series of briefings to be held with Council as resolved at the Council meeting held 22 December 2020.

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

**That Council note the timetable of budget briefings.**

### **3. Background**

Upon his appointment on 14 December 2020, the Mayor made a range of statements in his acceptance speech, including that Council sought briefings on financial challenges and intended to restore financial prudence through a review of the current budget.

To implement this direction, the report on Council's Organisational Status included the following recommendation, which was adopted by Council:

*That the Acting Director Organisational and Corporate Services propose a timetable to review the Budget through a series of briefings from the Managers.*

### **4. Discussion**

In order to allow enough time to brief Council on key financial challenges and for a full review of the 2020/21 budget, a series of briefings are proposed as follows:

- Tuesday, 9/2/2021 – 4.00pm – 6.30pm
- Wednesday, 10/2/2021 – 4.00pm – 6.30pm
- Thursday, 11/2/2021 – 4.00pm – 6.30pm

As required under the Performance Improvement Order issued by the Minister for Local Government on 9 December 2020, the briefings will be open to the public.

Council's Financial Controller and Temporary Advisory, Mr John Rayner PSM, will also be invited to attend the briefings.

### **5. Implications**

#### **5.1. Policy**

There are no policy changes proposed.

#### **5.2. Risk**

Review of the 2020/21 budget will enable Council to provide feedback into the budget process and enable early identification of issues that are likely to have financial impacts.

### **5.3. Sustainability**

This report contributes to the delivery of the Community Strategic Plan 2017-2027: Leadership for the Region Community Outcome 2– being that Council exceeds community expectations when managing its budget and operations.

### **5.4. Financial**

The briefings will be conducted by staff and no external costs are anticipated.

## **6. Consultation and Communication**

Consultation has not been undertaken on this matter.

## **7. Conclusion**

This report provides Council with a timetable for briefings on key financial challenges and review of the 2020/21 budget.

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<b>Item:</b>	<b>9.11</b>	<b>Ref: AINT/2021/01162</b>
<b>Title:</b>	<b>Women on the Land Business Grants</b>	<b>Container: ARC20/4349</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Anna Stevenson, Knowledge Base Project Officer</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **Purpose**

1. To seek Council endorsement of the recommended applicant recipients for the Rural Women in Business program that have been selected by both independent and ARC panel members. The program places the selected applicants into networking and business platforms to further their business knowledge.

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

**That Council approve the successful applicants provided in this report for the Women on the Land Business grant program.**

### **3. Background**

The Rural Women in Business program was a government grant funded program conceived by Armidale Regional Council staff in honour of International Rural Women's Day on 15 October 2020. The program sought to gain expressions of interest from women living within the Armidale LGA, to partake in business and networking programs. These programs would allow Council to assist rural women in business in this economic downturn, whilst also supporting the development of new business initiatives and projects. The programs included opportunities such as social media activation, business budgeting, business growth, business development and networking.

Subject matter experts engaged to offer the training programs are:

- Dimity Smith – Gro Events & The Rural Women's Network DPI NSW
- Edwina Robertson – Women Making Gravy
- Rebel Black – The Rural Woman

### **4. Discussion**

The recommended successful applicants are as follows:

1. Anne Lane
2. Bronwyn Grills
3. Casey Foster
4. Catherine Mills
5. Claire Lenne
6. Debbie Cartledge
7. Elizabeth Kerry
8. Julia Woods
9. Kari Maitz
10. Kerry Miller
11. Kristy Hammond

12. Lucy Frizzel
13. Lynette Aspey
14. Mare Foster
15. Maryann Dooner
16. Michelle Hearne
17. Michelle McKemey
18. Nicole Brown
19. Paulette Chavez
20. Peta Moore
21. Rebecca Campbell
22. Samantha Skinner
23. Tara Steel
24. Terri King
25. Tina Skipper
26. Vicki Kembery

There are two applications that are not recommended for the program, as they did not comply with the programs stipulations of being defined as a “locally owned business.”

## **5. Implications**

### **5.1. Risk**

Reputational risk: Assessment of the applications was completed by both internal ARC staff and external community panel members, to ensure impartiality and transparency.

### **5.2. Sustainability**

This program will assist women living in regional and rural areas, excel in their current business situation. Given the COVID-19 pandemics impact, this series of programs (rather than events), will be most effective as they can be held online where required.

### **5.3. Financial**

\$20,000 was assigned to the development of program assisting “Women of the Land” initiative from a combination of NSW Drought Stimulus Funding and Federal Bushfire Recovery Funding.

## **6. Consultation and Communication**

Regional Growth and Place Activation Advisory Committee (RGPAAC) members were consulted on the viability of the proposal and received council endorsement to allow the funding.

Local business women and community members were invited to assist with the application process.

## **7. Conclusion**

The above list of grant recipients meets the required selection criteria and is recommended by the assessment panel for approval by Council.

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<b>Item:</b>	<b>9.12</b>	<b>Ref: AINT/2021/01197</b>
<b>Title:</b>	<b>Valuation and Investigation into Possible Sale of The Croft</b>	
	<b>Container: ARC17/1499</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Will Winter, Principal Advisor Economic Development</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

This report provides background and reasons for Council delegation to the General Manager, for an investigation into the feasibility and possible sale options of Council land known as “The Croft”. The report is prompted by interest from a number of parties to purchase this land, in association with other possible purchases relating to Stage 1 of the Armidale Airside Business Park.

### **2. OFFICERS’ RECOMMENDATION:**

**That Council:**

- a. Delegates authority to the General Manager to investigate the feasibility and sale options for the property known as “The Croft”.**
- b. Organise a registered valuation of the property as soon as practicable, in order to inform these deliberations.**
- c. Requests that the General Manager reports on findings of the investigation.**

### **3. Background**

Expressions of interest to purchase the property known as “The Croft” have been received in association with Armidale Airside Lots which abut this land on the northern side. Subject to Council approval, the offering of this property will assist associated sales of Airside lots which abut “The Croft”, and further contribute toward economic growth prospects for the Region associated with Stage 1 of the Armidale Airside Business Park.

### **4. Discussion**

In the process of marketing Stage 1 lot sales for the Armidale Business Park, a number of businesses have expressed interest to purchase the Area known as The Croft, comprising 2.76ha which abuts the southern side of Lots 7-9. It is noted that one party in particular is interested in the purchase of Lot 7 as access to The Croft and for customer parking.

It is recommended that, in order to facilitate sales of adjoining Stage 1 Lots and achieve regional economic growth objectives, the General Manager be delegated authority to investigate possible sales methods for The Croft, consistent with Council Policy frameworks, and report back to February 2021 Council meeting with recommendations on how best to proceed. It is also recommended that the General Manager seek a land valuation of the Croft over the next month to inform Council deliberations on whether to proceed with the sale.



## **5. Implications**

### **5.1. Policy**

The above recommendations are consistent with economic and social objectives outlined in strategic documents such as the Regional Economic Development Strategy, Tourism Strategy, Community Strategic Plan and the NSW Government's Growing Local Economies Funding provisions, which provided the necessary capital to develop Stage 1 of the Armidale Airside Business Park.

### **5.2. Risk**

Subject to Council approval, future marketing and sale of land known as The Croft will be conducted in a manner consistent with Council policies and frameworks. As with other net sale proceeds for Armidale Airside lots, proceeds from the sale of the Croft may also be reserved for future site development(s) associated with Stages 2 and 3 of the Armidale Airside Business Park lots.

### **5.3. Sustainability**

The Croft is situated on the immediate northern side of Council land allocated for vegetation offsets associated with the Armidale business parks located at the airport.

### **5.4. Financial**

Initial investigation into placing The Croft on the market is likely to be inexpensive for Council, relative to the returns involved. It is noted that, should Council decide to sell the property, it will require minor service enhancements including installation of sewer, inter-lot storm water works, installation of a sub-station, and extension of the access road, electricity and NBN upgrades. It is proposed that the cost of these works be factored into the sale price, or otherwise negotiated to remain at the purchaser's expense under terms of sale.

In addition to rate income from the property, sale proceeds will contribute toward the necessary capital for further expansion and future sales of Armidale Airside Business Park lots.

## **6. Consultation and Communication**

Apart from keeping interested parties informed, there are no immediate consultation and communication considerations associated with this proposal.

## **7. Conclusion**

Sale of The Croft is likely to significantly enhance the business, economic and social value outcomes associated with Armidale Airside Business Park land sales, and contribute to funding reserves for the development of Stages 2 and 3. Investigation into the feasibility and means of selling this property is timely and necessary to inform Council decisions whether to market the property early in 2021, as part of associated Armidale Airside Business Park sales. If feasible and subject to Council approval, the sale of this property will provide opportunities to retain one or more successful local business which for business growth reasons, require expanded premises and may otherwise invest elsewhere, if suitable land cannot be found.

It is recommended that Council delegate authority to the General Manager to proceed with an investigation into the feasibility of this land sale( inclusive of required infrastructure improvement costs), methods of sale, and a land valuation.

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<b>Item:</b>	<b>9.13</b>	<b>Ref: AINT/2021/01201</b>
<b>Title:</b>	<b>Armidale Airside Business Park Street Naming</b>	<b>Container: ARC16/1405</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Darren Schaefer, Manager Strategic Communications and Marketing</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

To consider the options put forward for street naming in the Armidale Airside Business Park to ensure that Council:

- I. acknowledge past Airport Precinct contributors (per policy) and;
- II. give every opportunity to enhance the address appeal of the precinct in order to help position the park and differentiate the lots from other competing land sales in precinct.

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

**That Council relax the Local Road and Place Naming Policy (2015) to allow endorsement of Option 2 as the recommended street names of 'Momentum Drive' and 'Aviation Avenue' to be included alongside those named as recognised contributors to the precinct, noting that all will be subject to approval by the Geographic Names Board (GNB) .**

### **3. Background**

Council has a Local Road and Place Naming Policy (2015) which outlines the available opportunities to acknowledge significant contributions to the community and the achievements of individuals or groups associated with the LGA. On 24<sup>th</sup> May 2017, the Council resolved to acknowledge individuals that had a contribution to the development of the Armidale Regional Airport in street names for the precinct. A list of the names of these individuals was subsequently approved, thereby granting preapproval for operational staff to assign as needed. This practice has been followed to date, with Peter Monley Drive and Shand Drive standing as current named streets in the precinct.

The NSW Geographical Names Board (GNB) is the State authority responsible for street naming. They have advised a change to their street naming convention policy in 2014. In this policy the GNB prescribe (among other things) that street names that seek to honour individuals may only be named after that individual if that person has been deceased for 12 months. They do this because opinions and attitudes toward people change over time.

A report to Council 28<sup>th</sup> October 2020 (reference AINT/2020/34546) highlighted that there were not enough eligible individuals on the approved Council list supplied at the time. This introduced the idea of including alternative street names akin to the positioning of the business park. Subsequent community representations to this report revealed more names for Council consideration, thus deferring a Council decision on the matter to a later date.

#### 4. Discussion

New information resultant from consultation with experts combined with eligibility restrictions around street naming from the GNB, presents the opportunity to include additional street names that seek to help with the positioning of the Armidale Airside Business Park.

Consultation with experienced precinct developers to date has been valuable. This has revealed that street naming as a practice to help reflect the proposition of the park and provide “address appeal” is not uncommon. James Garvey of Williamtown Aerospace Industrial Estate in Newcastle does this to help add to the attraction for potential (even specific) buyers. This is not limited to streets, but buildings and localities within the estate itself, e.g. “Technology Place” and “Charlie Building,” etc, with in the Aerospace precinct.

Importantly, the original Council resolution of 2017 to recognise individuals for their contribution to the Airport precinct will continue in subsequent stages (stage 2) of the Armidale Airside Business Park development. Current suggestions are to recognise these individuals in each of the airside approach cul-de-sacs. As such, all eligible names on the current list have been recognised and the proposed new names should be considered *in addition* to the previously approved names of contributors to the precinct.

The author recognises that street names alone do not sell land as there are greater commercial imperatives. However, the sum of all parts working together can help form a brand which collectively becomes appealing, differentiated and marketable against competing land sales in the airport precinct.

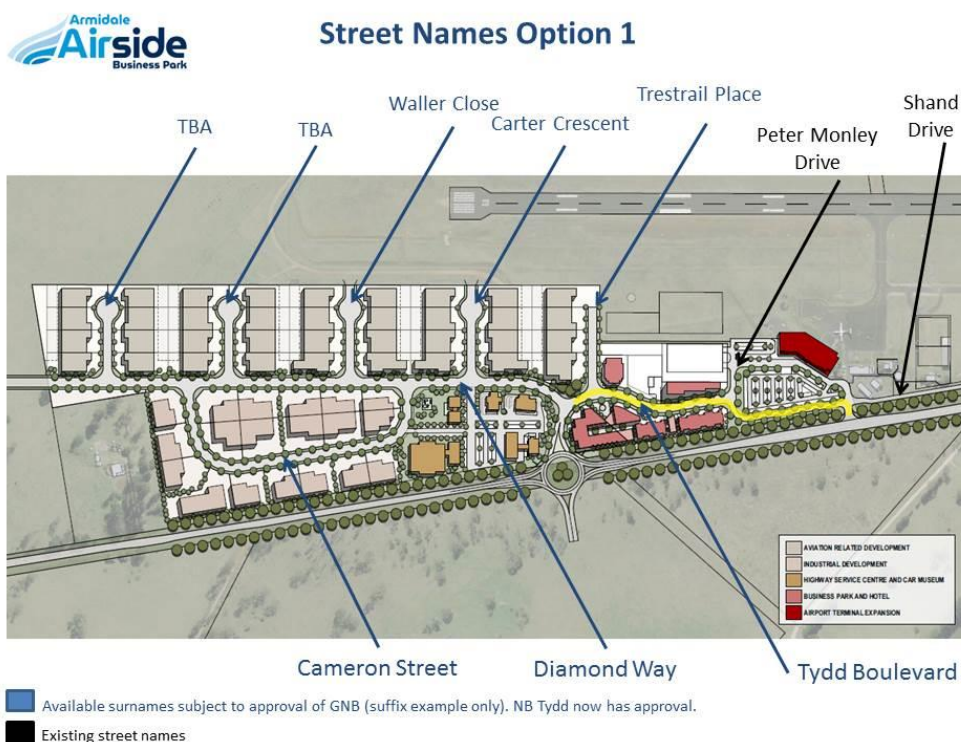
Thus, Councillors are presented with two options tabled below:

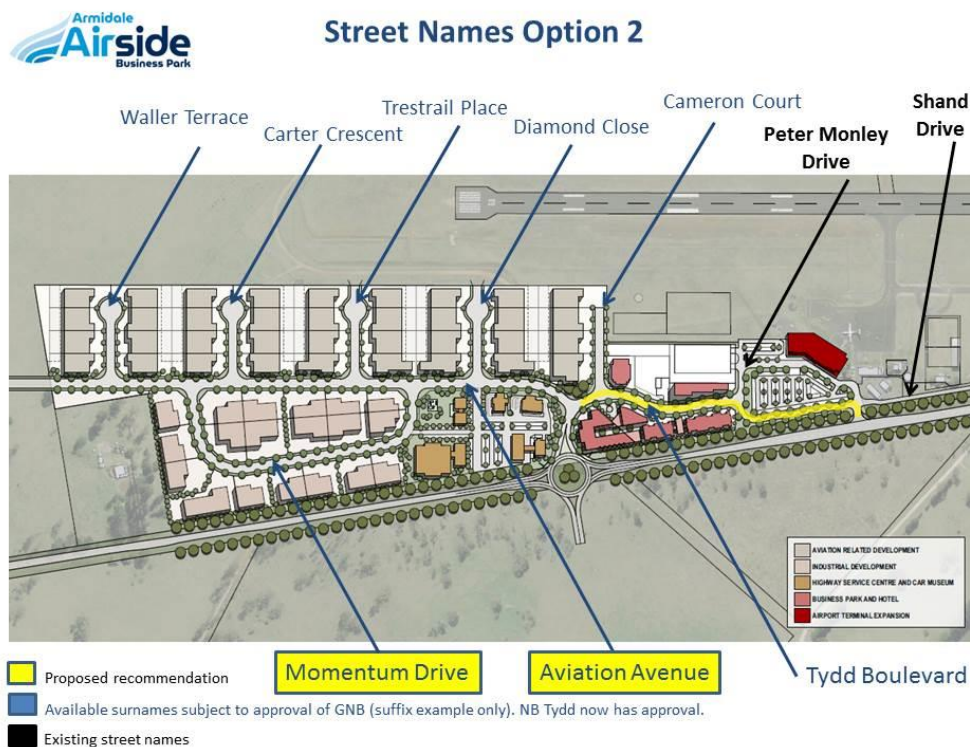
	Description	Pros	Cons
<b>Option 1 Status Quo (Stage 1 Only)</b>	Remain with Armidale’s traditional approach to street naming in line with the Street Naming Policy and approved Council list of recognised contributors.	Provides an opportunity to recognise more contributors in this fashion (in addition to that of the mural inside the terminal).	Has limited / indifferent “address appeal.” Adopts a traditional approach (not a marketing approach) that does not differentiate from other streets in the LGA.  Need to review list of contributors for the development of Stage 2 as there are not enough eligible names for the number of streets for both stages.
<b>Option 2 Combination of Names (Stages 1 &amp; 2)</b>	Relax Street Naming Policy such that new names can be introduced, such as the recommended ‘Momentum Drive’ and ‘Aviation Avenue.’	Complement the ‘Airside Business Park’ brand, helping build its identity and assist with creating differentiation and address appeal.	Reduces the opportunity to recognise as many contributors to the precinct in Street Naming (noting that all eligible names on the <i>current</i> list have been recognised).

It should be noted that consideration has been given to retaining Saumarez Road as the access road from the roundabout off the New England Highway in recognition of its tourism potential.

However, the issue for this option lies in the stages of development for the precinct. That is, having two roads called Saumarez Road which will not be linked to the current Saumarez road for some time. GNB will not permit two roads of the same (or even similar) names to be in the same LGA for addressing purposes. Any proposed link to the existing road depends on:

- stages of development for the precinct and costs associated (circa \$100,000) for a temporary road alignment and therefore not presented as a viable option in this report.
- proposed new airport runway
- effects on the addresses of existing residents along that road (numbering for emergency services) and the changes for residents at various stages of development.





Eligible names of contributors from the approved list of 2017 (below) are represented in bold below. If they are not bolded, they have been deemed ineligible by the criteria of the Geographical Names Board (GNB). Underline indicates those that may be eligible, however are yet to be approved by the (GNB).

**Charles Waller**

Cr Andrew Murat

Cr Bruce Browning MM

Cr CH Dawson

**Cr Don Cameron**

Cr George Mills

**Cr H Carter**

Cr JT O'Brien

Cr Jeff Watson

Cr John Harvey

Cr PR Moffatt

**Cr Peter Monley**

Cr RC Moffatt

**Cr Ron Diamond**

**Cr Trestrail**

**Don Shand**

**Don Tydd**

Jim Kelly

Jock Smith

John Sutherland

Peter Straw

## **5. Implications**

### **5.1 Policy**

If Council were to select Option 2 for the Airside Business Park Street Naming in light of the new information, it would mean that Council would need to agree to relax the current Local Road and Place Naming Policy – Armidale Dumaresq Council 2015 on this occasion to allow the two new street names to be included in the Park. It should be noted that this policy is currently scheduled for review due to age, its application to the merged entity Armidale Regional Council and adherence to the current GNB naming policy.

This recommendation seeks to enhance the ability of the Airside Business Park to attract target businesses and aligns with Councils Community Strategic Plan and Operational Plan commitments as follows;

Community Strategic Plan: Section 6 - Growth, Prosperity and Economic Development

- Community Outcome # 1. The community experiences the benefits of an increasing population via support for existing businesses, attracting new industries and businesses and creating more employment opportunities.

Operational Plan: Growth, Prosperity and Economic Development

- G4.3 - To encourage new business investment in the region.

### **5.2 Risk**

Reputational Risk:

As there are only a limited number of streets in the precinct, we need to be mindful of the expectations of the family members if their names are not displayed in either of the options provided.

Commercial Risk:

There are currently a number of interested buyers of the lots, with some close to submitting development applications. In order for the land to be transferred to the new owner upon sale, the Armidale Airside Business Park requires a subdivision certificate. Approved street names are required for this certificate to be issued. Delays in obtaining a subdivision certificate may impact on settlement of land sales.

### **4.3 Sustainability**

The recommendation of Option 2, allowing introduction of alternative names aims to help differentiate and position the park, giving it the best possible opportunity to attract and convert prospective buyers. The more appealing the positioning of the park can be, the quicker Council can realise the commercial returns from land sales. Land sales impacts the viability and speed at which subsequent development stages can commence.

### **5.4 Financial**

There are no financial impacts with if Council elect to allow the introduction of the recommended street names into the Armidale Airside Business Park.

## **6. Consultation and Communication**

The recommendation is a collaborative effort which has involved contributions from the Armidale Regional Council Marketing Department in consultation with the ARC internal Business Park Project Control Group. Consultation has also occurred with experienced industrial precinct developers such as Williamstown Aerospace Industrial Estate in Newcastle, NSW. Relevant NSW Government bodies have been canvassed as have NSW Government policies and Armidale Regional Council Policies. These have included:

- Local Road and Place Naming Policy – Armidale Dumaresq Council 2015
- NSW Geographical Names Board
- NSW Address Policy and User Manual

## **7. Conclusion**

An opportunity exists for Council to adopt an alternative approach to street naming in the Armidale Airside Business Park in an attempt to help enhance its address appeal and add to the potential commercial returns for lot sales. The proposed street names of 'Aviation Avenue' and 'Momentum Drive' are seen to complement the recent investment in the *Armidale Airside Business Park* brand, helping build its identity and assisting with its differentiation. This, in combination with recognising individual contributors to the precinct (per existing policy) strikes a balance of being able to position the park and fulfil original commitments to our recognised precinct contributors. It is therefore recommended Council select Option 2 for street naming for the business park.

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<b>Item:</b>	<b>9.14</b>	<b>Ref: AINT/2021/01268</b>
<b>Title:</b>	<b>Live Music Australia Grant Fund- Round 2 GO4553</b>	<b>Container: ARC21/4471</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Katrina George, Visitor Information Centre Manager</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The Purpose of this report is to request that Council endorse the submission of a funding application under the Live Music Australia – Round 2 GO453 Grant and delegate authority to the General Manager to enter into the funding agreement if the application is successful.

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

#### **That Council:**

- a. Endorse the submission of a funding application to the Australian Government Office of the Arts under the Live Music Australia – Round 2 fund program with a total cost of \$100,000 to facilitate live music events for the Armidale Region.**
- b. Delegate authority to the General Manager to enter into the funding agreement subject to an offer being received and the General Manager being satisfied that the terms and conditions are a net benefit to Council.**

### **3. Background**

The Live Music Australia program will provide support to the live music sector, with a focus on small to medium venues that support high quality original Australian live music that is professionally staged. It aims to revive business ventures in local suburbs, towns and regions across the country, building capacity for a sustainable live music scene with strong community roots, in all parts of Australia.

The first year of funding is aimed at preparing live music venues to become operational following the impacts of COVID-19 on the industry.

Applications are open and close on 18 February 2021.

### **4. Discussion**

The proposed application for the Live Music Australia program will support economic and social recovery at a local and regional level, supporting job retention and creation in the region.

This event application aligns with the Armidale Regional Council 2020-2021 Operational Plan specifically in relation to:

#### Growth, Prosperity and Economic Development

- G3.1 Tourism and Events strategy to ensure focus on stimulus initiatives to assist with arresting the economic downturn.



## **5. Implications**

### **5.1. Policy**

No policy implications have been identified at this point as the proposed report seeks endorsement for a funding application pending approvals from the funding body.

### **5.2. Risk**

The main area that council could have a risk implication on submitting an application under the Live Music Australia Fund would be in regards to an Operational Risk on delivering on the project.

This risk would be mitigated through planning the event to be held outside of the busy autumn / spring event months.

### **5.3. Sustainability**

If Council endorse the submission of a funding application to Australian Government Office for the Arts under the Live Music Australia Grant and the submission is successful, Council will work closely with local businesses to provide best cost benefit to Council and community in the long term.

### **5.4. Financial**

If successful in securing the grant, council will not be required to contribute additional funds. Costs associated with Project Management will be included in the grant application to mitigate council resourcing to deliver the project.

## **6. Consultation and Communication**

No community consultation has taken place to date. Should Armidale Regional Council be successful in there application, engagement with venues will take place such that the requirements of the grant funds can be adequately fulfilled.

## **7. Conclusion**

If endorsed by Council, the application for Live Music Australia – Round 2 GO453 Grant will allow Armidale Regional Council to seek funding for a music event that will support local and regional economic and social recovery and stimulate employment opportunities.

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<b>Item:</b>	<b>10.1</b>	<b>Ref: AINT/2021/00210</b>
<b>Title:</b>	<b>Proposed Grant Application - NSW Environment and Protection Authority: Circulate Program</b>	<b>Container: ARC16/0125-2</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Mandy McLeod, Sustainability Officer</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is to request that Council endorse the submission of a funding application under the NSW Environment Protection Authority, Circulate Grants program for circular economy innovative material reuse, and delegate authority to the General Manager to enter into the funding agreement should the application be successful.

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

**That Council:**

- a. Endorse the submission of a funding application to the NSW Environment Protection Authority: Circulate Grants program, with a total value of up to \$150,000 to initiate a project for the retrieval of Commercial/Industry food waste for inclusion in the current City to Soil program.**
- b. Recognise that the diversion of this food waste stream from landfill will also contribute to a reduction in greenhouse gas emissions (methane from landfill) as per Council's Climate Emergency Declaration.**
- c. Delegate authority to the General Manager to enter into the funding agreement subject to an offer being received and the General Manager being satisfied that the terms and conditions of the agreement are to the net benefit of Council.**

### **3. Background**

In 2017, the Federal Government published the National Food Waste Strategy. The strategy establishes a framework to support actions that work towards halving Australia's food waste by 2030. This ambitious goal aligns with the United Nations Sustainable Development Goal 12 for sustainable consumption and production patterns.

In 2012, Armidale Dumaresq Council launched the City to Soil organic waste collection to 10,000 homes in Armidale and provided a fortnightly collection for kitchen and garden waste and other organic materials, producing high grade compost from this material. In 2018 Guyra was also included in the City to Soil program.

At this stage no commercial or industrial food waste from restaurants, cafes, hospitals, boarding schools, clubs, supermarkets, bakeries, production kitchens, etc. are included in the City to Soil program.

There is capacity within the current City to Soil program to increase the amount of food organics and for the ongoing provision of compost.

The NSW Environment Protection Authority, Circulate Grants program provides funding for circular economy innovative material reuse and recycling projects. NSW EPA define a circular

economy as valuing resources by keeping products and materials in use for as long as possible, bringing major economic, social and environmental benefits.

The grant program is now open and will close on the 12<sup>th</sup> February 2021.

#### **4. Discussion**

The grant funding being sought is intended to support the extension of the existing City to Soil program to include the management of organic wastes from commercial and industrial food production premises.

Prior to any such system being implemented, there is a need for consultation with the industry to determine what potential barriers exist and what would need to be done to overcome these barriers, within the context of a busy commercial kitchen or industrial food production facility.

Therefore the grant funding would enable Council to employ a Project Officer, undertake consultation and then design and implement a trial with selected case-study commercial/industry participants. The trial would enable identification and testing of the various methods and materials that would be needed for a subsequent full scale implementation.

It is also intended to produce a quadruple bottom line report documenting the trial and making recommendations as to the feasibility/desirability of full scale implementation. Once the trial is complete, and subject to Council approval, the Project officer would then be responsible to oversee implementation of the final system should that be recommended.

A detailed project budget will be prepared as part of the grant application process.

It is anticipated that the final system would have a number of components including:

- Incentives to encourage source separation of putrescibles and other organics from the waste stream;
- Appropriate storage for the separated materials (to minimise nuisance from odour and pests);
- Appropriate collection frequencies (to minimise nuisance from odour and pests);
- Delivery of the collected organics for treatment in Council's existing fermentative composting system as part of the City to Soil program.

It is anticipated that an external waste audit would also be commissioned once the system is operational in order to provide objective measurement of compliance.

This project aligns to the Community Strategic Plan 2017- 2027 specifically in relation to:

##### Environment and Infrastructure

- E1 Environment - The unique climate, landscape and environment of the region is protected, preserved and made accessible.
- E2 Environment – The community can participate in initiatives which contribute to a sustainable lifestyle

The project aligns to the Delivery Program 2108 – 2021 in relation to:

- E1 Environment - The unique climate, landscape and environment of the region is protected, preserved and made accessible.
  - E1.2. Air: Partner with stakeholders to develop strategies and provide programs which improve air quality across the region including the reduction of smoke

pollution by using alternative energy sources. The Measure of success for this item is: Reduce greenhouse emissions per capita by 2020;

- E2 Environment – The community can participate in initiatives which contribute to a sustainable lifestyle
  - E2.2. Waste and Recycling: Provide waste and recycling services, and environmentally responsible waste disposal facilities together with education programs to reduce waste and increase recycling;

The project aligns to the Operational Plan 2020/2021 specifically in relation to:

Environment and Infrastructure

- E2.2. Waste and Recycling: Provide waste and recycling services, and environmentally responsible waste disposal facilities together with education programs to reduce waste and increase recycling:
  - Other Council operations and activities: Natural disaster recovery
  - Other Council operations and activities: Resource recovery and recycling.

The project aligns to the following elements of Council's "Greenprint for Sustainability", EcoARC.

- EcoARC Waste: Key Success Indicator: The whole community is engaged in recycling waste, including commercial and industrial premises, schools, hospitals, government facilities, and has increased knowledge of composting organic waste.
- EcoARC Resilient: Key Success Indicator: Substantially reduce total and per capita greenhouse gas emissions.

Climate Emergency Declaration: C1. Reduce greenhouse emissions aiming, by 2030, for no additional contribution from our region to the global temperature rise.

## **5. Implications**

### **5.1. Policy**

The project aligns with Council strategic direction as outlined in Section 4. No policy implications have been identified at this point as this report seeks endorsement for a funding application pending approval from the NSW EPA.

### **5.2. Risk**

Economic: In the short term the grant does not require any Council co-contribution, and extra care will be taken in preparing the grant budget to ensure that all aspects of the proposal are properly funded (including Project Management).

There may be cost impacts should any project/system be implemented beyond the funded term or scope. These matters will be investigated during the initial Project phase, and could include cost recovery.

Operational: There could be some operational risk to do with waste collection. A Work Health Assessment will be undertaken according to Council standard methods, and a mitigation plan will be implemented as required.

Reputation: If the trial does not result in a long term project there could be some reputational risk. Clear reasons as to why the long term project would not proceed would be provided in that event.

### 5.3. Sustainability

The Federal Department of Agriculture, Water and the Environment, "*Tackling Australia's Food waste*" states:

Food waste is a major problem in Australia:

- Food waste costs the economy around \$20 billion each year.
- Each year we waste around 7.3 million tonnes of food – this wastage equals about 300kg per person or one in five bags of groceries.
- Food waste accounts for more than five per cent of Australia's greenhouse gas emissions.

In general:

- Any waste deposited in a landfill contributes towards filling up the landfill. Once a landfill reaches capacity it must be replaced with a new facility. Any action that enables landfill replacement to be deferred will result in a net economic saving to society (and to Council).
- Organic wastes (i.e. those that break down with microbial activity and produce methane, carbon dioxide and other greenhouse gases) that are deposited in landfills break down under anaerobic conditions and produce significant quantities of methane which can escape to the environment and contribute to global warming.

For Armidale Regional Council

- During 2019 - 2020, some 3,600 tonnes of waste from commercial and industrial properties was received at the Armidale landfill. (Note this figure does not include potential food/organic waste from smaller cafes, shops etc. that may put this type of waste into normal Council garbage, or those premises that may have private contractual arrangements for removal of food/organic related waste to the waste facility, so that this figure may be much higher).
- Based on composition of this waste stream (commercial and industrial) measured by waste audits at other councils, approximately 1,262 tonnes of readily compostable organic waste (food, paper, cardboard) has been disposed of to Council's landfill in the 2019-2020 period.
- Any diversion of waste from landfill will prolong the life of the existing landfills that Council currently operate.
- By diverting this waste stream from landfill, this will result in approximately 700 tonnes of carbon dioxide equivalent being discharged into the atmosphere over the next 100 years, as well as taking up valuable landfill space. The discharge of this gas (mainly in the form of methane) results from the decomposition process in the landfill.
- If the majority of this organic waste stream can be diverted to the City to Soil program, then the discharge of methane will be practically eliminated resulting in a huge reduction in the discharge of green house gas.

#### **5.4. Financial**

The project will be completely funded by grant funds so there will be no up-front financial impact on Council's operational budgets. A significant finding of the project will be the identification of costs and potential barriers to rolling out the system.

It is expected that at final implementation the system will be approximately cost neutral to Council, however at any determination will be subject to a further Council report. There will be additional revenue from sale of compost, deferment of the need to build new landfill cells (which has a positive value to Council's long-term cash flow), and perhaps small increases in collection costs if more frequent collection cycles are required.

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

Consultation has occurred with internal stakeholders for the development and scope of the grant application.

If Council is successful with the grant application the Manager Waste Services has the resources available to supervise the Project Officer to implement and coordinate the Project, including the design and implementation of the consultation program for the targeted commercial/ industrial enterprises.

#### **7. Conclusion**

The EPA Circulate grant round provides an opportunity for Council to seek funding to support improved management of commercial organic waste. The report seeks Council approval to apply to the grant round and, if the project budget justifies it, apply for the maximum amount of \$150,000. If granted, the requested funds will enable Council to explore a much more environmentally beneficial approach for disposal of the commercial/industrial organic waste stream.

Potential benefits include reducing pressure on the landfill capacity by reducing waste directed to landfill as well as a significant reduction in landfill gas generation thus reducing Council's contribution to greenhouse gases and global warming.

<b>Item:</b>	<b>10.2</b>	<b>Ref: AINT/2021/00962</b>
<b>Title:</b>	<b>Correction relating to Classification of Lot 105 DP 1237922 as Community Land</b>	<b>Container: ARC18/2692-1</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Ambrose Hallman, Manager Development and Regulatory Services</b>	
<b>Attachments:</b>	<b>Nil</b>	

### 1. Purpose

The purpose of this report is to rescinding/alter Council resolution 211/20 regarding the classification of Lot 106 and correctly resolve to classify Lot 105 DP 1237922 under Section 31 of the Local Government Act 1993.

### 2. OFFICER'S RECOMMENDATION:

**That Council:**

- a) **Rescind the following resolution made at the Ordinary Council Meeting held 19 August 2020 (Min No. 211/20):**

**19.3 FOR DECISION: Land Exchange** *Ref: AINT/2020/25894 (ARC18/2692)*

211/20 **RESOLVED**

**That Council:**

- a) **Authorise the Acting Interim General Manager to finalise the sale of Lot 101 DP 1237922 to the Armidale Ex Services Memorial Club for the sum of \$150,000 plus GST and accept the transfer of ownership of Lot 106 DP 1237922 to Council.**
- b) **Upon transfer of ownership of Lot 106 DP 1237922 the lot be classified as community land under Section 31 of the Local Government Act 1993.**

**Moved and declared carried by the Interim Administrator.**

- b) **Authorise the General Manager to finalise the sale of Lot 101 DP 1237922 to the Armidale Ex Services Memorial Club for the sum of \$150,000 plus GST and accept the transfer of ownership of Lot 105 DP 1237922 to Council.**
- c) **Upon transfer of ownership classify Lot 105 DP 1237922 as Community Land under Section 31 of the Local Government Act 1993.**

### 3. Background

At its Ordinary Council Meeting held 19 August 2020 (Min No. 211/20), Council resolved the following:

**"That Council:**

- a) **Authorise the Acting Interim General Manager to finalise the sale of Lot 101 DP 1237922 to the Armidale Ex Services Memorial Club for the sum of \$150,000 plus GST and accept the transfer of ownership of Lot 106 DP 1237922 to Council.**
- b) **Upon transfer of ownership of Lot 106 DP 1237922 the lot be classified as community land under Section 31 of the Local Government Act 1993."**

#### **4. Discussion**

The 19 August 2020 Council resolution authorised the Acting Interim General Manager to finalise the sale of Lot 101 DP 1237922, accept the transfer of ownership of Lot 106 DP 1237922 and classify Lot 106 DP 1237922 as community land. The reference to Lot 106 DP 1237922 should have read Lot 105 DP 1237922.

On 5 January 2021 Council was advised the land exchange between the Armidale Ex-Services Memorial Club and Council was completed in accordance with Council's, 19 August 2020 resolution, as outlined above.

Notwithstanding the sale and transfer has been completed the reference to the Acting Interim General Manager has also been updated to refer to the General Manager.

#### **5. Implications**

##### **5.1. Policy**

This report is not considered to have any policy implications.

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

The report presents little risk for Council as the Section 31(2A) of the LGA would automatically classify Lot 105 DP 1237922 as community land, three month after the date on which Council acquired the land.

This report will however reduce any ambiguity created by the incorrect 19 August 2020 recommendation.

##### **5.3. Sustainability**

This report is not considered to have any major sustainability implications, it will however ensure the Dumaresq Creek Bike Path, in its entirety, is classified as community land under the LGA.

##### **5.4. Financial**

This report is considered to have no financial impacts.

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

The reclassification was subject to community consultation including a public inquiry. It is considered this report requires no further community consultation.

#### **7. Conclusion**

This report corrects the inaccurate Council resolution of 19 August 2020 referring to Lot 106 instead of Lot 105 DP1237922.



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<b>Item:</b>	<b>10.3</b>	<b>Ref: AINT/2021/01140</b>
<b>Title:</b>	<b>Public Exhibition of Public Parking Policy</b>	<b>Container: ARC16/1207</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Ambrose Hallman, Manager Development and Regulatory Services</b>	
<b>Attachments:</b>	1. Revised Policy Public Parking POL192	

### **1. Purpose**

The purpose of this report is to place the existing Policy for Public Parking (POL192) on public exhibition. The Policy aims to outline Councils position on public parking in Armidale Regional Local Government Area.

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

**That Council:**

- a. Endorse the draft Public Parking (POL192) for public exhibition until Monday 1 March 2021.**
- b. Receive a further report should any submissions be received as a result of the exhibition period, however should no submission be received the policy be adopted.**

### **3. Background**

This Policy was originally adopted by Council on 22 June 2009 to provide guidance to the community in response to Council legislative requirements under the *Local Government Act 1993* to regulate public parking.

### **4. Discussion**

This policy has now been updated to replace Armidale Dumaresq Council with Armidale Regional Council, reformat the document into the new format and update the land areas.

The main objectives of this policy are:

- To document a framework of objectives that reflects both the continued importance of the car for access to activities centres and the need to move towards a balanced and sustainable transport system. The Policy targets the provisions of safe, convenient and efficient parking facilities to meet the reasonable demands of car access to an area, whilst supporting the amenity, environment quality and human ambience of the city.
- To achieve an appropriate balance between public safety, traffic flow and equitable access in the management and regulation of vehicle parking facilities available to the general public, for the benefit of the community, business sector and visitors. In this regard, public safety considerations will be paramount.
- To manage and regularly review the provision of public parking in central Armidale Regional Council area so that safe and effective parking facilities for different vehicles are provided to meet the varying needs of users including consumers, business operators, employees, residents, visitors and service providers.

- To pursue a sustainable approach to public parking provision and the recovery of costs for the provision, maintenance and regulation of public parking facilities, including the imposition of fines for non-compliant parking, in accordance with relevant NSW Government legislation and guidelines.
- To provide an enabling mechanism through which Council can regularly review available technology and systems to support effective parking demand management, as well as safe and compliant parking practices.
- To make Council's practices and intentions in relation to public parking a matter of public record and accountability.
- To ensure that effective, safe and compliant parking practices are promoted to the community.
- To ensure that local law enforcement officers have the necessary skills and resources to undertake parking surveillance duties in a safe, fair, transparent, consistent and accountable manner, with appropriate training.

This policy underpins the parking strategy adopted by Council and provides clear guidance for the community on how Council manages public parking.

At its Ordinary Council meeting held 25 September 2019 Council resolved the following (Minute No. 198/19) relating to the public parking strategy:

- "a) That the time limits for parking spaces within the CBD Heart be adjusted as follows:*
  - i. reduce all 2 hour on-street spaces to 1 hour, and*
  - ii. increase all 15 minutes spaces to 30 minutes.*
- b) That the time limits for parking spaces within the CBD Core be adjusted as follows:*
  - i. reduce all 2 hour on-street spaces to 1 hour,*
  - ii. increase all 15 minutes spaces to 30 minutes, and*
  - iii. reduce all Council 3 hour off-street spaces (Jessie, Rusden Streets and Cinders, Woodward Lane carparks) to 2 hours.*
- c) That the time limits for parking spaces within the CBD Frame be adjusted as follows:*
  - i. increase all 1 hour on-street parking spaces to 2 hours.*
  - ii. The unrestricted off-street spaces remain unchanged including the all day parking in Tingcombe Land and Naughten Street public carparks.*
- d) That the time limits of the ground floor of the Rusden Street decked carpark be changed to unrestricted parking.*
- e) That the CEO be delegated authority to negotiate any leasing arrangements for car parks on the middle and top deck."*

The above resolution was being implemented by staff however has yet to be fully implemented due to the following reasons:

- Availability of new signage;
- Availability of the contractors to alter the time limits of the parking sensors; and
- Covid-19 restrictions on the Contractors as they are based in Melbourne.

- The impact of Covid-19 generally on the demand for parking and the difficult time the community has experienced (drought, bushfires and pandemic).

## **5. Implications**

### **5.1. Policy**

Adoption of this draft policy will support adherence to legislative requirements for Council and provide continued guidance to members of the community.

### **5.2. Risk**

This policy is considered to not present a significant risk to Council or the community.

### **5.3. Sustainability**

No sustainability implications are evident with the adoption of this Policy.

### **5.4. Financial**

No financial implications have been identified with the adoption of this Policy.

## **6. Consultation and Communication**

The policy will be placed on Public Exhibition for a period not less than 28 days, seeking input from the community.

## **7. Conclusion**

The public exhibition of this policy will invite community input into the revision of the existing policy. Should no submission be received during the exhibition period the policy will be adopted.

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<b>Item:</b>	<b>10.4</b>	<b>Ref: AINT/2021/01223</b>
<b>Title:</b>	<b>Public Exhibition of Treatment of Feral and Infant Animals</b>	
		<b>Container: ARC21/4479</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Ambrose Hallman, Manager Development and Regulatory Services</b>	
<b>Attachments:</b>	1. Treatment of Feral and Infant Animals Policy POL236	

### **1. Purpose**

The purpose of this report is to replace the existing Treatment of Feral and Infant Animals Policy (POL236) on public exhibition. This policy outlines Council policy on the holding of feral companion animals at an animal shelter is contrary to the best welfare interest of the animal.

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

**That Council:**

- a. Endorse the draft Treatment of Feral and Infant Animals Policy (POL236) for public exhibition until Monday 1 March 2021.**
- b. Receive a further report should any submissions be received as a result of the exhibition period, however should no submission be received the policy be adopted.**

### **3. Background**

This Policy provides guidance to the community and Council staff in response to Council legislative requirements under Section 64 Companion Animals Act 1998. Section 64(2) of the Companion Animals Act 1998 states:

*"the council may, in accordance with any policy that has been adopted by the council in relation to the management of feral or infant companion animals, destroy the seized or surrendered animal concerned before the end of any such period referred to in subsection (1) in dealing with feral and infant animals."*

This policy has been developed to specifically address section 64(2) of the Companion Animals Act.

### **4. Discussion**

This policy has been updated to replace Armidale Dumaresq Council with Armidale Regional Council, reformat the document into the new format and update the land areas.

This policy provides guidance to the community and advise staff on the holding period for feral or infant animals seized or surrendered at the animal shelter.

### **5. Implications**

#### **5.1. Policy**

Adoption of this draft policy will support adherence to legislative requirements for Council and provide continued guidance to members of the community.

**5.2. Risk**

This policy is considered to not present a significant risk to Council or the community.

**5.3. Sustainability**

No sustainability implications are evident with the adoption of this Policy.

**5.4. Financial**

No financial implications have been identified with the adoption of this Policy.

**6. Consultation and Communication**

The policy will be placed on Public Exhibition for a period not less than 28 days, seeking input from the community.

**7. Conclusion**

The public exhibition of this policy will invite community input into the revision of the existing policy. Should no submission be received during the exhibition period the policy will be adopted.

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<b>Item:</b>	<b>10.5</b>	<b>Ref: AINT/2021/01239</b>
<b>Title:</b>	<b>Development Application Approvals: monitoring targets</b>	
		<b>Container: ARC16/0681</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Ambrose Hallman, Manager Development and Regulatory Services</b>	
<b>Attachments:</b>	Nil	

### **1. Purpose**

The purpose of this report is to provide statistical information on application determined in the financial year.

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

**That Council note the report on the financial year to date figures relating to Development Applications and Complying Development Certificates.**

### **3. Background**

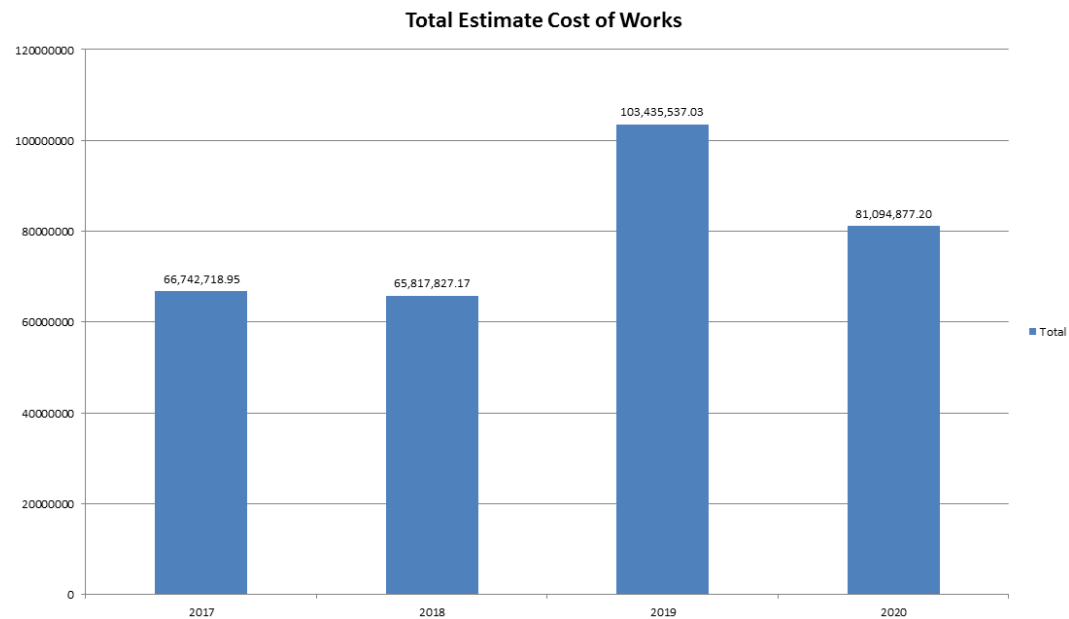
Council has been successful in the first stage of the NSW Public Spaces Legacy Program, in requiring Council to meet development assessment targets. Similar reports will be provided monthly to assist in monitoring targets while providing a holistic overview of the Development and Regulation team.

### **4. Discussion**

To provide an overview, Council's Development team have assessed and determined, for the financial year to date, a total of 182 Development Applications and Complying Development Certificates, with a estimate cost of work totalling \$81,094,877.

Table 1 below shows the trend of total estimated cost of works approved for the past four years.

Table 1:

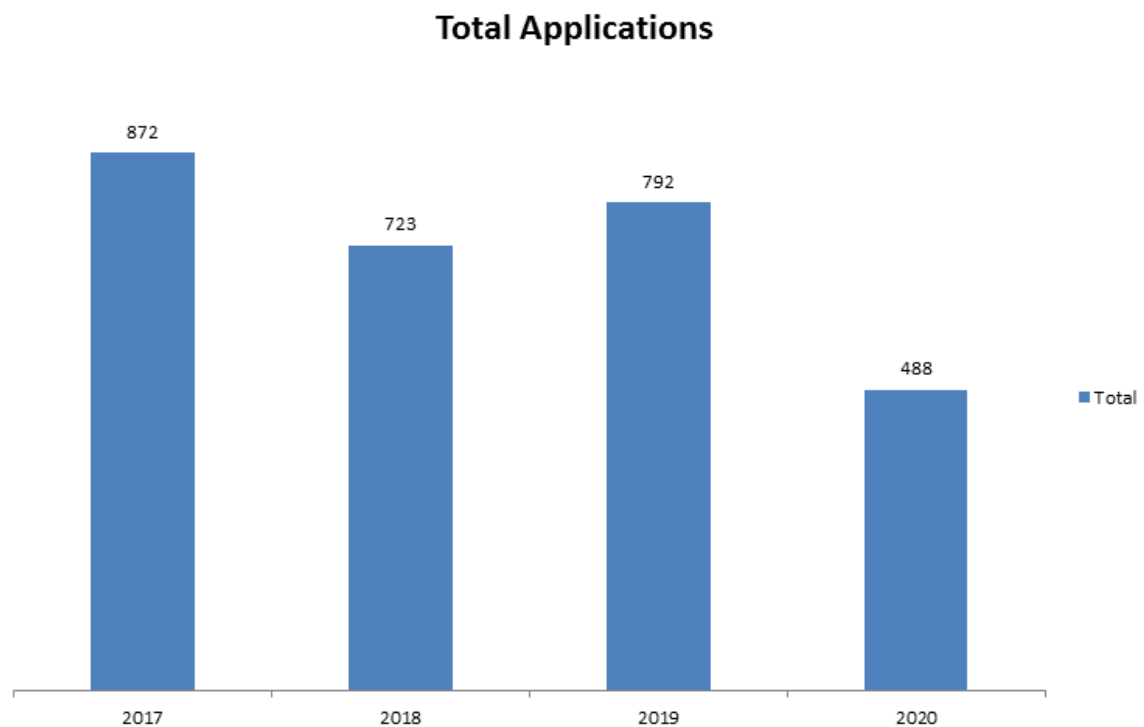


The median approval time for Development Applications financial year to date is 28 days.

The median approval time for Complying Development Certificates financial year to date is 5 days.

Table 2 below shows the total number for applications the Development and Regulatory team has determined over the past four financial years.

Table 2:



## 5. Implications

### 5.1. Policy

This report is considered to not have any policy implication.

**5.2. Risk**

At the present time Council is meeting the development targets as detailed within the NSW Public Spaces Legacy Program, so the risk is considered manageable.

**5.3. Sustainability**

Not considered applicable.

**5.4. Financial**

This report is considered to not have a significant financial impact on Council as the report is for notation only.

**6. Consultation and Communication**

This report does not require consultation with the public, however the adoption of this notation report should provide greater transparency to the community.

**7. Conclusion**

This report is recommending the notation of development statistical information of Council's Development staff and note ARC is on target to meet the NSW Public Spaces Legacy Program DA acceleration target.



<b>Item:</b>	<b>10.6</b>	<b>Ref: AINT/2021/01386</b>
<b>Title:</b>	<b>Guyra Preschool and Long Day Care Centre: Interim Response to Dept of Education Non Compliance Notification</b> <b>Container: ARC20/4291</b>	
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Scot MacDonald, Director Businesses and Services</b>	
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. APF Constructions Guyra Preschool Building Works Estimate- <i>As this attachment deals with commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i) of the Local Government Act 1993). Council closes part of this 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></li><li>2. Letter of advice non compliance issues Guyra Preschool &amp; Long Day Care 09122020</li><li>3. Table - non compliance issues Guyra Preschool &amp; Long Day Care 09122020</li><li>4. Guyra Preschool- Response to Risk Assessment January 2021</li><li>5. Letter - Mayor Ian Tiley - Guyra Early Childhood Learning Centre - 21 January 2020</li><li>6. Acknowledgement - Barnaby Joyce - Letter from Armidale Regional Council - Guyra Early Childhood Learning Centre (Case Ref NE5630) - 21 January 2021</li></ol>	

### **1. Purpose**

This Report outlines Council's actions to date at the Guyra Preschool following the NSW Department of Education Non-Compliance notification received on the 8 December 2020. Further significant works are necessary for the Centre to be compliant. Presently there is no allocated budget. If approved, recommendations on further responses and funding options will be provided at the February Council meeting.

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

#### **That Council:**

- a. Notes the estimated cost of remediation and compliance works at the Guyra Preschool is approximately \$700,000.**
- b. Notes there is no budget to fund these works and a Report will be prepared for the February Council meeting to identify service options and sources of funding for the proposed remediation works.**

### **3. Background**

On the 8 December 2020, Council received notification from the NSW Department of Education of a range of non-compliance features (attached) at the Guyra Preschool and Long Day Care Centre. At the Extraordinary Council Meeting of the 22 December 2020, the Acting General

Manager advised Councillors of the notification and a Motion was carried requesting a further report for this meeting.

Over the Christmas/New Year period, a number of works and mitigation actions have been undertaken and the Centre reopened as scheduled on the 7<sup>th</sup> January 2021. It continues to operate. The works completed and planned are outlined in a schedule of Risk Assessment and responses – see attached. This schedule was also used to inform Council's insurers of its risk management at the Centre.

Council staff engaged a Licenced builder to conduct an assessment of the premises and prepare an estimate of works that would enable compliance. Council received the estimate on the 15 January 2021 and is attached as a confidential document as the expenditure, if approved, would require a Tender.

It should be noted the estimate is preliminary and does not include project management costs or a contingency element. Given the age of the building and uncertain structural state, it would be advisable to consider the cost could reach \$700,000.

Council has received a further extension of the requirement to respond to the Department of Education to the 29<sup>th</sup> January 2021 permitting a direction from Council.

#### **4. Discussion**

Armidale Regional Council (and the former Guyra Shire Council) have recognised for some time the premises at 199 Bradley Street, Guyra are not fit for purpose. The operation started as a community run childcare in the 1990s and was taken over by Guyra Shire Council in 2009. The building is a converted Railway cottage constructed in the 19<sup>th</sup> century.

A schedule of the history of the Centre is attached. It outlines some of the key decisions and actions.

To continue to meet CSP goals and deliver the Operational Plan, Council has to resolve to exit the service and rely on private Family Day Care to meet the needs of the Guyra community or continue to operate the Guyra Preschool and Long Day Care.

#### **5. Implications**

- Not funding the repairs to the current Guyra Preschool premises will trigger NSW Department of Education deregistration of the service and termination of all child care services including After School and Vacation Care provided by Council
- Not funding the repairs to the current centre will result in Compliance Breach fines(est \$40,000) to be issued to Armidale Regional Council.
- Families in Guyra will have to rely on local Family day care and/or travel to Armidale.
- Closure of the Council service has implications for workforce opportunities for parents; development of children and readiness for primary school education; education participation and completion in Guyra; skills development and employment in the region.

##### **5.1. Policy**

No Policy implications.

## **5.2. Risk**

- Social risk – access to day care, preschool and after school care 50 weeks of the year enables families to participate in the workforce. Quality early childhood learning contributes to improved educational outcomes; employment outcomes; economic development in Guyra ; reduced social disadvantage and anti-social activity.
- Operational risk – Preschool staff and Council's Safety team have prepared Risk Assessment schedules – see attached.
- Reputational risk – Operating a childcare service in a non-compliant or less than satisfactory condition reflects poorly on Council. Not providing a comprehensive, high quality early childhood learning opportunity, day care and after school care service in Guyra may be viewed negatively in the Guyra community.
- Legislative and Regulatory Risk – failure to fund and address the non-compliance features will put Council in breach of its Regulatory obligations to operate its Preschool if it elects to maintain the service.

## **5.3. Sustainability**

The age and condition of the building at 199 Bradley Street make it difficult to heat and cool as required. Poor room sealing, configuration and construction require higher running costs for all utilities.

## **5.4. Financial**

Due to the urgency in needing to respond to (Department) further investigation will need to occur on the funding sources for the improvement works that needs to be undertaken and the budget for the works will also require further refinement. As such, it is proposed to submit a further report to the February Council meeting to confirm this information when the results of the quarter 2 budget review will also be known. However, preliminary review indicates that the most likely source of funding for these works will be reallocation of existing grant funding (if permitted by the funding agency) or internal reserves. A further full review of Council's capital program will also be undertaken to identify any ability to defer existing Council funded projects.

There is considerable risk of escalation of costs. The builder undertook a comprehensive assessment of the structure including using a camera to access cavities, underfloor and ceiling spaces. However the age of the building and utilities increases the likelihood of variations once work commences. It is unlikely this upgrade will materially decrease the on-going maintenance costs at 199 Bradley Street.

These works are linked to the proposed new Early Childhood Learning Centre (ECLC) – Council Motions 147/18 and 238/20. There is a lead time of at least twelve months for the new Centre requiring a functional, compliant operation at 199 Bradley Street until a new or redeveloped ECLC is constructed.

In 2018/19 and 2019/20, Council received over \$200,000 in Federal Government ECL Sustainability funding predicated on building a new Centre. Failure to maintain the existing service and redevelop or build a new ECLC will require Council to refund \$205,000. This is not budgeted for and would require a further Budget revision.

## **6. Consultation and Communication**

Families using the Guyra Preschool have been notified that Council is addressing building and equipment defects.

## **7. Conclusion**

Armidale Regional Council is confronted with a high cost to restore the building at 199 Bradley Street, Guyra to compliant standard. The Guyra Preschool and Long Day Care Centre serves an important function that is supported in Council's Community Strategic Plan..

This Report recommends reviewing the budget to advise Council in February if there are potential adjustments or capital works deferral to fund the repairs.

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<b>Item:</b>	<b>10.7</b>	<b>Ref: AINT/2021/01765</b>
<b>Title:</b>	<b>Engagement of Contractor for Removal of Hazardous Trees in Kempsey Road</b>	<b>Container: ARC20/3770</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Sreejan Tarafder, Project Manager</b>	
<b>Attachments:</b>	1. Tree Removal Works_Tender Evaluation Report_Rev2_Signed- <i>As this attachment 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>	

### 1. Purpose

Hazardous trees adjacent to Kempsey Road are required to be removed for public safety and road remediation. To eliminate risks to road user, council is seeking for decision on the engagement of contractor for Removal of Hazardous Trees.

### 2. OFFICERS' RECOMMENDATION:

That Council:

- a. **Accept the Lump Sum quotation submitted by Burgundy Heights Pty Ltd of \$585,376.00 GST inclusive for Removal of Hazardous Trees (identified in arborist reports) along Kempsey Road.**
- b. **Accept the Schedule of Rates submitted by Burgundy heights. Council is expecting an approximate of 50% additional expenditure of the lump sum price (\$290,688.00 GST inclusive) due to additional hazardous tress as a result of recent natural disasters.**
- c. **Grant authority to General Manager to certify all documents in relation to the execution of the contract.**

### 3. Background

Armidale Regional Council (ARC) is responsible for Kempsey Road (classified as a Local Road), linking Waterfall Way (Main Road76) and Kempsey. Council's jurisdiction finishes at the boundary of Armidale Regional Council and Kempsey Shire Council at Blackbird Flat..

Council obtained exemption on procurement not to seek tenderers for these works (Ref: AINT/2020/41451) via tender-link or public tender. The request for quotation was sent via email to suitable experienced contractors to undertake the works associated with Removal of Hazardous Trees along Kempsey Road.

### 4. Discussion

The fires and storms in late 2019 and early 2020 (AGRN898 and AGRN871) killed vegetation; undermined the stability of trees; destabilised topsoil and subsoil on slopes near the road. Further damage has been caused by the recent storms and floods (AGRN936 and AGRN943) to

the road structure resulting in a number of life threatening hazards along the road causing the recent road closure. Unstable trees are one of the hazards to road users, the public, and are a constraint on road remediation.

Several hundred trees have been identified by an Arborist as high risk. The Arborist recommends the hazardous trees be removed as soon as possible.

Council requested for quotation including both Lump Sum (for the works assessed in Arborist Reports) and Schedule of Rates (For additional trees affected by recent floods) to four experienced contractors on 26/11/2020 to undertake the works associated with Removal of Hazardous Trees along Kempsey Road.

A tender evaluation meeting was held on 5/1/2021 including all TET members and the quotations received were evaluated based on non-weighting and Weighting criteria. The TET is confident that Burgundy Heights Pty Ltd has presented the capability that meets all requested criteria and has proven qualifications to perform the works.

## **5. Implications**

### **5.1. Policy**

Under Section 55 of the Local Government Act Councils must invite tenders before entering a contract for an amount exceeding \$250,000. This requirement does not apply to circumstances listed in Section 55 (3) including Section 55 (3)(k), "a contract made in the case of emergency". Whilst it is proposed that tenders not be invited, Council will only engage a contractor after a specification is prepared and quotes are obtained. This will result in a considerable time saving and a reduction in risk.

### **5.2. Risk**

Failure to remove high risk trees is an unacceptable hazard to road users and the public. Any injury, or death arising from a high risk tree would expose Council to financial and reputational harm.

Delays in removing the hazardous trees will impact planned road remediation works.

Council has conducted a REF (Review of Environmental Factors) for the vegetation removal.

Council liaised with the National Parks and Wildlife Service where concurrence of that Agency is required.

### **5.3. Financial**

After assessing the both lump sum and schedule of rates, it is anticipated that the total cost will be \$878,064.00 for executing the contract.

Project Description	Lump Sum amount (inc GST)	50% of Lump Sum amount (inc GST)	Project Cost (TOTAL) (inc GST)
Hazardous Tree Removal Works – Kempsey Road	\$585,376.00	\$2925,688.00	<b>\$878,064.00</b>

Council has been advised by Transport for NSW the full cost of the tree / vegetation removal will be refunded under Natural Disaster Declaration AGRN943.

**6. Consultation and Communication**

The community of Lower Creek has been advised Council will be undertaking natural disaster recovery works.

**7. Conclusion**

It is recommended that Burgundy heights Pty Ltd is engaged to undertake the Removal of Hazardous Trees along Kempsey Road, to eliminate the risks and constraints to road users and provide a safer environment for the contractors working on the road.

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<b>Item:</b>	<b>11.1</b>	<b>Ref: AINT/2021/00462</b>
<b>Title:</b>	<b>Guyra Main Street Public Art Project: results of mural poll</b>	
	<b>Container: ARC17/1518</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Hayley Ward, Executive Officer</b>	
<b>Attachments:</b>	1. Summary of submissions Guyra Mural poll (de-identified)	

### **1. Purpose**

The purpose of this report is to provide a summary of the submissions received during the Guyra main street mural poll and make a recommendation to Council on the final design for the mural that was inspired by the Guyra Central School students and their focus on local animals and love of colour.

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

**That Council endorse Option 1 as the successful design for the mural on the Guyra toilet block.**

### **3. Background**

In February 2018 the Director Regional Infrastructure invited the students from Guyra Central School (GCS) to develop images for a mural as part of the Guyra main street redevelopment project. A working group including the GCS Principal, art teacher, senior students, Guyra representative, councillors and council staff met in the Guyra main street to discuss the proposal and identify potential sites.

Council's Public Art Working Group developed a set of guidelines for the students and the GSC art teacher facilitated a number of art sessions over 2 terms for the students to produce art works based on their ideas of Guyra's identity. Most of the students chose local animals as their preferred subject.

A panel including a Guyra community representative, councillor, Regional Arts Development Officer of Arts North West and a council staff member convened and selected a number of art works produced by the students. The students were acknowledged at a Council meeting in Guyra on 28 October 2018.

The project was suspended for most of 2019 as Council resolved contamination issues discovered during the upgrade of Guyra's main street.

In February 2020 an Expression of Interest (EOI) was developed to engage an experienced community artist to design a mural based on the students' art work. This was advertised through Council's local and state media channels including the local government tender site. Council received six applications including three from local artists.

A panel from the Arts, Cultural and Heritage Advisory Committee was convened to assess the applications against a set of thirteen criteria based on the EOI application and each benchmark was awarded a score out of 10. The successful applicant scored in total 83 points more than the next highest applicant. James Prices, a nationally acclaimed public artist who resides in Victoria, was the successful applicant.

Due to Covid-19 lock down further face to face engagement with students and the broader community was not possible during this time however the artist developed a video introducing



himself to the community and explaining how the designs were developed. He provided two options for the community to consider and vote on.

#### **4. Discussion**

The online community engagement period went from 16 November to 24 December 2020. Participants could submit their vote online or in a written format at the Guyra Library. During this time Council received 173 submissions with 362 visitors, 168 contributors (51 registered and 117 unverified).

Option 1 received 65 votes and option 2 received 24 votes. There were also 87 protest submissions in two concise bursts from mainly unverified users. These protest votes raised concerns focused on two key issues. The first issue was dissatisfaction with the design and the second concern was the awarding of the project to a non-local artist. It is considered that both of these issues are adequately addressed by the involvement of key local stakeholders assessing defined criteria in determining both chosen design and the successful EOI applicant.

#### **5. Implications**

##### **5.1. Policy**

Council has a Public Art Policy 2018 – 2022 which was adopted on 12 December 2018.

Operational Plan and Delivery Program 2018 – 2021:

P2 Culture – Events and cultural activities provide the community with the opportunity to celebrate the unique culture and lifestyle of the region

- P2.3 Deliver an Arts and Cultural Program throughout the region with an emphasis on enriching the lives of our community

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

Council officers have been made aware by members of the Guyra community that if this mural goes ahead it may be vandalised.

Council acknowledges that there are some Guyra residents who are unhappy with the design and would prefer a more conservative and traditional image that reflects their idea of Guyra's agricultural identity. Council is currently applying for funding options that may provide further opportunities for public art works to be created on other sites in the Guyra main street that reflect the ideas and suggestions provided by Guyra residents during the poll.

##### **5.3. Sustainability**

Best practice standards and guidelines used by local councils for engaging a public artist were followed in the development of an EOI and its advertisement across all local and state procurement avenues. The successful artist was engaged based on their level of experience and ability to meet the criteria outlined in the EOI.

##### **5.4. Financial**

An amount of \$20,000 for public art was identified in the Guyra main street redevelopment budget. Further funding avenues are being pursued by Council to provide additional public art options for the Guyra main street.

## **6. Consultation and Communication**

This project was driven by the Guyra Central School students who were invited to create drawings based on their ideas of local identity. The public artist provided two designs that reflect the children's focus on local animals and their love of colour. Due to public health restrictions relating to the Covid-19 pandemic further face to face community engagement could not be undertaken by the artist to include broader community input. Online media consultation invited the community to vote on their most preferred option.

## **7. Conclusion**

This mural project has been developed and driven by the youth of Guyra. The design reflects a fresh, youthful and dynamic energy that encapsulates the wonderful images provided by the Guyra Central School students. Option 1 was the most popular choice and received nearly 3 times the votes as Option 2.

It is recommended that Option 1 be selected as the mural for the toilet block on Guyra main street.

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<b>Item:</b>	<b>11.2</b>	<b>Ref: AINT/2021/00814</b>
<b>Title:</b>	<b>Stronger Communities Programme - Round 6 - Expression of interest and funding application</b>	<b>Container: ARC17/2177-6</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Lilian Colmanetti, Project Officer - Strategic Infrastructure Planning</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is to request that Council endorse the submission of a funding application to the Department of Industry, Science, Energy and Resources under the Stronger Communities Programme Round 6 and delegate authority to the General Manager to enter into the funding agreement, subject to an offer being received and the General Manager being satisfied that the terms and conditions of the agreement are to the net benefit of Council.

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

**That Council:**

- a. That Council endorse the submission of a funding application to the Department of Industry, Science, Energy and Resources under the Stronger Communities Programme Round 6 for the Kent & Hughes House and Guyra Home Support Service small renewal capital project with total cost of \$40,000.**
- b. Delegate authority to the General Manager to enter into the funding agreement subject to an offer being received and the General Manager being satisfied that the terms and conditions of the agreement are to the net benefit of Council.**

### **3. Background**

The Stronger Communities Programme supports the Australian Government's commitment to delivering social benefits in communities across Australia by funding small capital projects in each of the 151 Federal electorates.

The program intends to encourage and support participation in local projects, improve local community participation and contribute to vibrant and viable communities. For this round, the minimum grant amount is \$2,500 and the maximum grant amount is \$20,000, and local governing bodies will be able to apply for grant funding of up to 50 per cent of eligible project costs. Projects under round 6 of the program will have up to 31 December 2021 to be complete.

The Hon Barnaby Joyce MP has invited council to submit an expression of interest (EOI) by January 28 at 5 pm, and council's proposed project will be assessed by the New England Stronger Communities Consultation Committee (the Committee). From February 12, council will be notified of the EOI outcomes, and if successful, a detailed formal application will have to be complete.

### **4. Discussion**

The proposed project that Armidale Regional Council is seeking endorsement from Council to apply for, if successful on the Stronger Communities Programme submission, will allow Council to improve its asset condition and provide benefit to the greater community.

The proposed project aligns with the Community Strategic Plan specifically in relation to:

Environment and Infrastructure

- E3 Infrastructure – The Community is provided with the essential and resilient infrastructure it requires for daily life, and has access to a prioritised schedule of infrastructure works
  - E3.1 Partnerships with all levels of government to support the provision of essential infrastructure for the region

## **5. Implications**

### **5.1. Policy**

No policy implications have been identified at this point.

### **5.2. Risk**

If Council is not successful in seeking funding for the proposed projects and cannot deliver the projects due to lack of funds, it could reflect in a reputational risk for Council. The way to mitigate that risk is to acknowledge the community that Council is working exhaustively to obtain funds for the project and will submit applications again for the next round of the Stronger Communities Programme (if available) and/or another program that is announced in the future.

### **5.3. Sustainability**

If Council endorses the submission of a funding application to the Department of Industry, Science, Energy and Resources under the Stronger Communities Programme Round 6 and the proposal is successful, council will work closely with suppliers, consultants and contractors to ensure more efficient and improved service delivery through new and improved technologies to provide best cost-benefit to Council and community in the long term.

The use of sustainable materials and practices during development, delivery and evaluation of projects will be highly recommended and adopted wherever and whenever is possible.

### **5.4. Financial**

By being successful in the grant application, 50% of the project cost would be offset by the Stronger Communities Programme funds, being vital for the hardship council is facing at the present moment. Also, the delivery of the proposed project would initially reduce the yearly maintenance costs on this asset.

## **6. Consultation and Communication**

There has been consultation with internal stakeholders from the parks and facilities area and the asset team to identify potential projects for application.

On January 5, council has received correspondence from the Hon Barnaby Joyce MP with an invite to submit an “Expression of Interest” and participate in the funding application process.

## **7. Conclusion**

The application for the Stronger Communities Programme Round 6, if endorsed by Council and subsequently are to be successful, will allow Armidale Regional Council to improve its asset

condition and provide benefit to the community, such as boosting local participation and contributing to vibrant and viable communities.

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<b>Item:</b>	<b>11.3</b>	<b>Ref: AINT/2021/00957</b>
<b>Title:</b>	<b>Public Exhibition update - Use of Public Space by Personal and Group Trainers policy update</b>	<b>Container: ARC17/1839</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Amy Biggs, Sports Coordinator</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of the report is to inform council that no submissions were received during Public Exhibition of the updated policy – Use of Public Space by Personal and Group Trainers and request that the policy be adopted.

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

**That Council:**

- a. Note that no submissions were received during the period of Public Exhibition for the updated Policy 233 Use of Public Space by Personal and Group Trainers.**
- b. Adopt Policy 233 Use of Public Space by Personal and Group Trainers.**

### **3. Background**

POL233 – Use of Public Space by Personal and Group Trainers was adopted in July 2013 under the Armidale Dumaresq Council. Minor amendments to the policy were required to ensure the policy contained current information, including the Council name, logo and information pertaining to fees and charges.

A report was put to the Ordinary Council Meeting on 28 October 2020 requesting that Council adopt the updated draft policy and exhibit the draft policy for 28 days.

Council resolved to adopt the updated draft policy, exhibit the draft policy for 28 days and be provided with a further report following the exhibition period.

### **4. Discussion**

The draft policy was placed on Public Exhibition for a period of 28 days commencing Tuesday 17 November 2020 and concluding on Monday 14 December 2020.

During this period of Public Exhibition, no submissions were received and as such, it is recommended that the draft policy be finalised and adopted.

### **5. Implications**

#### **5.1. Policy**

POL233 – Use of Public Space by Personal and Group trainers will be finalised and adopted. The previous version of the policy was updated in 2013 and required review.

#### **5.2. Risk**

There are no implications to risk for the adoption of the policy.

### **5.3. Sustainability**

There are no implications regarding sustainability for the adoption of the policy.

### **5.4. Financial**

There are no financial implications for the adoption of the policy.

## **6. Consultation and Communication**

The draft policy was placed on Public Exhibition for a period of 28 days commencing Tuesday 17 November 2020 and concluding on Monday 14 December 2020.

During this period of Public Exhibition, no submissions were received and as such, it is recommended that the draft policy be finalised and adopted.

Should the policy be adopted, it will be placed on the ARC website for easy access by members of the public.

## **7. Conclusion**

It is recommended that council finalise and adopt POL233 – Use of Public Space by Personal and Group Trainers.

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<b>Item:</b>	<b>11.4</b>	<b>Ref: AINT/2021/00967</b>
<b>Title:</b>	<b>Defibrillator grant opportunity - request to redirect Sports Council Small Grant budget</b>	<b>Container: ARC16/0382-4</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Amy Biggs, Sports Coordinator</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of the report is to request a portion of the Sports Council Small Grant budget be expended on the purchase of Automated External Defibrillators (AEDs) to be located in local community sporting facilities, and should this be approved, to request approval to apply for the Local Sport Defibrillator Grant Program.

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

**That Council:**

- a. Approve the request to expend \$8000 of the \$10,000 of the 2020/21 Sports Council Small Grants budget for the purchase of Automated External Defibrillators (AEDs) to be located in local community sporting facilities.**
- b. Following approval of the above, approve a grant application submission in the Local Sport Defibrillator Grant Program offered by the NSW Office of Sport.**

### **3. Background**

Each financial year within the ARC budget, the Sports Council receive a budget allocation for Sports Council Small Grants, generally either \$5000 or \$10,000 per financial year. These small grants are aimed at supporting young talented athletes who are selected to compete in high level competitions. Athletes who are selected to represent their state (NSW) may be eligible to apply for a \$250 grant, and those selected to represent Australia may be eligible to apply for a \$500 grant. Only one grant per applicant is allowed per financial year, and there are application guidelines that must be met.

In 2020, the implications of COVID-19 saw almost all high level sporting competitions cancelled or postponed due to restrictions on gathering and movement. As a result, very few Sports Council Small Grant applications have been received to date.

During the Sports Council committee meeting held on 1 September 2020, the Sports Council committee discussed alternate ways in which the Sports Council Small Grants budget allocation could benefit the local sporting community. Following the meeting, council staff member Amy Biggs put forth a recommendation that the funding could be allocated towards the purchasing of AEDs for local sporting facilities that do not currently have one. The suggestion was supported unanimously by the Sports Council committee members.

There is currently a grant opportunity available titled the 'Local Sport Defibrillator Grant' offered by the NSW Office of Sport. This grant provides the Armidale Region (categorised as Zone 2) with up to 50% of the selected AED package price (capped at \$1300). Councils are eligible to apply on behalf of local incorporated not-for-profit sporting clubs. Whilst local sporting clubs are eligible to apply, their financial position has been reduced significantly with the impacts of COVID-19 and as such, coming up with \$1300 to cover the other 50% of the cost



of the AED would be a stretch and the majority of volunteers are very time poor. As council promotes multi-use facilities, it is preferable for council to own and maintain the AEDs rather than the individual clubs themselves as it mitigates the risk of clubs removing the AED units from facilities should their training/playing location change and gives ownership of the AEDs to council.

The next assessment date for the Local Sport Defibrillator Grant Opportunity is 22 February 2021, with applications closing at 5pm on 12 April 2021 unless the funding allocation is exhausted prior. Should this request be approved, ideally an application will be submitted prior to 22 February 2021.

#### **4. Discussion**

The grant opportunity aims to provide life saving equipment to NSW sporting facilities and clubs at a reduced cost. Over 7000 NSW residents (and over 30,000 Australia wide) experience out-of-hospital cardiac arrest each year, and the first few minutes following a cardiac arrest and early access to CPR and defibrillation are critical. The likelihood of survival following a cardiac arrest is estimated to be approximately 5%, however this number is significantly increased with the use of an AED. Early CPR and defibrillation within the first 8-10 minutes can increase the chance of survival by up to 75%. AEDs can be used by anyone as they have verbal and visual instructions to guide the user. An AED will only shock an individual who is in cardiac arrest and it is not possible to hurt someone with an AED.

Having AEDs installed across local sporting facilities will provide the community with the comfort of knowing that access to a defibrillator during local sporting competitions or training is available should anyone (spectators, players, passers by or officials etc) suffer cardiac arrest during that time.

With the remaining \$9500 of the Sports Council Small Grants budget unlikely to be expended by 30 June 2021, it would be of great benefit to the local community to apply for the Local Sport Defibrillator Grant and purchase a maximum of 6 AEDs for installation in local community sporting facilities. The number of AEDs able to be purchased will be dependent on the approved Zone 2 AED panel service providers cost and inclusions which vary between providers.

#### **5. Implications**

##### **5.1. Policy**

There should be no implication to policies for the approval of this request or purchasing of the AEDs.

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

There should be no risk implications for the approval of this request or purchasing of the AEDs.

##### **5.3. Sustainability**

There should be no sustainability implications for the approval of this request or purchasing of the AEDs.

##### **5.4. Financial**

There is no additional funding requested from the 2020/21 budget for the purchasing of the AEDs. The request is for the expenditure of \$8000 from the Sports Council Small Grants budget

of \$10,000 to be used as the 50% contribution towards the Local Sports Defibrillator grant program.

AEDs require annual inspections and the replacement of some parts at varying intervals and as such, there is some ongoing financial commitment.

Inspections of AEDS should take no more than 15 minutes per unit, per year which is a small commitment from council staff or sporting club volunteers.

On all AED units, the batteries and pads require replacement between 2-5 years depending on the selected approved model. The cost for replacement of these parts is estimated to be approximately \$250-350 per unit every 5 years. Based on these figures, it would cost approximately \$1800 every 5 years for 6 AED units to be serviced and replaced. This amount would be requested in financial year budget requests from the Public and Town spaces department.

## **6. Consultation and Communication**

The Sports Council committee members unanimously support the request to purchase AEDs with \$8000 of the Sports Council Small Grants budget.

Some sporting clubs within the region have been contacted in order to determine if their regularly used facility has a defibrillator (of which Moran Oval and Lynches Road Netball Courts already do), and the response from local clubs has been positive and supportive of the initiative.

Should this request be successful, sporting clubs will be engaged in further discussions regarding the grant opportunity and application. Should the grant application be successful, training sessions will be organised between the AED provider and local sporting clubs regarding the maintenance and use of the AED. The training sessions are typically included in the original package price.

## **7. Conclusion**

It is recommended that council approve the request to utilise \$8000 from the \$10,000 2020/21 Sports Council Small Grants budget towards the purchasing of AEDs. Following this approval, it is recommended that approval be given to submit an application to the NSW Office Of Sport Local Sport Defibrillator Grant opportunity which if successful, would see 50% of the cost of the purchase price of the AED package provided.

The installation of AEDs in local community sporting facilities will provide an increased likelihood of survival should a community member be in attendance or in the vicinity of a local sporting training session or match.

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<b>Item:</b>	<b>11.5</b>	<b>Ref: AINT/2021/01154</b>
<b>Title:</b>	<b>Youth Week Funding Application</b>	<b>Container: ARC21/4471</b>
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Aimee Hutton, Coordinator Libraries, Museums and Visitor Information Centre</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is to seek Council approval to apply for 2021 Youth Week Funding.

This funding opportunity is made available annually to Councils in order for them to provide Youth Week activities within their local government area.

Youth Week this year is 16-24 April 2021.

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

- a. That Council endorse the submission of a funding application to NSW Communities & Justice for Youth Week funding allocated to the Armidale Regional Council Local Government Area. This funding will be used to provide Youth Week activities across our Council area between 16 -24 April 2021.**
- b. Delegate authority to the General Manager to enter into the funding agreement subject to an offer being received and the General Manager being satisfied that the terms and conditions are a net benefit to Council.**

### **3. Background**

Each year NSW Councils are provided an opportunity to apply for Youth Week funding to assist in the delivery of activities for young people in our region.

Youth Week activities provide an opportunity for young people to share ideas, have their voices heard, celebrate their contribution to our community and have fun.

Applications for funding are due by 19 February 2021.

### **4. Discussion**

During Youth Week we will be running a number of activities and will be encouraging all young people living within our area to complete a survey and provide feedback on youth services locally. This will complement with incentives for completion that appeal to the target.

This activity aligns with the Community Strategic Plan – Our People, Our Community, and achieves the principal activity P4.2 of the Delivery Program:

- Support youth through education, encourage leadership, promote good mental health practices and facilitate opportunities for youth to contribute to the strategic direction of the community

## **5. Implications**

### **5.1. Policy**

Nil

### **5.2. Risk**

Failure to apply for allocated Youth Week funding and provide Youth Week activities in our region could result in reputational damage within the community. Given these activities have been delivered annually in the past; there is an expectation within the community that we will provide Youth Week activities in 2021.

### **5.3. Sustainability**

Nil issues arising as it is an annual event

### **5.4. Financial**

Youth Week funding must be matched dollar for dollar by Council. The matched funding has been budgeted within the Community Services budget. The Council contribution will amount to approximately \$2,000.

## **6. Consultation and Communication**

To inform our Youth Week activities, we intend to engage with local youth seeking their involvement in the planning of this week long event. The intention is that this survey can be used to inform future planning for youth in our region. Collaboration will be sought from youth service providers across the region to encourage promotion of our Youth Week activities and success of the overall event.

## **7. Conclusion**

In order to deliver Youth Week activities throughout our region during youth week, 16-24 April 2021, Council endorsement is sought to apply for Youth Week funding from NSW Communities & Justice. This funding will be matched dollar for dollar by Council from an existing budget allocation within the Community Services budget.

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<b>Item:</b>	<b>11.6</b>	<b>Ref: AINT/2021/01566</b>
<b>Title:</b>	<b>Regional Sport Facility Fund Grant Opportunity - Proposed submissions</b>	<b>Container: ARC16/0125-2</b>
<b>Responsible Officer</b>	<b>Director Businesses and Services</b>	
<b>Author:</b>	<b>Amy Biggs, Sport &amp; Recreation Development Officer</b>	
<b>Attachments:</b>	<b>Nil</b>	

### **1. Purpose**

The purpose of this report is to seek approval from Council for the submission of two grant applications to be put forth for the Regional Sport Facility Fund grant opportunity.

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

**That Council endorse the submission of two grant applications (100% grant funded) to the NSW Government Regional Sport Facility Fund program as follows:**

- 1. Harris Park field lighting upgrade (estimated cost \$180,000)**
- 2. Lynches Road netball courts lighting installation (estimated cost \$300,000)**

### **3. Background**

The NSW government has committed \$50 million to the Regional Sport Facility Fund over two years, helping create spaces and facilities that enable communities to enjoy and take part in sport. \$25 million is allocated in 2020/21 for round 1 and provides grants between \$100,000 and \$1 million. For projects costing more than \$1 million, a 25 percent financial co-contribution of the grant amount requested will be required. For the two projects proposed, a financial co-contribution is not required, however a co-contribution will be considered favourably.

They key objectives of the fund are to increase the number and type of sporting facilities, to improve the standard of existing sporting facilities, and to increase participation in sport. Round 1 applications opened on 21 December 2020 and close at 5pm on 26 February 2021.

In view of the Public and Town Spaces Forward Works Program, the Community Strategic Plan and the Sports Council Priority List, a variety of sporting facility projects have been considered and assessed for their suitability for this grant opportunity.

### **4. Discussion**

It has been determined by ARC staff that the 2 most suitable projects for ARC to apply for are as follows:

- Harris Park field lighting upgrade – Approximately \$180,000.00
  - This project will see the recently installed field lighting at Harris Park be increased from 100 lux maximum to 200 lux maximum. Whilst improving visibility of the field for players, spectators and officials, it will also see the venue capable of hosting a multitude of sporting code competitions that require increased lighting capability.
- Lynches Road Netball Courts lighting installation – Approximately \$300,000.00

- This project will see the installation of court lighting across all 10 hard courts at Lynches Road netball courts. This will enable the local netball association to host twilight competitions and games under lights, along with increasing the venues capacity for training by netball and other sporting codes under lights.
- The Armidale District Netball Association was awarded \$600,000 in round 3 of the Stronger Country Community grant opportunity for the resurfacing of the netball courts. This project will significantly lift the profile of the venue, with the addition of lights further boosting the profile and increasing the ability of the venue to hold regional, interregional and state events. Construction on the court resurfacing is expected to be completed by mid April 2021.

As the 2 above projects are below the \$1 million threshold, no financial co-contributions are required. Whilst it is stated in the funding guidelines that co-contributions are considered favourably, at this point in time ARC is not in a position to commit a co-contribution for these projects.

Submissions of applications for the 2 above projects are supported by the ARC Community Strategic Plan 2017-2027 as follows:

- Environment and Infrastructure: Community Outcome 3
  - The community is provided with the essential and resilient infrastructure it requires for daily life, and has access to a prioritised schedule of infrastructure works.
- Growth, Prosperity and Economic Development: Community Outcome 3
  - The visitor economy generates additional revenue and employment to boost the local economy and creates opportunities for more vibrant cultural activities
- Leadership for the region: Community Outcomes 2 and 4
  - The community is engaged and has access to local representation
  - Council has the strategic capacity to understand the key issues for the region both now and in the future
- Our People and Community: Community Outcomes 1, 2 and 4
  - Community services and facilities meet the needs of the community
  - Events and cultural activities provide the community with an opportunity to celebrate the unique culture and lifestyle of the region
  - Services and activities are provided for all ages and segments of our community to promote life-long learning, healthy living and community wellbeing.

## **5. Implications**

### **5.1. Policy**

There should be no policy implications or impacts for the submission of these project applications in this grant opportunity.

### **5.2. Risk**

The applications seek 100% grant funding.

### **5.3. Sustainability**

There should be no impact to sustainability associated with submitting grant applications for either of these projects.

#### **5.4. Financial**

As there is no compulsory co-contribution, there is no financial risk at the grant submission stage of the applications.

Should the applications be successful, there may be financial risks associated with the delivery of the projects in regards to potential project budget overrun, i.e. encountering unexpected costs during delivery. To minimise financial risk, the final requested amount in the applications will include a contingency of a minimum 15% of the total project cost.

The electricity charges for field lighting are levied upon user groups. The fee in Council's Fees and Charges includes a component for lighting maintenance.

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

The selected projects have been assessed by the Sports Council Advisory Committee and included in the Sports Council Priority List for consideration of both internal and external funding opportunities.

Should the applications be successful, a communications plan will be drafted in consultation with Communications staff to include funding body requirements. Residents of both the Lynches Road Netball Courts and Harris Park playing fields will be notified of the projects ahead of time and advised of the approximate commencement and completion dates of construction.

#### **7. Conclusion**

It is recommended that Council approve the submission of two applications in the Regional Sport Facility Fund grant program. Both the Lynches Road Netball Courts lighting installation project and the Harris Park Field Lighting upgrade project have been identified as priority projects for the region by the Sports Council Advisory Committee and would provide significant benefit to the local sporting community should the applications be successful.

<b>Item:</b>	<b>16.1</b>	<b>Ref: AINT/2021/01075</b>
<b>Title:</b>	<b>Response to Question on Notice OCM 22 December 2020 Cr Robinson: Council Cash Position Report Container: ARC16/0488-3</b>	
<b>Responsible Officer</b>	<b>Acting Director Organisational and Corporate Services</b>	
<b>Author:</b>	<b>Kelly Stidworthy, Manager Financial Services</b>	
<b>Attachments:</b>	1. Council Cash Position	

### 1. Purpose

This report responds to a Question on Notice from Councillor Dorothy Robinson regarding Council's cash position as presented in the report titled 'Council Cash Position' included in the agenda for the Council meeting held 11 December 2019.

### 2. OFFICERS' RECOMMENDATION:

**That Council note the response to the Question on Notice.**

### 3. Background

In December 2019 a reported titled 'Council Cash Position' was included in the agenda for the Council meeting held 11 December 2019. This report was prepared in response to concerns raised by the Council about the level of cash reserves and is attached to this report.

The report was subsequently used as one of the sources of information for the Review of Council Finances undertaken by Finch Consulting, which has resulted in a number of recommendations included in the Performance Improvement Order issued by the Minister for Local Government on 9 December 2020.

At the Council meeting held 22 December 2020 Councillor Robinson queried the following extract from the report:

*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.*

### 4. Discussion

The budgeted financial statements that accompanied the adoption of the 2017/18 budget reported the following cash balances:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
External Restrictions	\$51,847,000	\$51,204,044	\$35,667,386
Internal Restrictions	\$2,900,000	\$2,610,277	\$6,836,482
Unrestricted	\$9,854,000	\$21,434,083	\$13,529,332
<b>Total</b>	<b>\$64,601,000</b>	<b>\$75,248,404</b>	<b>\$56,033,200</b>
Internal Restrictions + Unrestricted Cash	\$12,754,000	\$24,044,360	\$30,365,814



As can be seen from the above table, a significant increase in the amount of internally restricted and unrestricted cash was forecast in the 2016/17 and 2017/18 budgets. However, the actual financial results over the same period were:

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
External Restrictions	\$51,847,000	\$65,282,000	\$61,352,000
Internal Restrictions	\$2,900,000	\$7,240,000	\$2,521,000
Unrestricted	\$9,853,000	\$1,972,000	\$1,491,000
<b>Total</b>	<b>\$64,601,000</b>	<b>\$74,494,000</b>	<b>\$65,364,000</b>
Internal Restrictions + Unrestricted Cash	\$12,753,000	\$9,212,000	\$4,012,000

Despite the much lower actual figures, the higher levels of budgeted internally restricted and unrestricted cash were reported right up until the 2017/18 third quarter budget review, which forecast internally restricted cash of \$7.5 million and unrestricted cash of \$18 million by 30 June 2018. The actual results at 30 June 2018 are shown in the above table and are significantly lower than this.

It remains unclear as to why such a high level of cash was being reported via budget reporting processes despite reported actual cash balances being much lower.

What was identified when this was reviewed was that the budget model worked on a financial year basis and adjustments had not been made to account for the merger transition date of 12 May 2016. This created financial adjustments in the budget model that overstated the available cash. These should have been corrected so that the reported cash in the budgeted financial statements was in line with actual cash balances. In the absence of this occurring, it is not possible to accurately estimate what the long term outlook of Council's underlying cash position would have been at that time. The budget model also appeared to contain some errors, which exacerbated this issue.

## **5. Implications**

### **5.1. Policy**

There are no policy changes proposed.

### **5.2. Risk**

The issues with inaccurate results being reported by the budget model compared with actual reported results highlights the importance of all key financial data preparation being overseen by qualified and experienced finance staff.

Subsequent changes to the budget process have included ensuring that actual reported balances are used in the budget model for opening balances and that there is close alignment between the budgeted and actual cash position at the end of the financial year. The budget reports and forecast results are checked by the Manager Financial Services both for accuracy and reasonableness.

**5.3. Sustainability**

The reporting of an inaccurate cash position through the budget process led to difficulties in being able to accurately estimate the long term outlook of Council's underlying cash position at that time.

**5.4. Financial**

There are no financial impacts resulting from this report.

**6. Consultation and Communication**

No consultation has been undertaken on this matter.

**7. Conclusion**

This report provides information in response to the Question on Notice from Councillor Robinson regarding the Council Cash Position report.

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<b>Item:</b>	<b>16.2</b>	<b>Ref: AINT/2021/01956</b>
<b>Title:</b>	<b>Questions on Notice Cr Robinson</b>	<b>Container: ARC16/0025</b>
<b>Author:</b>	<b>Dorothy Robinson, Councillor</b>	
<b>Attachments:</b>	<b>Nil</b>	

#### **1. Addressing Issues raised by Advisory Committee Members**

- a. That, as well as reporting on the 'Public Exhibition of Council Committees Review', the report to the council meeting that considers the future of Council Advisory Committees also provides recommendations about what measures are needed to address the specific issues raised by Advisory Committee Members in the Ackroyd report (see below). These are general concerns that apply irrespective of whether committees are renamed as 'Partnership Panels', or continue with their current names until the next election.
- b. That, at the same meeting, Council also considers the Officer Recommendations from the 6 October Environmental Sustainability Advisory Committee, (Agenda item 16.2 and 11.5, October ARC Meeting) that were deferred pending the review of Council Advisory Committees.
- c. That new members are invited to apply for all Advisory Committees (or Partnership Panels, if they are so renamed). Current members will also be considered, unless they request otherwise, irrespective of whether they apply, but are encouraged to submit an application to maximize their chances of being selected.

Issues raised by Advisory Committee Members, listed in the Ackroyd Report:

- Council has its own agenda
- Council doesn't listen – 'We are advised committees not advisory'
- Committees are a 'tick box' exercise, not genuine engagement
- Little commitment from Council to embrace anything but their own ideas
- 'Having a committee that you take no notice of is worse than having no committees at all'

Communication

- Poor communication around the roles and expectations of the committees
- Feedback is rarely provided to close the loop in the engagement process

Volunteers

- Volunteers are not valued or respected
- Council fails to harness the potential that volunteers bring to the committees

Management

- Top down approach
- Inconsistencies in management styles across the committees

- Administration can be overly bureaucratic

**GM Comment:**

The request is noted and will be included as part of the review and discussion at the upcoming meeting/s.

**2. Water**

- a. Council consults the community about revised water charges, so that, when water is scarce and our community is subject to water restrictions, commercial users pay the same rates per kl as residential users
- b. The additional revenue is returned to residents by reducing the annual water access charge via a refund in their quarterly bills.

**Background**

When water restrictions are in force, ARC should be seen to treat everyone fairly, and also give everyone the same encouragement to conserve this precious resource. Many residents are extremely unhappy with the increased charges that have disproportionately affected residential users. If the public consultation supports this change, it will go some way towards offsetting the perceived unfair increase. There will be no loss of revenue, so it will be consistent with our Performance Improvement Order. This initiative will also bring us closer to meeting the NSW Government Best Practice Guidelines in times of drought.

**GM Comment:**

It is suggested that this matter be referred to the draft budget deliberations for the 2021/22 financial year.

**3. Green Waste**

That councillors are briefed on the financial implications of continuing to provide a monthly free green waste service while water restrictions are in force, and that the issue is discussed at the next council meeting (ordinary or extraordinary).

**Background**

Feedback from residents indicates that many of them appreciate the free monthly green waste service. This is a simple way to help residents that should therefore continue as long as water restrictions apply. Severe storms can also down trees, so perhaps it could even be made permanent. However, to satisfy our Performance Improvement Order, we need to consider the costs and confirm that they are insignificant before coming to a decision.

**GM Comment:**

It is suggested that this matter be referred to the draft budget deliberations for the 2021/22 financial year.

#### **4. Transparency and Better Communication**

Ian and James Roncon have said these two simple steps will be implemented - improved transparency and communication - and more information on water use and a press release issued to let people know about it. They are simple, beneficial, with no or minimal cost. The question on water use has already been answered for the first 5 months of the year. Several people are interested in knowing the results for the rest of the year. Providing our community with facts will improve our standing with the community

To improve public consultation, when residents want their submissions to be made public, Council will make them available via 'Submissions Received' links on the 'Have Your Say' website, as soon as practical after receipt.

The press release will also provide separate totals for commercial & residential water use (including untreated water) for a) Guyra and b) Armidale by month during 2020 and to date in 2021.

Updated statistics by month will also be provided on average residential use per person for a) Guyra and b) Armidale, together with the current state of the water fund including income and expenses in the current financial year.

#### **Addition to NoM**

That the GM and staff are thanked for agreeing to improve public consultations. From now on, when residents want their submissions to be made public, as soon as practical after receipt, ARC will make them available via 'Submissions Received' links on the 'Have Your Say' website.

#### **GM Comment:**

Nil.

## Questions on Notice

Thanks are due to Council staff for agreeing to provide additional information on water use including separate totals for commercial & residential water use (including untreated water) for a) Guyra and b) Armidale by month during 2020 and to date in 2021 and updated statistics by month on average residential use per person for a) Guyra and b) Armidale, together with the current state of the water fund including income and expenses in the current financial year.

### GM Comment:

Requested information below.

	Armidale Residential (million litres)	Armidale Residential (litres/person/day)	Armidale Non-Residential (million litres)	Guyra Residential (million litres)	Guyra Residential (litres/person/day)	Guyra Non-Residential (million litres)	ARC Residential (million litres)	ARC Residential (litres/person/day)	ARC Non-Residential (million litres)
Jan-20	83.2	117	35.6	10.4	154	6.4	93.5	120	42.0
Feb-20	85.5	129	36.7	12.0	190	26.3	97.5	126	63.0
Mar-20	98.6	139	42.3	11.5	171	14.7	110.2	147	57.0
Apr-20	87.4	127	37.5	10.8	166	11.0	98.2	131	48.5
May-20	86.8	122	37.2	10.9	162	18.0	97.7	130	55.2
Jun-20	85.7	125	36.7	11.8	181	24.0	97.5	130	60.7
Jul-20	90.4	127	38.7	11.5	170	19.2	101.9	131	57.9
Aug-20	97.9	138	42.0	12.6	187	22.4	110.6	142	64.4
Sep-20	100.1	146	42.9	11.5	176	21.4	111.6	144	64.3
Oct-20	106.3	150	45.5	15.5	229	21.3	121.7	167	66.8
Nov-20	122.2	178	52.4	13.7	211	25.5	135.9	175	77.9
Dec-20	103.7	146	44.4	14.4	213	32.7	118.1	152	77.1

<b>Jan-21*</b>	74.6	163	32.0	11.4	262	16.5	86.0	172	48.5
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*#Council has flowmeters to measure water volume leaving the water treatment plants and the split between residential and non residential are estimated.*

*\*As at 20 Jan 2021*

2) Please also, for completeness, report the information provided on ARC's contribution to the emergency and fire service levy. We were previously told that it was \$709,158 in 2018/19 and \$862,190 2019/20, and to have increased by \$355,000 in FY 21/22. What are the amounts to be paid in FY20/21 and 21/22?

**GM Comment:**

Requested information below.

**Emergency Services Levy**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
<b>Rural Fire Service</b>	\$510,085	\$523,754	\$508,697	\$639,789	\$913,279
<b>State Emergency Service</b>	\$56,441	\$50,407	\$41,124	\$47,595	\$59,366
<b>Fire &amp; Rescue</b>	\$154,581	\$160,596	\$159,336	\$174,806	\$195,196
<b>Total</b>	<b>\$721,107</b>	<b>\$734,757</b>	<b>\$709,157</b>	<b>\$862,190</b>	<b>\$1,167,841</b>
<b>NSW Government Reimbursement</b>				<b>(\$123,065)</b>	<b>(\$305,651)</b>
<b>Revised Contribution Total</b>	<b>\$721,107</b>	<b>\$734,757</b>	<b>\$709,157</b>	<b>\$739,125</b>	<b>\$862,190</b>

The Rural Fire Service component only is split with Uralla Shire Council (20%) and Walcha Shire Council (18%).

Councils were advised of the 2020/21 contribution levels on 1 May 2020 last year so we don't expect advice on the 2021/22 contribution levels until later in the year. However, in the absence of the NSW Government providing further financial subsidy, it is expected the 2021/22 contribution level will be around \$1.2 million. This will have flow on impacts to Uralla Shire Council and Walcha Shire Council as they contribute to the Rural Fire Service levy and their respective Finance Managers were advised of this last year.