



LATE ITEMS BUSINESS PAPER

ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 11 December 2019
3pm

at

Guyra Council Chambers

Members

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

SUPPLEMENTARY AGENDA

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Item:	11.3	Ref: AINT/2019/27700
Title:	FOR DECISION: New England Rail Trail Business Case and Future Maintenance Responsibility	Container: ARC16/0085
Author:	Ambrose Hallman, Service Leader Sustainability and Development	
Attachments:	Nil	

RECOMMENDATION:

- a) That Armidale Regional Council note the New England Rail Trail Draft Business Case developed by Regional Development Australia Northern Inland (RDANI).
- b) That Council endorse further works be undertaken in relation to establishing the governance structure for oversight of bringing the Rail Trail to the commencement of design and project planning. The governance structure should comprise ARC, GISC and NERT (minority). It's key responsibilities will be:
 - a. Scoping the project
 - b. Providing advice to the respective Councils on the management of the process in relation to the transfer of the rail corridor
 - c. Commission a detailed business case, including the whole of life costs of maintaining the track and give advice to the Councils on it.
 - d. Commission a study on the potential economic value-added from the development of the rail trail
 - e. Advise Councils on the financial and economic impacts of a rail trail
 - f. Prepare land tenure and funding applications.
- c) That Council support the necessary Act of NSW Parliament to close the rail corridor and seek advice from the State Government on the process to have the rail track declassified and made available for development of the trail.
- d) That Council seek advice on the potential funding streams from State and Federal Government for the development and operation of the rail trail.

Context

The Rail Trail feasibility study (New England Rail Trail Plan produced by Mike Halliburton Associates and Transplan Pty Ltd) was endorsed by Council at the 24 October 2018 Council Meeting.

It was agreed that Armidale Regional Council (ARC) in conjunction with Glen Innes Severn Council (GISC), would support the development of a business case that details financial and economic modelling of the Rail Trail project as a precursor to applying for grant funding for the overall project, also including comprehensive operational and maintenance costs into the future.

The New England Rail Trail Plan was finalised in September 2019 and outlined the technical feasibility and costs of converting the 103km Armidale to Glen Innes section into a rail trail to boost tourism and economic activity in the region. See Attachment 1.

The Business Case key findings indicate that the best financial and economic results are achieved by building the entire 103kms from Armidale to Glen Innes, rather than just the centre section from Black Mountain to Ben Lomond. This is because rail trails attract more visitors

when they have larger anchor towns at each end.

The business plan submitted estimates the financial operating impact to ARC is \$67,000 per annum. It concludes this is minimal compared to current ARC operating costs for recreational and community facilities. Further the business plan states this cost could be offset by the sale of the old rail track material. It could also be partly covered by user donations (assuming 50% of new overnight stay users contribute \$10 each to trail upkeep which would raise \$19,600 per annum on the Armidale to Ben Lomond section).

The Business Case is now in final draft status for Council review including the financial impact in regards to ongoing maintenance costs. The Business Case has been completed using the **NSW Governments Growing Local Economies** template to ensure that it is fit for purpose when applying for funding.

Purpose

This report notes the rail trail business case and seeks endorsement for further works be undertaken in relation to establishing the governance structure for oversight of bringing the Rail Trail to the commencement of design and project planning. The governance structure should comprise ARC, GISC and NERT (minority).

Proposal, Research and Analysis

The Rail Trail feasibility study (New England Rail Trail Plan produced by Mike Halliburton Associates and Transplan Pty Ltd) was endorsed by Council at the 24 October 2018 (Min No. 221/18 resolved:

- a) *That Council acknowledges the completion of the Rail Trail Study;*
- b) *That Armidale Regional Council endorse the development of the Rail Trail Project subject to funding which will include obtaining capital and the commissioning of a business case.*
- c) *That the State Government be advised of Council's endorsement of the Rail Trail Project and be provided with a copy of the Study;*
- d) *That Council seeks Government grant funding for its implementation;*
- e) *That Armidale Regional Council commence discussions with Glen Innes Severn Council to:*
 - i. *Confirm Glen Innes Severn Council's commitment to the development of the broader Armidale to Glen Innes Rail Trail in partnership with Armidale Regional Council; and*
 - ii. *Determine a plan for the development of the Rail Trail and the prioritisation of each of the stages.*

Regional Development Australian Northern Inland (RDANI) were appointed by the New England Rail Trail Group as consultants to undertake the development of the New England Rail Trail Business Case.

The Business Case has been completed using the NSW Governments Growing Local Economies template to ensure that it is fit for purpose when applying for future funding opportunities. The initial review of the business case has identified the following unknowns which required further investigation:

- The governance structure of the project;

- Management of the transfer of the rail corridor;
- The whole life costs of track maintenance;
- The potential economic value-added for the rail trail development.

The Great Northern Rail Line north of Armidale has been closed to trains for 31 years. The 103 km section between Armidale and Glen Innes is currently maintained by John Holland Group under contract to the NSW Department of Transport at an estimated cost of \$54,000 per annum.

A study by AEC Group (commissioned by Armidale Regional Council (ARC) in 2018) revealed that returning trains to the line was financially unfeasible. Key findings included:

- A capital cost of \$257.5M to reinstate trains on the 103km Armidale to Glen Innes section;
- An annual maintenance cost of \$2.6M to the NSW Government;
- The costs of the service would outweigh the benefits by a factor of 2:1.

The New England Rail Trail Plan was finalised in October 2018 and outlined the technical feasibility and costs of converting the 103km Armidale to Glen Innes section into a rail trail to boost tourism and economic activity in the region. Key findings from this study included:

- A capital cost of \$24.07M;
- Annual operating costs of \$310,000 (which has subsequently been revised downwards to \$94,250 by RDANI based on recent data from rail trails operating in Victoria);
- 29,000 new day and overnight visits to the Armidale-Glen Innes region each year, consisting of 15,000 new day visitors and 14,000 new overnight visitors with some staying 3 nights;
- 35,000 locals using the trail each year;
- Trail user donations totalling \$19,600 per annum toward maintenance of the Armidale to Ben Lomond section.

The Tumbarumba to Rosewood Rail Trail (managed by Snowy Valley Council in Tumut) was established as a pilot rail trail project by the NSW Government in 2018. Key findings to date include:

- For rail corridor responsibility to be vested in council, the corridor must be closed by an Act of NSW Parliament, with ownership transferred from Transport NSW to Crown Lands. Crown Lands then enter into an agreement with local government for trail maintenance;
- Ownership of the old sleepers and rail steel was gifted to Snowy Valley Council, which they are selling for income;
- Landholder and community consultation are critical and time-consuming. The New England Rail Trail Plan capital budget included funds to cover this cost.

The RDANI Business Case has used the data from the Rail Trail Plan, and information from other Australian and New Zealand Rail Trails to assess the business case for the project. This has been done both from the perspective of the local region (including local government impacts), and from the perspective of the NSW Government who are mostly interested in increased visitation to the state as a whole, rather than regions within the state.

Key findings from the Business Case are:

- Construction could commence in the 3rd quarter of 2020 and would likely span approximately 24 months;
- The rail trail would generate \$5.77M of new tourist expenditure in the region each year by 2024;

- There would be \$80,000 of local expenditure along the rail trail corridor each year;
- The health benefits for cyclists and walkers on the trail has an economic value of \$13M (based on Queensland Department of Transport and Main Roads data);
- 26 new jobs would be generated in the region;
- From a NSW Government perspective, with health benefits included and assuming 25% of visitors are from outside of NSW, the project has a benefit:cost ratio of 5.19. Currently 28% of visitors to the region are from outside NSW;
- The best financial and economic results are achieved by building the entire 103kms from Armidale to Glen Innes, rather than just the centre section from Black Mountain to Ben Lomond. This is because rail trails attract more visitors when they have larger anchor towns at each end;
- The capital cost of the Ben Lomond to Glen Innes section is higher due to more bridges that require work;
- Although the Rail Trail Plan estimated total annual maintenance costs for the two councils totalling \$310,000, RDANI have revised this downwards to \$94,250 based on data from Indigo Shire Council data, whose rail trails cost them \$915 per km annually. On this basis, Glen Innes Severn Council's share of maintenance costs would be \$32,900 per year;
- There is the potential for the two councils to earn revenue from the sale of the rail steel and sleeper materials. Based on data from the Snowy Valley Council managed rail trail, this could amount to \$842,000 for the steel alone, enough to cover 9 years of maintenance costs along the entire corridor;
- Rail Trail Plan capital costs allow for fencing right along the edge of the 6m trail corridor boundary. This allows adjoining landholders to continue grazing their stock uninterrupted and minimise the need for council slashing, also reducing fuel loads in the corridor.

The Business Case is predicated on the two councils raising all of the capital funding from grants, their only financial contribution being to on-going maintenance costs.

- The financial impact to ARC is estimated at \$61,300 per annum. This is minimal compared to current ARC operating costs for recreational and community facilities (Figure 1).
- This cost could be offset by the sale of the old rail track material. It could also be partly covered by user donations (assuming 50% of new overnight stay users contribute \$10 each to trail upkeep which would raise \$19,600 on the Armidale to Ben Lomond section).

The progression of this project is dependant on enable legislation of the NSW Government to close the rail line to allow any potential Rail Trail project to proceed.

Financial Impact

The business plan submitted estimates the financial impact to ARC is estimated at \$61,300 per annum. There are some key assumptions made in the business plan that all must fall into place to have the project succeed, which could place a higher ongoing financial burden on Armidale Regional Council.

Key Assumptions:

The cost is minimal compared to other Council expenditure;

The sale of the old rail track material could offset the construction and operational costs

User donations could also partly cover the costs by (assuming 50% of new overnight stay users contribute \$10 each to trail upkeep which could raise \$19,600 on the Armidale to Ben Lomond section).

The Business Case notes that construction would commence in the 3rd quarter of 2020 and be completed by the 4th quarter of 2022 indicating the time period where maintenance costs could commence.

Social Impacts

The health benefits for cyclists and walkers on the trail have an economic value of \$13M (based on Queensland Department of Transport and Main Roads data);

From a NSW Government perspective, with health benefits included and assuming 25% of visitors are from outside of NSW, the project has a benefit:cost ratio of 5.19. Currently 28% of visitors to the region are from outside NSW;

Environmental Implications

Rail Trail Plan capital costs allow for fencing right along the edge of the 6m trail corridor boundary. This allows adjoining landholders to continue grazing their stock uninterrupted and minimise the need for council slashing, also reducing fuel loads in the corridor.

Economic/Asset Management Implications

The rail trail would generate \$5.77M of new tourist expenditure in the region each year by 2024;

There would be \$80,000 of local expenditure along the rail trail corridor each year;

The health benefits for cyclists and walkers on the trail has an economic value of \$13M (based on Queensland Department of Transport and Main Roads data);

There is potentially 26 new jobs that could be generated in the region

There is the potential for the two councils to earn revenue from the sale of the rail steel and sleeper materials. Based on data from the Snowy Valley Council managed rail trail, this could amount to \$842,000 for the steel alone, enough to cover 9 years of maintenance costs along the entire corridor;

Summary

The New England Rail Trail Business Case reveals that the project, if fully funded from government grants would have a small financial impact on ARC Council relative to existing operational costs. Once complete, the trail would attract annually 29,000 new visitors to the region who spend \$5.77M. The trail would generate the impetus for new businesses to develop along the route (food, accommodation, bike hire) as well as boosting spending in existing businesses. It would also help diversity the local economies away from their current heavy dependence upon agriculture.

Item: L.1 **Ref:** AINT/2019/28542
Title: FOR DECISION: Community Small Grants 2019 round one 2019/2020
Container: ARC16/0443-4
Author: Sally Schofield, Program Leader Community Services
Attachments: Nil

RECOMMENDATION:

That Council approve funding of \$16,939.35 under the Community Small Grants Program for the following organisations:

<u>Group</u>	<u>Activity/program</u>	<u>Amount requested</u>
Armidale Little Athletics	Coach training	\$ 1,000.00
Pedal Early Intervention Services Inc.	Establishment of a supported playgroup	\$ 1,000.00
The African Association in new England	Cultural activity through food and trivia	\$ 1,000.00
Saints Mary and Joseph Cathedral Parish	Hall floor rejuvenation	\$ 1,000.00
Armidale City Band	Percussion refurbishment	\$ 1,000.00
Friends of the old teachers college	College year photograph replacement	\$ 1,000.00
Armidale spinners and weavers	Carpet for meeting place	\$ 1,000.00
Armidale Crafty Quilters	Room hire assistance	\$ 1,000.00
Armidale Eisteddfod Society	Eisteddfod costing assistance	\$ 1,000.00
Armidale SRSL Sub Branch	Sound equipment hire for dawn service	\$ 1,000.00
Harmony Group Armidale Inc	Multicultural event	\$ 1,000.00
Zonta Club of Armidale	Community day with Ezedi women to create safe birthing kits	\$ 1,000.00
New England Bach Festival	Assistance with Musician fees	\$ 1,000.00
Children's Book Council of Aus.	Assistance with author costs	\$ 1,000.00
Hillgrove Progress Association	Hall refurbishment	\$ 939.35
Armidale and New England Gumbaynggirr Descendants	Healthy lifestyle course/training	\$ 1,000.00
Armidale tree Group	Equipment replacement	\$ 1,000.00
	Total	16939.35

Context

ARC has, for many years, provided groups and services with the opportunity to apply for grants of up to \$1000 to assist in providing events and activities to the community within the LGA. This is the first round in the 2019/2020 financial year, which is occurring later than in other years due to the drought and fire impacts on Community Services.

Purpose

The Community small grants program is aimed at providing groups within our community the means to undertake activities or projects they may otherwise struggle to achieve.

Proposal, Research and Analysis

ARC hosts two rounds of community small grants each financial year. There is \$30,000 budget allocation for the community small grants and as near as possible we split the funds between the two rounds.

Applications opened on November 2 and closed on December 2 and were assessed by a panel consisting of two staff and once councillor. Each application was assessed against the guidelines criteria, relative merit to the community and the adhesion to previous acquittal rules. The Community Small grants work towards elements in the CSP and Delivery Program.

The December round received 17 applications all of which are recommended for payment.

Impact

Assess the impacts on:

- Financial - \$30,000 is allocated in the budget annually for the community small grants.

Community Strategic Plan 2017-2027:

- Our People & Community

Delivery Program 2018-2021

- P2 – Events and cultural activities provide the community with an opportunity to celebrate the unique culture and lifestyle of the region
- P2.4 – Support and empower the community to deliver community initiatives that improve the lives of residents and visitors to the region

Summary

The community small grants were widely advertised throughout the LGA from early November. Round two will occur in March 2020. These grants are a key financial contributor to many and varied groups in the community.

Item: 17.2 **Ref:** AINT/2019/28549
Title: FOR DECISION: Minutes - Traffic Advisory Committee meeting held 3
December 2019 **Container:** ARC16/0168-4
Author: Belinda Ackling, Personal Assistant
Attachments: 1. Minutes - Traffic Advisory Committee - 03 December 2019

RECOMMENDATION:

That the Minutes of the Traffic Advisory Committee meeting held on 3rd December 2019 be noted and the following recommendations endorsed:

- a) **That Council formalise the parking on the western end of the school zone in Donnelly Street as per Technical Direction TTD 2014/004 Off – road parking provision on narrow roads.**
- b) **That the Special Event Transport Management Plan for the 2020 Autumn Festival/Colours New England Festival Criterion be endorsed.**
- c) **That the Road closures for the Guyra Lamb and Potato Festival 2020 be endorsed as per the traffic management plans.**
- d) **That the requested road closures for The Armidale Autumn Festival of Street Arts from the 3rd of April 2020 through to the 5th of April be endorsed.**
- e) **That the request to lower the speed limit to 40km for the Hospital Precinct be denied, the RMS have advised that they will not consider the reduced speed under the guidelines as a warrant has not been met and there has been no significant crash history to consider.**
- f) **That the current permanent parking on Kennedy Street consisting of 2 taxi spaces and 23mt of disability parking for the Armidale Showground be re-designated as temporary for Armidale Show times and for any other major event occurring at the showground.**
- g) **That 3 temporary Disabled Parking spaces either side of the Dumaresq Street Showground gate be installed for show time and for any other major event occurring at the show ground.**
- h) **That no additional action will be taken at the intersection of Marsh Street and College Ave, Armidale Council will monitor the situation.**
- i) **That the requested temporary road closures for the Armidale Campus to City Canter be included in the Armidale Autumn Festival of Street Arts Special Event Transport Management Plan and endorsed.**