



# TAMWORTH REGIONAL COUNCIL

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that a **Meeting of Tamworth Regional Council** will be held in the **Council Chambers, 4th Floor Ray Walsh House, 437 Peel Street, Tamworth**, commencing at **6:30pm**.

## ORDINARY COUNCIL AGENDA

**24 MAY 2022**

**PAUL BENNETT  
GENERAL MANAGER**

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## Council

Meeting Date: 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month commencing at 6:30pm.

Matters determined by Ordinary meetings will include all those non-delegable functions identified in Section 377 of the Local Government Act as follows:

- *“the appointment of a general manager*
- *the making of a rate*
- *a determination under section 549 as to the levying of a rate*
- *the making of a charge*
- *the fixing of a fee*
- *the borrowing of money*
- *the voting of money for expenditure on its works, services or operations*
- *the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)*
- *the acceptance of tenders which are required under this Act to be invited by the council*
- *the adoption of an operational plan under section 405*
- *the adoption of a financial statement included in an annual financial report*
- *a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6*
- *the fixing of an amount or rate for the carrying out by the council of work on private land*
- *the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work*
- *the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the [Environmental Planning and Assessment Act 1979](#)*
- *the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194*
- *a decision under section 356 to contribute money or otherwise grant financial assistance to persons*
- *the making of an application, or the giving of a notice, to the Governor or Minister*
- *this power of delegation*
- *any function under this or any other Act that is expressly required to be exercised by resolution of the council.”*

Other matters and functions determined by Ordinary Council Meetings will include:

- *Notices of Motion*
- *Notices of Motion of Rescission*
- *Council Elections, Polls, Constitutional Referendums and Public Hearings/Inquiries*
- *Ministerial Committees and Inquiries*
- *Mayor and Councillors Annual Fees*
- *Payment of Expenses and Provision of Facilities to Mayor and Councillors*
- *Local Government Remuneration Tribunal*
- *Local Government Boundaries*
- *NSW Ombudsman*
- *Administrative Decisions Tribunal*
- *Delegation of Functions by the Minister*
- *Delegation of Functions to General Manager and Principal Committees*
- *Organisation Structure*
- *Code of Conduct*
- *Code of Meeting Practice*
- *Honesty and Disclosure of Interests*
- *Access to Information*
- *Protection of Privacy*
- *Enforcement Functions (statutory breaches/prosecutions/recovery of rates)*
- *Dispute Resolution*
- *Council Land and Property Development*
- *Annual Financial Reports, Auditors Reports, Annual Reports and Statement of the Environment Reports*
- *Performance of the General Manager*
- *Equal Employment Opportunity*
- *Powers of Entry*
- *Liability and Insurance*
- *Membership of Organisations*

**Membership:** All Councillors  
**Quorum:** Five members  
**Chairperson:** The Mayor  
**Deputy Chairperson:** The Deputy Mayor

## Community Consultation Policy

The first 30 minutes of Open Council Meetings is available for members of the Public to address the Council Meeting or submit questions either verbally or in writing, on matters INCLUDED in the Business Paper for the Meeting.

Members of the public will be permitted a maximum of three minutes to address the Council Meeting. An extension of time may be granted if deemed necessary.

Members of the public seeking to represent or speak on behalf of a third party must satisfy the Council or Committee Meeting that he or she has the authority to represent or speak on behalf of the third party.

Members of the public wishing to address Council Meetings are requested to contact Council either by telephone, in person or online prior to 4:30pm the day prior to the Meeting to address the Council Meeting. Persons not registered to speak will not be able to address Council at the Meeting.

Council will only permit three speakers in support and three speakers in opposition to a recommendation contained in the Business Paper. If there are more than three speakers, Council's Governance division will contact all registered speakers to determine who will address Council. In relation to a Development Application, the applicant will be reserved a position to speak.

Members of the public will not be permitted to raise matters or provide information which involves:

- personnel matters concerning particular individuals (other than Councillors);
- personal hardship of any resident or ratepayer;
- information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business;
- Commercial information of a confidential nature that would, if disclosed:
  - prejudice the commercial position of the person who supplied it, or
  - confer a commercial advantage on a competitor of the Council; or
  - reveal a trade secret;
- information that would, if disclosed prejudice the maintenance of law;
- matters affecting the security of the Council, Councillors, Council staff or Council property;
- advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;
- information concerning the nature and location of a place or an item of Aboriginal significance on community land;
- alleged contraventions of any Code of Conduct requirements applicable under Section 440; or
- on balance, be contrary to the public interest.

Members of the public will not be permitted to use Community Consultation to abuse, vilify, insult, threaten, intimidate or harass Councillors, Council staff or other members of the public. Conduct of this nature will be deemed to be an act of disorder and the person engaging in such behaviour will be ruled out of the order and may be expelled.

### **Disclosure of Political Donations or Gifts**

If you have made a relevant planning application to Council which is listed for determination on the Council Business Paper you must disclose any political donation or gift made to any councillor or employee of the Council within the period commencing two years before the application is made and ending when the application is determined (Section 147(4) Environmental Planning and Assessment Act 1979).

If you have made a relevant public submission to Council in relation to a relevant planning application which is listed for determination on the Council Business Paper you must disclose any political donation or gifts made to any councillor or employee of the Council by you as the person making the submission or any associate within the period commencing two years before the submission is made and ending when the application is determined (Section 147(5) Environmental Planning and Assessment Act 1979).

## **AGENDA**

- 1 APOLOGIES AND LEAVE OF ABSENCE**
- 2 COMMUNITY CONSULTATION**
- 3 MINUTES OF PREVIOUS MEETING SUBMITTED FOR APPROVAL**

### **RECOMMENDATION**

*That the Minutes of the Ordinary Meeting held on Tuesday, 10 May 2022, copies of which were circulated be taken as read and confirmed as a correct record of the proceedings of the Meeting.*

### **4 DISCLOSURE OF INTEREST**

Pecuniary Interest

Non Pecuniary Conflict of Interest

Political Donations

### **5 MAYORAL MINUTE**

Nil

### **6 NOTICE OF MOTION**

Nil

## **OPEN COUNCIL REPORTS**

### **7 ENVIRONMENT AND PLANNING**

#### **7.1 REPLY TO PROPONENTS RESPONSE TO SUBMISSIONS - STATE SIGNIFICANT DEVELOPMENT APPLICATION - HILLS OF GOLD WIND FARM, HANGING ROCK NSW**

**DIRECTORATE:** LIVEABLE COMMUNITIES

**AUTHOR:** Sam Lobsey, Manager - Development

**Reference:** Item 7.3 to Ordinary Council 9 February 2021 - Minute No. 4/21  
**3 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Reply to Proponents Response to Submissions - State Significant Development Application - Hills of Gold Wind Farm, Hanging Rock NSW”, Council:*

- (i) write to the Department of Planning and Environment in response to the Hills of Gold Wind Farm Submissions Report in accordance with the draft letter attached to this report; and*
- (ii) forward a copy of the endorsed letter to NSW Minister for Lands and Water, Hospitality and Racing and the NSW Minister for Environment and Heritage for information.*

#### **SUMMARY**

The purpose of this report is to seek Council’s endorsement of a draft letter to be sent to the Department of Planning and Environment in response to a *Submissions Report* and *Amendment Report* prepared by the proponents for the State Significant Development Application known as the Hills of Gold Wind Farm (“the Project”) at Hanging Rock. It is also recommended that Council forward a copy of the letter to the NSW Minister for Lands and Water, Hospitality and Racing and the NSW Minister for Environment and Heritage for their information.

#### **COMMENTARY**

The Hills of Gold Wind Farm State Significant Development Application is currently being assessed by the Department of Planning and Environment and will be required to be determined by the Independent Planning Commission.

**Applicant:** Hills of Gold Wind Farm Pty Limited

**Proposal:** Development of a wind farm with up to 65 turbines, battery energy storage system, transmission line, grid connection and associated infrastructure.

**Location:** Approximately five (5) km south of Hanging Rock and eight (8) km south-east of Nundle, within the Tamworth Regional Council Local Government Area (LGA), Liverpool Plains Shire Council LGA and Upper Hunter Shire Council LGA.

**Zone:** RU1 Primary Production and RU3 Forestry

The Project involves the construction, operation and decommissioning of a wind farm with 65 wind turbine generators together with associated and ancillary infrastructure. A total of 55 wind turbines are proposed within the Tamworth Local Government Area.



In accordance with the Tamworth Regional Local Environmental Plan 2010 (TRLEP), the subject site is zoned RU1 Primary Production and RU3 Forestry. The proposed use is defined as a ‘*electricity generating works*’, which is a permissible development with consent.

An Environmental Impact Statement (EIS) has been prepared and submitted with the Development Application. This is in accordance with the requirements of Schedule 2 of the Environmental Planning and Assessment Regulation 2000 to address the Secretary’s Environment Assessment Requirements (SEARS).

The Public Exhibition period was from 2 December 2020 until 29 January 2021. Council requested and was granted an extension until 15 February 2021, to lodge a submission. Council lodged a formal submission objecting to the proposal on 10 February 2021.

The EIS, accompanying documentation and Submissions are available at the following website: <https://www.planningportal.nsw.gov.au/major-projects/project/9701>

The Proponents lodged a *Submissions Report* **ATTACHED**, refer, **ANNEXURE 1**, and an *Amendment Report* **ATTACHED**, refer, **ANNEXURE 2**, prepared by Environmental Resources Management Australia Pty Ltd, both reports dated 20 December 2021. Both reports were prepared to respond to the issues raised in the public agency advice and submissions, including Council’s submission.

While Council supports renewable energy initiatives, the draft letter to the Department of Planning and Environment concludes that Council maintains its objection to the proposal. The draft letter which is **ATTACHED**, refer, **ANNEXURE 3** highlights Council’s keys concerns with the project, specifically in relation to:

- the proposed Devils Elbow bypass road through Lot 440 DP 822503, which is Crown Land under the management of Council for the purpose of Public recreation, and soil conservation purposes;
- unacceptable impacts on the heritage listed *Black Snake Gold Mine*;
- road infrastructure works proposed along Morrisons Gap Road;
- biodiversity impacts;
- visual impacts;
- bushfire control risk and safety implications due to the presence of turbines;
- site suitability; and
- the Public interest.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

A Community Enhancement Fund (CEF) Charter is proposed as part of the development application which has been designed to benefit the local residents around Hanging Rock, Nundle and communities close to the Project.

The draft charter for the fund proposes a \$10,000 administration allowance in the first year and \$5,000 every following year to assist Council with the management of the CEF. It seems likely that the burden on the Council’s resources would substantially exceed \$5,000 per year. The draft letter requests the proponent be required to enter

into a Voluntary Planning Agreement (VPA) with Council should the Independent Planning Commission determine to approve the Project. Further consultation and agreement on a VPA between the proponent and Council will ensure the most appropriate CEF is established.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Region for the Future – F21 Protect our natural environment.

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## **8 INFRASTRUCTURE AND SERVICES**

### **8.1 2022 JUNE LONG WEEKEND CARNIVAL FEE WAIVER REQUEST - TAMWORTH BASEBALL INCORPORATED**

**DIRECTORATE:** REGIONAL SERVICES  
**AUTHOR:** Blake Mammarella, Sports Venue - Program Officer  
Paul Kelly, Manager Sports and Recreation

#### **RECOMMENDATION**

*That in relation to the report “2022 June Long Weekend Carnival Fee Waiver Request - Tamworth Baseball Incorporated”, Council approve a complete fee waiver for all fees associated with the event.*

#### **SUMMARY**


Tamworth Baseball Incorporated (Tamworth Baseball) has proudly hosted the June long weekend carnival in Tamworth for over 50 years and is once again seeking to host the event at Tamworth’s Riverside Turf Precinct during the June long weekend (11-13 June 2022).

#### **COMMENTARY**

Tamworth Baseball has chosen the Riverside Turf Precinct as the preferred location for the 2022 June long weekend carnival. This carnival has taken place in Tamworth for over 50 years and continues to provide the community with the opportunity to participate in baseball at a competitive level. Furthermore, the event offers an opportunity to showcase Tamworth’s high-quality sporting facilities and fields, whilst generating a substantial economic benefit to the community. For these reasons Tamworth Regional Council (Council) is asked to support this event through a full fee waiver.

Tamworth Baseball has advised that the carnival will attract over 1,000 participants and spectators from across NSW and QLD. Based on sport tourism industry standards, this will bring a total economic impact to the region of over \$700,000 as displayed in Figure 1 below.

Figure 1 – Event Impact Summary

Event Impact Summary <span style="float: right;">export </span>			
Tamworth Regional Council - Modelling the effect of \$456,000 from a Sports and Recreation Activities event with State significance			
	Output (\$)	Value-added (\$)	Local Jobs (annual jobs)
Direct impact	364,800	156,689	3.3
Industrial impact	201,125	83,786	0.7
Consumption impact	142,626	59,865	0.6
<b>Total impact on Tamworth Regional Council economy</b>	<b>708,551</b>	<b>300,339</b>	<b>5</b>

Source: National Institute of Economic and Industry Research (NIEIR) ©2021. Compiled and presented in economy.id by .id (informed decisions).

The cost of hiring and preparing fields for the event will be approximately \$7,500. Tamworth Baseball has requested that Council consider the waiving of this fee to keep the costs of hosting and participating as low as possible to encourage maximum participation.

Such a request is in line with Council’s Sports Event Subsidisation Policy (SESP). It is therefore recommended that Council support this fee waiver request due to the economic benefit to the Tamworth region and the opportunity it provides for the local baseball community.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The Sports and Recreation division has an annual budget allocation for events subsidised under the SESP. Hiring of fields and preparation fees to the approximate value of \$7,500 will be covered by this budget allocation.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Spirit of Community – C12 Provide high quality sporting facilities to meet the diverse needs of the community

## 8.2 TAMWORTH GLOBAL GATEWAY PARK - ROAD DEDICATION FOR STAGE 4 INTERNAL ROADS

**DIRECTORATE:** REGIONAL SERVICES  
**AUTHOR:** Callum Fletcher, Senior Project Engineer  
**Reference:** Item 12.4 to Ordinary Council 11 February 2020 - Minute No 26/20  
Item 8.3 to Ordinary Council 11 August 2020 - Minute No 227/20

1 ENCLOSURES ENCLOSED

### RECOMMENDATION

*That in relation to the report “Tamworth Global Gateway Park - Road Dedication for Stage 4 Internal Roads”, Council:*

- (i) approve the dedication of a portion of Council-owned Lot 83 DP 1271568 for the purposes of road dedication for internal Tamworth Global Gateway Park Stage 4 roads; and*
- (ii) authorise the affixing of the Seal of Council to plans and any other documents required to give effect to Council’s resolution.*

### SUMMARY

This report seeks Council approval for the dedication of new roads within land owned by Council as part of the Tamworth Global Gateway Park. The road dedication is limited to the extent of Stage 4 and includes a cul-de-sac termination for the internal road that provides access to the proposed Tamworth Intermodal Freight Facility.

### COMMENTARY

#### Background

The Tamworth Global Gateway Park (TGGP) is an area of land adjacent to the Tamworth Regional Airport and the Glen Artney Industrial Estate, being developed as industrial and commercial land by Council. The land is also the site of the proposed Tamworth Intermodal Freight Facility.

Stage 4 infrastructure construction of the TGGP involves the construction of public infrastructure internally within the north-western section of the development. This stage extends the internal road that provides access to the proposed Tamworth Intermodal Freight Facility and terminates with a cul-de-sac. Figure 1 illustrates this road within the surrounding area. A plan indicatively identifying the road infrastructure design for Stage 4 and the extent of road dedication required for this infrastructure is **ENCLOSED**, refer **ENCLOSURE 1**.

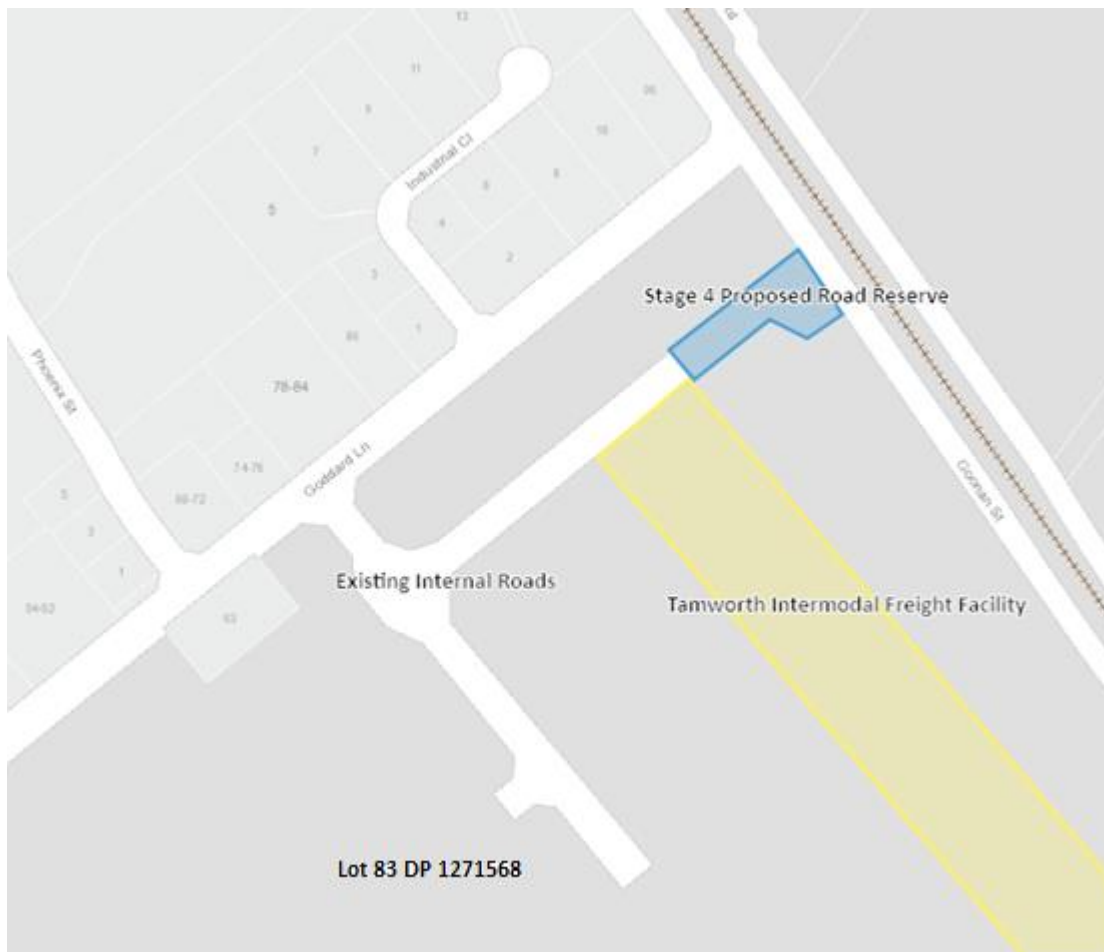


Figure 1 – Stage 4 context within the TGGP

### Internal Roads Dedication

In order to construct public access roads within the proposed TGGP development, new public road reserves are required to be created through the dedication of a portion of the Council-owned land for public roads. This proposed road reserve is located within Lot 83 DP 1271568, which is the current residual lot for the TGGP, with approximately 5,000 square metres proposed to be dedicated as road reserve.

The road reserve width for the road has been adopted as 28 metres, which has been approved by the TGGP Project Control Group and provides an appropriate width for 2 x 3.5 metre travel lanes, 2 x 5.5 metre parking lanes and 2 x 5 metre road verges suitable for service allocations, landscaping and footways. This is also consistent with the previously dedicated road reserve for the intermodal freight facility access road.

The proposed boundary includes a large splay at the end to allow for a permanent cul-de-sac with a large 39.45 metre diameter, designed for an A-Triple check vehicle to turn around without mounting the kerbs.

Further dedication of land for the purposes of a public road will be required for the TGGP development as additional infrastructure is designed and scheduled for construction to allow additional lots to be brought to market.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

Survey costs and fees associated with the road dedication and plan preparation will be funded from the current design allocation for the Phase 1 infrastructure works as per Item 12.4 to the Ordinary Council Meeting of 11 February 2020 – Minute No 26/20.

**(c) Legal Implications**

The plan of road dedication will require the affixing of the Seal of Council.

The *Local Government (General) Regulation 2021*, Clause 400(4), requires that the Seal of Council must not be affixed to a document unless the document relates to the business of Council and Council has resolved (by resolution specifically referring to the document) that the Seal be so affixed.

**(d) Community Consultation**

Blueprint 100 notes the TGGP (formerly the Glen Artney Enterprise Area) as a key growth area for employment. The document was on public exhibition from 2 March 2020 to 9 April 2020, in conjunction with print media, social media, and media releases, with community consultation sessions held in Tamworth, Manilla, Barraba, Nundle, and Kootingal.

**(e) Delivery Program Objective/Strategy**

A Prosperous Region – P11 Support and facilitate economic development and employment opportunities.

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**8.3 2022 COUNTRY CAPITAL CUP FEE WAIVER REQUEST**

**DIRECTORATE:** REGIONAL SERVICES  
**AUTHOR:** Sam Eriksson, Sports and Recreation Strategy Officer  
Paul Kelly, Manager Sports and Recreation

**RECOMMENDATION**

*That in relation to the report “2022 Country Capital Cup Fee Waiver Request”, Council subsidises the fees associated with the use of the Tamworth Regional Entertainment and Conference Centre by \$10,000.*

**SUMMARY**

The Tamworth Gymnastics Club will once again be hosting the 2022 Country Capital Cup in June, attracting more than 1,100 competitors from all over Australia.

Due to the size and significance of this event, the Tamworth Gymnastics Club will require the use of the Tamworth Regional Entertainment and Conference Centre and are seeking a fee waiver for its hire.

Given the substantial economic benefit to the community and the opportunity to showcase the Tamworth Regional Entertainment and Conference Centre and Tamworth’s ability to host large sporting events, Tamworth Regional Council is asked to consider financially supporting the event.

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## COMMENTARY

The Tamworth Gymnastics Club (TGC) hosts an annual gymnastics competition in Tamworth titled the Country Capital Cup. This competition is in its eighth year and in 2022 will be held at the Tamworth Regional Entertainment and Conference Centre (TRECC) from 9 June 2022 to 12 June 2022.

In 2022 this event will host more than 1,100 competitors coming from all states of Australia (noting that pre COVID-19 the event has attracted international competitors). Due to the significance of this event, TGC has requested Tamworth Regional Council (Council) support the event by waiving the fees associated with holding the event at the TRECC.

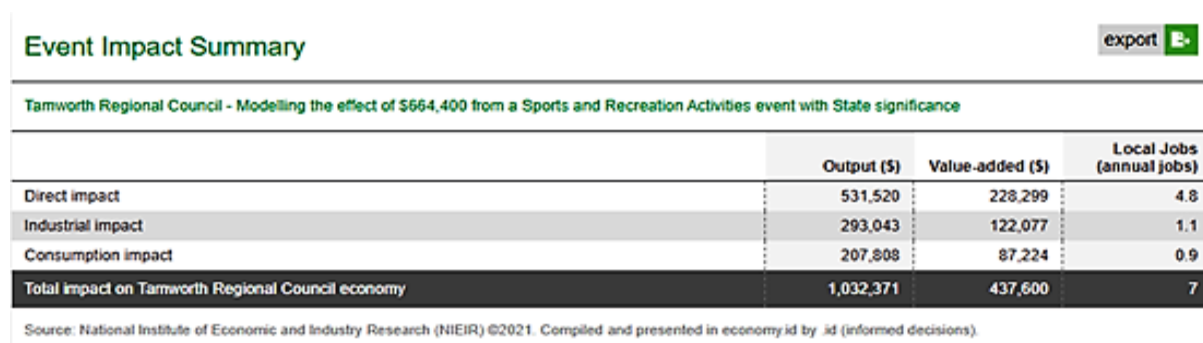
The estimated fees for the use of the TRECC are outlined in Table 1.

Table 1. Country Capital Cup estimated

Description	Estimated fee
Venue hire	\$ 7,388.00
Cleaning	\$ 2,929.00
Furniture	\$ 720.00
Kitchen hire	\$ 2,200.00
Production A/V supplied	\$ 940.00
Staging and equipment	\$ 5,844.00
<b>TOTAL</b>	<b>\$20,021.00*</b>

\*The above estimated fee of \$20,021 is the total cost to hire the TRECC after community service obligation and packaging discounts has been applied.

The event has received expressions of interest from 1,100 competitors. To calculate the economic value of such events, Council uses Id.Profile's Event Impact Calculator and a value of \$151 as the average daily spend for a sports tourist. The tool calculates that the 2022 Country Capital Cup will inject \$1,032,371 into the local economy, refer Figure 1.



	Output (\$)	Value-added (\$)	Local Jobs (annual jobs)
Direct impact	531,520	228,299	4.8
Industrial impact	293,043	122,077	1.1
Consumption impact	207,808	87,224	0.9
<b>Total impact on Tamworth Regional Council economy</b>	<b>1,032,371</b>	<b>437,600</b>	<b>7</b>

Figure 1. Id.Profile Event Impact Summary

Given the substantial economic benefit to the community, the opportunity to showcase the TRECC and Tamworth's ability to host large scale sporting events to a wide-ranging audience, it is recommended that Council support this event in 2022 with a fee subsidy.

Sports and Recreation has an annual budget allocation of \$40,000 for events subsidised under the Sport Event Subsidisation Policy. It is therefore recommended that Council support this event with a fee subsidy of \$10,000 rather than a complete fee waiver. This subsidy would be in alignment with other events of a similar scale and enables other sporting events in June to be supported with the remaining funds in this annual allocation.



If the fee waiver is approved, Council staff will work with the TGC to ensure that the financial saving realised is used to re-invest in additional infrastructure that will grow the sport in the region.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The Sports and Recreation division has an annual budget allocation for events subsidised under the SESP. If Council supports this fee waiver proposal, \$10,000 will be deducted from this budget allocation for this event.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Spirit of Community – C22 Provide accessible, functional, multi-purpose facilities and spaces suitable for cultural, recreational, learning and information services and activities.

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## **8.4 DAMS SAFETY NSW – INTRODUCTION OF NSW DAMS SAFETY ACT AND REGULATION**

**DIRECTORATE:** WATER AND WASTE

**AUTHOR:** Daniel Coe, Manager - Water and Environmental Operations

**1 ANNEXURES ATTACHED**

**1 CONFIDENTIAL ENCLOSURES ENCLOSED**

### **RECOMMENDATION**

*That in relation to the report “Dams Safety NSW – Introduction of NSW Dams Safety Act and Regulation”, Council:*

- (i) receive and note the report;*
- (ii) agree to place the draft Dams Safety Management Policy on public display for a period of not less than 28 days inviting public comment on the proposed policy;*
- (iii) if no submissions are received, adopt the policy; and*
- (iv) in the event submissions are received request the Director Water and Waste prepare a further report to Council detailing those submissions.*

### **SUMMARY**

In 2013 the NSW Government initiated a review of the *Dams Safety Act 1978* and its associated regulatory framework. The government-initiated review identified a need to improve dam safety regulation by providing clear, enforceable safety requirements that dam owners must comply with. It also recognised the need for an independent regulator to enforce compliance.

The review resulted in the development of new legislation - the *Dams Safety Act 2015*, and identified the need to establish a new regulator - Dams Safety NSW.

The *Dams Safety Act 2015* and the *Dams Safety Regulation 2019*, commenced on 1 November 2019 with a transitional two-year period which ended November 2021. This report details the implications of the new regulation regime for Council.

### **COMMENTARY**

In 2013, the NSW Government initiated a review of the *Dams Safety Act 1978* and its associated regulatory framework. The government-initiated review identified a need to improve dam safety regulation by providing clear, enforceable safety requirements that dam owners must comply with. It also recognised the need for an independent regulator to enforce compliance.

The review resulted in the development of new legislation - the *Dams Safety Act 2015*, and identified the need to establish a new regulator - Dams Safety NSW.

The *Dams Safety Act 2015* and the *Dams Safety Regulation 2019*, commenced on 1 November 2019. The Regulation sets out the operational details of the Act, and safety standards that declared dam owners must comply with. Penalties apply to declared dam owners who do not comply with the requirements.

Council is the owner of three dams that are declared under the *NSW Dams Safety Act 2015*. These Dams are classified as per the *Dams Safety Regulation 2019* with the following consequence categories:

Dam	Sunny Day Consequence Category	Flood Consequence Category
Dungowan Dam	High A	High A
Connors Creek Dam	Low	High C
Calala Raw Water Storage	High C	High C

The consequence categories reflect the societal and individual risk should a failure occur at any of the prescribed dams.

The main changes under the new legislation include the following:

- establishes a new regulator, Dams Safety NSW, which comprises independent governing members;
- provides declared dam owners with a clear set of minimum requirements;
- allows the regulator to audit and enforce these standards; and
- significantly increases the penalties for non-compliance up to \$1.1 million for corporations and \$250,000 for individuals.

The changes to legislation have the following implications to dam owners including Council:

- Dams Safety NSW will be active in auditing compliance with regulatory requirements, including field-auditing of operations and maintenance activity;
- owners of declared dams are required to implement a Dams Management System based on internationally recognised asset management system requirements;
- declared dam owners will have flexibility to explore a broad range of options to deliver the required level of public safety; and
- penalties have been increased significantly from those in the previous *Dams Safety Act 1978*, and are relative to the potential consequences of dam failure.

A two-year transition period was included with the legislative changes to allow dam owners to implement new regulatory requirements. This transitional period commenced on 1 November 2019 and ended on 1 November 2021.

During the two-year transition period, Dams Safety NSW conducted site visits/trial audits to assist dam owners to determine their level of compliance with the legislative changes. Dams NSW completed an audit on Tamworth Regional Council's Dams Management System in March 2021 with the audit results being provided by Dams NSW in May 2021. The full audit is **ENCLOSED**, refer **CONFIDENTIAL ENCLOSURE 1**.

Since the completion of the audit, staff have worked on the identified improvements and advised Dams Safety NSW of actions completed. In addition, Council is part of a pilot program, funded by the Department of Planning and Environment, working with WaterNSW and two other Councils in identifying methods to improve Dams Management Systems across the water industry in NSW.

Based on the 2019 Dams Safety Regulation and Council's developed Dams Management System, a plan for dam safety activities has been developed aimed to achieve legislative requirements. The dam safety activities are shown in the table below:

<b>Task description</b>	<b>Dungowan Frequency</b>	<b>Connors Creek Frequency</b>	<b>Calala Storage Frequency</b>
Pay Dams Safety NSW fees	Annually		
Peer review allowances	Annually		
Ad-hoc investigations	As required		
Routine visual safety and maintenance inspection	3 x weekly	weekly	3 x weekly
Surveillance Evaluation	4 weeks		
Intermediate inspection & surveillance evaluation	Annually		
Dams Safety Standards Report	Annually		
Non-Scheduled (Special) Inspection	As required		
	Report to Dams Safety NSW		
Dam Safety Emergency Plan (DSEP) contact update	Annually		
Dam Safety Management System Review	Annually		
Operation and Maintenance Manual Review	Annually		
Asset Management Plan	4-years	4-years	4-years
Surface movement survey	2-yearly	2-yearly	2-yearly
DSEP testing (excluding external stakeholders)	3-yearly		
DSEP update and re-issue	5-yearly		
DSEP testing (including external stakeholders)	5-yearly		
Security review	5-yearly		

Task description	Dungowan Frequency	Connors Creek Frequency	Calala Storage Frequency
Education and Training	5-yearly		
Spillway Gate condition assessment	5-yearly	Not applicable	Not applicable
Societal and individual risk assessment	5-yearly		
Consequence Category Assessment	15-yearly		
Safety Review	15-yearly		
Rainfall monitoring	Continuous (telemetered)		
Storage level monitoring	Continuous (telemetered)		
Seepage monitoring	Routine inspection	Routine inspection	Telemetry
Piezometers	Routine inspection	Not applicable	Not applicable
Downstream flow gauging	Downstream weir	Not applicable	Not applicable
Streamflow gauges (dam inflow)	Dungowan and Lever Creeks	Not applicable	Not applicable
Geodetic surveys (control surveys)	2 yearly	Not applicable	Not applicable

The new requirements are a significant increase in work for declared dam owners over previous requirements. To ensure financial resourcing of the Dams Management System, a budget estimate has been prepared for the next five years. This period aligns with potential changes to dam ownership with the proposed new Dungowan Dam and includes any reports that have not been previously undertaken by Council - for example the Risk Assessment for Connors Creek Dam required to be completed by December 2022. This budget estimate will be reviewed annually and following any major studies that recommend additional work and provides associated cost estimates.

Item	FY2021/22	FY2022/23	FY2023/24	FY2024/25	FY2025/26
Annual Consulting Fees	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000
Asset Management Plan Review				\$40,000	

Surface movement survey	\$90,000		\$60,000		\$60,000
DSEP testing (excluding external government agencies)	\$15,000	\$15,000		\$15,000	
DSEP update and re-issue	\$10,000		\$10,000	\$10,000	
DSEP testing (including external government agencies)	\$20,000		\$20,000		\$20,000
Security review				\$30,000	
Education and Training	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Comprehensive inspection (Included in consulting fees)					
Societal and individual risk assessment		\$150,000		\$35,000	
Dungowan Gate Spillway Condition Assessment		\$50,000			
Consequence Category Assessment (required every 15 years/reviewed annually)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Safety Review – required 15 years after regulation implemented					
<b>Total costs</b>	<b>\$220,000</b>	<b>\$310,000</b>	<b>\$185,000</b>	<b>\$225,000</b>	<b>\$175,000</b>

There are broadly two main risks associated with under resourcing the Dams Management System for Council. These being penalties for non-conformance and litigation from stakeholders should an extreme event occur. The ongoing implementation of a Dams Management System that complies with regulatory requirements will require more resourcing

by both Council staff and external consultants. Council has however, already been undertaking the majority of activities required and has undertaken the initial development of a Dams Management System using existing Council staff and external consultants as required. It is expected that existing staffing levels are sufficient for implementing and administering Councils Dam Management System into the future. It is also expected that the above costs can be incorporated into Council's existing operating budget for 2022/2023 and/or included in future budgets as required.

A critical aspect of a Dams Management System, is a Policy or Statement from Council that describes Council's commitment to dam safety and how this will be achieved. As part of the developed Dam Safety System, a draft Policy has been prepared for Council's consideration. The draft policy **ATTACHED**, refer **ANNEXURE 1**. It is recommended Council endorse the draft policy and place on public display for comment.

**(a) Policy Implications**

As per requirements, a draft Policy has been prepared for Council's consideration and for public display regarding Council's commitment to Dams Safety Management.

**(b) Financial Implications**

It is expected that new the new Dams Management System will incur additional costs for Council. Any known additional costs have been included in Council's draft 2022/2023 budget and long-term water operational budgeting. Unknown items arising from any of the required studies will need to be considered by Council on a case-by-case basis.

**(c) Legal Implications**

New legislation means that Council has no choice but to comply with the need to implement a Dams Management System.

**(d) Community Consultation**

It is proposed the draft Dams Safety Management Policy be placed on public display for not less than 28 days for public submissions.

**(e) Delivery Program Objective/Strategy**

A Region for the Future – F11 Sound asset management planning.

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## **9 GOVERNANCE, STRATEGY AND FINANCE**

### **9.1 STORES INVENTORY WRITE OFF**

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Leah Sing, Expenditure Accountant

**1 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Stores Inventory Write Off”, Council:*

- (i) receive and note the report; and*
- (ii) authorise the write off of \$6,105.56 being obsolete inventory.*

#### **SUMMARY**

Each year Finance and Stores staff carry out a stock take of stores inventory. This year it has been determined that Council is holding items to the value of \$6,105.56 that are obsolete and need to be written off to maintain the accuracy of Council’s financial reports.

#### **COMMENTARY**

In preparation for Council’s annual stocktake in June 2022, the work preceding the stocktake has highlighted obsolete store items that need to be expensed (written off). Expensing these obsolete items will remove them from Council’s balance sheet. The items are recorded at a value of \$6,105.56 when the actual value is zero due to obsolescence, refer attached.

#### **(a) Policy Implications**

Nil

#### **(b) Financial Implications**

From a Financial Reporting perspective this is an immaterial correction to Council’s current assets.

#### **(c) Legal Implications**

Nil

#### **(d) Community Consultation**

Nil

#### **(e) Delivery Program Objective/Strategy**

A Region of Progressive Leadership – L21 Transparency and accountability of government.

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## 9.2 COUNCIL INVESTMENTS APRIL 2022

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Finance Manager

**1 ANNEXURES ATTACHED**

### RECOMMENDATION

*That in relation to the report “Council Investments April 2022”, Council receive and note the report.*

### SUMMARY

The purpose of this report is to provide an overview of Council Investments for the month of April 2022.

### COMMENTARY

The Governor of the Australian Reserve Bank Philip Lowe in his media release earlier this month announced that the board now felt it was the appropriate time to start withdrawing the monetary support it had put in place to help the economy during the pandemic. For the Reserve Bank one of the strong indicators is rising inflation which is up and expected to climb even more, before an anticipated drop back to around 3 per cent by mid 2024. For Council, this means slowly but surely more significant returns on investments. Where Council was struggling to get half a per cent on a term deposit, we are now seeing rates of over 1.5% on new investments.

In accordance with Section 212 of the *Local Government (General) Regulation 2021*, the details of all money invested by Council as at 30 April 2022, is **ATTACHED**, refer **ANNEXURE 1**.

The following table provides a summary of the types of investments held and the institution they are held with:

Institution	Cash at Bank	Financial Assets Amortised Cost	Financial Assets at Fair Value	Total	% of Total
NAB	12,590,506.09	51,000,000.00	0.00	63,590,506.09	31.63%
BOQ	0.00	14,000,000.00	0.00	14,000,000.00	6.96%
CBA	0.00	61,000,000.00	0.00	61,000,000.00	30.35%
St George	0.00	4,000,000.00	0.00	4,000,000.00	1.99%
TCorp	0.00	0.00	1,000,424.75	1,000,424.75	0.50%
Westpac	0.00	52,429,452.99	0.00	52,418,213.41	26.08%
Suncorp	0.00	5,000,000.00	0.00	5,000,000.00	2.49%
<b>TOTAL</b>	<b>12,590,506.09</b>	<b>187,429,452.99</b>	<b>1,000,424.75</b>	<b>201,020,383.83</b>	<b>100%</b>

The amount invested at 30 April 2022, has increased by \$5,245,531.84 (2.68%) compared to funds held at 31 March 2022.



Council’s investments are mostly comprised of restricted funds that have been received for specific purposes or funds held for future renewal works. The following table provides an indicative summary of investments held by each fund. The figures provided are based on Opening Balances from the last completed and audited financial year. The figures provide a guide on the proportion of total cash that is restricted in use.

<b>Fund</b>	<b>Restriction</b>	<b>Amount</b>	<b>%</b>
General	Unrestricted	6,182,608	3.08%
General	Internally Restricted	67,686,943	33.67%
General	Externally Restricted	21,122,736	10.51%
	<b>General Fund Total</b>	<b>94,992,287</b>	<b>47.26%</b>
Water	Unrestricted	2,007,640	1.00%
Water	Internally Restricted	21,873,921	10.88%
Water	Externally Restricted	20,439,287	10.17%
	<b>Water Fund Total</b>	<b>44,320,848</b>	<b>22.05%</b>
Sewer	Unrestricted	2,215,411	1.10%
Sewer	Internally Restricted	43,325,011	21.55%
Sewer	Externally Restricted	16,166,826	8.04%
	<b>Sewer Fund Total</b>	<b>61,707,248</b>	<b>30.69%</b>
	<b>Total Investments</b>	<b>201,020,383</b>	<b>100.00%</b>

Moneys received for each fund can only be used within that fund. An explanation for each category of restriction is described below:

#### **Unrestricted**

These are funds required to meet short term cash flow requirements and contingencies to maintain solvency.

#### **Internally Restricted**

Funds set aside for future commitments mostly relate to asset renewals, remediation works, or leave provisions. For General Fund, this includes self-funding activities such as the Airport, Waste Management and Fleet operations.

#### **Externally Restricted**

Funds provided for specific purposes such as developer contributions, grants and loans.

The use of restricted funds is largely controlled by 10-20 year Asset Management Plans which are included in the Resourcing Strategy of Council’s Community Strategic Plan.

#### **(a) Policy Implications**

All of Council’s investments are held in accordance with the Tamworth Regional Council Investment Policy.

**(b) Financial Implications**

Communication from NSW Treasury shows that interest rates on borrowings have increased over the last six months. There has also been a gradual increase on rates available for term deposits which would suggest that the banking industry is factoring in rate rises in the short term.

**(c) Legal Implications**

All of Council's investments are held in accordance with the Tamworth Regional Council Investment Policy, which accords with the requirements of:

- *Local Government Act 1993 – Section 625;*
- *Local Government Act 1993 – Order (of Minister) dated 16 November 2000;*
- *The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A (2), 14C (1) and 2;*
- *Local Government (General) Regulation 2021 – Clauses 212 and 215; and*
- *Local Government Code of Accounting Practice & Financial Reporting – Update No 15 dated June 2007.*

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Region of Progressive Leadership – L21 Transparency and accountability of government.

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### 9.3 ANNUAL OPERATIONAL PLAN 2021/2022 BUDGET VARIATION REPORT - APRIL 2022 – FILE NO

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER

**AUTHOR:** Sherrill Young, Finance Manager

**Reference:** Item 9.5 to Ordinary Council 29 June 2021 - Minute No 180/21

**1 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Annual Operational Plan 2021/2022 Budget Variation Report – April 2022”, Council note and approve the variations to the existing budget as listed in the ANNEXURE attached to the report.*

#### **SUMMARY**

This report seeks Council approval for budget variations identified during the month of April 2022, for which there has been no previous specific report or approval.

#### **COMMENTARY**

Council adopted the original budget included in the Annual Operational Plan for 2021/2022 at the Ordinary Meeting of Council held 29 June 2021. Any changes to the budget must be approved by Council at a later Ordinary Meeting. The budget forms the basis for future forecasts and the legal authority for staff to commit expenditures. Constant monitoring and updating of the budget is important for sound financial management.

Readers of this report are reminded that its contents should not be viewed in isolation. The March Quarterly Budget Review Statement is being tabled at tonight’s Meeting and it provides Council with a full review of revised budget forecasts and actual year to date results.

Notable budget adjustments for the month of April include the withdrawal of grant funding for this financial year for the Pilot Training Facility; the receipt of this income is in abeyance until such time as a suitable tenant for the facility is found. With the aviation sector returning to normal following the pandemic interest in pilot training and the centre is expected to resume. There was a reduction in water usage income of \$1.8M, though on the plus side this is due to higher than usual rainfall due to La Niña weather conditions. And finally, with regards to income from developer contributions this has been increased by \$720,000 a positive sign for the region, reflective of increased activity.

#### **Variations identified April 2022**

Description	Budget Variation	Operating Income	Operating Expenses	Capital Income	Capital Expenses
Pilot Training Facility	10,000,000	0	0	10,000,000	0
Financial Services	(1,390)	(2,500)	1,110	0	0
People & Culture	10,000	0	10,000	0	0
General Purpose Income	(4,080)	(4,080)	0	0	0
Cultural Services	8,318	(19,200)	27,518	0	0
Compliance	(12,000)	(12,000)	0	0	0
Integrated Planning	(720,000)	0	0	(720,000)	0

Plant, Fleet & Buildings	(39,495)	(39,495)	0	0	0
Sports & Recreation Services	(38,520)	(38,520)	0	0	0
Water & Wastewater	1,411,583	1,592,940	(280,000)	(2,981)	101,624
<b>TOTAL</b>	<b>10,614,416</b>	<b>1,477,145</b>	<b>(241,372)</b>	<b>9,277,019</b>	<b>101,624</b>

**Material differences between budget and actual income or expenditure**

No material change to aggregate income and expenditure figures for this period.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The variations included in the report have the following impact on forecast results for 2021/2022 by fund of:

Fund	Operating Income	Operating Expenses	Capital Income	Capital Expenses
General	(115,795)	38,628	9,280,000	0
Water	1,755,727	0	0	(8,376)
Sewer	(162,787)	(280,000)	(2,981)	110,000
<b>Total</b>	<b>1,477,145</b>	<b>(241,372)</b>	<b>9,277,019</b>	<b>101,624</b>

**(c) Legal Implications**

This report is in compliance with the following sections of the *Local Government (General) Regulation 2021*:

- 211 Authorisation of expenditure; and
- 202 Responsible Accounting Officer to maintain system for budgetary control.

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Region of Progressive Leadership – L21 Transparency and accountability of government.

## 9.4 2021/2022 QUARTERLY BUDGET REVIEW STATEMENTS TO 31 MARCH, 2022

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Finance Manager  
Michael Gould, Management Accountant

**Reference:** Item 9.5 to Ordinary Council 29 June 2021 - Minute No 180/21  
**2 ANNEXURES ATTACHED**

### **RECOMMENDATION**

*That in relation to the report “2021/2022 Quarterly Budget Review Statements to 31 March, 2022”, Council receive and note the report and related statements.*

### **SUMMARY**

The purpose of this report is to present to Council the Quarterly Budget Review Statements for Tamworth Regional Council for the period ended 31 March 2022, in accordance with Clause 203 of the *Local Government (General) Regulation 2021*.

A financial summary has also been provided for the Tamworth Global Gateway Park **ANNEXURE 2** in accordance with the financial reporting requirements documented in Section 4.2.2 of the Business Case Study.

### **COMMENTARY**

The Quarterly Budget Review Statements **ATTACHED**, refer **ANNEXURE 1**, provide a summary of budget movements since the adopted original budget, along with revised budget forecasts for the 2021/2022 financial year, and comparisons to actual transactions year to date. Each statement includes a review of the main budget variances for the quarter.

Budget variances that require Council approval have been submitted to Council either by a specific Council report or through the monthly Budget Variance report.

The following tables provide a summary and commentary of the budget variations for the quarter and the projected year end results for the General, Water and Sewer funds.

Details of operating expenses and income are shown in the attached statements.

Capital Income includes grants and contributions received specifically for new capital works *and are excluded* from the operating results provided in the following tables.

Cash Adjustments include the reversal of non-cash accruals contained in operating expenses such as depreciation and leave entitlements and the addition of non-operating cash receipts and payments such as those associated with loans, deferred debtors and property sales.

Capital Expenses include the acquisition, upgrade or renewal of assets.

Note information between tables and annexures may differ due to elimination of internal transactions.

### **General Fund**

- a. Summary of budget variations year to date:

<b>Budget Results</b>	<b>Original Budget</b>	<b>Previous Quarters</b>	<b>March Qtr Review</b>	<b>Projected Result</b>
Operating Income	(100,757,062)	(172,589)	(3,770,670)	(104,700,321)
Operating Expenses	104,978,009	6,735,778	1,316,372	113,030,159
Operating Result before Capital: (Surplus)/Deficit	4,220,947	6,563,189	(2,454,298)	8,329,838
Capital Income	(28,910,485)	(19,705,613)	15,615,809	(33,000,289)
Operating Result after Capital: (Surplus)/Deficit	(24,689,538)	(13,142,424)	13,161,511	(24,670,451)
Non Cash Adjustments: Depreciation/Leave Accruals	(27,969,959)	7,174	1,419,466	(26,543,319)
<b>Non-Operating Cash Adj.</b>				
Loans raised to fund Capital Expenditure	(5,007,540)	(792,460)	0	(5,800,000)
Proposed Land Sales	(3,166,404)	(804,075)	3,166,404	(804,075)
Leave Paid on Termination	550,000	260,000	0	810,000
Loan Principal Repayments	6,038,768	(70,198)	0	5,968,570
Cash Result before Capital Expenditure: (Surplus)/Deficit	(54,244,673)	(14,541,983)	17,747,381	(51,039,275)
Capital Expenses	65,174,704	17,806,088	(12,550,770)	70,430,022
<b>Cash Result after Capital Expenditure: (Surplus)/Deficit</b>	<b>10,930,031</b>	<b>3,264,105</b>	<b>5,196,611</b>	<b>19,390,747</b>
Unrestricted Cash: (Surplus)/Deficit:	(149,980)	(209,673)	(411,732)	(771,385)
Reserves: (Surplus)/Deficit	12,472,814	(8,810,207)	10,481,839	14,144,446

Budget Results	Original Budget	Previous Quarters	March Qtr Review	Projected Result
Developer Cont: (Surplus)/Deficit	(1,390,803)	473,333	(664,405)	(1,581,875)
Loans: (Surplus)/Deficit	0	3,499,277	(2,250,000)	1,249,277
Prior Year Grants: (Surplus)/Deficit	(2,000)	8,311,375	(1,959,091)	6,350,284
<b>Total Cash Funding: (Surplus)/Deficit</b>	<b>10,930,031</b>	<b>3,264,105</b>	<b>5,196,611</b>	<b>19,390,747</b>

b. Key Financial Results

	Opening Balance 1/7/21	Projected Result	Projected Balance 30/6/22	Minimum Balance
Unrestricted Cash	<b>6,182,608</b>	<b>771,385</b>	<b>6,953,993</b>	<b>6,000,000</b>

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. At the end of the third quarter the projected balance exceeds the minimum balance.

c. Recurrent Results

	Operating Cash Result (surplus)/deficit	Depreciation and Leave Accruals	Net Recurrent Result (surplus)/deficit	Loan principal repayments
General Activities	(15,227,621)	20,769,945	5,542,324	4,030,490
Fleet Operations	(4,905,032)	2,965,083	(1,939,949)	0
Airport Operations	121,724	840,108	961,832	173,643
Waste Services	(1,541,815)	1,968,183	426,638	0
Pilot Training Facility	682,160	0	682,160	666,667

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals (as measured by annual depreciation).

The table breaks the General Fund down into the main activities that are expected to be self-funding, providing a clear picture of the general activities that must be funded by general purpose revenues.

There is no depreciation or leave accruals for the Pilot Training Facility as the facility for now does not have any full-time employees assigned to it, whilst depreciation is zero as the facility is classified as an investment property. Instead of being depreciated, investment properties are valued each financial year and the value adjusted accordingly to meet accounting standard requirements.

### **Financial Services Manager's comment in relation to the financial position of the Council's General Fund**

Overall, the projected result for year-end for General Fund is sound, with the Unrestricted Cash balance predicted to increase by \$771k. Despite this positive result the challenge for Council as the pandemic loosens its grip and air travel is returning to normal is to replenish cash reserves set aside for airport asset renewal and improvements.

At the beginning of the financial year finance was estimating the Airport Reserve would be \$1.6m at June 30; it is now predicted that after reducing income for the current financial year due to covid, that the airport reserve balance at June 30 will be \$893,000. On the positive side in some instances the replacement of infrastructure crucial to airport operations is able to be safely deferred due to reduced traffic the challenge will be restoring reserve levels such that required capital works can be carried out as and when required without having to resort to loans. At the end of December, the airport cash result was forecast to be a \$501,000 deficit for the 2022/2023 financial year, the forecast deficit has now reduced to \$122,000.

Other significant variations to the budget during the March quarter include the deferral of \$12.8M of Pilot Training Facility grants towards the purchase cost and refurbishment, now being in abeyance until such time as the facility has suitable tenants. Like the airport operations this is hoped to be addressed with the aviation industry returning to normal.

The recurrent results table for General Activities in section c shows that with the exception of fleet operations all activities are showing a deficit. Whilst the recurrent result has been affected by covid the results are indicative that at a macro level there is insufficient funds being put aside for the renewal of assets.

Finally, the operating ratio for general fund remains firmly in negative territory. The industry benchmark for the operating performance ratio is set at a ratio greater than zero percent. Covid is the main contributor to the deterioration of this ratio. The ratio for general fund is predicted to return to a satisfactory positive result from 2025/2026 (as per draft Long Term Financial Plans). The deterioration of this ratio provides strong evidence as to why Council needs to maintain sufficient reserves to act as a buffer in times of economic downturn.

### **Water Fund**

- a. Summary of budget variations year to date:



<b>Budget Results</b>	<b>Original Budget</b>	<b>Previous Quarters</b>	<b>March Qtr Review</b>	<b>Projected Result</b>
Operating Income	(20,932,874)	(65,450)	1,191,083	(19,807,241)
Operating Expenses	21,381,389	608,262	657,977	22,647,628
Operating Result before Capital: (Surplus)/Deficit	448,515	542,812	1,849,060	2,840,387
Capital Income	(2,028,047)	(776,800)	(368,000)	(3,172,847)
Operating Result after Capital: (Surplus)/Deficit	(1,579,532)	(233,988)	1,481,060	(332,460)
Non Cash Adjustments: Depreciation/Leave Accruals	(5,711,630)	0	(112,138)	(5,823,768)
<b>Non-Operating Cash Adj.</b>				
Loans raised to fund Capital Expenditure	(6,500,000)	0	0	(6,500,000)
Proposed Land Sales	0	0	0	0
Leave Paid on Termination	0	0	0	0
Loan Principal Repayments	1,248,315	0	0	1,248,315
Cash Result before Capital Expenditure: (Surplus)/Deficit	(12,542,847)	(233,988)	1,368,922	(11,407,913)
Capital Expenses	23,789,000	(9,644,613)	9,335	14,153,722
<b>Cash Result after Capital Expenditure: (Surplus)/Deficit</b>	<b>11,246,153</b>	<b>(9,878,601)</b>	<b>1,378,257</b>	<b>2,745,809</b>
Unrestricted Cash: (Surplus)/Deficit:	(137,799)	(27,450)	150,356	(14,893)
Reserves: (Surplus)/Deficit	6,070,032	2,132,620	1,517,901	9,720,553
Developer Cont: (Surplus)/Deficit	5,313,920	(5,983,771)	(290,000)	(959,851)
Loans: (Surplus)/Deficit	0	(6,000,000)	0	(6,000,000)

Budget Results	Original Budget	Previous Quarters	March Qtr Review	Projected Result
Prior Year Grants: (Surplus)/Deficit	0	0	0	0
<b>Total Cash Funding: (Surplus)/Deficit</b>	<b>11,246,153</b>	<b>(9,878,601)</b>	<b>1,378,257</b>	<b>2,745,809</b>

b. Key Financial Results

	Opening Balance 1/7/21	Projected Result	Projected Balance 30/6/22	Minimum Balance
Unrestricted Cash	2,007,660	14,893	2,022,553	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected balance at the end of the third quarter exceeds the optimum minimum balance.

c. Recurrent Results

	Operating cash result (surplus)/deficit	Depreciation and Leave Accruals	Net Recurrent Result (surplus)/deficit	Loan principal repayments
Recurrent Result	(3,575,362)	5,823,768	2,248,406	1,248,315

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements. A deficit represents the amount of essential asset renewal work that cannot be funded as a result of operating commitments exceeding revenue capacity.

**Financial Services Manager's comment in relation to the financial position of the Council's Water Fund**

Whilst the financial position of the water fund overall remains sound, as alluded to in the previous quarterly review it was necessary this quarter to process a significant reduction in water consumption income of \$1.7M. This decrease in revenue has resulted in the need to transfer \$1.6m from water internal reserves to unrestricted cash to maintain the target position of \$2M. The original budget predicated that water reserves would drop by \$6M and whilst this quarterly budget review is forecasting a decrease of \$9.7M it is unlikely that this will transpire due to capital expenditure currently being well below the projected year result.

The operating result ratio for water fund is at -14% (refer Key Performance indicators **ANNEXURE 1**). The industry benchmark for the operating performance ratio is set at a ratio

greater than zero percent. Significant fluctuations in water usage income is the predominant contributor to the negative ratios. Like General Fund the ratio is set to a return to a satisfactory positive result from 2025/2026 (as per draft Long Term Financial Plans). The uncertainty with regards to water availability demonstrates the need for the Water Fund to maintain sound financial reserves.

### Sewer Fund

a. Summary of budget variations year to date:

<b>Budget Results</b>	<b>Original Budget</b>	<b>Previous Quarters</b>	<b>March Qtr Review</b>	<b>Projected Result</b>
Operating Income	(24,300,887)	(413,783)	(96,687)	(24,811,357)
Operating Expenses	17,541,654	542,389	1,083,269	19,167,312
Operating Result before Capital: (Surplus)/Deficit	(6,759,233)	128,606	986,582	(5,644,045)
Capital Income	(943,000)	(320,000)	(102,981)	(1,365,981)
Operating Result after Capital: (Surplus)/Deficit	(7,702,233)	(191,394)	883,601	(7,010,026)
Non Cash Adjustments: Depreciation/Leave Accruals	(5,946,991)	0	(42,578)	(5,989,569)
<b>Non-Operating Cash Adj.</b>				
Loans raised to fund Capital Expenditure	0	0	0	0
Proposed Land Sales	0	0	0	0
Leave Paid on Termination	0	0	0	0
Loan Principal Repayments	1,212,736	0	0	1,212,736
Cash Result before Capital Expenditure: (Surplus)/Deficit	(12,436,488)	(191,394)	841,023	(11,786,859)
Capital Expenses	18,184,500	(5,059,094)	(626,040)	12,499,366
<b>Cash Result after Capital Expenditure: (Surplus)/Deficit</b>	<b>5,748,012</b>	<b>(5,250,488)</b>	<b>214,983</b>	<b>712,507</b>

Budget Results	Original Budget	Previous Quarters	March Qtr Review	Projected Result
Unrestricted Cash: (Surplus)/Deficit:	(359,990)	(421,788)	919,100	137,322
Reserves: (Surplus)/Deficit	(1,983,718)	1,040,255	(808,622)	(1,752,085)
Developer Cont: (Surplus)/Deficit	7,513,502	(5,292,762)	204,000	2,424,740
Loans: (Surplus)/Deficit	578,218	(578,218)	0	0
Prior Year Grants: (Surplus)/Deficit	0	2,025	(99,495)	(97,470)
<b>Total Cash Funding: (Surplus)/Deficit</b>	<b>5,748,012</b>	<b>(5,250,488)</b>	<b>214,983</b>	<b>712,507</b>

b. Key Financial Results

	Opening Balance 1/7/21	Projected Result	Projected Balance 30/6/22	Minimum Balance
Unrestricted Cash	2,215,405	(137,322)	2,078,083	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. At the end of the third quarter the projected balance exceeds the minimum balance.

c. Recurrent Results

	Operating Cash Result (Surplus)/Deficit	Depreciation and Leave Accruals	Net Recurrent Result (surplus)/deficit	Loan principal repayments
Recurrent Result	(13,075,883)	5,989,569	(7,086,314)	2,812,736

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements.

**Financial Services Manager's comment in relation to the financial position of the Council's Sewer Fund**

The surplus shows that the Sewer Fund is well placed to meet loan repayments. During the quarter \$900,000 has been transferred to internal reserves, these additional funds will provide funding for the expansion and renewal of the region’s extensive sewer infrastructure network. Increased reserves has also meant that there was no requirement to increase sewer availability or usage charges in 2022/2023.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The body and **ATTACHED**, refer **ANNEXURE 1**, of this report provide details of the projected financial results for the 2021/2022 Budget. The variances recorded for the different funds will have implications for the Long-Term Financial Plan, and this will be reviewed as part of the ongoing Integrated Planning and Reporting process.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Region of Progressive Leadership – L21 Transparency and accountability of government.

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**9.5 AUDIT, RISK AND IMPROVEMENT COMMITTEE**

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER

**AUTHOR:** Karen Litchfield, Internal Auditor

**1 ENCLOSURES ENCLOSED**

**RECOMMENDATION**

*That in relation to the report “Audit, Risk and Improvement Committee”, Council receive and note the Minutes of the meeting held on 3 May 2022.*

**SUMMARY**

The purpose of this report is to present to Council the Minutes of the recent Audit, Risk and Improvement Committee meeting.

**COMMENTARY**

The quarterly meeting of the Audit, Risk and Improvement Committee was held on Tuesday 3 May 2022. The Minutes of the meeting are **ENCLOSED**, refer **ENCLOSURE 1**.

**(a) Policy Implications**

Nil

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**(b) Financial Implications**

Costs associated with the Internal Audit function are included in the 2021/2022 Annual Operational Plan.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Region of Progressive Leadership – L21 Transparency and accountability of government.

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## **10 COMMUNITY SERVICES**

### **10.1 TAMWORTH REGIONAL YOUTH COUNCIL - MINUTES OF THE ORDINARY MEETING HELD ON 28 APRIL 2022**

**DIRECTORATE: LIVEABLE COMMUNITIES**

**AUTHOR: Haley Fenn, Coordinator Outside School Hours Care and Tamworth Regional Youth Centre Operations**

**1 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Tamworth Regional Youth Council - Minutes of the Ordinary Meeting held on 28 April 2022”, Council receive and note the minutes.*

#### **SUMMARY**

The purpose of this report is to present the Minutes of the Tamworth Regional Youth Council meeting held 28 April 2022, and provide Council with an overview of the outcomes.

#### **COMMENTARY**

An Ordinary Meeting of the Tamworth Regional Youth Council was held on Thursday, 28 April 2022. The Minutes of the meeting are **ATTACHED**, refer **ANNEXURE 1**.

The main topics considered at the meeting are summarised below:

- Youth Councillors heard from Emma Fuller of Homes North in regard to two (2) Youth Programs which Homes North offer to help homeless or at-risk Youth aged 16-24. The programs offer help to find a home and help with life skills;
  - Council’s Director of Growth & Prosperity, Jacqueline O’Neill, presented the results of a Council-facilitated workshop with youth sector stakeholders held in March 2022, regarding the development of a Tamworth Region Youth Strategy. The strategy will reference the NSW Government’s Regional NSW Youth Framework. The Youth Council contributed ideas for engagement with youth across the Tamworth region. A workshop involving the Tamworth Regional Youth Council and key stakeholders will be scheduled for further consultation in the development of this strategy;
-

- the Youth Council resolved to participate in inclusiveness and awareness training; and
- the Youth Council has been successful in its application to the NSW Government for the Regional Youth Radio Program 2021 funding round.

The Youth Council has received \$19,200.00 to deliver the Youth Radio project, which will enable UNE-Life's TUNE!FM station to operate from the Tamworth Regional Youth Centre one day a week. The project aims to support up to 10 eligible young people between the ages of 16 and 24 years to complete Certificate III Screen and Media through the Community Media Training Organisation. Students will be mentored by TUNE!FM's Station Manager, and will gain valuable experience in working in community radio.

The Youth Council will lead the project from start to finish, with up to five Youth Councillors appointed to work actively with Council staff in developing a workplan and timeline, tracking milestones, and acting as ambassadors for the project, and reporting back to their fellow Youth Councillors.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The Youth Council's Youth Radio project will cost \$19,200.00, and is funded in full by the Department of Communities and Justice – Regional Youth Radio Program 2021.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

The Tamworth Regional Youth Council represent a diverse group of young people of various backgrounds, who advise Council on issues that are relevant to young people across the local government area.

**(e) Delivery Program Objective/Strategy**

A Spirit of Community – C14 Meet social justice principles through the provision of accessible and inclusive high-quality, integrated community services that meet current and emerging needs.

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## 10.2 CENTRAL NORTHERN REGIONAL LIBRARY (CNRL) - MINUTES OF AGM AND ORDINARY MEETING - 16 MARCH 2022

**DIRECTORATE:** LIVEABLE COMMUNITIES

**AUTHOR:** Kay Delahunt, Manager - Cultural and Community Services

**2 ANNEXURES ATTACHED**

### **RECOMMENDATION**

*That in relation to the report “Central Northern Regional Library (CNRL) - Minutes of AGM and Ordinary Meeting - 16 March 2022”, Council receive and note the minutes of the meeting of the Central Northern Regional Library (CNRL) Annual General Meeting and Ordinary Meeting held 16 March 2022.*

### **SUMMARY**

The purpose of this report is to present to Council the minutes of the CNRL Annual General Meeting and Ordinary Meeting held 16 March 2022. This report summarises the key issues from the Minutes.

### **COMMENTARY**

The CNRL Annual General Meeting (AGM) and Ordinary Meeting were held on 16 March 2022. The minutes of these meetings are **ATTACHED**, refer, **ANNEXURE 1** and **ANNEXURE 2**. Usually, the AGM is held in November but, because of the December 2021 local government election, the meeting was held over until March.

Councillor Catherine Redding from Narrabri Shire Council was elected the new CNRL Chair and Councillor Catherine Egan from Gwydir Shire Council was elected as Deputy Chair.

The CNRL Annual Report and the CNRL Annual Financial Statement 2020/21 were received and noted by the Committee. The previous Chair, Bill Heazlett, attended the AGM as a guest and addressed the new Committee, providing encouragement.

At the Ordinary Meeting the Library Co-ordinator reported on:

- the appointment of the Manager Cultural and Community Services to the Library Council of NSW;
- the challenges CNRL libraries faced when restricting library access to fully vaccinated customers;
- the role of CNRL’s Children’s Services Officer as convenor of the Australian Library and Information Association (ALIA) Disability Group;
- library programs including One Book One Region, Library Lover’s Day and National Simultaneous Storytime; and
- staff training.

In addition, a CNRL quarterly report, a social media report and a library resources report were presented.

Delegates gave a brief report on library activities in their respective local government areas.

### **(a) Policy Implications**

Nil



**(b) Financial Implications**

Nil

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

A Spirit of Community – C22 Provide accessible, functional, multi-purpose facilities and spaces suitable for cultural, recreational, learning and information services and activities.

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## **11 REPORTS TO BE CONSIDERED IN CLOSED COUNCIL**

### **RECOMMENDATION**

*That the confidential reports as listed be considered in a Meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993.*

### **MOONBI GAP ROAD, MOORE CREEK - LAND ACQUISITION FOR ROAD RESERVE CORRECTION AND TRANSFER OF PROPOSED PART ROAD CLOSURE**

**DIRECTORATE: REGIONAL SERVICES**

**AUTHOR: Callum Fletcher, Senior Project Engineer**

**1 CONFIDENTIAL ENCLOSURES ENCLOSED**

The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (c) of the local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.

### **SUMMARY**

This report seeks Council approval for the closure of a section of the Moonbi Gap Road road reserve and the transfer of this land, following closure and classification as operational land, to the adjacent land owner as part of a 'land swap' agreement. This land swap will include acquiring a portion of land from the adjacent land owner to ensure the road is located within a road reserve and to enable the proposed safety upgrade of Moonbi Gap Road where it intersects with Upper Moore Creek Road.

**T096-2022 - DESIGN AND CONSTRUCTION OF COMMUNICATION TOWER AND HUT AT BALD HILL**

**DIRECTORATE:** GROWTH AND PROSPERITY  
**AUTHOR:** Daniel Murphy, Business Systems and Solutions  
**Reference:** Item 12.2 to Ordinary Council Meeting 22 March 2022 - Minute No 92/22

The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (c),(d)i&(d)ii of the local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business., commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it. and information that would, if disclosed, confer a commercial advantage on a competitor of Council.

**SUMMARY**

The purpose of this report is to seek Council's acceptance of tender T096/2022 to award a tender contract for the construction of the communication tower and hut on Bald Hill.

## **T124/2022 FOREST ROAD LANDFILL CONCRETE CRUSHING – REQUEST FOR TENDER**

**DIRECTORATE: WATER AND WASTE**

**AUTHOR: Morne Hattingh, Manager - Waste and Resource Recovery**

**1 CONFIDENTIAL ENCLOSURES ENCLOSED**

The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (c)&(d) of the local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business. and commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

### **SUMMARY**

The purpose of this report is to inform Council of the Tender outcomes for Request for Tender (RFT) T124/2022 – Forest Road Landfill Concrete Crushing and recommend a preferred tenderer.

The Forest Road Landfill (FRL) waste management facility receives approximately 12,000 tonnes of construction and demolition (C&D) waste per annum. In addition, the site accepts other inert virgin and excavated natural materials (ENM) like rock and stone for disposal of commercial quantities. With the correct processing infrastructure in place, the C&D waste sector has the potential to return large volumes of recovered material to the economy and the environment. There has been an increase in infrastructure and construction projects within Tamworth and its surrounds, thus FRL have experienced an increase in delivered material to site.

Council has a need for a C&D processing contractor and as a result the decision was made to advertise a tender for this work.

The tender sought experienced contractors to provide concrete, bricks and tiles, overburden and gravel crushing services for a three-year term at FRL. The works generally involve the provision of, but not limited to, the following obligations and activities by the Contractor:

- sort stockpiled materials and remove contaminants;
- crushing of concrete stockpiles, including structural or 'oversized' concrete (with or without steel), and demolition concrete;
- crushing of brick, tile and masonry stockpiles;
- crushing of overburden and gravel;
- crushing of mixed stockpiles that are 'dirty' due to the presence of physical contaminants; and
- process materials to produce gravel road base, select fill or drainage medium materials as requested by Council.

Tenders for this work were advertised on Tenderlink on 31 March 2022, with a closing date of 21 April 2022.