



BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 27 November 2019
4pm

at

Armidale Council Chambers

Members

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

AGENDA

INDEX

1	Civic Affirmation and Acknowledgement of Country	
2	Statement in relation to live streaming of Council Meeting	
3	Apologies and applications for leave of absence by Councillors Cr Ian Tiley	
4	Disclosures of Interests	
5	Public Forum (Have Your Say)	
6	Confirmation of Minutes <i>Ordinary Council - 23 October 2019, Closed Council - 23 October 2019</i>	
7	Mayoral Minute	
7.1	FOR DECISION: Mayoral Minute - Motion of Thanks - Bushfire Emergencies.....	4
8	Notices of Motion	
8.1	FOR DECISION: Action relating to fire emergencies	6
8.2	FOR DECISION: Payment of invoices.....	7
9	Reports for Decision - Leadership for the Region	
9.1	FOR DECISION: Acquisition of Land at Guyra for the Purpose of Creating a Public Road.....	8
10	Reports for Decision - Growth, Prosperity and Economic Development	
10.1	FOR DECISION: 2019/20 First Quarter Budget Review	11
10.2	FOR DECISION: Hydrotherapy Pool - Stronger Country Communities Fund Round 2	16
11	Reports for Decision - Environment and Infrastructure	
11.1	FOR DECISION: Response to Climate Emergency Resolution	21
11.2	FOR DECISION: Planning Proposal No. 14 - Reclassification of Council land	23
11.3	FOR DECISION: Renaming of a Public Building - Guyra Community Hall to Gilbert White Memorial Hall.....	25
12	Reports for Decision - Our People and Community	
13	Reports for Information	
13.1	FOR INFORMATION: Presentation of Audited Financial Statements for year ended 30 June 2019	26
13.2	FOR INFORMATION: Integrated Planning and Reporting - Delivery Program 2018-2021 and Operational Plan 2019-2020 Progress Report - July to September 2019.....	29
13.3	FOR INFORMATION: Cash and Investment Report October 2019	30
13.4	FOR INFORMATION: Monthly Financial Report October 2019	32
13.5	FOR INFORMATION: Summary of Resolutions of Council April 2019 - September 2019.....	34

14	Requests for Leave of Absence	
15	Authority to Affix Council Seal	
16	Committee Reports	
16.1	FOR INFORMATION: Minutes of the Audit and Risk Committee Meeting held on 27 August 2019	35
16.2	FOR DECISION: Community Wellbeing Advisory Committee Minutes	36
16.3	FOR DECISION: Minutes - Traffic Advisory Committee - E Meeting, 12 November 2019.	37
17	Matters of an Urgent Nature	
18	Questions on Notice	
18.1	Questions on Notice: Cr O'Brien	38
19	Confidential Matters (Closed Session)	
19.1	FOR DECISION: Tender for ClearSCADA and Telemetry RTU Upgrade <i>As this report deals with commercial information of a confidential nature that would, if disclosed, reveal a trade secret (Section 10A(2)(d)(iii) 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>	
19.2	FOR DECISION: Tender Recommendation for Supply and Delivery of Bulk Cationic Bitumen CRS <i>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.</i>	
20	Close of Ordinary Meeting	

Item:	7.1	Ref: AINT/2019/27008
Title:	FOR DECISION: Mayoral Minute - Motion of Thanks - Bushfire Emergencies	Container: ARC16/0025
Author:	Simon Murray, Mayor	
Attachments:	Nil	

RECOMMENDATION:

- a) **That Council recognise and thank the RFS for their dedication and commitment to fighting the fires in the region which have saved lives, livestock and assets.**
- b) **That Council recognise and thank all the agencies that have supported and worked with the RFS.**
- c) **That Council recognise the resilience of the communities of the Armidale Region and the support they have provided to each other.**

Context

The last few weeks have been difficult for our community. We are in the grip of an unprecedented drought. Our farmers, businesses and indeed everyone who lives in the region has been doing it tough over the past 12 months.

Now, and it is not unrelated, we are contending with the devastation that comes with some extensive and intensive fires. Some of our neighbours have lost houses, buildings and livestock. Their lives have been turned upside down.

It is a sobering outlook as we contemplate a long summer of fires.

What has given me (and I am sure, you as well) immense reassurance is the way in which our community has pulled together.

The RFS and its firefighters both professional and volunteer have shown unsurpassed levels of heroism and unswerving commitment in hazardous conditions to doing their best to save our lives and properties. We thank you.

Our own Staff have been on frontline, working around the clock to support the RFS – driving water carts, managing traffic, clearing roads, manning places of safety, arranging for emergency accommodation and providing those affected with advice. We thank you.

Local Land Services and our Rangers have been rescuing and caring for those who are vulnerable – our livestock and pets. We thank you.

The NSW Police who have door-knocked to warn residents of the impending fire and supported our community. We thank you.

For all those in the NSW Fire and Rescue and National Parks who have worked long hours protecting our community assets. We thank you.

To the community members who have donated and supported those who have relocated due to

the fires. We thank you.

All the residents and businesses who have been getting on with the business of recovery and everyday life in very difficult circumstances, helping each other out, supporting those who have suffered. We thank you.

I would now like ask my fellow Councillors to formally support this motion of thanks.

Item: 8.1 **Ref:** AINT/2019/26974
Title: FOR DECISION: Action relating to fire emergencies
Container: ARC16/0025
Author: Dorothy Robinson, Councillor
Attachments: 1. Cr Robinson - Notice of Motion - Thanking Firefighters

I hereby give notice of my intention to move the following motion at the Ordinary Council to be held on 27 November 2019:

That Council

- a) **Express its sincere thanks to all the firefighters who have worked so hard for our safety in these very difficult times;**
- b) **Continues to express empathy for all those who suffered loss or injury;**
- c) **Continues to explore all possible avenues for funding and support from other levels of Government in these difficult times of fires and severe drought.**

.....
Cr Dorothy Robinson
19 November 2019

Management Response:

This matter is covered by the Mayoral Minute.

Item:	8.2	Ref: AINT/2019/27069
Title:	FOR DECISION: Payment of invoices	Container: ARC16/0025
Author:	Jon Galletly, Councillor	
Attachments:	Nil	

I hereby give notice of my intention to move the above motion at the Ordinary Council to be held on 27 November 2019.

- a) That Armidale Regional Council recognises that this prolonged drought is impacting our businesses.**
- b) To assist our small to medium sized businesses, Armidale Regional Council will pay its local suppliers duly submitted invoices within 5 working days.**

.....
Cr Jon Galletly
20 November 2019

Item:	9.1	Ref: AINT/2019/26270
Title:	FOR DECISION: Acquisition of Land at Guyra for the Purpose of Creating a Public Road	
		Container: DA-155-2016
Author:	Nathalie Heaton, Service Leader Governance, Risk and Corporate Planning	
Attachments:	<ol style="list-style-type: none">1. Plan of proposed subdivision2. Development Consent3. Green Street Plan of Acquisition (Draft)	

RECOMMENDATION:

- a) That Council proceed with the compulsory acquisition of the land described as Part Lot 7309 in DP 1145106, being the area marked Lot 500 in the attached Draft Plan of Acquisition, for the purpose of creating a public road in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991.**
- b) That Council make an application to the Minister and the Governor for approval to acquire Part Lot 7309 in DP 1145106, being the area marked Lot 500 in the attached Draft Plan of Acquisition, by compulsory process under section 177(1) of the Roads Act 1993.**
- c) That the land be classified as Operational Land.**
- d) That the Chief Executive Officer and Mayor be authorised to Sign and Seal any required documents to complete the acquisition and sale.**

Context

This 29 Lot rural residential subdivision at Green Street was approved by Guyra Shire Council. The deferred commencement was approved due to native title issues with acquiring a public road across the adjoining Travelling Stock Route (at the end of Green Street). Crown lands advised the developer that there is layer of native title over the site, and that this can only be overcome through a compulsory acquisition of the road. This can only be completed by an authority, i.e. Armidale Regional Council.

Lot 7309 is part of a Travelling Stock Reserve (11091) in Guyra and is subject to two undetermined Aboriginal Land Claims filed under the *Aboriginal Land Rights Act 1983*.

Nox Supa Fund (the Developer) lodged a development application with Council for a proposed 29 Lot subdivision of Lot 2 DP1217293, Lot 3 DP 1217293, Lot 22 DP755824 and Lot 116 DP 755824 and was granted deferred commencement consent on 12 April 2017.

The development anticipated construction of road access into the site across Lot 7309. The proposed road will be an extension of Green Street and will directly link the site to the New England Highway and to the Guyra township to the west.

In order for the proposed road to be acquired, Council will need to first obtain the consent to its acquisition from the New South Wales Aboriginal Land Council.

A report was presented to the Council meeting held on 27 March 2019. Council resolved the following (Minute Number 53/19):

- (a) *That part of Lot 7309 of Travelling Stock Reserve 11091 in Guyra, being the area marked "Road 1" on pages 2 and 6 of the Plan of Proposed Subdivision referred to in Development Consent No. 155-2016, be compulsorily acquired pursuant to section 29 of the Land Acquisition (Just Terms Compensation) Act 1991.*
- (b) *That the Chief Executive Officer and Mayor be authorised to Sign and Seal any required documents to complete the acquisition and sale.*
- (c) *That costs relating to the acquisition of the land be borne by the developer.*

The Office of Local Government has advised that the costs relating to the acquisition cannot be borne by the developer and as such the resolution needs to be amended, to exclude reference to the costs being borne by the developer. The Office of Local Government advised that *'Council powers to compulsorily acquire land do not extend to a power to acquire land to act as an agent between other parties or to acquire land for the private benefit of another party. If that situation can be inferred from a report submitted with an application by the intention that a third party is paying for the costs associated with the acquisition, it can also be inferred that but for that contribution the Council would not be progressing with the acquisition.'*

Purpose

Section 177 of the *Roads Act 1993* allows a Council as a Roads Authority to acquire land for any of the purposes of that Act.

Acquisition of the land for the purpose of a public road does not automatically result in that land becoming a public road. In order for this to happen the registration of a plan of subdivision bearing a statement of intention to dedicate the specified land as public road and a notice in the Government Gazette dedicating it as a public road also needs to be made.

As Lot 7309 is Crown Land and is not already reserved for public road purposes it will be necessary for Council to compulsorily acquire the proposed road pursuant to section 29 of the *Land Acquisition (Just Terms Compensation) Act 1991*.

The Department of Industry requires that Council submit a *Compulsory Acquisition Consent to Acquire Crown Land Application*. This application must include a copy of Council's resolution to acquire the land for the purpose of dedicating it as a public road.

Proposal, Research and Analysis

Advice has been sought from the Office of Local Government; *Council must provide evidence that clearly and sufficiently demonstrates that the acquisition of any land is necessary to meet a broader public purpose and community need. This evidence should demonstrate that Council has considered and adopted a report and recommendation that clearly sets out the need for the acquisition of this land to meet current and or future needs of the local community and the broader public.*

The land is considered suitable for the proposed development and is appropriately zoned for large residential lots.

The location of the land is presently essentially land locked and currently only benefits from an informal access over the adjacent Travelling Stock Route (TSR).

The Development Application was conditional on the basis that an operative consent would only be issued once the access across the TSR was formalised by acquisition allowing the construction of a public road into the proposed development.

In this regard, the acquisition of this land over the TSR is considered to be in the public interest as it will provide legal access to new residential land within Guyra which will provide for an additional diversity of land stock to meet future residential demands.

Impact

- Delivery Program 2015-2019:

Strategic Objective – Ensure efficiency and innovation in all practices undertaken by Council.

Strategy 1 – Strive for productivity improvement and efficiencies

Action – Encourage continuous improvement of Council's operations

- Operational Plan 2016/17:

Strategy – Develop internal processes for efficient services

Action – Integrate business processes with the Integrated Planning and Reporting Framework

Activities – Administer Council's Policies (Property Management)

Submission of the *Compulsory Acquisition Consent to Acquire Crown Land Application* costs \$487.70 in addition to legal costs to process the application which at this stage is not known.

Summary

Completion of plan of subdivision to be lodged with the Land Registry Services.

Copy of the resolution to be lodged with the Compulsory Acquisition application.

Item: 10.1 **Ref:** AINT/2019/25969
Title: FOR DECISION: 2019/20 First Quarter Budget Review **Container:**
ARC18/2703
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. 2019-20 Quarterly Budget Review Report Jul-Sep 2019

RECOMMENDATION:

- a) That Council note the 2019/20 First Quarter Budget Review;
- b) That Council resolve to amend the 2019/20 budget in accordance with the Quarterly Budget Review Statement for the period 1 July 2019 to 30 September 2019 tabled at the attachment, which contains a revised Consolidated operating deficit of \$4.7m predominantly due to the financial impacts of the drought; and
- c) That Council note the significant negative financial impact on the Water Fund resulting from the drought and response to long term water security and the consequent financially unsustainable outlook that currently exists for the Water Fund reserve.

Context

Section 203(1) of the *Local Government (General) Regulation 2005* requires Council's responsible accounting officer to prepare and submit a quarterly budget review statement within 2 months of the end of each quarter.

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

The 2019/20 Revised Budget in the attached quarterly budget review statement reflects the full year forecast budget position as at 30 September 2019. While the disclosure requirements require a projected year end result also be included, at this time the 2019/20 Revised Budget position and the projected year end result are very close. It is a requirement to include commentary if these results are likely to be materially different and a threshold of >10% has been used to determine this. The attached quarterly budget review statement contains a full listing of all budget adjustments proposed for both the operating and capital budget by fund.

As required by the Office of Local Government, the quarterly budget review statement is provided at the attachment in the following order:

1. Income Statement (containing operating income and expenses) by fund – this format is the same as the monthly financial report provided to Council to assist with providing alignment between these 2 reports
 - 1.1 Operating budget adjustments by fund
2. Capital Budget by fund – the net impact on funding from the capital program flows through to the Income Statement
 - 2.1 Capital budget adjustments by fund
3. Cash & Investments by fund – this statement shows the movement in unrestricted cash and internal and external reserves

4. Cash & Investments position
5. Key Performance Indicators by fund
6. Contracts entered into and Consultancy/Legal expenditure

Purpose

The purpose of this report is to provide Council with information on the 2019/20 Revised Budget position and to obtain approval to amend the adopted budget for those amounts.

Proposal, Research and Analysis

The original 2019/20 budget forecast a Consolidated operating surplus of \$2.04m. This result was negatively impacted by the adoption of the 2019/20 carry forwards resulting in a forecast Consolidated operating surplus of \$1.1m. The carry forwards, including the carry forward for the plant and vehicle replacement program, were funded by reserves and did not have a negative impact on unrestricted cash.

The impact from projects where Council was the auspice agent only on the operating result was (\$471,211). These projects included:

- N E Movement and Adventure Centre
- Mountain Bike Facilities (GONZO)
- Guyra Gun Club Upgrade
- Armidale Golf Club Upgrade

These projects have had a negative impact on Council's operating result because some funding had been received in advance in the 2018/19 financial year and was held in reserve to offset the budgeted expenditure carried forward.

The 2019/20 carry forwards also included an increase in capital expenditure of \$9.4m resulting in an overall increase in the capital program to \$47.5m.

Impact

The overall financial results are summarised as follows:

Operating Result \$'000	FUND			Consolidated
	General	Water	Sewer	
Original Budget	20	974	1,546	2,040
Carry Forwards	(897)	974	1,546	1,123
Budget Review 1	(576)	(5,067)	971	(4,673)

Cash Result \$'000	FUND			Consolidated (Unrestricted Cash)
	General (Unrestricted Cash)	Water (Unallocated)	Sewer (Unallocated)	
Original Budget	3,088	24,234	13,041	3,088
Carry Forwards	3,088	22,523	12,498	3,088
Budget Review 1	2,366	11,704	13,302	2,366

The impact of the budget adjustments that have been identified through the first quarter budget review are as follows.

General Fund

The Operating Surplus for the General Fund improves from a deficit of \$897k to a deficit of \$576k. The main reason for this improvement is the inclusion of an additional \$708k relating to Roads to Recovery income. An additional allocation was recently advised as part of drought funding arrangements and this has been placed in reserve until the projects to be funded from this allocation have been determined. Originally, an Operating Surplus was forecast for the General Fund but this was negatively impacted by 2019/20 Carry Forwards. While these were fully funded, it is desirable to get back to an Operating Surplus position and revenue opportunities and expenditure savings will be sought during the next quarter in order to attempt to move back to a surplus position.

It is noted that the General Fund result includes an impact of net expenditure of \$471,211 relating to projects where Council is the auspice agent only.

In terms of cash, an overall negative impact on unrestricted cash is recognised of \$722k. This is primarily due to a reduction of interest income due to lower interest rates, inclusion of an amount for New England Weeds Authority to offset the cost of their contribution and the overall funding required for the revised capital program.

Originally, an increase of \$1.2m was forecast to increase total unrestricted cash to \$3.1m; however, this has now been revised to \$2.4m as a result of the budget review. Opportunities to increase the unrestricted cash level will be sought during the next quarter in line with the operating result.

Water Fund

The review of the water fund shows significant negative impacts on both the Operating and Cash results. The revised Operating Result for the Water Fund is now a deficit of \$5.1m and there is a negative cash impact of \$10.8m forecast as a result of the budget review.

The negative adjustments are predominantly related to the impact of the drought but there is also a reduction in interest included due to lower interest rates.

The most significant operating expenditure impact is from groundwater drilling, forecast at \$2.4m and a reduction in water usage charges has also been forecast at \$2.5m.

The revised capital program includes new projects for:

- Malpas Dam Additional Pontoon \$1.5m
- Groundwater Infrastructure \$4m
- Malpas Dam Wall Investigation \$1m

A number of capital projects have been revised or deferred due to the drought.

At this time no additional income has been included for drought related expenditure impacts other than for the amount claimed for water carting as Council does not have confirmation that any of these additional costs will be covered by the NSW Government.

There is a risk to the water fund that the drought response and impacts could utilise all available funding in the water reserve. Even assuming 50% recovery for key water security projects shows that the water fund cannot sustained all current projected expenditure over the next 2 years.

The following projects are currently proposed to be delivered over and above the originally budgeted program over the next 2 years:

	Total Project Cost
Immediate Drought Response Activities	
Guyra Water Carting	800,000
Drought Rebate Scheme	500,000
Drought Communications	400,000
Leak Detection Program	200,000
	1,900,000
Water Security Projects	
Groundwater Investigation	2,500,000
Groundwater Infrastructure	10,000,000
Puddledock Dam – Pipeline Upgrade	11,540,000
Malpas Dam - Additional Pontoon	1,500,000
	25,540,000
Health & Safety	
Dumaresq Dam Safety Upgrades	1,000,000
	1,000,000
Additional Projects	
Malpas Dam - Preliminary Concept Work & Upgrades	3,500,000
Water Treatment Plant Upgrade	1,200,000
	4,700,000
Total	31,240,000

While some mitigation strategies can be utilised, the outlook for the water fund reserve is poor and the general fund has no financial capacity to provide funding towards the water fund. It will be critical that key water security projects, such as the groundwater investigation and infrastructure, are 100% funded to avoid a scenario where the water fund reserve runs out of funds within 2 years.

The borrowing capacity for the water fund has also significantly worsened as a result of the quarterly budget review. The debt service cover ratio has changed from being positive and more than 7x meaning that the operating cash flows from the water fund could cover existing loan repayments by more than 7 times to a negative indicator of -2.83x. This means that the water fund is now projecting negative cash flows from operating activities and does not have the capacity to borrow more money.

Sewer Fund

The review of the sewer fund shows a negative impact to the Operating Result due to a reduction in interest included due to lower interest rates. The impact on cash is positive as a number of projects have been revised or deferred due to the drought.

While not an impact recognised in the quarterly budget review, it is noted that if upgrades are required for the sewerage treatment plant to assist with any plan to reuse water that the cost of these upgrades would be significant and would likely utilise all available funding in the sewer fund reserve.

Consolidated

The outlook for the Consolidated position has considerably worsened with a revised forecast operating deficit of \$4.7m and impact on cash of negative \$10.7m across all funds.

Summary

The Budget Review needs to be resolved by Council in order to be included in the 2019/20 adopted budget.

The 2019/20 First Quarter Budget Review for the period 1 July 2019 to 30 September 2019 tabled in the attachment contains the revised 2019/20 budget as outlined above.

Item: 10.2 **Ref:** AINT/2019/26490
Title: FOR DECISION: Hydrotherapy Pool - Stronger Country Communities
Fund Round 2 **Container:** ARC18/2965
Author: Ambrose Hallman, Service Leader Sustainability and Development
Attachments: Nil

RECOMMENDATION:

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

Context

This report considers options available to Council following a detailed review and project investigation into the feasibility of constructing a Hydrotherapy Pool (H1) at Council's Monckton Aquatic Centre.

In November 2018, Council received approval for a \$1,093,196 grant under Round 2 of the Stronger Country Communities Fund (SCCF-2). The NSW Government's SCCF-2 funding provisions required a minimum Council co-contribution of \$364,399. The State Government has advised this funding will not be extended further, and requested advice regarding Council's investigation into the viability of the project, by 29th November 2019.

Purpose

This report offers guidance and detailed information for Council to consider the future of the Hydrotherapy Pool project as proposed under the successful Stronger Country Communities Fund 2, and/or via other options, for the delivery of a Hydrotherapy Pool at the Monckton Aquatic or with the Armidale Region.

Proposal, Research and Analysis

Community Views:

A new hydrotherapy pool was voted the second highest preference for allocation of SCCF-2 grant funding in an online a community survey of 342 residents in 2018. Despite strong and growing demand for hydrotherapeutic services, the Armidale Region currently has a shortage of local hydrotherapy facilities. This is exacerbated by the end-of-life condition (and frequent closure for repairs) of an existing facility within the Armidale Hospital, owned and operated by the NSW Government under Hunter New England Health. These factors emboldened the preparation and application for the SCCF grant, which did not allow for, or include a thorough examination of the whole of life operating costs.

Clearly there is an established need, and public demand for the establishment of a new Hydrotherapy Pool in the Armidale Region. In order to meet this demand, a number of options exist for the development of a Hydrotherapy Pool.

These options include:

- 1) Proceed with H1 under revised delivery timeframes under the approved SCCF-2 deed of grant.
- 2) Assuming suitable funding can be sourced, proceed with the development of a commercially feasible and appropriately funded Regional Hydrotherapy Pool Complex (H2).
- 3) That expression of interest is undertaken were Council encourages and facilitates other entities, such as University of New England or NSW Health to develop and operate a hydrotherapy pool complex, utilising the seed funding provided through SCCF-2 for H1.
- 4) Concurrently with, or separately from the above, undertake feasibility studies for redevelopment of the Monckton Aquatic Centre to incorporate a heated pool complex, with the option of an associated hydrotherapy pool for shared heating and other associated economies of scale.

Option Analysis and Possible Impacts

- 1) Proceed with H1.

This would require verification of capital and whole of life costs, including an analysis of annual operating costs (and potential losses) attributable to the project. A review of similarly sized hydrotherapy centres and detailed business plans for the H2 model indicate that this option is likely to encumber Council with significant financial, public liability and reputational risk. It is therefore not recommended for further consideration.

Research subsequent to the SCCF-2 grant application confirmed the H1 business model was likely to generate operational losses of between \$200-300K pa. A subsequent review of eleven aquatic centres revealed that all of these centres ran at operational losses (averaging \$671K pa) with a number (but not all) including hydrotherapy pools.

Should the H1 business model operating loss projections be accurate, the Project in its current form is likely to present a significant and ongoing financial encumbrance to Council. These financial risks will be compounded by additional public liability risks

associated with Council's provision and oversight of a clinically-based health service, which arguably is not part of the Council's 'core business'.

If Council elects not to proceed with the H1 option, a clearly articulated alternative will need to be submitted with the NSW Government's Department of Planning, Industry & Environment in order to maintain the \$1.09M SCCF-2 grant allocation as a base for alternative options discussed below.

- 2) Request the State Government suspend the H1 project pending suitable funding being sourced from public/private partners – including NSW Government, Commonwealth Government, commercial and/or not for profit entities for the development of a commercially feasible Hydrotherapy Complex (H2) to be located within the Monckton Aquatic Centre or other site within the Armidale Region.

Likely benefits arising from successful implementation of the H2 concept design would include:

- a) Access to hydrotherapeutic services by more than 50,000 residents and visitors each year, including elderly, people with disability, learn to swim, pre & post operative, sports therapy patients, sporting teams and C.A.L.D. groups.
- b) Estimated economic returns (public costs averted, and benefits gained) totalling more than \$1.3M pa.
- c) Commercially attractive features, such as capacity for use by multiple user groups at the same time (eg. sports therapy concurrently elderly fitness classes); twelve month trading; design for synergistic use of labour resources; a therapeutic gym/health conferencing centre; three consulting rooms for lease by allied health professionals; off-street and accessible parking for disabled and other customers; a toddlers splash-pool; all year round café trading; various operational efficiencies via state of the art insulation, heating, etc.
- d) An indicative lease return to ARC of approximately \$100K pa, and an estimated 8% return on marginal private investment equity funding required.

It is expected that this option would involve an Expression of Interest (EOI) process of approximately three months. If suitable proponents could be identified through an EOI process, a more detailed public private partnership (PPP) process would then be required. It is expected that the PPP process may take up to fourteen months to implement, and require a number of interim reports back to Council.

Note that this option is premised on NSW Government approval to allocate the current SCCF-2 grant money to the project, as part of these arrangements.

- 3) That expression of interest is undertaken were Council encourages and facilitates other entities, such as University of New England or NSW Health to develop a hydrotherapy pool complex, either with or without the seed funding provided via SCCF-2, and with the support of Council where practicable.

While a desirable outcome, this option may not be achievable in the short to medium term and is likely to require Council's surrender of approved funding under SCCF-2. UNE

and NSW Health have not expressed interest in partnering with Council on this project to date. It is entirely consistent though with the role of Hunter New England Health in providing allied health facilities such as hydrotherapy pool.

- 4) In association with the options above, undertake feasibility studies for redevelopment of the Monckton Aquatic Centre to incorporate a heated pool complex, with the option of an associated hydrotherapy pool for shared heating and efficiencies of scale.

This option would help lay a foundation for future funding bids and/or PPP arrangements through Council. It would also provide further information in relation to design of heat pumps and other necessary infrastructure for efficient delivery of an associated hydrotherapy pool as a part of the aquatic centre redevelopment.

Financial Implications

At the time of application for this grant, Council's capacity for mandatory co-contribution under SCCF-2 guidelines was restricted due to limited post-merger financial resources. At the time, the H1 design scope had limited size and operating efficiency features built in (such as heating and cooling technologies). The SCCF-2 guidelines also did not require submission of a detailed business plan as part of the grant application.

Preliminary estimates of revenue and operating costs at the time indicated operating losses of between \$200-300K pa associated with the H1 Centre. Furthermore, the restricted scope of the project curtailed further consideration of business plan design to incorporate additional features (such as consulting rooms, a therapeutic gym, etc) to help strengthen and diversify H1 sources of annual income.

Subsequent research in formulating a Commonwealth Government BBRF-3 funding application to supplement the SCCF-2 grant confirmed that the H1 business model was likely to generate operational losses of between \$200-300K pa. This research involved a review of eleven aquatic centres – some of which included hydrotherapy pools, and revealed that all of these centres ran at operational losses (average \$671K pa).

If H1 business model operating loss projections prove accurate, the Project in its current form is likely to present a significant and ongoing financial encumbrance to Council. These financial risks will be compounded by additional public liability risks associated with Council's provision and oversight of a clinically-based health service, which arguably is not part of the Council's 'core business'. Operation of Hydrotherapy pool is a clinical health service which should be funded, provided and operated by NSW Health, assisted by appropriately qualified and licensed professionals/entities. Funding provided by the State government under SCCF-2 provided only a portion of capital costs required, and did not allow for consideration of the operational whole of life costs, public liability and professional indemnity issues entailed with such an operation.

Summary

The H1 option for Council to construct and operate a Hydrotherapy Pool is not economically viable from an ongoing operational cost, public liability and reputational risk perspective.

The H2 option has potential for Council to provide an economically efficient Hydrotherapy Pool complex which meets the whole of life costs of the asset, while delivering the public health and amenity benefits prioritised by Council and the community in 2018. If partners can be found through an EOI process, it is expected that, when approved by Council, the establishment of a

PPP arrangement may take up to fourteen months to prepare. Should Council resolve to pursue this option, the extended timeframe will need to be negotiated with NSW Government funding authorities to ensure that the SCCF-2 grant can be incorporated into the H2 Project.

The option to conduct a feasibility study for the installation of a heated swimming pool, both with and without a hydrotherapy pool, would provide 'shovel ready' plans for future proofing aquatic facilities in the region. This could potentially be done concurrently with the H2 EOI; it will also complement the design process and delivery of H2, should this option be approved by Council.

Item: 11.1 **Ref:** AINT/2019/25747
Title: FOR DECISION: Response to Climate Emergency Resolution **Container:**
ARC16/0864
Author: Sally Thorsteinsson, Sustainability Officer
Attachments: 1. Draft TOR for Climate Emergency Working Group

RECOMMENDATION:

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

Context

The Council Resolved at the 23 October 2019 Ordinary Council Meeting (Minute no. 211/19), to receive a report to this affect in February 2020.

Works have commenced in preparing the steps in undertaking a report for the Council in relation to Climate Crisis declaration.

A timeline outlined below indicates the logistics and steps required in order to provide a quality report back to Council with input from a working group.

Proposed Timeline:

- Organise a quorate meeting of ESAC –December
- ESAC acknowledge the TOR for the working party and an EOI for potential participants.
- ESAC recommend EOI to Council – December
- EOIs for the working party (advertise December – February due to Christmas leave)
- Assess candidates, recommend to Council to appoint ESAC working party - March
- Report from working party - June
- Review by Project Zero30
- Council adoption – July 2020

Current operations and resource availability to undertake these works within the current timeframe have also been significantly impacted by responding to the drought crisis and education around water sustainability. It is proposed that a report be prepared for the Council in

July 2020. A proposed Terms of Reference attached to be included in the Council resolution.

However, if there is need for an even greater drought or fire response next year, the finalisation of the report may be required to be postponed until the drought situation or fire season has eased.

Project Zero30 will have a very strong community engagement aspect, and so we propose the report recommendations be referred to Project Zero30 to best utilise opportunities. A communications plan (prepared by ARC staff) will also be vital to connect our community with the ideas in the report and the contributions we can all make to reducing emissions.

Purpose

Since the 23 October 2019 Council meeting, it has become that given current resourcing and time commitment dedicated to responding to drought and bushfires that staff are not in a position to respond effectively to achieve the February 2020 timeframe for the Climate Emergency actions report.

It will however be beneficial to have the working group established and engaged into the input of this report. The current timeline proposed would not make the quality input from stakeholders on this important issue feasible. The proposed timeframe would enable the working group to achieve the intended outcomes.

Proposal, Research and Analysis

We anticipate an extended time to advertise the EOI over the Christmas/school holiday period will help community members become aware of the opportunity to participate and give them time to apply.

Extending the timeframe will also ease staff pressures with writing reports, organising communications, assessing applications and organising and attending meetings necessary to complete this resolution.

Impact

No financial impacts are foreseen.

Summary

The Climate Emergency resolution that an actions report be produced by February 2020 be amended to July 2020 to allow for the process to be undertaken as effectively as possible given time, staff and governance constraints.

Item: 11.2 **Ref:** AINT/2019/26343
Title: FOR DECISION: Planning Proposal No. 14 - Reclassification of Council land **Container:** ARC16/1049
Author: Shili Wang, Strategic Planner
Attachments: 1. Public Hearing Report

RECOMMENDATION:

- a) **That Planning Proposal No. 14 to amend Armidale Dumaresq Local Environmental Plan 2012 – which proposes to reclassify Lot 101 DP 1237922 (86 Dangar Street, Armidale) from community land to operational land – be forwarded to the Department of Planning, Industry and Environment with a request that the Minister for Planning, Industry and Environment make the amendment of Armidale Dumaresq Local Environmental Plan 2012.**
- b) **That the Armidale Ex Services Memorial Club be advised of Council’s resolution.**

Context

At its meeting of 22 May 2019 Council resolved (Minute no. 100/19, item 11.1):

- “a) That Planning Proposal No. 14 to amend Armidale Dumaresq Local Environmental Plan 2012 – which proposes to reclassify Lot 101 DP 1237922 (86 Dangar Street, Armidale) from community land to operational land – be forwarded to the Department of Planning and Environment with a request for a Gateway Determination, in accordance with section 3.34 of the Environmental Planning and Assessment Act 1979.*
- b) That, subject to Gateway Determination, a further report is to be provided to Council following public exhibition of Planning Proposal No. 14 to amend Armidale Dumaresq Local Environmental Plan 2012.*
- c) That the Armidale Ex Services Memorial Club be advised of Council’s resolution.”*

The Planning Proposal has been forwarded to the Department of Planning, Industry and Environment, and the Gateway Determination was received with the following conditions:

- To update the Planning Proposal accordingly;
- To publicly exhibit the Planning Proposal and related documents;
- To hold a public hearing under the Local Government Act 1993.

The Planning Proposal was updated accordingly and placed on public exhibition from 21 August 2019 to 18 September 2019. No submissions were received during the public exhibition period.

A public hearing was held on 17 October 2019 chaired by Dr Paul McFarland after being notified to the public.

No members of the public attended the hearing and no matters were raised.

The chair person supports the reclassification of the subject land, and a Public Hearing report has been prepared which is attached.

Purpose

This report is required under the statutory process of the Environmental Planning and Assessment Act 1979, to recommend the Planning Proposal be forwarded to the Minister for Planning, Industry and Environment make the necessary amendment of Armidale Dumaresq Local Environmental Plan 2012, following the required public exhibition and public hearing.

Proposal, Research and Analysis

- The Planning Proposal has been prepared with regard to Division 3.4 of the EP&A Act, *A Guide to Preparing Local Environmental Plans (August, 2016)* and PN-16-001 LEP practice note – Classification and reclassification of public land through a Local Environment Plan issued by DPE.
- The Planning proposal has been updated in accordance with the Gateway Determination issued by the Department.
- The Planning Proposal has been publicly exhibited and no objections received from the public.
- A Public Hearing has been held and no issues raised that may prevent the progress of the Planning Proposal.

Impact

The reclassification of subject land would enable Council to either sell the site or commercially lease the land to the Club.

Separate report will need to be prepared regarding a sale or new lease of the land by the property department in Council.

Summary

The recommendation of this report to proceed with the Planning Proposal is consistent with the previous Council resolution, and will enable the progress and completion of LEP amendments.

Item: 11.3 **Ref:** AINT/2019/26809
Title: FOR DECISION: Renaming of a Public Building - Guyra Community Hall to Gilbert White Memorial Hall **Container:** ARC16/0001-4
Author: Kate Cameron, Executive Office
Attachments: 1. Letter to CEO Susan Law from Jim White requesting renaming of Guyra Community Hall to DRG White Memorial Hall

RECOMMENDATION:

That the Guyra Community Hall be renamed the ‘Gilbert White Memorial Hall’.

Context

Armidale Regional Council received a request on 22 October 2019 from the family of the late D.R. Gilbert White OAM requesting the name of the Guyra Community Hall (located at the Guyra Showground) be renamed in his honour.

D.R Gilbert White’s family noted his extensive civic record, including service on Guyra Shire Council from 1960 to 1987 with 25 years as Shire President.

Feedback on this proposal was sought from the public via Council’s website from 28 October to 10 November 2019. Two emailed submissions were received during the public exhibition period supporting recognition of Mr White, but expressing a preference for utilising other facilities or Council infrastructure.

In view of the unique and extensive service of Mr D.R. Gilbert White to the Guyra and New England community and the low volume of response submissions, it is recommended Council support this recommendation.

Item: 13.1 **Ref:** AINT/2019/25470
Title: FOR INFORMATION: Presentation of Audited Financial Statements for year ended 30 June 2019 **Container:** ARC16/0469
Author: Brad Munns, Financial Accountant
Attachments: 1. Combined Signed Financial Statements 30 June 2019 with Audit Reports for OLG Lodgement

RECOMMENDATION:

That Council note the report on the presentation of the audited Annual Financial Statements for the Year Ended 30 June 2019.

Context

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 annual financial reports at its meeting of 25 September 2019 and referred the reports to Council's Auditor. The Auditor has completed their audits and provided Council with their signed audit reports. 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 31 October 2019.

Council's Audited Annual Financial Statements for the Year Ended 30 June 2019 are now 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. Mr Chris Harper, Director Financial Audit Services, from the NSW Audit Office will attend the meeting to present the auditor's reports.

Purpose

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.

Proposal, Research and Analysis

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 2019

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 November 2019 will include the presentation of the audited Financial Statements and the Auditor's Reports for the year ended 30 June 2019.

A summary of the Financial Statements is provided below.

	2019	2018
	\$ '000	\$ '000
Income Statement		
Total income from continuing operations	89,846	77,004
Total expenses from continuing operations	74,329	80,243
Operating result from continuing operations	15,317	(3,239)
Net operating result for the year	15,317	(3,239)
Net operating result before grants and contributions provided for capital purposes	(913)	(11,911)
Statement of Financial Position		
Total current assets	83,571	79,485
Total current liabilities	(18,332)	(20,825)
Total non-current assets	860,317	846,757
Total non-current liabilities	(28,364)	(29,624)
Total equity	897,192	875,793
Other financial information		
Unrestricted current ratio (times)	2.40	1.53
Operating performance ratio (%)	1.09%	(8.73)%
Debt service cover ratio (times)	4.47	2.81
Rates and annual charges outstanding ratio (%)	5.52%	6.86%
Infrastructure renewals ratio (%)	45.06%	43.74%
Own source operating revenue ratio (%)	65.09%	71.27%
Cash expense cover ratio (months)	12.57	13.37

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

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

Submissions close one week after the above public meeting has been held (ie close date 4 December 2019).

Impact

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, 4 December 2019. A report will be provided to Council at the next meeting outlining any submissions received.

The audited financial statements will form part of Council's 2018-2019 Annual Report.

Summary

Council's annual financial reports for the year ended 30 June 2019 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)*.

Item: 13.2 **Ref:** AINT/2019/25487
Title: FOR INFORMATION: Integrated Planning and Reporting - Delivery Program 2018-2021 and Operational Plan 2019-2020 Progress Report - July to September 2019 **Container:** ARC17/1962
Author: Renata Davis, Program Leader - Corporate Planning and Performance
Attachments: 1. IP&R Progress Summary - July to September 2019

RECOMMENDATION:

That the Delivery Program 2018-2021 and Operational Plan 2019-2020 Progress Report (July – September 2019) be noted.

Context

The attached document is a progress report based on the strategies of the Delivery Program 2018-2021 and the activities of the Operational Plan 2019-2020 for the July to September Quarter. This report is the first Integrated Planning and Reporting progress report for the 2019-2020 Financial Year.

Purpose

This Report informs Council and the Community about the progress of Council's Operational Plan actions and how these actions work towards delivering the strategies outlined in the Delivery Program, and ultimately, the goals of the Community Strategic Plan, as part of the Integrated Planning and Reporting Framework.

This reporting is a requirement of the **Local Government Act 1993 s404(5)**, which states that: *The general manager must ensure that regular progress reports are provided to the council reporting as to its progress with respect to the principal activities detailed in its delivery program. Progress reports must be provided at least every 6 months.*

Armidale Regional Council has opted to provide Quarterly Progress Reports which update Councillors on both the Delivery Program strategies and the progress of the Operational Plan actions which work towards achieving those strategies.

Proposal, Research and Analysis

Each of Council's business areas have completed a progress report, based on the July to September period, of the strategic and operational tasks and key performance indicators adopted in the Operational Plan 2019-2020.

Summary

The next Progress Report will be based on the October to December period.

Item: 13.3 **Ref:** AINT/2019/25651
Title: FOR INFORMATION: Cash and Investment Report October 2019
Container: ARC16/0001-4
Author: Deborah Walls, Accountant
Attachments: 1. Curve Securities - Portfolio Report October 2019

RECOMMENDATION:

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

Context

As at 31 October 2019 Council held \$73,793,021 in cash and investments.

Purpose

The Cash and Investment Report provides an overview of cash and investments for the period 1 October 2019 – 31 October 2019 and certifies compliance with Council’s Investment policy and Local Government Act 1993 and Regulations

Proposal, Research and Analysis

Cash and Investments

Balances were as follows:

Bank Account	October 2019	September 2019 comparative	Movement
Cash at Bank			
General Fund	0	0	0
Trust Fund	1,437,993	1,436,693	1,300
Total	1,437,993	1,436,693	1,300
High Interest Savings Cash, IM Funds & Term Deposits			
High Interest Account	11,095,519	9,496,119	1,599,400
TCorp	5,259,509	5,254,501	5,008
Term Deposit	56,000,000	58,000,000	(2,000,000)
Total	72,355,028	72,750,620	(395,592)
Total Cash & investment	\$73,793,021	\$74,187,313	(\$394,292)

Summary of movements for October 2019

Term Deposit Maturities

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

New Investments

- CUA \$2,000,000

Interest Earned

- CUA \$81,126
- MyState \$27,961

- T-Corp \$5,008
- High Interest Saving \$8,820

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

Budget Comparison

YTD Actual income	YTD Budget	Difference
\$541,468	\$671,451	(\$129,983)

With a decrease of the RBA cash rate, interest income from cash and investments has reduced.

Investment Yield

Benchmark 30 day BBSW index	0.95%
ARC Average Rate October	2.34%

Regulations

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

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

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

Summary

The Cash and Investment Report provides an overview of cash and investments to 31 October 2019 and demonstrates compliance with Council policy.

Item: 13.4 **Ref:** AINT/2019/26489
Title: FOR INFORMATION: Monthly Financial Report October 2019
Container: ARC19/3334
Author: Kelly Stidworthy, Service Leader - Finance
Attachments: 1. Monthly Financial Report October 2019

RECOMMENDATION:

That Council receive and note the Monthly Financial Report for October 2019.

Context

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

To assist with better monitoring of budgets, budget phasing has been introduced allowing a comparison to be made against YTD budget rather than the Annual budget.

Purpose

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

Proposal, Research and Analysis

The monthly financial report is provided for the following funds:

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

More detailed operating and capital budget reports are also provided.

General Fund

As at 31 October, the General Fund achieved a \$15.2m operating surplus against a YTD budget of \$11.0m. The operating surplus is high because rates have been levied and recognised as income in the July period. As the year progresses expenditure will increase and will offset the surplus to bring the result into closer alignment with the Annual forecast operating position.

Most revenue and expenditure categories are on track to meet budget with the exception of interest revenue, which is tracking lower across all funds due to lower investment rates being achieved. This will be reviewed at the first quarter budget review.

During October, an additional land sale has occurred and further progress has been made towards a sale of the former Kolora facility. The impact of these items is a more positive outlook for the likely achievement of the full year forecast for land sales.

The net budget position represents the forecast cash impact of Council's operating and capital results for the year. Council's forecast is for a positive cash impact in 2019/20 to assist with reducing cashflow risk and improving the level of unrestricted cash. The main risk to the forecast cash position at this time is that the budget for land sales includes the disposal of the

former Kolora facility. As noted above, further progress has been made in October towards a sale of this property.

Water Supply Fund

As at 31 October, the Water Fund achieved a \$0.8m operating surplus against a YTD budget of \$1.0m.

At this time, most revenue and expenditure categories are on track to meet budget with the exception of interest revenue and significantly lower income is expected from user charges and fees due to drought conditions resulting in restricted water use. As noted in the September report, the likely impact of the drought on the Water Fund financial position forecast to be significant and the known impacts have been included in the first quarter budget review.

Council has budgeted for a negative cash impact in 2019-20 of \$3.7m due to the requirement to undertake capital works. These works will be funded from the water supply reserve fund.

Sewer Supply Fund

As at 31 October, the Sewer Fund achieved a \$4.8m operating surplus against a YTD budget of \$3.9m.

Most revenue and expenditure categories are on track to meet budget with the exception of interest revenue and other revenue, which includes cattle sales. Drought conditions have impacted upon likely future cattle sales revenue.

Council has budgeted for a negative cash impact in 2019/20 of \$1.43m due to the requirement to undertake capital works. These works will be funded from the sewer supply reserve fund.

Consolidated

As at 31 October, the Consolidated position achieved a \$20.8m operating surplus against a YTD budget of \$15.9m.

Council has budgeted for a negative cash impact of \$3.8m in 2019/20, which relates to capital works to be undertaken on water and sewer infrastructure. These works will be funded from the water and sewer supply reserve funds.

Impact

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

The forecast impact on the water fund of current drought conditions has been included in the first quarter budget review. These impacts will have a significant detrimental impact on the 2019/20 water fund financial position.

Summary

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

Item: 13.5 **Ref:** AINT/2019/27017
Title: FOR INFORMATION: Summary of Resolutions of Council April 2019 -
September 2019 **Container:** ARC16/0001-4
Author: Hayley Ward, Interim Museum Team Leader
Attachments: 1. Resolutions of Armidale Regional Council May - October 2019

RECOMMENDATION:

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

Context

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

Purpose

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

Proposal, Research and Analysis

Not applicable.

Impact

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

Summary

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

Item: 16.1 **Ref:** AINT/2019/25062
Title: FOR INFORMATION: Minutes of the Audit and Risk Committee Meeting held on 27 August 2019
Container: ARC16/0522-2
Author: Nathalie Heaton, Service Leader Governance, Risk and Corporate Planning
Attachments: 1. Minutes - Audit and Risk Committee - 27 August 2019

RECOMMENDATION:

That the Minutes of the Audit and Risk Committee meeting held on 27 August 2019 be noted.

Item: 16.2 **Ref:** AINT/2019/26445
Title: FOR DECISION: Community Wellbeing Advisory Committee Minutes
Container: ARC16/1052
Author: Sally Schofield, Program Leader Community Services
Attachments: 1. Minutes - Community Wellbeing Committee - 26 September 2019

RECOMMENDATION:

That the Minutes of the Community Wellbeing Advisory Committee meeting held on 26th September be noted and the following recommendations endorsed:

- a) **That consideration of the terms of reference and the membership component of this committee be deferred until the proposed review of ARC Committees be tabled at the ARC Council meeting.**
- b) **That the Access Advisory Working Party be formed and membership advertised for to the wider community as soon as possible. That the Terms of Reference be provided for potential members and that once formed Minutes including recommendations are put to the Community Wellbeing Advisory Committee to review and provide recommendations to Council.**
- c) **That key areas are identified and specialists in that area invited to participate in each meeting to highlight servicing gaps and potential actions the CWAC can participate, advocate for and engage in. Two sessions nominated:**
 - i. **Mental Health**
 - ii. **Youth**
- d) **That committee members review the Disability Action Inclusion Plan and provide feedback which will be provided to ARC along with recommendations and feedback from the Access Advisory Working Party and the DAIP be updated.**
- e) **That the CWAC consider an appropriate means of providing information to the community about the prevalence of needles in our community and or ways to address the inappropriate discarding of drug paraphernalia.**
- f) **That the CWAC establish an Ice Review Working Party.**

Management Comment:

The Terms of Reference of the Community Wellbeing Committee do not empower it to establish Working Parties. This being the case, the Council will need to establish such Working Parties as sub-committees of the Community Wellbeing Committee on its recommendation. Terms of Reference would need to be developed for Council consideration.

Item: 16.3 **Ref:** AINT/2019/26969
Title: FOR DECISION: Minutes - Traffic Advisory Committee - E Meeting, 12 November 2019. **Container:** ARC16/0168-4
Author: Belinda Ackling, Personal Assistant
Attachments: 1. Minutes - Traffic Advisory Committee - 12 November 2019

RECOMMENDATION:

That the Minutes of the Traffic Advisory Committee meeting held on 12th November 2019 be noted and the following recommendations endorsed:

- a) **That approval be granted for the Special Event Transport Management Plan Guyra Christmas Party 2019 and associated road closures of Bradley Street between Mackenzie Street and Ollera Street between 12pm and 10pm on Friday 6th December 2019.**
- b) **That the temporary road closure of Canambe Street between Dumaresq and Kirkwood Street for the Armidale Show during operating hours on the 6th & 7th March 2020, be endorsed.**
- c) **That the request to change the Cinders Lane Loading Zone to unrestricted parking after hours be denied due to the amount of unrestricted after hours parking available in the Cinders Lane carpark.**
- d) **That a painted median be installed on the western side of Marsh Street at the intersection with College Ave be installed and the centre line be readjusted to suit.**
- e) **That one parking space at the northern end of Marsh Street at the intersection with College Ave be removed and hatched to reflect the adjustment of the centre line.**
- f) **That the Donnelly Street between Canambe and Kennedy parking on the verge issue and options be held over for consideration and discussion until the next Traffic Advisory Committee meeting.**

Item:	18.1	Ref: AINT/2019/26977
Title:	Questions on Notice: Cr O'Brien	Container: ARC16/0025
Author:	Debra O'Brien, Councillor	
Attachments:	Nil	

Question on Notice 1. (Cr O'Brien)

Organisation Structure

A search on Council's website for 'Organisation Structure' provides information about ARC's structure in 2017, but nothing seems to be available on the recent changes to our structure, e.g. the new GM roles. Can this information be made available to councillors and published on our website?

Question on Notice 2. (Cr O'Brien)

Drought Communications

ARC expects to spend \$400,000 on drought communications (approx \$45 for each household in Armidale & Guyra). How much of this has been spent so far? What opportunities are there to lobby NSW or Federal Politicians for grant funding to help cover the cost of encouraging our residents to use less water and reduce the risk of running out of water if the drought persists?

Question on Notice 3. (Cr O'Brien)

Providing timely information on water consumption

It is helpful for residents trying to reduce their water consumption to know how much they have used. Reducing the time delay (e.g. 65 days for one councillor) between the time the meter is read and the time the bill is delivered to residences in Armidale or Guyra would help provide more direct feedback about recent efforts to save water. This could be particularly helpful for residents who have difficulty reading their meters. While keeping the same quarterly due dates for payment, would there be any significant cost in printing and sending out water bills within 1 or 2 weeks of the meter being read?

Question on Notice 4. (Cr O'Brien)

Council Meeting, 11 December, 2019

Council's website currently states that this meeting will start at 3 pm, rather than the usual 4pm. Is this correct?

Question on Notice 5. (Cr O'Brien)

Setting the record straight about 'unlawful' motions

Cr O'Connor emailed the CEO after the 23 October council meeting (on 25 Oct 2019), asking why a motion was removed as a voting item "on the stated grounds of being unlawful by virtue of clause 3.14 of the Code of Meeting Practice (COMP) - this appears to be an error, on the face of the record."

Clause 3.14 of the COMP states: 3.14 A councillor is not permitted to ask a question with notice under clause 3.13 that comprises a complaint against the general manager or a member of staff of the council, or a question that implies wrongdoing by the general manager or a member of staff of the council.

The motion was that all councillors who author an Notice of Motion are listed as authors of that motion. It was not a question (so is not relevant for motions) and there was no intention to imply wrongdoing on the part of the CEO.

Cr O'Connor's email continued: "You (the CEO) will recall that twice in the meeting the Mayor, from the Chair disallowed any questions or debate of the alleged unlawful ruling in relation to the NOM. As you did not intervene to correct the Mayor, I presume you agreed with his rulings."

The rulings from the Chair occurred just after item 8.2 was concluded and at item 17 (Matters of an Urgent Nature). I think when there is a clear error on the face of the record (or a disputed matter on the record of the current meeting), that could easily be seen as an urgent matter, since the time closest to the error being made is the proper and best time to raise it. (It was also raised at the pre-meeting briefing on Monday 21 October 2019.)

"I think you did orally refer to some other reason Cr Robinson's NOM had been rejected as unlawful, but I did not understand what you were saying and you did not have the specific Code reference to hand at the 21 October briefing meeting when I asked for it. If there is an additional reason for finding the NOM unlawful or illegal could you please specify what it is. "At the Monday briefing you said the written reasons were supported by a legal advice. Could you please provide me (and other councillors of course) with a copy of that legal advice, as without it I cannot understand why such an innocuous motion could be rejected on the basis of being unlawful or illegal." The CEO responded by saying that Council was reviewing the issues raised.

Please report the results of that review, including whether or not there is any advice from a qualified legal practitioner stating that the motion was unlawful.

Question on Notice 6. (Cr O'Brien)

Encouraging the public to have their say

ARC resolution 96/19 states that unless council intends to process public submissions over the weekend after 5pm on Friday, the deadline for public submissions is extended to 8:30am the following Monday. The deadline for submissions on the water access card was 4pm Friday. Were any submissions processed after this time on Friday or over the weekend and was it possible to make submissions over the weekend?

Question on Notice 1

Answer:

Yes. Levels 2 and 3 will be updated.

Question on Notice 2

Answer:

To date we have spent \$193,223.39 which includes the development of the Community Engagement Plan, promotions, materials and consumables, salaries, and plant hire. The engagement with the community is ongoing and costs will continue to be incurred.

Question on Notice 3

Answer:

Our water meter readers manually read approximately 11,500 meters per quarter and this process can take several weeks. Once the meters have been read, the data is checked and any anomalies are also manually verified.

Water bill printing is scheduled in advance over a 12 month period. Council's Revenue Policy sets out the issue and payment due dates for water accounts and this is aligned with the issue of rate instalment notices so that there is a spread of rates and water billing. We therefore finalise the reading and review of water meter data to align with the water bill issue date each quarter.

Electronic water meter technology has been indicatively priced at \$3.5m-\$4m. This would enable a much shorter timeframe between the water meter reading and issue of water accounts. However, this would take time to implement and divert existing resources from other urgent priorities including the drought response. Increased resources (i.e. more staff or

contractors) could also be applied to reduce the timeframe of the existing process but the cost of either option is not justified in the current financial climate.

As water accounts are issued quarterly and contain retrospective water meter reading data, we are encouraging residents to read their water meter themselves regularly and this is being promoted via Brad and Jono's water saving tips video:

<https://www.youtube.com/watch?v=bqm7YVefwEk&feature=youtu.be>

Question on Notice 4

Answer:

Yes

Question on Notice 5

Answer:

Currently the Code of Meeting Practice makes reference to '*A Councillor may give notice of any business they wish to be considered by the Council.*' Addressing Cr Robinson's suggestion would in fact require an amendment to the Code of Meeting Practice. In terms of managing the request it is suggested that the original motion be included as an attachment to the Notice of Motion Report.

Question on Notice 6

Answer:

The exhibition period ran from 25 October until 22 November 2019. This Question was received on 18 November 2019 before the exhibition period closed and preparation of the Council business papers for the Ordinary Council meeting needed to be concluded before the period in question had passed. It is not possible to forecast if any submissions will be received on 23 or 24 November 2019.