

11.2 CONCEPT DESIGN FOR DENMAN TO SANDY HOLLOW WATER PIPELINE

Attachments:	A. GLE Pipeline - Monthly Report - January and February 2022
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Shahzad Khizer - Asset Manager - Water & Wastewater
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Facilitate investment in high quality community infrastructure necessary to a regional centre.</i>
Community Plan Strategy:	<i>Deliver the Capital Program substantially on time, on budget and in accordance with relevant design and construction standards.</i>

PURPOSE

The report is submitted for Council's consideration of providing a transfer of funding from the Water Fund Reserve to enable the development of a concept design for the proposed Growing Local Economies Denman to Sandy Hollow water pipeline.

OFFICER'S RECOMMENDATION

Council approves the transfer of \$300,000 funding from the Water Fund Reserve to expenditure ledger number 5010.0492.500 to enable tenders to be invited for the development of a concept design for the Denman to Sandy Hollow water pipeline project.

Moved: _____ **Seconded:** _____

BACKGROUND

Muswellbrook Shire Council has been conditionally successful in securing an \$18.9M NSW Government Growing Local Economies grant for the construction of a Denman to Sandy Hollow potable water pipeline which incorporates potable water supply to a proposed State Significant Development abattoir and feedlot construction project at Hollydeen. The grant funding is subject to a number of conditions that must be satisfied prior to the grant funding being released.

The conditions associated with the \$18.9M grant funding amount include:

1. Council collaborating with the NSW Department of Planning, Industry and Environment – Water to ensure inclusion of this project in Council's Integrated Water Cycle Management (IWCM) Strategy, and Council adopting the preferred scenario as outlined in the IWCM.
Council has fully satisfied this funding condition. The IWCM Strategy was adopted by Council at the 27 July 2021 Ordinary Council Meeting, and concurrence was received from the NSW Department of Planning, Industry and Environment – Water on 23 December 2021.
2. Council achieving the remaining planning and regulatory approvals necessary for the project to proceed.
3. Council securing written agreement and in-principle approval for the purchase of the required water volume and licence to enable the development to proceed.
4. Council securing a binding agreement with FJT Australia for development of the site, including a commitment to accept the water from Council.

The Growing Local Economies representatives from the Department of Regional NSW have acknowledged the significant progress that has been made by Council in achieving each of the funding conditions.

CONSULTATION

The following consultation has been carried out:

- General Manager
- Growing Local Economies Denman to Sandy Hollow Water Pipeline Steering Committee
- Operations Manager Water and Wastewater
- Transport for NSW (TfNSW)
- FJT
- Department of Planning, Industry & Environment - Water
- NSW Natural Resources Access Regulator
- Deputy General Manager

REPORT

In order to progress the proposed Denman to Sandy Hollow water pipeline construction project, there is a requirement to engage a consultant to develop a concept design for the water pipeline. The concept design will be submitted to Council for review and approval and will be included in the tender package for a future design and construction contract. The concept design will also include site investigations and a concept study for the integration and upgrade of existing infrastructure, as well as analysis and conceptual detail of new infrastructure required to enable the project. This will include the pipeline and associated pump stations, reservoirs and a required upgrade to the existing Denman Water Treatment Plant.

The concept design will include a constructability assessment, preliminary geotechnical investigation, project cost estimate and tender documentation to support a future design and construction tender for the project. Completion of the concept design scope will ensure Council is ready to commence design and construction procurement at the earliest possible opportunity once the Growing Local Economies funding is secured. The concept design will also reduce the potential for unreasonably high tender proposals, as sufficient information will be provided to tenderers to enable tenderers to submit an accurate cost proposal.

OPTIONS

Council could decide to approve the transfer of funding for the development of a concept design for the Denman to Sandy Hollow potable water pipeline or not approve the transfer of funding.

CONCLUSION

The development of a concept design for a Denman to Sandy Hollow potable water pipeline will reduce the risk of inflated tender prices being received in response to design and construct tenders called for the construction of the pipeline. It is considered that the savings enabled by the development of a concept design will be significantly greater than the cost of developing the concept design. Because of this, it is recommended that Council approves the transfer of \$300,000 funding to enable the development of a concept design for a Denman to Sandy Hollow water pipeline.

SOCIAL IMPLICATIONS

The Growing Local Economies Denman to Sandy Hollow water pipeline (GLE Pipeline) project will provide potable water infrastructure to manage water resources for the development of new and emerging industry sectors, particularly in agribusiness such as an abattoir and feedlot.

The GLE Pipeline has the potential to unlock population growth in Sandy Hollow and Denman. There is also the potential for the proposed pipeline to be extended to Merriwa in the future, assisting in the

provision of water security to this community.

The construction of the Denman to Sandy Hollow water pipeline will assist to build economic resilience and diversity in this strategically important sector of Muswellbrook Shire and the upper Hunter.

FINANCIAL IMPLICATIONS

Ongoing Operational and Maintenance Costs Implications Associated with Capital Project

1. *Financial Implications – Capital*

Nil for the carrying out of the concept design which is the subject of this report.

2. *Financial Implications – Operational*

Sufficient funding is available in the Water Fund Reserve to enable the transfer of \$300,000 from the Water Fund Reserve to ledger number 5010.0492.500 for the carrying out of the concept design. Should the \$18.9M Growing Local Economies funding be realised, the \$300,000 will be reimbursed to Council and returned to the Water Fund Reserve.

POLICY IMPLICATIONS

Tenders will be called in compliance with Council's Procurement Policy and the procurement requirements of the Local Government Act 1993 and Local Government (General) Regulation.

STATUTORY IMPLICATIONS

Local Government Act 1993

Local Government (General) Regulation

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

Submission of the report complies in principle with Item 19.3.3 of the Operational Plan: 'Provide to Council designs and associated estimates for the forward financial year'.

RISK MANAGEMENT IMPLICATIONS

There is a very low risk that the \$18.9M Growing Local Economies funding for the Denman to Sandy Hollow water pipeline will not be realised, which will mean that the \$300,000 funding for the carrying out of a concept design for the pipeline will not be reimbursed to Council.

A pipeline concept design provided as information to tenderers for the design and construct contract for the water pipeline will provide security against the risk of variation and higher project cost at the tender and construction phases of the project.

WASTE MANAGEMENT IMPLICATIONS

Nil.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Consultation will be carried out with property owners located along the proposed pipeline route.



**muswellbrook
shire council**

GLE High Security Water Pipeline Pre- Construction

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DOCUMENT DETAILS

File Reference	GLE High Security Water Pipeline Pre-Construction - Monthly Report January & February 2022 - 001
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Rev	Date	Prepared By Name	Reviewed by Name	Approved by Name	Comments
001	22/02/2022	Edward MacDonald	Shahzad Khizer	NA	Final

1 Executive Summary

Since the Growing Local Economies (GLE) funding for the construction of a potable water pipeline from Denman to Sandy Hollow was conditionally awarded in September 2020, the Muswellbrook Shire Council (MSC) team has applied a multifaceted approach to achieving each of the funding conditions. The approach has involved identifying clear objectives to meet the vision of this pre-construction phase of the project to secure the grant funding required to execute the GLE High Security Water Pipeline works and successfully procure a works contractor and/or consultant/s to undertake the design and construction of the pipeline.

The project Steering Committee has been established, and includes representatives of MSC, GLE, Department of Planning, Industry and Environment (DPIE) Water and the abattoir (FJT) by invitation. A bi-weekly Steering Committee meeting occurs to provide an update on progress and to define actions for the project team.

The MSC team has engaged an external Project Manager to assist in meeting the project objectives and achieving the funding condition requirements set out by GLE. Project management plans have been produced and finalised to identify objectives, stakeholders, project team, scope and deliverables involved in delivering the pre-construction phase of the GLE pipeline works.

The route alignment for the pipeline was confirmed via an options assessment report, with approval from the project steering committee.

The Project Schedule has been captured in a Gantt chart, identifying the critical path activities and milestone dates.

Costs assigned for this pre-construction phase of the project are within budget.

The Project Team has actively sought to understand the potential risks and opportunities for the project. A community risk workshop was undertaken at the Denman community hall 18 February 2021, and included relevant industry stakeholders and professionals. Risks were documented and recorded in the project Risk Register for further assessment and management. The team also undertook a Lessons Learned workshop with the Upper Hunter Shire Council for its Scone to Murrurundi water pipeline project, which proved extremely valuable.

Progress toward the project's objectives and reasonable achievement of the GLE funding conditions is as follows:

GLE Funding Condition 1 – Integrated Water Cycle Management Strategy (IWCM) to include the pipeline project and be adopted by council:

This funding condition has been achieved.

After preliminary meetings and discussion with Department of Planning, Industry and Environment (DPIE) Water representatives, the IWCM document has been drafted by MSC's consultant, Public Works Advisory (PWA). The IWCM was adopted by Council at the 27 July 2021 Ordinary Council meeting. Subsequent to the iterative review undertaken with DPIE Water, MSC successfully received confirmation of DPIE Water's concurrence with its IWCM Strategy in December 2021.

GLE Funding Condition 2 – Planning and Regulatory Approvals

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This funding condition has been completed. Any further required regulatory approvals are to be closed out as part of the delivery phase of the project.

Planning - The appropriate planning approval pathway has been confirmed with MSC's environmental division. A consultant, GHD, has been engaged to produce the project's Review of Environmental Factors (REF) and to meet planning approval requirements for the GLE Pipeline works. The final REF document has been issued to council and has been determined by council's Development Coordinator, meeting the required planning requirements for the project.

Advice has been received from the Natural Resources Access Regulator (NRAR) confirming that the raw water from the Hunter River needs to be metered at the point of extraction. Site works to install the required flowmeter at the Denman Raw Water Main were completed in December 2021 and commissioned in January 2022, meeting NRAR requirements.

Contact has been made with Transport for NSW (TfNSW) to brief them on project requirements, interfaces and the pipeline route. In principle approval of the pipeline route has been received from TfNSW.

GLE Funding Condition 3 – Obtain water volume to enable the development to proceed:

Council has put forward its proposal to utilise its LWU licences to service the identified water consumers associated with the GLE Project, with ongoing pursuit of water to be part of MSC's drought risk mitigation measures for the shire. Formal response to the proposal to use the LWU licences to address the funding condition will be reserved by Department of Regional NSW until the outcome of the Bengalla negotiations is known.

A Water Broker, Flood Rural and Water Agent, has been engaged to assist in securing the necessary High Security Water Licence to enable extraction of additional raw water at Denman to supply to the proposed abattoir development. In June 2021, 30ML of high security water was advertised on the market. MSC has subsequently negotiated a price and completed its purchase of the water.

In parallel, MSC has sought other options of securing the required water via neighbouring coal mines. Discussions between MSC and Bengalla Coal Mine representatives have been underway since April 2021 to explore any opportunity for securing water via existing securities held by the mine. Council has subsequently released an Expressions of Interest (EOI) for its recycled water produced by the Muswellbrook Recycled Water Treatment Works in the hope that the EOI will prompt Bengalla or any other relevant party to put forward a proposal for the recycled water usage and trade for High Security water. Bengalla responded to the EOI with its Terms of Reference for the proposed water trade. With discussions between the two parties ongoing, council's legal team has produced its own Terms of Reference to mitigate the commercial risks observed by both Bengalla and council. Council has also received a response from Mount Arthur Coal to continue its existing arrangement for the purchase of the treated water from the plant.

Council has received advice from DPIE Water confirming that the Minister for Water has approved a pending change to legislation which would allow for LWU

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(Local Water Utility) access licences to be used to supply industries such as an abattoir.

Council has reviewed the capacity of its currently held LWU licences to confirm its strategy for water supply to the abattoir development and other future developments as outlined in the original GLE funding application. Whilst council will continue to pursue further allocations of high security water via the abovementioned avenues for drought risk mitigation purposes, it considers that the water supply to the abattoir and wider project purposes can be effectively achieved through its LWU licence holdings.

GLE Funding Condition 4 – FJT Binding Agreement

This funding condition is yet to be achieved.

Council and FJT have executed a memorandum of understanding. This preliminary agreement sets out expectations for a future binding agreement between the two parties.

Financial modelling mechanisms for the agreement with FJT have been discussed with relevant subject matter experts and have been captured in a draft financial modelling options report.

The proposed funding structure is confirmed within MSC's draft Developer Servicing Plan which is in the process of a rigorous review and consultation process and is currently forecast for approval in February 2022. The draft Developer Servicing Plan will be included within a binding agreement as an information document to facilitate ongoing development of the agreement.

The proposed binding agreement has been drafted by MSC's legal team and issued to FJT for review and negotiation. FJT has confirmed its initial receipt of, and consensus with, the general principles of the agreement pending detailed legal review. FJT has confirmed that its execution of the agreement is no longer dependent on its State Significant Development planning approval, with execution expected to occur in March 2022.

GLE Funding Condition 5 – September 2021 Deadline – Extended to end of March 2022

This funding condition is ongoing.

A project baseline schedule has been produced showing the planned achievement of the defined Project milestones.

As previously advised, MSC has forecast a requirement to extend the original September deadline.

Subsequent to the August 2021 Monthly Report wherein MSC confirmed current milestone status and pathway to close-out of the conditions, a meeting with the GLE representatives occurred (27 September 2021) to discuss details and timeframe for closing out the remaining conditions.

As a result of the meeting, a 6-month extension to the deadline was confirmed, to the end of March 2022. The extension will allow MSC to further progress and close out outstanding actions.

2 Project Objectives Tracker

Since the Growing Local Economies (GLE) funding was conditionally awarded in September 2020, the Muswellbrook Shire Council (MSC) project team has applied a multifaceted approach to achieving each of the funding conditions. The approach has involved identifying clear objectives to meet the vision of this pre-construction phase of the project to secure the grant funding required to execute the GLE High Security Water Pipeline works and successfully procure a works contractor and/or consultant/s to undertake the design and construction of the pipeline.

A project Steering Committee has been established which includes representatives of MSC, GLE, Department of Planning, Industry and Environment (DPIE) Water and the abattoir (FJT) by invitation. A bi-weekly Steering Committee meeting occurs to provide an update on progress and to define actions for the project team.

The MSC team has engaged an external Project Manager to assist in meeting the project objectives and achieving the requirements set out by GLE. Project management plans have been produced and finalised to identify objectives, stakeholders, project team, scope and deliverables involved in delivering this pre-construction phase of the GLE pipeline works.

This tracker will provide an update on the accomplishments for the reporting period and the ongoing planned scope associated with the project objectives, as identified in the Project Charter.

For presentation purposes, the “Status” section for each of the below funding conditions will include an introductory paragraph highlighting council's position for whether the condition has been effectively met. Where a condition has been achieved the paragraph will show **Green**, where further action is required **Orange** text will be used, and where not achieved **Red** text will be used.

2.1 GLE Funding Condition 1 – IWCM

2.1.1 Requirement

“Council collaborating with DPIE Water to ensure:

- inclusion of this project in Council's Integrated Water Cycle Management (IWCM) Strategy; and,
- Council adopting the preferred scenario as outlined in the IWCM”

2.1.2 Strategy

MSC engaged Public Works Advisory (PWA) to complete the IWCM Strategy paper. Document revisions incorporated alternative operating regimes to consider the proposed GLE Pipeline works. MSC has worked closely with DPIE Water representatives to ensure progressive review of the IWCM document and to effectively facilitate close-out of any comments.

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2.1.3 Status

The IWCM document, incorporating the GLE Pipeline project, was adopted by Council at the 27 July 2021 Ordinary Council meeting. MSC has met the relevant funding condition.

Subsequent to the iterative review undertaken with DPIE Water, MSC successfully received confirmation of DPIE Water's concurrence with its IWCM Strategy in December 2021.

2.1.1 Key Risks

Objective achieved.

2.2 GLE Funding Condition 2 – Planning and Regulatory Approvals**2.2.1 Requirement**

"Council achieving all of the remaining planning and regulatory approvals necessary for this project to proceed"

2.2.2 Strategy

The project team has confirmed that the below planning and regulatory approvals will satisfy this condition for the GLE funding.

Planning Approval –

The planning approval for the proposed GLE Pipeline will need to consider the following infrastructure:

- Pipeline from Denman to Sandy Hollow
- Reservoir locations
- Pump locations
- Denman raw water treatment plant upgrade

The legislative requirements for planning approval of the infrastructure requires MSC to produce a Review of Environmental Factors (REF) to support the determination under Part 5 of the Environmental Planning and Assessment (EP&A) Act as a development for the purpose of water reticulation systems as per Clause 125 of the State Environmental Planning Policy (Infrastructure) 2007 (ISEPP).

As MSC is the determining authority for the above, it is relevant to consider local policy and land use zoning provisions.

Preliminary investigations into zonings shows the proposed development passes through five land zoning types:

- SP2 - Infrastructure
- RE1 – Public Recreation

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- R1 – General Residential
- RU5 – Village
- E3 - Environmental Management

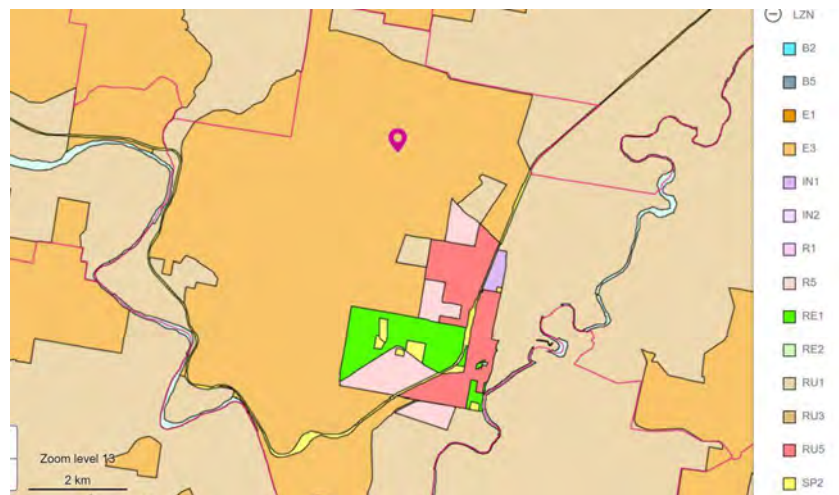


Figure 1: Reservoir at Andersons Gap (marked) shows zoning E3

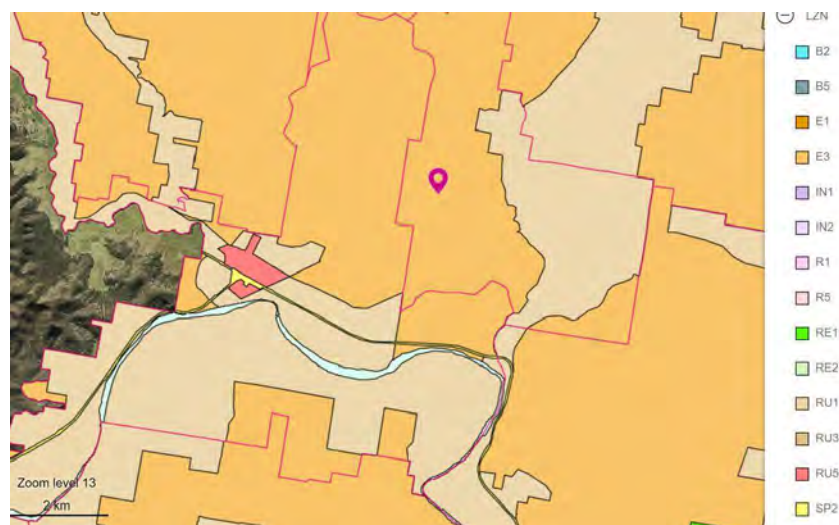


Figure 2: Proposed Reservoir site Wybong Rd (marked) shows zoning E3

Water supply systems or water reticulation systems are permitted uses with consent within the above land use zones. It is noted that land zoned as E1 National Parks and Nature Reserves does not include the above.

The Denman water treatment plant modification works will be within the existing boundary and is permitted without consent in that zone.

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The above planning pathway has been confirmed with MSC's environmental division.

Other regulatory approvals:**NRAR and Water NSW**

The project team has engaged with representatives of the Natural Resources Access Regulator (NRAR) to confirm project requirements.

It was subsequently confirmed with Ms Heather Dewson (Water Regulation Officer NRAR - Department of Planning, Industry & Environment) that:

"The Council is able to buy a high security water access licence with which to supply the abattoir. A separate meter can be installed at the abattoir to measure the water separate from the water it uses for town water supply. The water is also ordered on a different account. The high security water access licence can be linked to the existing pumping station."

The existing pump station works approval is reference #20WA 200010.

Advice was also received from NRAR confirming that the raw water needs to be metered at the point of extraction. A meter is to be installed at the Denman extraction point by MSC's water team.

Transport for NSW (TfNSW) Roads (formerly RMS)

The project team has made contact with Mr Michael Papadopoulos (TfNSW Roads Manager – Local Government Regional Hunter) on 17 March 2021 to confirm the process required by TfNSW to approve works required within the road reserve. Follow up contact was made via email 29 April 2021.

Consent under Section 138 of the Roads Act 1993 is required for any works or activities in a public reserve, public road-way or footpath (nature strip or verge).

The strategy is to notify the TfNSW Roads team of the project and the intended route and confirm any required approval process which will be undertaken as part of a design and construct (D&C) package of works including mounting the pipe off the bridge girders for the proposed creek crossing.

Crown Lands

The REF consultant has confirmed requirements for crown lands interfaces and use of the existing 10m wide easement in Denman.

Native Title

Traditional landowners in the area are Wanaruah Local Aboriginal Land Council (LALC).

The REF has identified three parcels of land that are subject to an existing Aboriginal Land Claim with the Wanaruah LALC. All are within Crown Lands along the proposed pipeline route.

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As confirmed by the REF, MSC will obtain legal advice as to whether any land tenure subject to the proposal will require consultation with the Wanaruah LALC to proceed with the project works.

Private Landowners

Landowners along the route have been identified.

Identified Landowners were invited to the community briefing conducted at Sandy Hollow on 1 May 2021.

In combination with the REF consultant, the project team is to set in place a plan to make ongoing contact with relevant landowners regarding the proposed works.

It is noted that Department of Defence land may also be affected by the project.

2.2.3 StatusPlanning Approval

The final REF document has been issued to and determined by council. This meets the required planning approvals for the project.

A Proposed Consultancy Brief was drafted to engage a consultant to produce the REF for the pipeline and undertake the required investigations. The select tender was released 28 April 2021, with a three-week tender period. Consultants were selected from the Local Government Procurement (LGP) Panel. MSC subsequently engaged GHD to complete the REF for the project.

In June an inception meeting for the REF was held with GHD to discuss its delivery methodology. GHD issued its Service Delivery Plan and the proposed assessment boundary for the project. On 22 June 2021, the MSC project team undertook a site walk of the proposed route with the GHD Project Manager. This up-front confirmation of the pipeline route has allowed for early identification of pump station locations, reservoir locations, construction compound locations and constraints that may affect the final design route.

The REF document has now completed the review process with MSC representatives and has been finalised and determined.

NRAR

This part of the funding condition was achieved in December 2021 with the successful installation of the raw water flowmeter at Denman.

The project team has engaged a local contractor to assist in the scoping, methodology and installation of the required flow-meter at the Denman raw water pipeline. Existing infrastructure has been inspected and MSC asset teams notified of the works.

Methodology and risk assessment documentation has been received for MSC review, and a kick-off meeting/risk workshop with relevant personnel and the contractor has been held.

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After overcoming months long delays due to COVID-19 controls, the Denman raw water flow meter was successfully installed in December 2021 and commissioned in January 2022, meeting NRAR requirements.



Figure 3 Denman Raw Water Main Flowmeter Installation

TfNSW Roads (RMS)

In-principle agreement of the proposed route has been received from TfNSW.

Contact was made with Transport for NSW Regional Infrastructure Services Asset team confirming MSC's intended pipeline route as well as the project background. Transport for NSW Asset Engineer, Mr Mark James, confirmed the proposed route and the intended use of the state roads corridor, in providing the following response:

"In principle agreement from TfNSW for the proposed water pipeline (per attached MSC Information Brochure) is granted to Muswellbrook Shire Council subject to the following conditions;

- All efforts shall be made to ensure no part of the TfNSW State Road sealed pavement is opened as part of the proposed works
- The proposed Utility is to be located as far from the TfNSW State Road pavement and as near to the road reserve boundary as practicable. Installations in areas with kerb & gutter should be in accordance with the Street Openings Conference Guidelines.
- Any crossings of the TfNSW State Road are to be by trenchless methodologies and be considered maintenance free. Crossings are to be

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encased to the full width of the TfNSW State Road pavement with minimum 1.5m cover to encasement and installed perpendicular to the TfNSW State Road centreline.

- If any above ground structures are to be installed as part of the proposed utility they are to be located outside of the TfNSW State Road Clear Zone in accordance with Austroads Guide To Road Design Part 6 Table 4.1. If this cannot be achieved, a suitably designed TfNSW approved safety barrier will be required. TfNSW will also need to assess any proposed access designs.
- TfNSW preference is the pipeline to be independent of the Wybong Creek bridge as the bridge is a narrow structure and does not have provision for such services to be attached. Any proposal could only be considered by TfNSW with concept sketches if the pipeline is proposed to be incorporated with the bridge structure.
- Muswellbrook Shire Council to submit S138's per attached checklist as detail design progresses"

Further consultation with TfNSW will continue once a more detailed concept design of the pipeline has been completed.

Key Risks

One of the key risks identified for planning and regulatory approvals for the project include the potential for aboriginal heritage interfacing with the works. This was highlighted to the MSC team during the Lessons Learned workshop with the Murrurundi water pipeline project team; the project encountered significant delays due to aboriginal heritage artefacts being encountered. One mitigating factor will be the fact that the pipeline route is largely restricted to the established road reserve. Once the scope of this risk is understood, an engagement with local aboriginal stakeholders will be put into place. This risk will require ongoing management after the Concept Design is completed as part of the delivery phase for the project.

The other key risk is associated with the procurement of a water licence to facilitate NRAR approval of the water extraction. This is a separate condition of the funding and is covered below in section 2.3.

2.3 GLE Funding Condition 3 – Obtain water volume to enable the development to proceed

2.3.1 Requirement

"Council securing written agreement and in principle approval for the purchase of the required water volume and licence to enable the development to proceed"

In March 2021, representatives of the abattoir development confirmed that the quantity of water nominated within its earlier document, "Memo re: Hollydeen Abattoir (Pitt and Sherry) - COMMERCIAL IN CONFIDENCE" – included as supporting

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document within the original funding Business Case, was an accurate estimate for its required usage to be supplied via the pipeline. This amount is 258ML per year and is consistent with the original Business Case.

Also nominated within the original Business Case is an overall requirement of water for the project of 900ML. As part of its original application, MSC provided other considered options for the project, two of which were differing quantities of water supply, 600ML and 900ML. The 600ML option was based on supply to Sandy Hollow and the abattoir development only, whereas the 900ML option considered allowance for agribusiness growth and future pipeline expansion to Merriwa/Cassilis. It is noted, the Business Case does not provide a detailed breakdown of these round figured estimates. Broadly, each scope would include as follows:

- a. 600ML - of the 600ML set aside for Sandy Hollow and the Abattoir, we know 30ML would satisfy Sandy Hollow's current usage and 258ML would cover the abattoir. The remainder can be accounted for as process losses, non-revenue losses, future growth to the Sandy Hollow community and drought mitigation (75% reduction to security as per council's IWCM) which would make up the majority of the difference.
- b. 300ML - for agribusiness growth and future expansion

The above will form the basis for councils required water securities for this funding condition.

2.3.2 Strategy

In order to understand the required water quantity under this funding condition, the original 900ML from the Business Case needs to be broken down into specific scope items; refer to Table 1 below:

Item		Water Usage (ML per annum)	Include Process Losses and Non-revenue Losses (ML per annum)	Include Allowance for Drought Contingencies (ML per annum)	Comments
600ML	Abattoir	258	319	425	Refer "Memo re: Hollydeen Abattoir (Pitt and Sherry) - COMMERCIAL IN CONFIDENCE"
	Sandy Hollow	30	37	49	30ML (current peak usage) identified in IWCM
	Future Development at Sandy Hollow	75	93	123	Allow for a nominal amount of 75ML
	subTotal			598	

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300ML	Potential Future Development, Agribusiness along pipeline and Future Expansion to Merriwa /Cassilis			300	<i>As per estimates in original funding Business Case. Estimates would already incorporate contingency for losses/drought.</i>
TOTAL				898	<i>Circa 900ML</i>

*Allow for Process Losses (-10%), Non-revenue Losses (-10%) and Reduced Allocation During Drought (-25%)

Table 1: Breakdown of Business Case Water Quantity (900ML)

As is evident by the above table, the quantities used by the Business Case included a significant amount of contingency for drought risk mitigation and can be described as being an optimal scenario for council's water management.

Current avenues taken by MSC in its search for water have included:

- Procuring an experienced local water broker with industry knowledge and contacts within the relevant zones where water security may be purchased.
- Negotiation with neighbouring industries to explore opportunities for water security purchase or, failing that, a negotiated lease.
- Liaise closely with DPIE Water to confirm opportunities for alternative water supply options via MSC's currently held Local Water Utility (LWU) licences.

Taking into account the scarcity of high security water on the current market, MSC's strategy in meeting the above water quantity targets is to prioritise the critical elements of its water supply scope whilst mitigating risks associated with its broader water asset management strategy. Via a multi-faceted approach to meeting quantity requirements, including utilisation of its LWU licences and securing its own supply of High Security Water, council will be able to facilitate the needs of the abattoir development, the community of Sandy Hollow and the wider shire, as well as plan for future developments and needs.

2.3.3 Status

Council has put forward its proposal to utilise its LWU licences to service the identified water consumers associated with the GLE Project, with ongoing pursuit of water to be part of MSC's drought risk mitigation measures for the shire. Formal response to the proposal to use the LWU licences to address the funding condition will be reserved by Department of Regional NSW until the outcome of the Bengalla negotiations is known.

Council will continue to supplement its water reserves which will be procured as dictated by market availability. By utilising effective management of its current LWU licence holdings, this allows for the project to proceed without causing delays to the abattoir development and gives confidence to the wider developer market for other investments along the pipeline route and at Sandy Hollow.

Water Broker

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MSC has engaged an experienced local water broker with industry knowledge and contacts within the relevant zones where the required water security may be purchased.

A Broker Services Agreement Water Traders NSW has been executed (30/03/2021) in order to actively pursue a High Security Water Licence to service the abattoir and meet the relevant GLE funding condition.

Preliminary Discussion

A kick-off meeting was held between MSC staff and Flood Rural and Water Agent (Water Traders NSW) in April 2021 to discuss strategy for obtaining the water security and any relevant prospects. Availability of high security water licences was discussed. Mr Flood expressed his concern that a proposed June 2021 deadline was going to be very difficult to achieve securing a licence or access to water.

Mr Flood made preliminary contact with NRAR to discuss MSC's current LWU licences. It was confirmed that at the time, abattoirs and agricultural activities were specifically excluded from suitable uses for LWU water.

Although not preferred, the option of purchasing water without owning the licence was also discussed as a potential strategy to meet project requirements.

The option of deep ground water extraction was also discussed. Further investigation by MSC engineers has subsequently confirmed that this is not a viable option largely due to the poor quality of deep ground water making it unsuitable for the abattoir's use, as well as the lengthy approval process associated with deep ground bores.

Advertisements

MSC's Water Broker has placed multiple advertisements in the local "Hunter Valley News Paper" to encourage any potential vendors with the relevant water securities to come forward (refer to figure 3 below). The advertisements have not elicited a response. Under the advice of the Water Broker, advertisements have remained anonymous of MSC's involvement. There is a belief that public knowledge of MSC's desire to accumulate water allocations could result in an inflation in the price for said securities.

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I've been dreaming about attempting world-first challenges ever since I started diving 20 years ago," she said. This happened. "I've been training for this moment for the last few months and I'm so proud to Spain, to Portugal and Italy, leaping off remarkable cliffs up to 27 metres high and at speeds in excess of 85 kilo- living the ge chamg secuti

WATER TRADERS NSW
Incorporating Hunter-Goulburn Water Brokers

We have orders for allocation

1. Giants Creek - Surface - min 20ML
2. Hunter River Zones 1a or 1b 500ML High Security (or part thereof)
3. Dartbrook Acquifer/Stream up to 50ML
4. Halls Creek - up to 50ML of surface water.

If you have any of these allocations available

CONTACT

EMAIL – john@floodfamily.com.au
PHONE – John Flood 0419 000 780

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Figure 4: Advert Placed in Hunter Valley News

Contact with Local High Security Water Holders

MSC's water broker has confirmed the relevant high security water licence holders in the area. The water broker has reached out to high security licence holders, expressing his client's (MSC) interest in the purchase of High Security Water allocations in zone 1.

To date, the water broker has not sourced any available allocations of high security water through his contacts.

Purchase of Advertised Water Securities

Since the project's inception, a single allocation of 30ML of High Security water within zone 1a or 1b has been advertised on RealEstate.com. The allocation is less than 10% of the 400ML that is required for the project.

MSC has had its offer accepted for the purchase of this water allocation and has exchanged sale contracts. Settlement of the matter occurred 29 September 2021.

MSC Contact with Local Mine/s

In parallel with the water broker's scope, MSC has sought other options to secure the required water via neighbouring coal mines known to hold large amounts of the relevant water securities. A preliminary discussion between MSC and Bengalla Coal Mine representatives took place on 26 April 2021 to explore any opportunity for securing water via existing securities held by the mine. The conversation was well received by all attendees with the potential for future arrangements with MSC's recycled water giving way to potential advantages for both organisations.

An Information Brief document was drafted by the MSC project team to present the project background, the funding requirements, the route and scope of the pipeline, and also to set out the community benefits associated with the pipeline and

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associated abattoir. This document was forwarded to Bengalla to promote the project and inform further discussion.

Exchange of details for the proposed agreement between the two parties continues and a site visit by the MSC project manager was undertaken during September to discuss potential supply route options. Council has subsequently released an Expressions of Interest (EOI) to the procurement of recycled water produced by the Muswellbrook Recycled Water Treatment Works. It is hoped that EOI will prompt Bengalla or any other relevant party to put forward a proposal for the recycled water usage and trade for High Security water.

Bengalla responded to the EOI with its Terms of Reference for the proposed water trade. With discussions between the two parties ongoing, council's legal team has produced its own Terms of Reference to mitigate the commercial risks observed by both Bengalla and council. Council has also received a response from Mount Arthur Coal to continue its existing arrangement for the purchase of the treated water from the plant.

Conversion of General Security to High Security

MSC is also investigating the potential conversion of General Security water licences to High Security. General Security water licences are slightly more readily available on the market at the moment, and the ability to convert to high security would help MSC meet its requirement under the GLE funding condition.

The GLE Pipeline project team has contacted representatives of NRAR and Water NSW to inform them of the project, the funding requirements and the difficulties experienced in sourcing high security water, with an aim to discuss the possibility of converting a General Security Water Licence to High Security.

The Water Sharing Plan for the Hunter Regulated River Water Source states:

59 Conversion of access licence to new category

(1) Dealings under section 71O of the Act are prohibited unless the conversion is from:

(a) a regulated river (general security) access licence to a regulated river (high security) access licence, or

(b) a regulated river (high security) access licence to a regulated river (general security) access licence.

(2) A dealing under subclause (1) is subject to the application of a conversion factor and a limit on the amount of access licence share component that can be converted, established by the Minister and published in an Order made under section 71Z of the Act.

MSC's water broker has sourced 113ML of General Security water allocations that are currently on the market. Pending the confirmation of a conversion factor, this amount would be shaped down to approximately 40ML of high security.

Subsequent to seeking advice from NRAR and Water NSW, MSC's Water NSW Account Manager advised that DPIE Water should be consulted on the subject of water licence conversion. DPIE Water has confirmed that the option for conversion from General to High security water is not feasible.

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Local Water Utility Licence (LWU) Permitted Use Policy Change

Under current legislation the council's LWU water access licences are not approved for use to supply water to industries such as the abattoir. Council has received advice from DPIE Water confirming that the Minister for Water has approved a pending change to this legislation which would allow:

“for LWU access licences that arose under Schedule 10 of the Water Management Act 2000 (replacement LWU licences), town water supply purposes means any use where water is delivered directly for that use by the respective local water utility water supply scheme.”

The revised policy position will enable council to utilise the balance of its existing LWU licence water to supply the abattoir. Council has reviewed the capacity of its currently held LWU licences to confirm its strategy for supply to the abattoir. Council can apply for a consolidation of its two LWU licences to pool together its total supply capacity. The established process for consolidation of the LWU licences has been confirmed with Water NSW. The below Table 2 shows the current water securities held by council that can be utilised to supply the abattoir, as well as the peak usages associated with the service areas. The table then incorporates the proposed water usage for the abattoir and calculates the surplus.

		Quantity (ML/year)		Comments
		MSC	Denman	
Securities	LWU	3250	550	
	High Security Licence	-	30	
	Bengalla	-	-	Pending agreement
	SubTotal	3250	580	
Usage	Current Usage	2650	350	Current peak usage
	Sandy Hollow Usage	-	37	Current peak usage plus + 10% process losses and 10% non-revenue losses
	Abattoir Usage	-	319	258ML + 10% process losses and 10% non-revenue losses
	Future Development at Sandy Hollow	-	93	Nominal figure for estimated residential expansion at Sandy Hollow.
	Potential Future Development, Agribusiness and Future Expansion to Merriwa/Cassilis	-	225	As per estimates in original funding Business Case. Estimates incorporate contingency for losses/drought.
	Total	2650	1023	
	Balance	600	-443	= Securities - Usage
Combined Balance		157		

Table 2: MSC Water Securities Summary and Consolidation of LWU Licences

As shown in the Table 2, the calculated surplus shows that under a Business as Usual (BAU) scenario, council can meet the supply demands of the abattoir, future

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development at Sandy Hollow and Potential Future Development, Agribusiness and Future Expansion to Merriwa/Cassilis through its existing LWU licences.

Expanding on council's water management strategy, the below Table 3 shows further consideration of its water security management under current conditions, drought conditions and under the original funding usage scenario.

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		Water Quantity (ML/Year)			Comments
		BAU	Extreme Drought + Current Mitigations	Extreme Drought + Original Funding Usage (unrestricted)	
Securities	LWU	3800	2850	2850	Shaped to 75% allocation for worst drought event
	High Security Licence	30	23	23	Shaped to 75% allocation for worst drought event
	Sandy Hollow	0	38	38	Assume in drought scenario Sandy Hollow alluvial licence can be utilised for town irrigation purposes. Shaped to 75% allocation for worst drought event
	Bengalla	0	0	0	Pending agreement. Potential trade for up to 900ML
	SubTotal	3830	2911	2911	
Usage	Current Usage	3000	2160	2160	Usage figures are actual peaks and include any process/non-revenue losses. Assumed a 28% reduced usage during a significant drought event, based on historical records.
Current Balance		830	751	751	= Securities - Usage
GLE Project Usage	Abattoir Usage	319	229	319	Based on 258ML demand confirmed by abattoir. Assumed a 28% reduced usage during a significant drought event.
	Sandy Hollow Peak Usage	37	27	37	Current peak usage statistic. Assumed a 28% reduced usage during a significant drought event.
	Future Development at Sandy Hollow	93	67	93	Nominal figure for estimated residential expansion at Sandy Hollow. Assumed a 28% reduced usage during a significant drought event.
	Potential Future Development, Agribusiness and Future Expansion to Merriwa/Cassilis	225	162	225	As per estimates in original funding Business Case. Estimates would already incorporate contingency for losses/drought. Assume a 28% reduced usage during a significant drought event.
	Total Project Usage	674	485	674	
Total Balance		156	266	77	= Securities - Usage - Project Usage

Table 3: Securities & Usage Alternative Scenarios



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The above table confirms that under its currently held LWU licences council has the capacity to meet service demands for its existing users and the project users under three different risk profiles:

- The BAU scenario as previously confirmed
- An extreme drought scenario - with shire-wide restrictions applied
- An extreme drought scenario with GLE project users exempt from restrictions (for demonstration purposes only. It is unlikely that a circumstance would warrant the granting of exemptions to water restrictions to individual users.)

Council is required to manage the prospect of prolonged drought and the impact it could have on its allocation of water. As advised within its IWCM, the reduced allocation during a worst-case drought scenario is 75% of the total LWU capacity. As demonstrated in the above table, in a drought scenario MSC would need to implement restrictions on its users to manage implications of a 75% reduced allocation. Reducing usage will mitigate the effects in the event that a drought of this measure should occur.

To further mitigate the impact that an extreme drought scenario would have on the service area, MSC will continue to pursue additional water securities with an aim to hold enough water allocations to effectively avoid any need for user restrictions in the event of an extreme drought. In order to facilitate this scenario, the amount of 900ML, as identified within the original funding Business Case, remains an accurate representation of the envisaged GLE project users.

Whilst Council will continue to pursue further allocations of high security water via the abovementioned avenues, it considers that the water supply to the abattoir and potential future connections to the pipeline have been effectively achieved through its LWU licence holdings and thereby has met the requirement of this funding condition.

2.3.1 Key Risks

The key risk for this objective is the market availability of High Security Water licences in the relevant zones of the Hunter River. It is unlikely that the relevant water licences will be released to market within the timeframe specified for the GLE funding. As outlined above, the main mitigation for this risk is to seek availability of licences through local private organisations and other alternative options such as currently held LWU licences.

2.4 GLE Funding Condition 4 – FJT Binding Agreement

2.4.1 Requirement

“Council secures a binding agreement with FJT Australia for the development of the site including a commitment to accept the water from Council”

2.4.2 Strategy

The project team’s strategy for achieving a binding agreement with FJT starts with a Memorandum of Understanding (MoU) which sets out each party’s intent with relation

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to the GLE Pipeline project and the Hollydeen Abattoir and the associated purchase of water from Muswellbrook Shire Council.

MSC and FJT have executed a MoU. The MSC project team will continue to liaise with FJT and its representatives to keep track of its project timeframes and State Significant Development (SSD) approval Environmental Impact Statement (EIS) milestones.

2.4.3 Status

FJT has committed its intent to execute a Binding Agreement with MSC in the coming months, prior to its SSD planning approval in July 2022.

Negotiations with FJT have commenced with an aim to secure the required binding agreement.

The parties have entered into a MoU. The MoU sets out objectives to work together to achieve:

- The finalisation of the abattoir Development Application and the grant of Development Consent in respect of the Development;
- The carrying out of the abattoir Development;
- The GLE Grant being awarded to the Council;
- The delivery of the Project (GLE Pipeline).
- Obligations of both MSC and FJT for due expedition of matters relating to the above objectives and achieving the required Binding Agreement.
- Communications and reporting requirements for the two parties, confirming regular communication, open discussion and meetings that are to take place to facilitate ongoing collaboration.

During the Steering Committee meeting held 26 July 2021, GLE representatives confirmed that the requirement for an extension to the funding conditions deadline has been acknowledged by the department and, subject to formal review, an extension would be supported by GLE. After further update regarding the progress of the Binding Agreement, in the Steering Committee meeting held 21 September 2021, GLE representatives confirmed the intent to extend the deadline for achieving the funding conditions to the end of March 2022.

MSC has confirmed, via financial modelling, connection/tariff costs for the water supply to the abattoir. In July, a workshop with industry subject matter experts from DPIE Water was held to discuss the appropriate legislative mechanisms and methodologies for applying costs to the abattoir. A subsequent report has been produced to outline the options for the financial modelling.

The proposed funding structure is confirmed within MSC's draft Developer Servicing Plan which is in the process of a rigorous review and consultation process and is currently forecast for approval in February 2022. The draft Developer Servicing Plan will be included within a binding agreement as an information document to facilitate ongoing development of the agreement.

The proposed binding agreement has been drafted by MSC's legal team and issued to FJT for review and negotiation. FJT has confirmed its initial receipt of, and

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consensus with, the general principles of the agreement pending detailed legal review. FJT has confirmed that its execution of the agreement is no longer dependent on its State Significant Development planning approval, with execution expected to occur in March 2022.

2.4.1 Key Risks

The key risk to the achievement of the Binding Agreement with FJT is the effect the SSD planning approval will have on the timeframe for execution of the agreement. Advice to date has indicated that SSD planning approval is not likely to be achieved before early 2022.

To mitigate the effect this delay will have on the funding approval, the project team has worked closely with FJT's environmental planning consultant to understand the timeline for the SSD's planning approval. The MSC team has also progressed open discussion with FJT as to the contractual arrangement for the Binding Agreement. This open discussion, as well as FJT's confidence in the progress of its planning approval, has meant that they are intent on progressing with execution of the Binding Agreement without depending on the final SSD project approval.

Another risk is the potential for FJT to sell the abattoir development prior to fulfilling its requirements under the MOU and resultant Binding Agreement, which may affect the abattoir's purchase of water from MSC. In order to control the potential for a new purchaser taking ownership of the abattoir development and jeopardising the pending, agreed sale of water from MSC, the Binding Agreement is to address this scenario and will confirm that any sale or transfer of the abattoir development will novate the conditions of the Binding Agreement (including the agreed purchase of water) to the new owner and form part of the Contract of Sale conditions. Negotiation with FJT, and a robust legal review of the contractual conditions surrounding this requirement, is to be undertaken. Consultation with GLE representatives will ensure the Binding Agreement adequately meets their satisfaction for achieving the relevant funding condition. Preliminary discussions will be undertaken to gauge FJT's concurrence with the above approach.

2.5 GLE Funding Condition 5 – March 2022 Deadline

2.5.1 Requirement

"The above conditions having a sunset clause of 12-months from the date of offer, with the potential to withdraw the offer of funding if the conditions are not met within this timeframe" – Extended to end of March 2022

2.5.2 Strategy

The project schedule will be produced to track each project objective for the pre-construction phase of the project. The Gantt chart clearly identifies tasks and milestones for each objective and nominates critical path activities.

Monthly Reports will be utilised to provide detailed status updates to the project team and Steering Committee.

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2.5.3 Status

The deadline has been granted an extension to the end of March 2022.

The critical path has been identified and follows the milestone for achieving a binding agreement with FJT (Funding Condition 4).

As mentioned above, in the Steering Committee meeting held 21 September 2021, GLE representatives confirmed the intent to extend the deadline for achieving the funding conditions to the end of March 2022.

The project schedule, attached as Appendix A, will continue to track progress toward this milestone.

2.5.1 Key Risks

The key risk to the deadline is reaching a Binding Agreement with FJT.

2.6 Confirm Pipeline Route - Options Analysis**2.6.1 Objective**

Confirm the options assessment for the proposed preferred route in consultation with relevant stakeholders.

2.6.2 Status

This objective has been achieved.

The existing route options report has been discussed and confirmed by a subgroup of employees and Subject Matter Experts from within the project's MSC Steering Committee.

The preferred route identified in the options report was presented to the Steering Committee at the Steering Committee meeting conducted Thursday 25 February 2021. It was agreed that the Steering Committee:

“Accepts the recommendation that Option 6 is the preferred option, as shown in the attachment and described in the conclusion section of this report”

2.7 Works Contract Procurement Strategy**2.7.1 Objective**

Develop a procurement strategy including scope of works and associated contract documentation to facilitate procurement of a design and/or construction contractor to deliver the GLE Pipeline works

2.7.2 Status

A Lessons learned workshop was undertaken in March 2021 with the Scone to Murrurundi Water pipeline project team (refer to the March Monthly Report for details). Key lessons taken from the workshop were to manage environmental

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restraints, namely aboriginal heritage considerations, undertake a Constructability Assessment and Preliminary Geotechnical Investigation prior to D&C tender, and include commissioning of the SCADA system within the scope of the D&C contract.

In June 2021, a Procurement Strategy document was drafted to define the standards, procedures and processes by which the works phase of the Project will be delivered, as well as defining inputs required to facilitate the procurement (Refer June report). The document identifies key inputs to facilitate the Design and Construct works and outlines the staging for the inputs to be delivered.

2.8 Community and Stakeholder Engagement

2.8.1 Objective

Undertake relevant community and stakeholder engagement to inform on progress of the proposed pipeline works

2.8.2 Status

A GLE Pipeline Stakeholder Workshop was held at Denman Memorial Hall 18 February 2021. The next community workshop is to be held early in 2022 when it is expected that a clear outlook for the project will be presented.

An Information Brochure has been drafted to summarise the project, the chosen route and the community benefits. The brochure will be used to help brief relevant stakeholders for the project.

Identified Landowners along the route and other associated community stakeholders were invited to the Community Information Session for the GLE Pipeline held at Sandy Hollow on 1 May 2021. The meeting was well attended by a range of community stakeholders.

An additional Community Information Session is scheduled for early in 2022 to provide an update on the project to relevant community members.

3 Costs

3.1 Pre-construction costs

Whilst the project team will pursue the achievement of funding conditions, the pre-construction costs are to be minimised to mitigate the potential losses to MSC should the GLE funding not be realised and the project does not go ahead.

Prior to construction, spending will be focused on the activities that effectively exhibit MSC's commitment to the project and meeting the conditions set out by GLE.

3.2 Works Costs

The GLE grant sets out a commitment of \$18.9m by the NSW Government, with the application confirming a \$5m commitment by MSC.

The grant application sets out an initial budget estimate for the project works.

4 Design and Construction Contract Delivery Phase

4.1 Introduction

As a result of positive feedback from the GLE funding representatives on MSC's progress towards achieving the GLE funding conditions, MSC is continuing into the delivery phase of the pipeline project.

Tasks undertaken as part of this phase are part of the pipeline project delivery and as such, fall within the scope of works yet to be nominated under the future GLE funding deed.

4.2 Concept Design and D&C Tender Documentation

A Project Brief document has been drafted to facilitate the procurement of a consultant to produce a concept design and other inputs for the subsequent Design and Construction contract for the pipeline.

A Request for Tender (RFT) for the concept design and D&C tender documentation scope will be reported to Council for approval in March 2022. Once approved, the tender process for the concept design will commence.

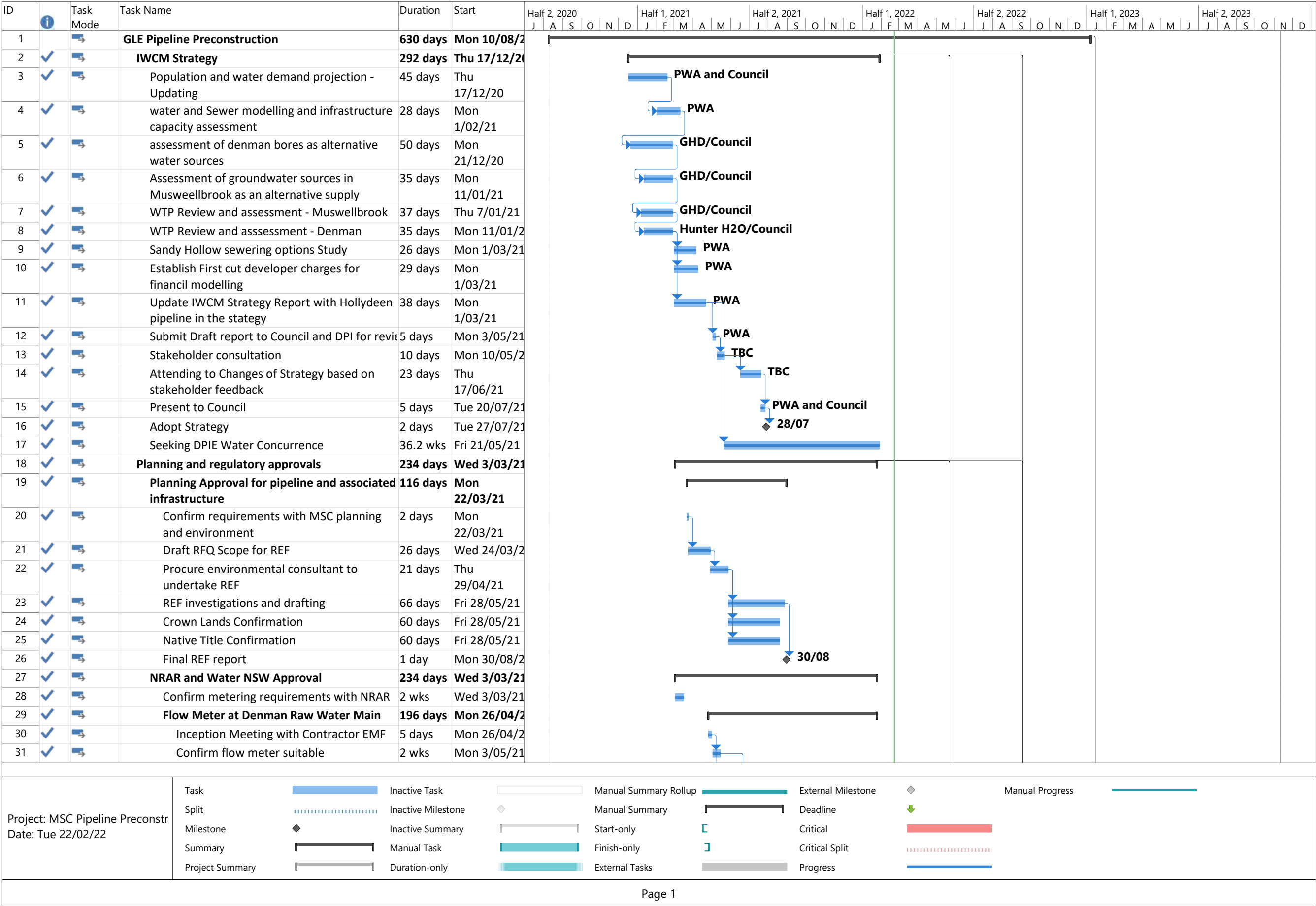
4.3 Almond St Developer Early Works

A private property development along Almond St in Denman includes construction of new roadworks, roundabout, services and utilities within the road reserve. The route for the GLE pipeline runs along this section of Almond St. In order to avoid re-works of the newly constructed roadway when the GLE pipeline construction begins, MSC is in the process of instructing the private developer to include in its scope the installation of a section of the pipeline. This would include an approximate 300m length of 300mm diameter pipeline, to the extents of the development roadworks along Almond St.

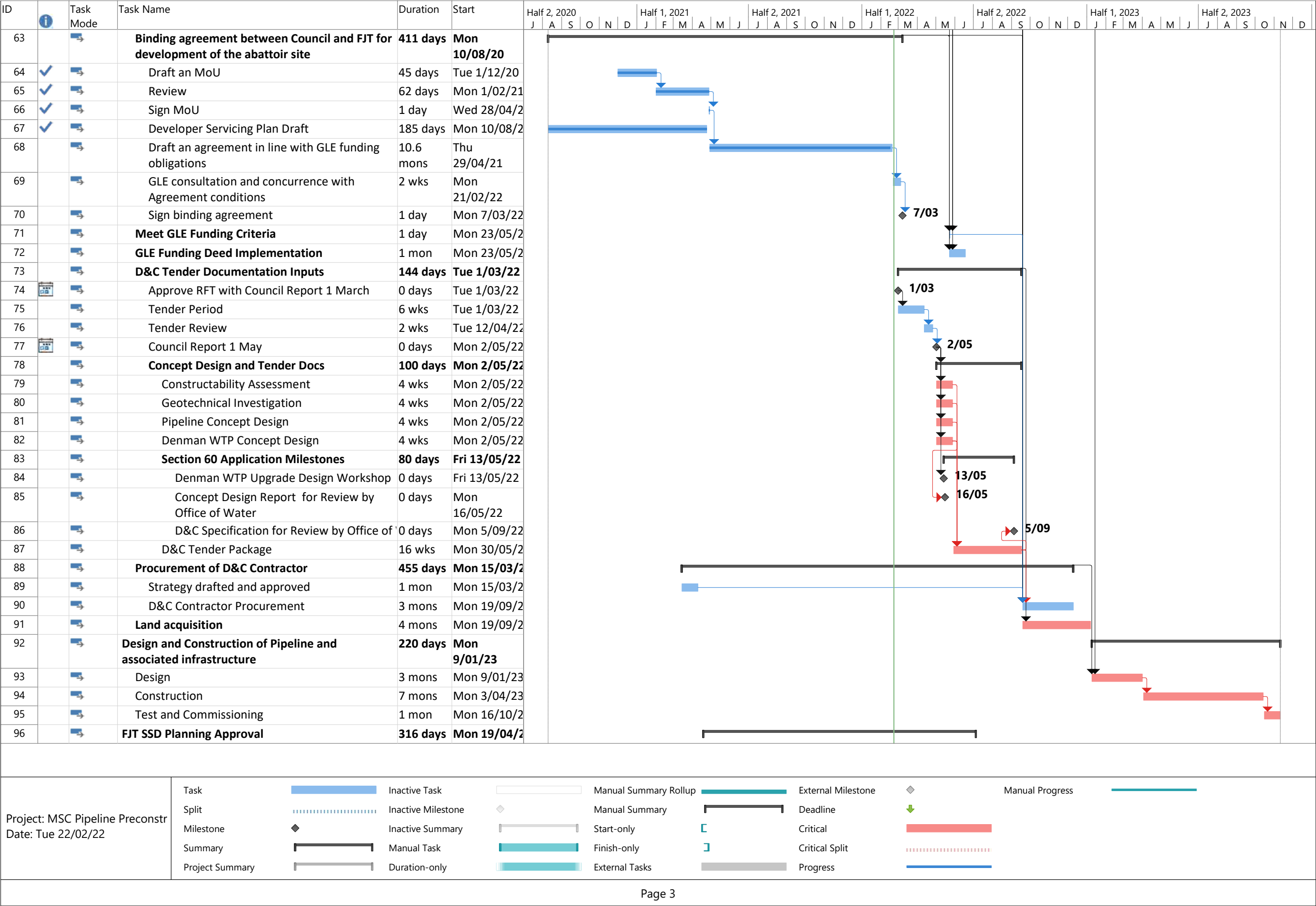
Once the GLE pipeline construction contractor has been engaged, its scope will include tying into this pre-laid section of pipe.

It is proposed to agree with the developer the costs of this section of pipeline under a cost sharing agreement as part of its developer servicing fees, to be confirmed and approved by council.

5 Appendix A – Project Schedule



ID		Task Mode	Task Name	Duration	Start	Half 2, 2020							Half 1, 2021							Half 2, 2021							Half 1, 2022							Half 2, 2022							Half 1, 2023							Half 2, 2023																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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6 Appendix B – Risk Register

No	Category	SubNo	Subcategory	SubNo2	Possible Hazards	Risk Workshop	L	C	Score	Controls	L3	C4	Adjusted Score
1	Grant Funding Requirements	1.1	IWCM	1.1.1	Failure to complete or adopt IWCM within required timeframe		4	5	Extreme	Council collaborating with DPIE Water to ensure inclusion of this project in Muswellbrook council's Integrated Water Cycle Management (IWCM); and Muswellbrook Council adopting the preferred scenario as outlined in the IWCM Project Management of IWCM delivery Regular communication with elected Councillors Dedicated Project Manager Regular meetings with PWA (consultants preparing report)	1	5	High
1	Grant Funding Requirements	1.1	IWCM	1.1.2	DPIE Non-Concurrence for IWCM		4	5	Extreme	Communications between Council DPIE Collaboration Draft sent for review as early as possible	2	5	High
1	Grant Funding Requirements	1.2	Planning & Regulatory	1.2.1	Failure of Muswellbrook council achieving all of the remaining planning and regulatory approvals necessary for this project to proceed		5	5	Extreme	Understand, define and confirm required planning and regulatory approvals Develop approvals pathway to achieve requirements within timeframe Project Manager to manage approval process. Engage consultant to undertake REF	2	5	High
1	Grant Funding Requirements	1.3	Raw Water	1.3.1	Failure of Muswellbrook council securing written agreement and in principle approval for the purchase of the required water volume and license to enable the development to proceed This is to ensure that the NSW Government funding is matched by industry demand and development at the proposed site	Group 2,	5	5	Extreme	The Binding Agreement is to address this scenario and will confirm that any sale or transfer of the abattoir development will novate the conditions of the Binding Agreement (including the agreed purchase of water) to the new owner and form part of the Contract of Sale conditions.	3	5	Extreme
1	Grant Funding Requirements	1.3	Raw Water	1.3.2	Cannot extract Water through existing Works/Approval New works exceed Works Approval extraction rate/quantity limit at river pumps Works Approval currently excludes using High Security Water		5	5	Extreme	Discussions with Senior Water Regulator regarding planned changes Staged Approach Ned to get the exclusion removed from the Works Approval Write a letter to NRAR to start the process & Water NSW Discuss this with the Water Broker	3	5	Extreme
1	Grant Funding Requirements	1.3	Raw Water	1.3.3	New Works may require Environmental Assessment with unknown implications		5	5	Extreme	Subject to Outcome of Works Approval limit confirmation	2	5	High
1	Grant Funding Requirements	1.4	End User Agreement	1.4.1	Failure of Muswellbrook council securing a binding agreement with FJT Australia for development of the site, including a commitment to accept the water from Council. To ensure the full benefits of this project are realised, council need to secure the binding agreement with FJT Australia to generate the resulting employment and expenditure in Muswellbrook		5	5	Extreme	Enter into MOU initially Need definition of Binding Agreement from GLE Negotiate Binding Agreement with FJT, agreement may need milestones to repay expenditure to date or with interest etc Regular & Effective Communications between the parties. Involvement in steering committee Regular meetings between GM and FJT FJT involved with Steering Committee	2	5	High

1	Grant Funding Requirements	1.4	End User Agreement	1.4.2	FJT transfers ownership of the abattoir development to another entity whom is not mentioned under the binding agreement.		5	5	Extreme	In order to control the potential for a new purchaser taking ownership of the abattoir development and jeopardising the pending, agreed sale of water from MSC, the Binding Agreement is to address this scenario and will confirm that any sale or transfer of the abattoir development will novate the conditions of the Binding Agreement (including the agreed purchase of water) to the new owner and form part of the Contract of Sale conditions. Negotiation with FJT and a robust legal review of the contractual conditions surrounding this requirement is to be undertaken. Consultation with GLE representatives will ensure the Binding Agreement adequately meets their satisfaction for achieving the relevant funding condition. Preliminary discussions should be undertaken to gauge FJT's concurrence with the above approach.	2	5	High
1	Grant Funding Requirements	1.5	Timeline	1.5.1	Failure to complete preparatory works and meet the funding offer standard NSW Government sunset clause of 12-months from the date of offer, with the potential to withdraw the offer of funding if the conditions are not met within this timeframe.		5	5	Extreme	Develop Risk Assessment to identify high Risk Items and associated controls and develop Timeline to meet obligations Work on preparatory tasks and items above Complete all requirements Examine options for extensions of time if required Gantt Chart - Critical Path validating that funding conditions can be met	1	5	High
1	Grant Funding Requirements	1.5	Timeline	1.5.3	Lack of definition around Required Planning Approvals to unlock the grant funding SSD REF (unknowns) possible federal level approvals may be required Lack of definition results in wasted work, rework or work that does not meet the requirements of the grant funding Discrepancy between expectations - Council & GLE		5	5	Extreme	Seek Clarification on definitions to ensure outcomes are acceptable by all involved Seek extension to this section of funding agreement	1	5	High
1	Grant Funding Requirements	1.5	Timeline	1.5.4	Council Elections in September 2021 A new Council may have a different perspective and may not wish to proceed Current Council may be reluctant to make decisions close to caretaker mode		3	5	Extreme	Community Consultation Communication Plan Need to have everything agreed and in place before caretaker period (before 1st August)	1	5	High
1	Grant Funding Requirements	1.5	Timeline	1.5.5	Community lack of acceptance of Abattoir development		3	4	High	Set up community consultation sessions.	2	4	High
1	Grant Funding Requirements	1.5	Timeline	1.5.6	Transport for NSW concurrence with Golden Highway Route		2	4	High	Engage with TNSW Roads early	1	4	Medium
1	Grant Funding Requirements	1.6	Abattoir Project	1.6.1	Proponent decides not to progress with the Abattoir Market Funding Investment etc	Group 1	3	4	High	Deed of agreement has hold points or penalties that mean the pipeline does not proceed to construction if abattoir cannot meet obligations	2	2	Low
1	Grant Funding Requirements	1.6	Abattoir Project	1.6.2	Environmental Impacts (Abattoir)	Group 1	4	4	Extreme	EIS Planning Approval Process	2	1	Low
1	Grant Funding Requirements	1.7	Governance	1.7.1	Not Including the right people on the GLE Project Steering Group	Group 1	2	4	High	Map out stakeholders Stakeholder Workshop RACI Communication Plan	1	4	Medium

1	Grant Funding Requirements	1.7	Governance	1.7.2	Stakeholders not fully informed		2	4	High	Map out stakeholders Stakeholder Workshop RACI Communication Plan	1	4	Medium
1	Grant Funding Requirements	1.7	Governance	1.7.3	Uncertainty of Project Objectives leading to failed deliverable		2	4	High	Clear statement of Objectives Comprehensive Risk Assessment Clear Accountabilities Clear Statement of "What Success Looks Like"	1	4	Medium
1	Grant Funding Requirements	1.7	Governance	1.7.4	Community Expectations & Acceptance not achieved		2	4	High	Map out stakeholders Stakeholder Workshop RACI Communication Plan	1	4	Medium
1	Grant Funding Requirements	1.7	Governance	1.7.5	Inadequate project management resources to achieve grant timeframe		2	4	High	Dedicated Project Management	1	4	Medium
1	Grant Funding Requirements	1.7	Governance	1.7.6	Project Manager flight risk		2	4	High	Employ through a consultancy for a fixed term	1	4	Medium

11.3 MOUNT PLEASANT OPERATIONS S.138 ROADS ACT 1993 PERMIT FOR ROAD MAINTENANCE

Attachments:	A. MACH Energy Road Maintenance S138 application - Feb 2022 (rev1) B. MACH Energy Road Maintenance Plan (RMP) rev 1 - Under Separate Cover
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Imelda Williams - Technical Officer - Traffic & Roads
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Facilitate investment in high quality community infrastructure necessary to a regional centre.</i>
Community Plan Strategy:	<i>Investigate and recommend appropriate management treatments for road safety and traffic management.</i>

PURPOSE

To advise Council of the receipt of an application under s.138 of the *Roads Act 1993* from MACH Energy Australia Pty Ltd for the ongoing maintenance of identified Council road sections in association with the Mount Pleasant Operations Project and to request that Council note the revised MACH Energy Mount Pleasant Project Road Maintenance Plan.

OFFICER'S RECOMMENDATION**Council:**

- 1. Delegates to the General Manager authority to sign the s.138 *Roads Act 1993* permit approval for ongoing road maintenance works; and**
- 2. Notes the MACH Energy Mount Pleasant Project Road Maintenance Plan Rev01 attached as Appendix B to the report.**

Moved: _____ **Seconded:** _____

BACKGROUND

Mount Pleasant Operations (MPO) has road maintenance obligations, required under the NSW State Government's Consent Approval, others as negotiated by Council in the MACH Energy "Rail Overbridge and Works Deed", and through previous s.138 *Roads Act 1993* approval conditions for works under the various stages of the Project. The required road maintenance is managed through a Road Maintenance Management Plan. Road Maintenance Management Plans are updated from time to time as needed.

The existing MACH Energy Mount Pleasant Project Road Maintenance Management Plan has been amended to include the current maintenance requirements in accordance with the consent conditions and latest agreements with Council and is being submitted to Council for notation to be placed on Council's records as the latest version. The 'Rail Overbridge and Works Deed' approved by Council specifically outlines MACH Energy's maintenance responsibilities with respect to Council's public roads and this agreement has informed the revised Road Maintenance Plan.

The Modification 4 Stage 2 - Rail, Coal Loading and Hunter River Water pumping infrastructure project is now almost complete, and the Rail Salvage Project has commenced.

CONSULTATION

- The local community is informed by regular newsletters and information provided by the Mount Pleasant Project's Community Liaison Officer.
- Roads, Drainage and Technical Services Manager and team.
- MACH Energy General Manager and Permits and Approvals staff.

REPORT

The report covers matters required to enable MACH Energy Mount Pleasant Operations to continue to provide road maintenance services for the identified sections of Council Roads. These matters are:

1. S138 Roads Act 1993 approval for the carrying out of road maintenance works by MACH Energy Mount Pleasant Operations

MACH Energy Mount Pleasant Operations (MPO) has road maintenance commitments required under the NSW State Government's Consent Approval, others as negotiated by Council in the MACH Energy "Rail Overbridge and Works Deed", and through previous s.138 *Roads Act 1993* approvals for works under the various stages of the Project. To allow the maintenance works to continue to be carried out by MACH Energy MPO, Council, as the roads authority for the identified roads, is requested to provide approval under s.138 of the *Roads Act 1993* to enable the continuation of road maintenance works on the identified sections of Council roads. The s138 Application is submitted for the consideration of Council to delegate authority to the General Manager to sign the yearly s138 permit.

2. Road Maintenance Management Plan

For Council's information, the Road Maintenance Management Plan (RMMP) identifies the maintenance activities to be carried out and sets intervention levels and parameters as to the timing of maintenance, that is, at what point maintenance is to be carried out. The plan has been developed in consultation with Council Staff and details the agreed processes for MACH Energy MPO to manage maintenance on the nominated roads, as part of the Mount Pleasant Mine Development. MACH Energy MPO is required to maintain the following sections of Council roads as specified in the RMMP attached as Appendix B to the report:

1. Part of Bengalla Link Road (including the intersections of Bengalla Link Road with Old Bengalla Road and Roxburgh Road);
2. Part of Wybong Road;
3. Part of Overton Road; and
4. Part of Logues Lane.

Council has undertaken extensive negotiations with MACH Energy to update the RMMP and to bring it in alignment with the "Transport for NSW QA Specification M3 Routine Services" format. This is the accepted measurable format that aims to assist with the development of an RMMP that best achieves customer levels of service, road safety, and asset preservation objectives. The NSW QA Specification M3 is considered to be the best practice road maintenance standard in NSW. This format is progressively being used across Muswellbrook Shire for other mining companies and entities that are required to undertake maintenance on Council Public Roads as part of their consent conditions.

OPTIONS

Council may decide to:

- Approve the permit application, delegating to the General Manager authority to sign the s138 permit for ongoing maintenance works under Section 138 of the *Roads Act 1993*, and note the Road Maintenance Management Plan; or
- Not approve the delegation, citing reasons for doing so.

CONCLUSION

It is recommended that Council approves the Delegation to the General Manager to sign the s.138 Permit to enable the continued maintenance of the identified sections of Council roads by MACH Energy and to acknowledge the revised Road Maintenance Management Plan Rev01 attached as Appendix B to the report.

SOCIAL IMPLICATIONS

There may be short term negative impacts for the users of the affected roads during maintenance activities. The maintenance of the roads is necessary to ensure the quality and safety of the identified road sections for road users, and will and extend the pavement life of the identified sections of road.

FINANCIAL IMPLICATIONS

The costs of all works undertaken will be the responsibility of the applicant. Council will cover its costs through the s.138 *Roads Act 1993* Consent Conditions fees.

POLICY IMPLICATIONS

Nil known.

STATUTORY IMPLICATIONS

Council is the Roads Authority under the *Roads Act 1993* and is acting within its powers.

LEGAL IMPLICATIONS

Council is the Roads Authority under the *Roads Act 1993* and is acting within its powers.

OPERATIONAL PLAN IMPLICATIONS

Submission of the report complies in principle with item 19.3.4 of the Operational Plan: 'Investigate and recommend appropriate management treatments for road safety and traffic management'.

RISK MANAGEMENT IMPLICATIONS

Works are required to comply with the appropriate Standards, particularly Austroads Standards and Traffic for NSW guidelines "Traffic Control at Work Sites" Traffic Guidance Scheme Guidelines.

WASTE MANAGEMENT IMPLICATIONS

Not applicable.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Consultation will be undertaken by MACH Energy with the affected stakeholders. General project updates, including development related impacts, will be included in the MPO external newsletter which is delivered to the residents of Muswellbrook. Information will be conveyed to the MACH ENERGY Mount Pleasant Operations Community Consultative Committee.



Muswellbrook Shire Council ABN 86 864 180 944
 Ph 02 6549 3700 • Fax 02 6549 3701 • Email council@muswellbrook.nsw.gov.au
 PO Box 122 Muswellbrook NSW 2333 • 157 Maitland Street, Muswellbrook
www.muswellbrook.nsw.gov.au

S138 Road Opening/Activity Permit Application

This application becomes a permit made under Section 138 Roads Act 1993 (NSW) once signed by a Council authorised officer.

Muswellbrook Shire Council is the Road Authority for public roads within Muswellbrook Shire, with the exception of freeways and crown roads. To undertake work/activity on, or alongside, public roads an S138 permit must first be obtained. This advises Council of the planned work/activity and allows Council to assess the necessary implementation of standards relevant to the work/activity being proposed. These specific standards need to be identified and adhered to, ensuring Muswellbrook Shire roads are kept safe and well maintained.

Request, or download from muswellbrook.nsw.gov.au/roads, a copy of [S138 frequently asked questions](#) and S138 technical conditions for [roads](#) or [utilities](#).

Permit no. Office use only

Applicant details

Applicant name	MACH Energy Australia Pty Ltd		
Address	Suite 1, Level 3, 426 King Street Newcastle West, NSW, 2303	Phone	(02) 5517 1101
		Email	general@machenergy.com.au

Location and specifications of proposed works (you are required to attach a plan)

DA/CDC number (if applicable)	DA 92/97
Name and location of road to be affected	Bengalla Link/Old Bengalla/Roxburgh/Wybong/Overton Roads & Logues Lane
Details of work/activity to be carried out	Road reserve Inspections, Maintenance and Repairs as per the MOUNT PLEASANT OPERATION - ROAD MAINTENANCE PLAN (MP001-000-MTC-PLN-0004) as approved by Council.
Details of proposed restoration works <i>In the event you are not able to undertake restoration/works to the required standard yourself, you may seek a quote from Council's Works Department to schedule the works for you.</i>	N/A

Do you require Muswellbrook Shire Council to provide a quote for restoration works to pavement, seal, footpath or other?

☐ Yes, please arrange for a quote ☒ No thanks

Duration of consent period

Commencement date	29/11/2021	Completion date	24/11/2024 30/04/2022
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Declaration of Applicant¹ or Director²

¹ I/we, the applicant, apply to Muswellbrook Shire Council, as the roads authority for the road and/or road reserve, for consent to undertake the above mentioned works and/or activity in, on or over the specified road as shown in the attached plan.

² (If applicant is a Company under the Corporations Act 2001) Signed by the Applicant Pursuant to s127(1) of the Corporation's Act 2001. Also in understanding and acceptance of the conditions under which this consent is granted.

Signature of Applicant or Director		Signature of Director/Secretary	
Print name	Ferdian Purnamasidi	Print name	Michael Howard
Date	17 November 2021	Date	17 November 2021

Approved on behalf of
Muswellbrook Shire
Council by its duly

Manager, Roads, Drainage and
Technical Services, Kellie Scholes

Date

Conditions

1. Manner of Work and/or Activity

- 1.1. The Work/Activity must be conducted according to the Plan and the Specifications.
- 1.2. The Applicant must complete any backfilling of trenching works in accordance with Council's Auspec #1 Specification 306 – "Road Openings and Restoration" – as stipulated in Technical conditions 1151 and/or 1152.
- 1.3. Where work/activity is undertaken in the CBD, the applicant must meet the Council's CBD specifications, at the applicant's expense.

2. Council Requirements

The Applicant must comply with all Council requirements in relation to the Work/Activity:

- a) Contained in this Permit and annexures;
 - b) Contained in any notice in writing concerning the Work/Activity given to the Applicant by the Council; and
 - c) Any direction given to the Applicant by the Council.
3. **Legislation** The Applicant must observe all requirements with respect to the Work/Activity imposed by any statute, regulation or ordinance or otherwise imposed by a statutory or other authority.
4. **Term** The Work/Activity must not be carried out at any time other than during the Consent Period.

5. Proceed Continuously

The Applicant must carry out the Work as expeditiously and safely as practicable and proceed continuously until completion.

6. Layout of Work

- 6.1. All pipe work crossing the Road must be laid perpendicular to the direction of the Road unless otherwise consented to by Council and described in the Specifications or shown in the Plan.
- 6.2. The pavement surrounding any excavation of the Road must be neatly saw-cut prior to excavation.
- 6.3. The Applicant must ensure that any cut pavement maintains a neatly finished edge at all times.

7. Advise Council

- 7.1. The Applicant must give the Council a minimum of five working days notice prior to when the Work/Activity is to commence.
- 7.2. The Applicant must notify Council as soon as the Work is completed if completion occurs during Business Hours.
- 7.3. The Applicant must notify Council during the next Business Hours if the Work is completed outside of Business Hours.

8. Expense

The Work is carried out at the Applicant's expense.

9. Consent and Acknowledgement

This Permit must be signed for and on behalf of Council in order for consent to be granted; and must also signed by the Applicant in acknowledgement of the conditions under which this consent is granted.

10. Service Conduit

Any Service Conduit placed across the Road must have at least 400mm of fill cover in addition to the road pavement thickness.

11. Footpaths

Where any footpath is disturbed it must be restored to the original condition by the Applicant at the Applicant's cost.

12. Fee

The Permit Fee is to be paid for the issue of this Permit.

13. Restoration Fees

13.1.

Where Council is required to undertake Restoration works, determination of the Restoration Fees is governed by Section 67 of the Local Government Act.

13.2.

Where a Restoration Fee is applicable the Applicant must pay the Restoration Fee:

- a) As soon as the Work is completed if completion occurs during Business Hours; or
- b) During the next Business Hours if the Work is completed outside of Business Hours.

13.3.

If disturbance to the Road exceeds that shown on the Specifications, the Applicant must pay the additional cost to Council for restoration.

14. Indemnity

The Applicant indemnifies and holds Council harmless against all Claims by any person arising in connection with any acts or performance of an obligation under this Permit.

14.1.

Specific Indemnities: - Without limiting clause 13.5 the Applicant indemnifies and holds Council harmless against any Claim arising directly or indirectly out of the following:

- a) The construction and installation of the Work;
- b) Conduct by the Applicant which amounts to a breach of any license, permit, approval or legislation;
- c) Council granting consent to the Applicant to carry out the Work;
- d) Failure to comply with any obligation of the Applicant under this permit.

14.2.

Applicant to Maintain Insurance

- a) The Applicant must maintain a public liability insurance policy with an insurer approved by Council with a limit for any one event of not less than twenty million dollars (\$20,000,000).
- b) The Applicant must produce evidence of the currency and terms of insurance

as part of each permit application.

- c) The insurance must be on terms to the reasonable satisfaction of Council and name Council as an insured party

15. Traffic Management Plan

- 15.1. The Applicant must ensure that a Traffic Management Plan is in place whilst the Work is being carried out.
- 15.2. The appropriate traffic control measures must be established at the Applicant's cost.
- 15.3. The traffic control measures must be in accordance with the current RMS Guidelines "Traffic Control at Work Sites".
- 15.4. The Applicant must not interrupt or otherwise disturb the traffic flow on the Road without the written consent of Council.

16. Responsibility for Restoration works

- 16.1. Where the applicant is not able to meet the standards required, the applicant can either contract the services of another provider that can – or apply to Council's Works Department for a quote, and for the work to be undertaken by Council at the applicant's expense
- 16.2. Where council is required to undertake the restoration works, the Applicant is responsible for the Works until Council's road maintenance service provider completes the standard road pavement restoration. Where the applicant undertakes to do the restoration work themselves, then the applicant is responsible until Council agrees to the standard of that restoration work

17. Responsibility in the event of absence or emergency.

- 17.1. In the Applicant's absence from the site of the Work, or in the event of any emergency (for which the Council has sole right of decision), Council may take such action as it considers necessary to prevent:

- a) Loss of or damage to the whole or any part of the Work;
- b) Loss or damage to the Road or any property adjacent to the work; or
- c) To prevent personal injury to any person;

17.2.

Any such action (under sub-clause 15.2) is at the Applicant's expense.

18. Safety

The Applicant must:

- 18.1. Carry out the Work with due regard to the safety and rights of the public;
- 18.2. In addition to clauses 0 and 3 comply with the requirements of the NSW Workcover Authority, the Department of Industrial Relations & Employment, and the Police Service of NSW.

19. Relocation

19.1.

If it is necessary in the reasonable opinion of Council:

- a) To relocate or remove any portion of the Work; or
- b) Carry out any additional work for the safety and protection of the public, Applicant must relocate or carry out such removal or additional work as reasonably determined by the Council.

19.2.

Any such relocation and/or additional work required to be carried out is at the Applicant's expense.

20. Public Risk

Nothing in this consent shall be deemed to:

- a) Prejudice or affect the rights of the public to free passage upon or along the Road;
- b) Authorise any nuisance to, or permanent obstruction of, the Road or public places;
- c) Confer upon the Applicant exclusive right or title to that part of the Work within the boundaries of the Road, or
- d) In any way restrict or limit the powers of the Authority and the Council in respect of the Road.

21. Deemed Acknowledgement

Upon commencement by the Applicant of any part of the Work it shall be deemed that the Applicant has agreed with the Council to comply with the conditions of this consent.

22. Conditions for moving or grazing stock on Council roads (this permit is not valid unless the applicant has approval from Local Land Services.)

- a) That stock warning signs as described in the Local Land Act 2013 indicating the presence of stock on the road shall be prominently displayed 200 metres before and after the section of road being used;
- b) Stock signs must be displayed at all times when stock are on or adjacent to a roadway, and removed when stock are no longer present;
- c) That the distance over which stock are being grazed does not exceed 2kms at any one time;
- d) When stock are being moved along the road, warning signs shall be no further than 5kms apart;
- e) That at least one person shall be attending the stock at all times;
- f) That the stock may only be present on a public road during daylight hours.

Recitals

- A. The Council is a public roads authority for the Road under s7(4)(b) of the Roads Act 1993 (NSW).
 B. The Council consents to the Applicant placing, installing or erecting the Work within or across the Road under the conditions contained in this Permit.
 C. The consent is granted under s138 of the Roads Act 1993.

Definitions

“**Act**” means Roads Act 1993 (NSW)

“**Applicant**” means the signatory on the application being the individual(s) with the authority and the responsibility for the carrying out of the work;

“**Business Hours**” means the opening hours of Muswellbrook Shire Council Administration Centre;

“**Claims**” means any loss, damages, claims, demands, causes of action or suits of any kind;

“**Consent Period**” means _____
 _____ or as per the application;

“**Council**” means Muswellbrook Shire Council;

“**Council Officer**” means the Muswellbrook Shire Council’s nominated officer;

“**Permit Fee**” means the fee paid by the Applicant to Council for the administrative costs associated with the issue of the Permit and shown in the Specifications;

“**Pipe work**” means pipes, conduits, hoses, tubing, cables and wires;

“**Plan**” means the plan attached and marked Annexure “A”;

“**Restoration Fee**” means a fee paid to Council in consideration for the Council restoring the Road surface after completion of the Work;

“**Road**” means _____
 _____ including/not including the road reserve;

“**RMS**” means Roads and Maritime Services;

“**Service Conduit**” means conduits used to run service wires and cables underground;

“**Specifications**” means Council’s Technical Conditions 1151 and/or 1152, Council’s CBD Specifications, and any other specifications as issued in the permit consent notification.

“**Traffic Management Plan**” means the Traffic Management Plan (also referred to as Traffic Control Plan or TCP) as approved by Council; and

“**Work**” means the plan of works described in application, including any restoration whether by the applicant or Council, and special instructions

Notes

An Application should be lodged for Consent to Carry out a Section 138 Roads Act Activity if the Applicant proposes to:

- erect a structure or carry out a work in, on or over a public road, or
- dig up or disturb the surface of a public road, or
- remove or interfere with a structure, work or tree on a public road, or
- pump water into a public road from any land adjoining the road, or
- connect a road (whether public or private) to a classified road being a main road, a state highway, a controlled access road or a secondary road.

The applicant must lodge with the application the following:

- ☒ A plan showing the exact location of the proposed Road Works
- ☐ Specifications of the proposed Road Works - [to be provided to MSC Technical Officer - Roads & Drainage, prior to any planned activities.](#)
- ☒ Evidence of suitable public liability insurance
- ☐ Traffic control plan - [Traffic Guidance Schemes to be provided to MSC Technical Officer - Roads & Drainage, prior to any planned activities.](#)
- ☒ The application fee of \$ **170.50** (the current fee as set by Council)

Any permit issued will not be valid without the above information and the original application attached

Payment methods merchant fee of 0.82% charged on all credit card transactions.

cash	cheque	Mastercard	Visa	credit card no.	<input type="text"/>
Card holder's name		<input type="text"/>		Expiry date	<input type="text"/>
Signature		<input type="text"/>		Today's date	<input type="text"/>
				Daytime ph (for payment processing queries)	<input type="text"/>
				Amount	<input type="text"/>

Muswellbrook Shire Council is committed to protecting your privacy. We take all reasonable steps to comply with relevant legislation and Council policy. For further information phone 02 6549 3700 or email council@muswellbrook.nsw.gov.au.

11.4 MANGOOLA COAL CONTINUED OPERATIONS ROAD MAINTENANCE MANAGEMENT PLAN

Attachments:	A. Mangoola Coal Road Maintenance Management Plan 21 February 2022.pdf - Under Separate Cover
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Imelda Williams - Technical Officer - Traffic & Roads
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Facilitate investment in high quality community infrastructure necessary to a regional centre.</i>
Community Plan Strategy:	<i>Investigate and recommend appropriate management treatments for road safety and traffic management.</i>

PURPOSE

To seek Council's approval of the Road Maintenance Management Plan associated with the Mangoola Coal Continued Operations Project.

OFFICER'S RECOMMENDATION

Council approves the Mangoola Coal Continued Operations Road Maintenance Management Plan attached to the report.

Moved: _____ **Seconded:** _____

BACKGROUND

On 26 April 2021 the NSW Independent Planning Commission approved the development application for the Mangoola Coal Continued Operations Project (SSD8642) MCCOP. This allows for the expansion of mining to the new area north of Wybong Road and the extraction of an additional 52 million tonnes of run-of-mine (ROM) coal. The development consent approves the construction of a haul road overpass over Wybong Road and Big Flat Creek to provide access to the new mining area. Existing mine facilities are scheduled to continue to operate until approximately 2030.

At the 12 October 2021 Ordinary Council Meeting, Council approved the s.138 Roads Act 1993 application for works to be undertaken on identified public roads. Condition 16 of the permit's Special Conditions requires Mangoola Coal to develop a Road Maintenance Management Plan in accordance with Transport for NSW M3 Specifications for Road Maintenance and to Council's satisfaction.

CONSULTATION

The local community is informed of works associated with the Project by regular newsletters and information provided by Mangoola Coal's Community Liaison Officer.

Roads, Drainage and Technical Services Manager and team.

Mangoola Coal Continued Operations Project Management Team and Approvals staff.**REPORT**As described in State Significant Development 8642, Mangoola Coal will continue to use its existing infrastructure. However, to support the new mining area north of Wybong Road, a haul road over Wybong Road and Big Flat Creek is to be constructed to connect the new area to the existing site. The subject infrastructure area on Wybong Road is approximately 20 km by road west of the intersection of Kayuga Road and Wybong Road.

To facilitate the construction of the haul road overbridge across Wybong Road, a temporary diversion

road (Wybong Road) is to be constructed around the infrastructure site. This diversion will be used by the public during the period of construction.

The attached Road Maintenance Management Plan (RMMP) outlines the processes for Mangoola Coal to manage maintenance on a portion of Wybong Road and the temporary diversion road as required by the s.138 Roads Act 1993 approval for the Project and as outlined in the "Road Closure and Works Deed" previously approved by Council. In accordance with the deed the *'Road Maintenance Management Plan means the plan based on Transport for NSW M3 specification which nominates maintenance activities and specific intervention approved by MSC prior to the date of this Deed or such plan as amended or replaced with MSC consent from time to time in respect of that part of Wybong Road under the Infrastructure (haul overbridge) and the Wybong Road Temporary Diversion.'*

Mangoola Coal is required to maintain the part of Wybong Road as follows:

Stage 1

From approval of S138 application to physical re-opening of Wybong Rd through the Infrastructure as defined in the Road Closure and Works Deed

(a) Wybong Road

- i. From chainage 20.494km to chainage 21.145km

(b) Wybong Road – Infrastructure diversion road.

- i. From chainage 0 to chainage 769.887m (as shown in the following figure and in the Road Closure and Works Deed – Annexure 1, on drawing reference 3999C0605)

Stage 2

For the duration of the Infrastructure Maintenance Period as defined in the Road Closure and Works Deed

1. Wybong Road

- i. Chainages as nominated in Road Closure and Works Deed Annexure A - Easement and Dedication Documents Wybong Road Temporary Diversion Infrastructure

Council has undertaken extensive negotiations with Mangoola Coal Representatives to compile the RMMP and to bring it in line with the Transport for NSW QA Specification M3 Routine Services format and has been guided by the requirements under the "Road Closure and Works Deed". The specifications document is the accepted measurable format that aims to assist with the development of an RMMP that best achieves customer levels of service, road safety and asset preservation objectives. This format is progressively being used across the Shire for other mining companies and entities that are required to undertake maintenance on Council Public Roads as part of their consent conditions. The report is submitted to Council to request the approval of the attached Road Maintenance Management Plan.

OPTIONS

Council may decide to:

- Approve the Road Maintenance Management Plan for maintenance works on the affected sections of Wybong Road; or
- Request modification of the Road Maintenance Management Plan. However, with regards to this option, most elements of the RMMP have been determined and agreed to previously by Council under the "Road Closure and Works Deed" between Mangoola Coal and Council.

CONCLUSION

To ensure consistency of approach regarding the application of Road Maintenance Management Plans, it is recommended that Council approves the Road Maintenance Management Plan as presented in the report.

SOCIAL IMPLICATIONS

There may be short term negative impacts for the users of the affected sections of Wybong Road during maintenance and construction activities. The maintenance of the road is necessary and will improve the safety and quality of ride for the road user, and will extend the road's pavement life.

FINANCIAL IMPLICATIONS

The costs of all works undertaken will be the responsibility of the applicant. Council will cover its costs through the s.138 *Roads Act 1993* Consent Conditions fees.

POLICY IMPLICATIONS

Nil known.

STATUTORY IMPLICATIONS

Council is the Roads Authority under the *Roads Act 1993* and is acting within its powers.

LEGAL IMPLICATIONS

Council is the Roads Authority under the *Roads Act 1993* and is acting within its powers.

OPERATIONAL PLAN IMPLICATIONS

Submission of the report complies in principle with item 19.3.4 of the Operational Plan: 'Investigate and recommend appropriate management treatments for road safety and traffic management'.

RISK MANAGEMENT IMPLICATIONS

Works are required to comply with the appropriate Standards, particularly Austroads Standards and Traffic for NSW guidelines "Traffic Control at Work Sites" Traffic Guidance Scheme Guidelines.

WASTE MANAGEMENT IMPLICATIONS

Not applicable.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Consultation will be undertaken by Mangoola Coal with the affected stakeholders. General project updates, including development related impacts, will be included in the Mangoola Coal external newsletter which is delivered to the residents of Muswellbrook Shire. Information will be conveyed to the Mangoola Community Consultative Committee.

11.5 LARGE PLANT REPLACEMENT PROGRAMME

Attachments:	A. Heavy Fleet Replacement List
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Matthew Lysaught - Acting Executive Officer
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Maintain and continually improve community infrastructure across the Shire.</i>
Community Plan Strategy:	<i>Implement prioritised (but responsive) rolling works program of maintenance.</i>

PURPOSE

To submit for the consideration of Council the proposed 2021-22 Large Plant Replacement Programme to be tendered for 2021-22.

OFFICER'S RECOMMENDATION

Council:

- Endorses the 2021-22 large plant replacement programme;**
- Approves the transfer of \$648,031 from the Plant and Vehicle Reserve to expenditure ledger number 3985.5870.504 Plant Items – Large – Capital; and**
- Requests the procurement of plant items as prioritised in the report.**

Moved: _____ **Seconded:** _____

BACKGROUND

Council has allocated \$831,894 in the capital budget to the 2021-22 Large Plant Replacement Programme. \$521,969 remains available following receipt of a new roads water cart for Works ordered in 2020-21, and an additional zero turn mower for Works Parks this financial year.

CONSULTATION

Plant and Fleet Operations Working Group

Deputy General Manager

Chief Financial Officer

REPORT

The draft Large Plant Replacement Programme listed below has been prepared in consideration of the attached Heavy Fleet Replacement List generated by Council's fleet management software, Unifleet, and operational requirements across the different business units and respective Funds of Council. The list identifies plant replacement years based on the age, condition, utilisation and service history of the respective plant items.

Priority	Plant #	Description	Purchase date	Approx. \$	Reason
1	803	Dump truck 22.5 t	1998	\$350,000 Rigid 24 t	Current plant at Waste Management Centre truck is over 20 years old. Problems with existing

Priority	Plant #	Description	Purchase date	Approx. \$	Reason
					<p>plant includes:</p> <ul style="list-style-type: none"> ▪ No emergency stop; ▪ Airconditioning failed; ▪ Frequent mechanical breakdowns; ▪ Parts typically not available; ▪ Difficulty obtaining registration; and ▪ Gearbox restricts licence to operate. <p>The truck was purchased in 2010.</p> <p>An articulated truck has been identified as desirable as it would provide greater flexibility and clearance on uneven ground, however the significant increase in price of approximately \$150k cannot be justified.</p>
2	New	Tractor		\$140,000	Required a 100 hp tractor for approx. \$100k plus new slasher and spray unit \$40k. This will provide an additional tractor for rural road slashing which can also float between urban passive areas subject to requirements to ensure Council can better manage periods of high grass growth.
3	107	Grader	2001	\$430,000	Existing grader is over 20 years old. Council needs to make use of newer 3D technology for grading routinely used in the industry. Expected to provide considerable operational costs savings and productivity improvements.
4	540	Parks Watercart	2007	\$250,000	14 years old. High maintenance costs to keep plant operating.
5	69	Tip Truck	2006	\$350,000	15 years old; 450,000 km travelled.
6	143	Dog Trailer	1998	\$160,000	Over 20 years old.
7	551	Sportsfield mower	2016	\$150,000	Suggested 4-year life, now over 5

Priority	Plant #	Description	Purchase date	Approx. \$	Reason
					years old.
8	209	4.5t Transport vehicle	2012	\$90,000	9 years old; 150,000 km.
9	210	8.0t Transport Vehicle	2012	\$115,000	9 years old; 130,000 km.
10	211	4.5t Transport vehicle	2013	\$90,000	8 years old; 130,000 km.
11	212	4.5t Transport vehicle	2013	\$90,000	8 years old; 130,000 km.
			Total:	\$2,215,000	

Council's Plant and Vehicle Reserve has a balance of \$2,008,000. It is proposed to tender for priority items 1 to 4. The total value of these priority items is \$1,170,000. Following the allocation of this financial year's budget of \$521,969 there remains a required funding amount of \$648,031. It is proposed to fund the remaining amount by drawing down on the Plant and Vehicle Reserve leaving a balance in the reserve of \$1,359,969.

OPTIONS

Council may choose to endorse or not endorse the Large Plant Replacement Programme.

CONCLUSION

Council has a significant list of plant requiring replacement. Priorities 1 to 4 are the highest of these priorities and will address longstanding operational issues in Waste, Roads, and Parks.

SOCIAL IMPLICATIONS

Suitable plant supports constructing and maintaining the community's infrastructure.

FINANCIAL IMPLICATIONS

The total cost estimate of these priority items is \$1,170,000. A balance of \$1,359,969 will remain in Council's Plant and Vehicle Reserve.

POLICY IMPLICATIONS

Procurement associated with the Large Plant Items Programme will be conducted in accordance with Council's Procurement Policy.

STATUTORY IMPLICATIONS

Nil known.

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

Submission of the report complies with 19.4 of the Operational Plan: 'Maintain and continually improve community infrastructure across the Shire'.

RISK MANAGEMENT IMPLICATIONS

The procurement of priority plant items will reduce operational risks.

WASTE MANAGEMENT IMPLICATIONS

Used plant will be either traded or sold.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Nil known.

Plant					
Number	Category	Group	Make	Model	REGO No
43	Major Plant > \$10K	Truck	mitsubishi	FK417	QAX875
45	Major Plant < \$10K	Truck	Hino		500 BX27WB
46	Major Plant > \$10K	Truck	Hino	RANGER	ZBC124
49	Major Plant > \$10K	Truck	UD Trucks	MK-11250	CF45WR
53	Major Plant > \$10K	Truck	Hino	RANGER	AO47WT
58	Major Plant > \$10K	Truck	Isuzu	FVZ1400	AL99HL
59	Major Plant > \$10K	Truck	Hino	FM2630	BT37TZ
69	Major Plant > \$10K	Truck	Volvo	FM9-380	AI36UX
70	Major Plant > \$10K	Truck	Volvo	FM9-320	XN30LQ
72	Major Plant > \$10K	Truck	Volvo	FM13-460	CN60UW
88	Major Plant > \$10K	Tractor	New Holland	T5060	78528D
98	Minor Plant < \$10K	Signs Signals	Custom Made	[Unknown]	Q65249
99	Minor Plant < \$10K	Signs Signals	A1Roadline	[Unknown]	
107	Major Plant > \$10K	Grader	John Deere		670 78526D
109	Major Plant > \$10K	Grader	Caterpillar	12M	76175D
		Loader - Rubber			
123	Major Plant > \$10K	Tyred Loader - Rubber	Komatsu	WA110M-6	76176D
124	Major Plant > \$10K	Tyred	Hitachi	LX120	QIO660
128	Major Plant > \$10K	Loader Skid Steer	Kubota	SVL75	CE08JS
132	Major Plant > \$10K	Truck	Hino	FD1124	CE06TO
134	Major Plant > \$10K	Truck	Isuzu	FXY1500	CP61QI
142	Major Plant > \$10K	Trailer	Custom Made	[Unknown]	K66536
143	Major Plant > \$10K	Trailer	Hamalex White	[Unknown]	L32947
144	Major Plant > \$10K	Trailer	Custom Made	[Unknown]	N03613
145	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	N94593
146	Major Plant > \$10K	Trailer	Custom Made	[Unknown]	X59464
147	Major Plant > \$10K	Trailer	Custom Made	[Unknown]	Y20838
		Rollers - Multi Tyre			
153	Major Plant > \$10K	Combi	Ammann	ASC110	78527D
209	Major Plant > \$10K	Truck	Hino		616 BS27FJ
210	Major Plant > \$10K	Truck	Hino		917 XN42VJ
211	Major Plant > \$10K	Truck	Isuzu	NNR200	BV55ZG
212	Major Plant > \$10K	Truck	Hino		616 CC85QC
300	Minor Plant < \$10K	Forklift	Komatsu	[Unknown]	
301	Minor Plant < \$10K	Mower Slasher	Howard	Stealth	
311	Major Plant > \$10K	Excavator - Crawler	Hitachi	ZX50U-3	78522D
312	Major Plant > \$10K	Excavator - Crawler	Hitachi	ZX135US-5	76179D
500	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	C88751
501	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	TB57NA
502	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	TB51NA
503	Minor Plant < \$10K	Trimmer Cutter	Stihl	[Unknown]	
504	Minor Plant < \$10K	Saw	Stihl	[Unknown]	
505	Minor Plant < \$10K	Mower Slasher	Toro	[Unknown]	
506	Minor Plant < \$10K	Miscellaneous	Makita	[Unknown]	
512	Major Plant > \$10K	Mower Slasher	John Deere	X748	76178D
534	Major Plant > \$10K	Mower Slasher	Toro		7210 13365D
537	Major Plant > \$10K	Mower Slasher	Toro		7210 47930D
538	Major Plant > \$10K	Truck	Isuzu	NPR450	CG86AA
539	Major Plant > \$10K	Mower Slasher	John Deere		1585 76177D
540	Major Plant > \$10K	Truck	Hino	Ranger Pro	XN44VJ
542	Major Plant > \$10K	Mower Slasher	Walker	D 21 High Lift	62487D

545	Major Plant > \$10K	Truck	MITSUBISHI	Fuso	XN60FM
546	Major Plant > \$10K	Truck	MITSUBISHI	Fuso	XN39CS
547	Minor Plant < \$10K	Trailer	Dean	Single Axle	TE69VF
548	Minor Plant < \$10K	Trailer	Dean	Single Axle	TE70VF
550	Major Plant > \$10K	Tractor	New Holland	T5030	78523D
551	Major Plant > \$10K	Mower Slasher	Toro	4700D	78525D
552	Major Plant > \$10K	Mower Slasher	Toro	GM7210	91042D
553	Major Plant > \$10K	Mower Slasher	Toro	GM7210	91041D
554	Minor Plant < \$10K	Sprayer	Karcher	[Unknown]	N/A
800	Minor Plant < \$10K	All Terrain Vehicle	Kawasaki	KAF950F9F	
803	Major Plant > \$10K	Truck	MITSUBISHI	FV517	BJ37GS
		Loader - Rubber			
806	Major Plant > \$10K	Tyred	HYUNDAI	HL757-9	78524D
807	Major Plant > \$10K	Loader Skid Steer	Liebherr	[Unknown]	72264D
808	Major Plant > \$10K	Compactor Landfill	Tana	[Unknown]	
931	Major Plant > \$10K	Truck	Hino		300 XN45VJ
932	Major Plant > \$10K	Truck	Hino		300 BQ62QZ
939	Major Plant > \$10K	Excavator - Crawler	Hitachi	ZX1.7U-5	78532D
940	Major Plant > \$10K	Trencher	Vermeer	[Unknown]	TD04QE
943	Major Plant > \$10K	Truck	Hino		300 XN64WD
952	Light Fleet	Utility	Isuzu	D-MAX	CP30DO
961	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	Z76983
962	Major Plant > \$10K	Generator	Atlas Copco	[Unknown]	TE52CC
963	Major Plant > \$10K	Generator	Atlas Copco	[Unknown]	TE79PJ
964	Major Plant > \$10K	Truck	Isuzu	FRR 110-260	XN69QC
C35339	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	C35339
C88751	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	C88751
CK5002	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	CK5002
H29498	Minor Plant < \$10K	Trailer	Dean	Single Axle	
J62624	Minor Plant < \$10K	Trailer	Dean	Single Axle	
J84443	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	
L33619	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	
L62743	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	L62743
L90890	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	L90890
M94248	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	M94248
N57452	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	N57452
P51345	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	P51345
Q32978	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	Q32978
U39904	Minor Plant < \$10K	Compressor	Comp Air	[Unknown]	
UI4469	Minor Plant < \$10K	Trailer	Custom Made	[Unknown]	

Purchase Date	Budget Annual Km/Hrs	Replace Km/Hrs	last Meter Reading	Replace Year	Budget Disposal Price	Budget Changeover	Over Years	Over KMS
29/04/1992	2000	200000	171378		7 \$12,500.00	\$120,500.00		
24/12/2013	31000	250000	229861		8 \$20,000.00	\$55,000.00		
3/03/2004	13500	500000	285117		10 \$30,000.00	\$145,000.00		
17/12/2015	10000	500000	52868		10 \$38,000.00	\$107,000.00		
25/05/2007	6500	250000	98528		8 \$43,000.00	\$92,000.00		
29/08/2006	650	250000	172040		8 \$45,000.00	\$225,000.00		
16/04/2013	850	250000	6866		8 \$45,000.00	\$230,000.00		
13/02/2006	29000	500000	437802		10 \$45,000.00	\$225,000.00		
29/11/2006	21500	500000	296522		10 \$55,000.00	\$175,000.00		
20/11/2017	27000	250000	95955		8 \$90,000.00	\$210,000.00		
29/06/2012	800	5000	7047		8 \$40,000.00	\$92,000.00		
2/09/2009		0			10 \$500.00	\$19,500.00		
12/12/2012					10 \$500.00	\$19,500.00		
9/07/2001	500	8000	9446		12 \$45,000.00	\$335,000.00		
4/05/2012	650	8000	5438		12 \$85,000.00	\$295,000.00		
26/04/2012	250	8000	2155		10 \$25,000.00	\$160,000.00		
26/07/1995	300	5000	8648		8 \$28,000.00	\$192,000.00		
5/08/2015	300	8000	1746		10 \$10,000.00	\$65,000.00		
3/08/2015	600	8000	3351		10 \$15,000.00	\$60,000.00		
1/05/2018	35000	500000	2442		10 \$60,000.00	\$370,000.00		
29/04/1997					15 \$7,500.00	\$82,500.00		
27/02/1998					15 \$7,000.00	\$58,000.00		
10/10/2000					15 \$7,500.00	\$57,500.00		
8/05/2002					15 \$1,500.00	\$10,500.00		
21/11/2011					15 \$6,000.00	\$49,000.00		
15/10/2012					15 \$21,000.00	\$74,000.00		
31/01/2012	550		4896		10 \$42,500.00	\$132,500.00		
11/09/2012	17500	200000	149677		7 \$11,000.00	\$64,000.00		
11/09/2012	14500	200000	125155		7 \$22,000.00	\$73,000.00		
24/10/2013	17000	200000	122623		7 \$20,000.00	\$45,000.00		
10/02/2015	20500	200000	123446		7 \$11,000.00	\$64,000.00		
12/07/2012	13	3500	88		5 \$14,000.00	\$16,000.00		
10/08/1993	500				5 \$1,000.00	\$14,000.00		
20/04/2012	250	8000	2115		10 \$22,500.00	\$112,500.00		
25/10/2019	450	8000	669		10 \$50,000.00	\$230,000.00		
10/12/2013					15 \$200.00	\$7,800.00		
1/01/2003					15 \$400.00	\$3,400.00		
1/01/2003					15 \$500.00	\$4,000.00		
1/01/2015					5 \$50.00	\$650.00		
1/01/2015					5 \$50.00	\$650.00		
1/06/2015					5 \$50.00	\$450.00		
11/12/2014					5 \$10.00	\$240.00		
22/05/2012	150	2000	975		5 \$5,500.00	\$28,500.00		
16/03/2012	350	2000	2271		5 \$5,000.00	\$29,000.00		
9/12/2015	300	2000	1472		5 \$8,000.00	\$30,000.00		
17/12/2015	11000	200000	58912		7 \$15,000.00	\$55,000.00		
19/04/2016	250		1158		5 \$5,500.00	\$16,500.00		
31/08/2007	10000	250000	6430		8 \$32,000.00	\$163,000.00		
7/02/2017	100	2000	4114		5 \$15,000.00	\$27,000.00		

1/12/2018	8000	200000	19898	7	\$20,000.00	\$43,000.00
1/12/2018	9500	200000	23795	7	\$20,000.00	\$43,000.00
20/12/2018	0	0		15	\$200.00	\$4,800.00
22/12/2018	0	0		15	\$200.00	\$4,800.00
22/08/2011	650	5000	6165	8	\$38,000.00	\$84,000.00
6/05/2016	500	2000	2557	5	\$10,000.00	\$55,000.00
12/07/2019	400	2000	668	5	\$5,000.00	\$35,000.00
12/07/2019	300	2000	675	5	\$5,000.00	\$35,000.00
23/09/2019	0	0		10	\$100.00	\$700.00
9/09/2009	200		2161	5	\$3,000.00	\$22,000.00
11/11/2011	2000	500000	310846	10	\$45,000.00	\$230,000.00
18/09/2015	650	8000	3646	10	\$0.00	\$230,000.00
19/12/2017	1200	5000	3981	8	\$50,000.00	\$500,000.00
13/03/2019	850	8000	2051	10	\$50,000.00	\$830,000.00
28/06/2012	10500	200000	104200	7	\$20,000.00	\$58,000.00
28/06/2012	15000	200000	142874	7	\$10,000.00	\$44,000.00
2/08/2017	200	5000	507	10	\$10,000.00	\$65,000.00
9/08/2017				10	\$10,000.00	\$75,000.00
26/11/2020	20000	250000	2388	8	\$20,000.00	\$230,000.00
4/04/2018	28000	150000	91533	5	\$25,000.00	\$30,000.00
10/06/2014				15	\$200.00	\$3,800.00
29/03/2018	100	15000	100	15	\$5,000.00	\$65,000.00
29/03/2018	100	15000	400	15	\$5,000.00	\$75,000.00
4/06/2020	20000	250000	18100	8	\$50,000.00	\$350,000.00
1/01/1985				15	\$100.00	\$6,400.00
1/01/1986				15	\$50.00	\$2,450.00
1/01/2015				15	\$100.00	\$3,400.00
				15	\$500.00	\$8,500.00
				15	\$500.00	\$8,500.00
1/01/2015				15	\$200.00	\$3,300.00
1/01/2015				15	\$200.00	\$3,300.00
1/01/2015				15	\$500.00	\$4,500.00
1/01/1998				15	\$50.00	\$2,450.00
1/01/2000				15	\$50.00	\$1,950.00
1/01/2001				15	\$100.00	\$3,400.00
1/01/2007				15	\$200.00	\$2,300.00
1/01/1998				15	\$50.00	\$3,450.00
30/11/2017				10	\$0.00	\$0.00
1/01/2007				10	\$50.00	\$2,450.00

11.6 MAJOR PROJECTS STATUS REPORT

Attachments:	A. CURRENT 2021-2022 - CI Capital Works Hybrid
Responsible Officer:	Fiona Plesman - General Manager
Author:	Derek Finnigan - Deputy General Manager
Community Plan Issue:	<i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i>
Community Plan Goal:	<i>Maintain and continually improve community infrastructure across the Shire.</i>
Community Plan Strategy:	<i>Implement prioritised (but responsive) rolling works program of maintenance.</i>

PURPOSE

The Major Projects status report is submitted for the information of Councillors.

OFFICER'S RECOMMENDATION

The information contained in this report be noted.

Moved: _____ **Seconded:** _____

REPORT

The Major Projects Status Report is submitted for the information of Councillors, updated to 1 March 2022.

Project number	PROJECT	PROJECT STAGE INVESTIGATION (I) DESIGN (D) CONSTRUCTION (C)	GL Number	BUDGET FOR PROJECT	FY BUDGET ALLOCATION	WORKS INSURANCE	PLANNED START	PLANNED COMPLETION	ACTUAL START	ACTUAL COMPLETION	STATUS AS AT 1 MARCH 2022
FUTURE FUND											
TBA	111 Brook Street (Staff Housing)	D	3690.5541.504	\$200,000	\$200,000	Existing Cover to \$2M	Jul-21	Sep-21	Jul-21		Purchase of land with approved DA. Property has settled. Property to be developed for staff housing. EOI being prepared for interested tenderers.
N/A	Bakery Set Up	D	3690.5473.504	\$99,794	\$99,794	Existing Cover to \$2M	Sep-21	Jun-22	Sep-21		Hospitality team has reviewed design and settled on shop location at Marketplace. Fitout of café is being prepared.
2020-2021-0445	Marketplace Air Conditioning	D & C	3690.5477.504	\$398,494	\$398,494	Existing Cover to \$2M	Mar-21	Sep-21	Mar-21	Sep-21	Air conditioning works are complete and handover underway.
TBA	Marketplace Asset Renewal (incl. Lift)	D & C	3690.5540.504	\$376,194	\$376,194	Existing Cover to \$2M	Jul-21	Jun-22	Jul-21		Heavy Goods Lift specification being prepared for tender.
N/A	Renewal of Existing Assets	D & C	3690.5421.504	\$337,309	\$337,309	Existing Cover to \$2M	Jul-21	Jun-22	Jul-21		Combination of commercial building renewal projects and capital incentives for new tenancies.
2020-2021-0448	Tertiary Education Centre - Stage 2 (Donald Horne Building) incl. Upper Hunter Innovation Hub and Weidmann Café	D & C	3690.5438.504	\$6,500,000	\$5,732,716	Council insured	Jul-19	Sep-20	Jul-19		Footings poured and s60 approval from Heritage Council for Loxton House works received. Scaffolding complete to TEC2. Formation of ground floor columns and walls and blockwork to Ground Floor progressing. Investigations identifying the extent of structural issues with Loxton House complete. Roofing works/ repairs to Loxton House being undertaken and joist strengthening almost complete. Scaffolding to Loxton House installed. Construction Certificate for Loxton House issued and partial CC for TEC 2.
PLANNING, COMMUNITY AND CORPORATE SERVICES											
N/A	Aquatic Centres Programme	C	3700.5151.504	\$120,000	\$120,000	Existing Cover to \$2M	Sep-21	Oct-21	Sep-21		Majority of expenditure at Denman pool with the replacement of valves and painting this FY. Works underway for indoor pool leak and flooring.
N/A	General Building Renewal Programme	C	3910.5819.504	\$225,000	\$225,000	Existing Cover to \$2M	Oct-21	Feb-22	Oct-21		Project lists reported to 28 September 2021 Ordinary Council meeting. Administration roof review. Indoor Sports Centre amenities improvements. MOOSH minor improvements including flooring. Muswellbrook Library Renewals including generator connection. Stan Theiss Centre floors to be sanded. QEII new flooring and structural assessment. CWA accessible path and ramp. Denman Library and CTC ramp and glass sliding door.
2019-2020-0413	Muswellbrook Indoor Sport Centre	D & C	3910.5844.504	\$1,300,000	\$939,582	Existing Cover to \$2M	Oct-19	Dec-20	Oct-19		Upper Hunter Youth Services was awarded Stronger Country Community grant funding of \$500k. Stakeholder consultation and preliminary design complete and Development Application lodged and awaiting approval.
TBA	Muswellbrook Regional Art Gallery (Foyer/Café)	D	3910.5855.504	\$250,000	\$61,452	Existing Cover to \$2M	Jul-21	Jul-22	Jul-21		Architect has consulted with heritage advisor to inform design development and draft concepts received. Design being progressed relies on glazing existing structure. Advice will be sought on a planning pathway following some further changes including recommendations on painting. Heritage architect has provided finishes recommendations. Further work to be outsourced for project management.
2020-2021-0488	Rooftop Refrigeration Relocation (Administration Centre)	C	3910.5951.504	\$106,500	\$106,500	Existing Cover to \$2M	Aug-21	Sep-21	Aug-21	Sep-21	Installation complete and handover commenced.
N/A	Toybox Termite Damage Repair	C	3910.5952.504	\$11,950	\$11,950	Existing Cover to \$2M	Jul-21	Jul-21	Jul-21	Jul-21	Emergency works completed.
TBA	Outdoor Pool Plant Upgrades	D	3700.5453.504	\$150,000	\$150,000	Existing Cover to \$2M	Sep-21	Mar-22	Sep-21		Principal Design Consultant undertook site and asset condition inspection Wednesday, 22 September 2021. Draft design completed and awaiting interfacing to be confirmed with Hydraulic Specialist to finalise design. Specification for tender documentation under preparation. Tender expected to be ready early March, but subject to funding.
TBA	CBD Stage 7 (Town Centre)	C	3690.5479.504	\$1,000,000	\$1,000,000	Existing Cover to \$2M	Jan-22	Mar-22			Public domain work of education precinct. Parts to be delivered by Donald Horne building contractor.
TBA	Civic Precinct (Town Square)	D & C	3690.5498.504	\$14,500,000	\$3,268,850	Council insured	Oct-21	Jun-25			Contract status reported to Council at the 28 September 2021 Ordinary Council meeting. Tender being prepared for enabling works.
TBA	Denman Children Centre	D & C	3920.5658.504	\$620,000	\$620,000	Existing Cover to \$2M	Jun-18	Mar-20			DA 99/2018 approved May 2019. Staff have engaged with Denman Children's Centre to progress the project. Denman Children's Centre Memorandum of Understanding was developed March 2021. Both parties signed MOU to progress project in FY 21/22. Project manager awarded and preparing RFQ for detailed design.
TBA	Denman Heritage Village	D & C	3590.4222.504	\$1,000,000	\$897,740	Existing Cover to \$2M	Sep-21	Jul-22			Deed for Heritage items executed. Denman Heritage Museum Advisory Committee progressed the concept design with Council representatives to Development Application approval at the 22 December 2020 Ordinary Council meeting. A Business Plan with the Heritage Committee has been prepared. Design and Construction tender closed 27 January 2022.
TBA	Denman Netball Courts	D & C	3710.7825.504	\$600,000	\$206,286	Existing Cover to \$2M	Oct-21	Jul-22			User group scoping workshop to be held. Covid has impacted arrangement of the workshop.
N/A	General Design Programme	D	3920.5924.504	\$45,000	\$45,000	Existing Cover to \$2M	Jul-21	Dec-21			Council has endorsed progressing the Council Chambers and Arts Centre design.
2019-2020-0404	Hunter Beach	D & C	3920.5904.504	\$3,173,029	\$3,173,029	TBA	Sep-21	Jul-22			Council has endorsed a concept design for the project. Tender negotiations were reported to the 28 September 2021 Ordinary Council meeting. Council has negotiated a contract for awarding.
2019-2020-0406	Muswellbrook Aquatic Centre Upgrade	C	3700.5442.504	\$6,500,000	\$2,942,975	Contractor insured	Mar-20	Mar-21	Mar-20		Covid restrictions have been impacting supply of materials and contractors. Project 95% complete. Substation works being finalised for installation and connection.
2020-2021-0481	Karoola Park Citizens' Walk	I	3710.5532.504	\$20,000	\$20,000	Existing Cover to \$2M	Jul-21	Dec-21	Oct-21		RFQs called and received for Plan of Management to be awarded. Negotiation with the preferred consultant completed.
TBA	Kayuga Rural Fire Station	D & C	TBA	\$650,000	External	Existing Cover to \$2M					External project manager engaged and flood study underway.
TBA	Major Landcare Projects	I, D & C	3920.5617.504	\$228,254	\$228,254	Existing Cover to \$2M	Sep-21	Jun-22			Nominated projects reported to Council at the August 2021 Ordinary Council meeting.
TBA	Denman Indoor Sports Centre Upgrade	C	3910.5949.504	\$151,200	\$151,200	Existing Cover to \$2M	Jul-21	Dec-21			Works being delivered by Council Building team.
TBA	Muswellbrook Indoor Sports Centre Upgrade	C	3910.5950.504	\$148,050	\$148,050	Existing Cover to \$2M	Jul-21	Dec-21			Works being delivered by Council Building team. Insulation completed.
2020-2021-0443	MSC Depot Construction	D & C	3910.5939.504	\$2,700,000	\$200,000	Council insured	Jul-21	Dec-22			Cost savings assessment has been completed and a number of value engineering options have been identified. These options are to be consulted with stakeholders and communicated to the designer for changes to the concept.
TBA	Muscle Creek Nature Trail (AGL Macq Project)	C	3920.5946.504	\$237,500	\$237,500	Existing Cover to \$2M	Oct-21	Jun-22			Track options have been scoped and to match with Wilder St bridge.
N/A	Public Art Sculpture	C	3920.5599.504	\$84,295	\$84,295	Existing Cover to \$2M	Jul-21	Aug-21	Jul	Oct-21	Max Watters sculpture installation is complete.
2020-2021-0452	Muswellbrook Animal Shelter (3910.5587)	C	3910.5887.504	\$2,616,808	\$2,391,041	Council Insured	Feb-21	Dec-21	May-21		Roofing, including truss and bracings for the main building completed. Both frames for walls and entry gate installed. COVID related impacts are affecting progress, such as delays in material supply, availability of construction plant & equipment, etc. Wherever possible, alternative arrangements have been made to minimise the impact. Installation of straw-bale walls has commenced. Electrical and plumbing rough-in underway and connection to stormwater/sewer/ trade waste to follow approvals.
N/A	General Recreation Programme	C	3710.5293.504	\$150,000	\$135,000	Existing Cover to \$2M	Oct-21	Jun-22	Oct-21		Project lists reported to 28 September 2021 Ordinary Council meeting. Planning and programming underway. Renewal of softfall at various playgrounds. Installation of security cameras. Installation of heat and shade protection at Denman and Highbrook Park. Recreation Needs Study. Installation of smart control irrigation system. General cemetery works including fencing and concreted paths.
N/A	Landscaping and Tree Management Programme	C	3710.5311.504	\$90,000	\$90,000	Existing Cover to \$2M	Sep-21	Nov-21	Oct-21		Street tree applications were called over Winter for Spring planting. Majority of planting completed with remainder to recommence in March.
N/A	Major Large Capital Grants Programme (Dollar for Dollar Grant Programme)	C	3710.5494.504	\$100,000	\$100,000	Existing Cover to \$2M	Nov-21	Feb-22			Applications called and awarded for 21/22.
2019-2020-0419	Intelligent Lighting - Olympic Park	C	3710.7821.504	\$188,201	\$188,201	Existing Cover to \$2M	Oct-21	Dec-21	Feb-22		Tenders called and received, assessed and awarded. Works have commenced.
N/A	Cemetery General Programme	C	3722.5297.504	\$166,979	\$166,979	Existing Cover to \$2M	Oct-21	Jun-22			Staged gateway fencing to commence at site entrances. Planning underway.
N/A	Sport and Recreation Small Capital Grants	C	3710.5482.504	\$25,000	\$25,000	Existing Cover to \$2M	Nov-21	Feb-22			Applications called and awarded for 21/22.
ROADS AND DRAINAGE											
TBA	Bridges Renewal Program	I	3530.4131.504	\$95,000	\$95,000	Existing Cover to \$2M	Aug-21	Jun-22	Aug-21		Quotations were received for a level 3 assessment of Bell St bridge over Muscle Creek including options for the replacement of the safety rails. The quotations have been assessed in consultation with TNSW and the consultant has been engaged. The assessment field works have been undertaken in November 2021 and Council is awaiting the Level 3 Investigation report.
TBA	Carpark Renewal Program	I	3580.4234.504	\$100,000	\$100,000	Existing Cover to \$2M	Feb-22	Jun-22	Dec-21		Consultation has occurred with the Manager Works, Property and Building and Commercial Property Coordinator to develop a concept design for future reporting to Council to undertake improvements to the Hill St Carpark to improve carparking provision and access to the Marketplace off Hill St. Concept plans are being prepared for further consultation.
TBA	CPTIGS - Bus Shelter Program	I	3500.2781.504	\$48,400	\$48,400	Existing Cover to \$2M	Mar-22	Jun-23	Nov-21		Additional funding for the project is being sought. An in-kind source of funding for the upgrade of the Bus Stop in Tindale St has been provided through a development in the street.
TBA	Developer Coordinated Works	I	3500.4199.504	\$25,000	\$25,000	Existing Cover to \$2M	Aug-21	Jun-22			Allowance for Works.
TBA	Drainage Devices Program	I	3540.4065.504	\$140,000	\$140,000	Existing Cover to \$2M	Feb-22	Jun-22			Program and concept design reported to Council.
TBA	Footpath & Cycleway Renewals	C	3500.4072.504	\$135,000	\$135,000	Existing Cover to \$2M	Aug-21	Dec-21	Aug-21	Dec-21	A prioritised program was reported and endorsed by Council 27 August 2021. This program of work has been completed to the limit of funding available.
TBA	Heavy Patching Programme	C	3500.4035.504	\$252,533	\$252,533	Existing Cover to \$2M	Aug-21	Mar-22	Oct-21	Dec-21	A prioritised program was reported and endorsed by Council 27 August 2021 with nominated sites now completed to the limit of funding available.
TBA	Ironbark Road Footpath	C	3500.4425.504	\$250,000	\$250,000	Existing Cover to \$2M	Jul-21	Nov-21	Jul-21	Dec-21	The concrete footpath has been constructed between Adams Street and Rutherford Road, including the planting of street trees adjacent to the path. This project is complete.

TBA	Kerb & Gutter Replacement	C	3560.4065.504	\$117,000	\$117,000	Existing Cover to \$2M	Aug-21	Dec-21	Aug-21	Dec-21	A prioritised program was reported and endorsed by Council 27 August 2021 with works now complete to the limit of available funding.
TBA	Large Plant Items	D	3985.5870.504	\$966,500	\$966,500	Cotractor/ Council insured	Oct-21	Jun-22			Plant programme developed to be reported to March 2022 Council meeting.
TBA	Waste & Recycling Centre Leachate Dam	D	3653.4530.504	\$498,212	\$498,212	Existing Cover to \$2M	Jul-21	Jun-22			Design and Construction Cost Estimates complete (\$500,000). Biodiversity Assessment RFQ issued and required prior to Development Application.
TBA	New Footpath & Cycleway	C	3500.4073.504	\$135,000	\$135,000	Existing Cover to \$2M	Aug-21	Sep-21	Aug-21	Sep-21	Prioritised program reported to Council for endorsement 27 August 2021 with footpath construction in Ironbark Road, between Calgaroo Avenue to Ironbark Ridge now complete.
TBA	Purchase of vehicles	I	3900.5660.504	\$417,486	\$417,486	Council & Contractor insured	Oct-21	Jun-22	Oct-21		Light fleet programme prepared.
TBA	Regional Road Renewal Programme	I	3502.4135.504	\$70,000	\$70,000	Council & Contractor insured	Apr-22	Jun-22			Bylong Valley Way sealing is programmed to be carried out in the third quarter of 2021-22.
TBA	Resources for Regions - Mine Affected Roads		3500.4256.504	\$462,515	\$462,515	Council & Contractor insured	Mar-22	Jun-22			Programmed for carrying out in third and fourth quarters.
	Resources for Regions - Round 5			\$8,542,556	\$8,143,687						
TBA	Edderton Road Safety Upgrade	C	3500.4257.504	\$2,508,232	\$2,427,544	Council & Contractor insured	Nov-20	Apr-22	Feb-21	Dec-21	Construction is complete.
TBA	Thompson St signalisation	D	3500.4277.504	\$2,100,845		Council & Contractor insured	Feb-22	May-22	Jan 2022.		Tenders received and negotiations with preferred tenderer complete. WAD received from TNSW, with Principal Contractor, Project Verifier and Road Safety Auditor engaged. TNSW has issued the certificate to commence construction. Notification letters to residents and business in the precinct have been issued. The Contractor has been inducted and given possession of the site 10 January 2022.
TBA	UHSC - Murulla St causeway	I	3500.4282.504	\$1,192,578		Council & Contractor insured					This is an Upper Hunter Shire Council project. Murulla Street is located in Murrurundi.
TBA	Wilkinson St bridge	C	3530.5888.504	\$2,740,901		Council & Contractor insured	Dec-20	May-22	Oct-21		Tenders for a design and construct contract were received and reported to the 2 February 2021 Extra Ordinary Council Meeting. A Community consultation session was held with the residents of Wilder St on 26 August where the 85% design of the bridge and road approaches was briefed. Construction commenced on the bridge in late October 2021 with the central piles being constructed.
	Resources for Regions - Round 6			\$1,108,627	\$1,108,627						
TBA	Ridgelands Road	D & C	3500.4303.504	\$388,385		Council & Contractor insured	Nov-21	Jan-22			These works are programmed and project preliminaries are currently being undertaken in preparation for site establishment in April.
TBA	Heavy Patching Programme	C	3500.4306.504	\$66,352		Council & Contractor insured	Aug-21	Mar-22	Aug-21	Oct-21	Project Complete.
TBA	Nandowra / Dartbrook Rd	D&C	3500.4421.504	\$403,732		Council & Contractor insured					This is an Upper Hunter Shire Council project.
TBA	Bylong Valley Way	D&C	3500.4422.504	\$250,158		Council & Contractor insured	Jul-21	Jun-22	Jul-21	Aug-21	Project Complete.
TBA	Road Design Programme	I&D	3500.2067.504	\$100,000	\$100,000		Jul-21	Jun-22			Design programme to be reported to Council.
TBA	Road Resealing Program	C	3500.4030.504	\$500,000	\$500,000	Existing Cover to \$2M	Oct-21	Dec-21	Dec-21		Preparatory works have been scoped and quotations have been received from Sealing Companies listed on the panel of service providers. The preparatory works have been completed, with Urban road sealing completed in December. Rural road sealing is to be scheduled for the third quarter.
TBA	Roads to Recovery Programme	I	3500.2068.504	\$577,898	\$577,898	TBA	Jan-22	Jun-22			Programme is in the design phase: a contribution will be required from this budget towards the Lorne Street upgrade project. The Design for Lorne St was reported and endorsed by Council at the 1 February 2022 Ordinary Council Meeting. Tenders for construction advertised early January 2022.
TBA	Rosebrook Bridge Replacement	I	3530.4429.504	\$1,633,500	\$1,633,500	TBA	Mar-22	Dec-22	Oct-21		A brief was written to seek quotations for geotechnical investigation, site survey and completion of a review of environmental factors as preliminaries for the project. Quotations have been sought and a consultant engaged for these works. Geotech investigations are being completed.
TBA	Rosemount Rd Box Culvert	C	3500.4428.504	\$850,000	\$850,000	Council & Contractor insured	August	December	Sep-21		The project has been completed.
TBA	Rural Roads Regravelling	C	3500.4055.504	\$350,000	\$350,000	Existing Cover to \$2M	August	Jun-22	Sep-21		50% spent at Albano Rd. Wells Gully Rd complete, Yarrawa Rd, Castlerock Rd, and Giants Creek to be programmed.
TBA	Rural Road Renewal	D	3502.4125.504	\$375,000	\$375,000	Council & Contractor insured	Apr-22	Jun-22	Jan-22		An application for funding under the Fixing Country Roads Program for the rehabilitation of Mangoola Road has been successful. Council endorsed for this budget be used to supplement the co contribution required to a minimum value of \$82K. Works are in progress.
TBA	Safety Audit Ridgelands Road	I	3500.4270.504	\$47,272	\$47,272	Council insured	November	January			These works are programmed and project preliminaries are currently being undertaken.
TBA	Safety Device Renewal	C	3590.4145.504	\$135,000	\$135,000	Existing Cover to \$2M	Aug-21	Jun-22			A prioritised program was endorsed by Council at the July 2021 Ordinary Council meeting.
TBA	Sandy Creek Rd Curve Improvements	C	3500.2066.504	\$246,506	\$246,506	Contractor insured	Jun-21	Dec-21	Jun-21	Sep-21	Works completed.
TBA	Sandy Hollow Village Centre (Pocket Park)	C	3550.4257.504	\$214,403	\$214,403	Contractor insured	Sep-21	Nov-21	Sep-21		The Tender for hard and soft landscaping has been awarded with the Contractor commencing on site in late September. Work is progressing at the site.
TBA	Transport Vehicles	I	3980.5850.504	\$105,000	\$105,000	Existing Cover to \$2M	Oct-21	Jun-22			Programme being prepared.
TBA	Urban Pavement Renewal	D	3500.4050.504	\$400,000	\$400,000	TBA	Feb-22	Jun-22			Works nominated for Lorne St Muswellbrook. Design was endorsed by Council at the 1 February 2022 Ordinary Council Meeting.
TBA	Waste Management Facility	I	3653.4535.504	\$60,000	\$60,000	TBA	Mar-22	Jun-22			Works programmed for third and fourth quarter. Works associated with progression of Food Organics Garden Organics (FOGO) project.
TBA	Widden Valley Rd pavement rehabilitation	C	3500.4424.504	\$553,397	\$553,397	Existing Cover to \$2M	Aug-21	Oct-21	Aug-21		Works will recommence on site in the last week of February 2022.
TBA	Yarrawa Rd (Fixing Local Roads)	I	3500.2780.504	\$4,931,278	\$4,931,278	Council & Contractor Insured	September	Jun-22	Oct-21		TheTender for construction was advertised 10 August. Pre-tender meeting 24 August, with tenders closed 7 September. Tenders were reported to the 28 September Ordinary Council meeting. A Road Safety Audit of the design and the existing road ch 0 to ch 17km is now completed. Work is progressing on site.
SPECIAL RATE VARIATION											
TBA	Drainage	C	3540.1404.504	\$300,000	\$300,000	TBA	Feb-22	Jun-22			Projects to be prioritised and reported to Council.
TBA	SRV 2019 Olympic Park Project	D	3710.1405.504	\$222,554	\$222,554	Existing Cover to \$2M					Funds to be allocated to investigation and design of other precinct stages.
2019-2020-0417	Olympic Park Grandstand Amenities	D & C	3710.7824.504	\$2,126,193	\$2,126,193	Existing Cover to \$2M	Jan-21	Mar-23			Architect has amended design for stakeholder consultation. Concept options placed on public exhibition and adopted at the 26 October 2021 Ordinary Council meeting. Progressing to DA.
2020-2021-0463	RECC - Black Box	C	3690.5432.504	\$8,500,000	\$2,500,000	TBA	Oct-21	Jun-23			The project was reported to the 28 September 2021 Ordinary Council Meeting. Tender negotiations with preferred tenderer, as resolved in 28 September 2021 Ordinary Council meeting, did not result in award of tender. The project will be reviewed following DA approval.
2020-2021-0463	Performance and Convention Centre	C	3690.5433.504	\$16,500,000	\$6,434,000	TBA	Oct-21	Jun-23			The project was reported to the 28 September 2021 Ordinary Council Meeting. Tender negotiations with preferred tenderer, as resolved at 28 September 2021 Ordinary Council meeting, did not result in award of tender. The project will be reviewed following DA approval.
SEWER CAPITAL BUDGET											
TBA	Access and Security Improvements	D&C	6340.4475.504	\$20,000	\$20,000	TBA	Jan-22	Jun-22			Scope clarification currently being produced. Site security fencing upgrades are a high priority.
TBA	Mains Renewal And Replacement	D&C	6310.4340.504	\$339,581	\$339,581	Council & Contractor insured	Jan-22	Jun-22			Aberdeen Street and William Street gravity sewer mains identified for renewal. Scope of Work and RFTs currently being produced.
TBA	Sewer Plant and Equipment		6340.4380.504	\$35,000	\$35,000	Not required	Jul-21	Jun-22			Programme being prepared.
TBA	Solar Array	I, D & C	6310.4493.504	\$1,800,000	\$1,800,000	Existing Cover to \$2M	Oct-21	Dec-21			Sustainability initiatives associated with operation of the Raw Water Treatment Works. RFQ to be called for Concept design.
TBA	System Plant Asset Renewals	I, D & C	6340.4488.504	\$140,000	\$140,000	Existing Cover to \$2M	Jul-21	Jun-22	Jul-21		2021-22 programme report was submitted to the 26 October 2021 Ordinary Council Meeting. The construction of a septage receival facility at the Muswellbrook recycled water treatment works is the highest priority project for 2021-22. Design of the facility is currently underway.
TBA	Transportation System Improvements	I, D & C	6340.4485.504	\$674,574	\$674,574	Existing Cover to \$2M	Jul-21	Jun-22	Jul-21		Programme of works is progressing.
WATER CAPITAL BUDGET											
N/R	Asbestos Removal		5310.4575.504	\$55,000	\$55,000	Not required					Funding to be reallocated. A report was submitted to the 26 October 2021 Ordinary Council meeting.
TBA	Depot - Investigation and Design	D & C	5310.4578.504	\$166,673	\$166,673	Council insured	Jul-21	Dec-22			Design is currently being carried out.
TBA	Laboratory Equipment		5340.4395.504	\$25,000	\$25,000	Not required	Jul-21	Jun-22			Replacement of Laboratory equipment, chlorine analysers, glass dessicators, Spectrophotometer servicing. This will be carried out in the fourth quarter of 2021-22.

TBA	Mains Renewal And Replacement	I, D & C	5320.4340.504	\$753,958	\$753,958	Council & Contractor insured	Jun-21	Mar-22	Jul-21		Works at Sowerby Street and Hill Street have been completed. A report regarding the 2021-22 programme of works was submitted to the 26 October 2021 Ordinary Council meeting. Tenders have been invited, and a report will be submitted for Council's consideration at the 1 March 2022 Ordinary Council meeting.
TBA	Replacement of Water Meters	C	5320.4376.504	\$78,000	\$78,000	Council insured	Jul-21	Jun-22			Ongoing expenditure for ageing water meter replacement.
TBA	System Plant Asset Renewals	I, D & C	5340.4400.504	\$858,600	\$858,600	Council & Contractor insured	Jul-21	Jun-22	Jul-21		2021-2022 programme report was submitted to the 26 October 2021 Ordinary Council meeting. Replacement of the clarifier hood at the Muswellbrook water treatment plant is the highest priority, and contingency planning is underway to take the clarifier off line for up to eight weeks while replacement works are being carried out.
TBA	Upgrade Fluoride Dosing System	I, D & C	5310.4577.504	\$376,800	\$376,800	TBA	Nov-21	Jun-22			DPIE has responded with a design change to improve operability and reliability. The project was reported to the 28 September 2021 Ordinary Council Meeting. Tenders have been invited, and a report will be submitted for Council's consideration to the 1 March 2022 Ordinary Council meeting. Costs of the upgrade works will be fully reimbursed by NSW Health.
TBA	Vehicle Replacement	C	5330.4370.504	\$100,000	\$100,000	Existing Cover to \$2M	Oct-21	Jun-22			Programme being prepared.
TBA	Vehicle - Equipment Replacement	C	5330.4378.504	\$117,394	\$117,394	Existing Cover to \$2M	Oct-21	Jun-22			Programme being prepared.
TBA	Water Fund Environmental Grant	I	5310.4563.504	\$55,000	\$55,000						Programme being prepared.
TBA	Water Stop Valve Replacement Programme	I, D & C	5320.4379.504	\$159,496	\$159,496	Existing Cover to \$2M	Oct-21	Jun-22			A prioritised programme of water stop valve replacement works will be carried out in the fourth quarter of 2021-22.
WASTE											
TBA	FOGO Infrastructure	I		N/A		TBA					Preliminary Design and EIS complete. DA lodged June 2021. NSW EPA stopped clock to request further information on likely odour impacts.

11.7 REVIEW OF BEST PRACTICE MANAGEMENT OF WATER SUPPLY AND SEWERAGE SERVICES FOR 2019-2020

Attachments:	<p>A. Final Audit Report - BPMWSS - FY 2019- 2020</p> <p>B. NSW Best Practice Management of Water Supply and Sewerage Framework ↓</p> <p>C. Town Planning Water Utilities Best Practice Management of Water Supply and Sewerage Guidelines 2007 - Under Separate Cover</p> <p>D. IWCM Strategy - ADOPTED - 27 July 2021 Ordinary Council Meeting - Under Separate Cover</p>
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Irene Chetty - Operations Manager
Community Plan Issue:	<i>A safe, secure and reliable water supply and sewerage services are provided to all residents that will ensure public health</i>
Community Plan Goal:	<i>Provide safe, secure, efficient and effective water, sewerage and waste services in compliance with regulatory requirements.</i>
Community Plan Strategy:	<i>Ensure substantial achievement of Best Practice Water Supply and Sewerage Guidelines.</i>

PURPOSE

The report provides information relating to the review of Council's water supply and sewerage services for compliance with the requirements of the NSW Best Practice Management Guidelines for Water Supply and Sewerage ("BPM Guidelines") and the NSW Best Practice Management Framework for Water Supply and Sewerage ("BPM Framework") for reporting year 2019-20.

OFFICER'S RECOMMENDATION

Council notes the information contained in the report.

Moved: _____ **Seconded:** _____

BACKGROUND

National Audits Group was engaged by Muswellbrook Shire Council ("MSC") to review Council's water supply and sewerage services for compliance with the requirements of the NSW Best Practice Management Guidelines for Water Supply and Sewerage (BPM Guidelines) and the NSW Best Practice Management Framework for Water Supply and Sewerage (BPM Framework) for reporting year 2019-20, after all financial statements were audited.

CONSULTATION

The auditors consulted with Council's Water and Sewer Management Staff to provide access to relevant strategic documents and audited financial statements and policies.

The documentation reviewed in the consultation process were:

- Draft Integrated Water Cycle Management Plan ("IWCM") strategy (The IWCM was in a draft phase at the time of the audit, it has since been adopted in the 27 July 2021, Ordinary Council Meeting),
- Strategic Business Plan for Water Supply and Sewerage Services over a twenty- year horizon,
- Twenty-year capital works programme for water supply and sewerage services,
- Financial plan for water supply and sewerage services,

- Water conservation and demand management strategy,
- Drought management plan,
- Development Servicing Plans for Water and Sewerage,
- Liquid trade waste policy,
- Revenue Policy and Fees & Charges for 2019-20,
- Audited Annual Financial Statements 2019-20.

REPORT

Best practice management is promoted by the NSW Government Department of Planning, Industry and Environment – Water (“DPIE-Water”) to all Local Water Utilities for water supply and sewerage services, and is stated as follows:

“Local Water Utilities are encouraged to follow best practice in the effective and efficient delivery of water supply and sewerage services, and to promote sustainable water conservation practices and water demand management throughout NSW” (Source: Best Practice Management of Water Supply and Sewerage Guidelines, August 2007).

Council’s Best Practice in the delivery of water supply and sewerage services to the Muswellbrook, Denman and Sandy Hollow communities was reviewed and audited for 2019-20 in May-June 2021.

Refer to attachment A for details of the audit.

Refer to attachments B and C for the Best Practice Management (BPM) Framework and Guidelines.

Refer to attachment D for Council’s Adopted (27 July 2021, Ordinary Council Meeting) Integrated Water Cycle Management Strategy

The overall finding of the review was that Muswellbrook Shire Council demonstrated compliance with Best Practice Management (BPM) of Water Supply and Sewerage in line with the DPIE-Water BPM Guidelines and the BPM Framework as applicable for the year ended 30 June 2020.

The findings of the review are summarised below:

Full Cost Recovery Result

The Income Statement for the Sewer Fund in the audited Special Purpose Financial Statements for the year ended 30 June 2020 had a deficit of \$1,007,000. The noted operating expenses for the Sewer Fund had increased significantly compared to 2018/19 from \$4,434,000 to \$6,193,000. Financial modelling within the Draft Integrated Water Cycle Management Strategy forecast total expenses for the Sewer Fund to be less than \$5,100,000 each year for the next 15 years. It was recommended that the financial projections be reviewed annually to ensure it reflects any material changes to the underlying assumptions.

Drought Management

Council’s Drought Management and Emergency Response Plan was first developed in 2014. The plan stated it should be reviewed annually, and any revisions were to be formally recorded on a record of document control. As the version control of this document did not detail any reviews or revisions since the plan was finalised in 2014, there was no evidence of this occurring. It was recommended that the Drought Management and Emergency Response Plan be reviewed and updated as required with details of the revision being recorded in the document version control.

This work is currently being carried out in collaboration with Upper Hunter Shire Council and Singleton Council.

Eligibility for Payment of Dividend

Council did not meet the eligibility requirements for payment of a dividend for the year ended 30 June 2020.

Complying Water Supply Tariff

The Guidelines require local water utilities with 4,000 or more connected properties to have at least 75% of residential revenue generated through usage charges. Council's residential usage charge for water makes up only 72% of the Typical Residential Bill for the FY 2019 -20.

An update on addressing the findings of the review, since July 2021:Full Cost Recovery Result

Council has completed the process of adopting its Integrated Water Cycle Management Strategy. The financial modelling in the Integrated Water Cycle Management Strategy has been reviewed and updated to address funding shortfalls. The Integrated Water Cycle Management Strategy was adopted by Council at the 27 July 2021 Ordinary Council Meeting.

Drought Management

Presently, Council is preparing a combined Drought and Emergency Response Management Plan with Singleton and Upper Hunter Shire Councils, through the Upper Hunter Water Alliance. The final, combined plan will be ready for Council's review and adoption in April 2022.

Eligibility for Payment of Dividend

Council will need to apply to the Minister for Water Utilities, for a payment of dividend from any surplus in the Water and Sewer Funds as allowed within the BPM guidelines.

Complying Water Supply Tariff

The Water and Sewer Fees and Charges for FY 2021 -22, FY 2022-2023 and FY 2034-24 have been adjusted to improve generated revenue. The adjustment is capped at a maximum of 7.5%.

The Adopted 27 July 2021 Integrated Water Cycle Management Strategy details sensitivity analyses for the typical residential Bill for Water Supply and Sewerage to address the shortfall on the residential usage charge.

OPTIONS

The report is submitted to Council for information purposes.

CONCLUSION

The review concludes that Muswellbrook Shire Council has demonstrated compliance with the Best Practice Management of Water Supply and Sewerage that is aligned with the NSW Best Practice Management Guidelines and Framework for the financial year ending 30 June 2020.

SOCIAL IMPLICATIONS

Compliance with Best Practice Management of water supply and sewer services ensures Council is providing affordable, best value for money in water supply and sewer services to the community.

FINANCIAL IMPLICATIONS

Adjustments to typical residential bill and fees and charges for water supply and sewer services have commenced and is aligned to the 27 July 2021, Ordinary Council Adopted Integrated Water Cycle Management Strategy.

Ongoing Operational and Maintenance Costs Implications Associated with Capital Project**1. Financial Implications – Capital**

Council's Total Asset Management Plan in the Adopted Integrated Water Cycle Management Strategy for the next 30 years details Capital Expenses, which is aligned to the BPM guidelines and framework.

2. Financial Implications – Operational

Forecast on Operational Expenditure is detailed in the Adopted Integrated Water Cycle Management Strategy for the next 30 years, which is aligned to the BPM guidelines and framework.

POLICY IMPLICATIONS

Council's Revenue Policy

S15 -2 Liquid Trade Waste Policy

MSC051 Drinking Water Policy

Recycled Water Policy

STATUTORY IMPLICATIONS

Local Government Act 1993.

Water Management Act 2000.

Protection of the Environment Operations Act 1997.

NSW Government Best Practice Management of Water Supply and Sewerage Guidelines, 2007.

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

The submission of this report complies with Goal 20.01.02 of the Operational Plan 2021 - 22: "Continue substantial achievement of Best Practice Water Supply and Sewerage Guidelines".

RISK MANAGEMENT IMPLICATIONS

Council is encouraged to make every effort to comply with the Best Practice Management Guidelines, and in so doing, will deliver effective and efficient water supply and sewerage services to the communities of Muswellbrook Shire. Council is also encouraged to promote sustainable water conservation practices and water demand management in a responsible, proactive manner. The reporting of the Best Practice Management Review is used as a tool to manage the risk of not effectively providing safe, secure, sustainable, and efficient water supply and sewerage services to the communities of Muswellbrook Shire.

WASTE MANAGEMENT IMPLICATIONS

Not applicable to this review.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Not applicable to this review.



28 July 2021

Irene Chetty
Operations Manager
Muswellbrook Shire Council
PO Box 122
Muswellbrook NSW 2333

Emailed: Irene.Chetty@muswellbrook.nsw.gov.au

Dear Irene,

RE: INDEPENDENT ASSURANCE PRACTITIONER'S COMPLIANCE REVIEW REPORT

We have reviewed the compliance of Muswellbrook Shire Council with the criteria as set out in column (3) of Table 1 of the NSW Department of Planning, Industry and Environment (DPIE) *Best-Practice Management of Water Supply and Sewerage Guidelines* (Guidelines), for the year ended 30 June 2020.

Respective Responsibilities

Council is responsible for compliance with the criteria as set out in the Guidelines. Our responsibility is to express a conclusion on compliance with the Guidelines as measured by the criteria, in all material respects.

Our review has been conducted in accordance with applicable Standards on Assurance Engagements (ASAE 3100 Compliance Engagements) to provide limited assurance that Muswellbrook Shire Council has complied with the Guidelines as measured by the criteria.

Our procedures included reviewing whether Council has met the required outcomes for best practice set out in column (3) of Table 1 of the Guidelines including:

- Strategic business plan meets the criteria as set out in the Guidelines;
- Minimum 20-year financial plan which identifies the lowest required stable Typical Residential Bill (TRB);
- Full cost recovery for both water supply and sewerage;
- Complying water and sewer supply tariffs;
- Complying liquid trade waste fees and charges for all liquid waste discharges;
- Development Servicing Plan, including an assessment of water supply developer charges;
- Liquid trade waste approvals issued in accordance with the Guidelines;
- Sound water conservation and demand management in place;
- Sound drought management plans are in place;
- Performance reporting completed and lodged with the DPIE as required; and
- Integrated Water Cycle Management evaluation and strategy has been completed.

MORE THAN JUST AUDITORS

T: 1300 734 707

E: info@audits.com.au

www.audits.com.au

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These procedures have been undertaken to form a conclusion, that nothing has come to our attention that causes us to believe that Muswellbrook Shire Council does not comply in all material respects, with the criteria as set out in column (3) of Table 1 of the NSW Department of Planning, Industry and Environment (DPIE) *Best-Practice Management of Water Supply and Sewerage Guidelines* (Guidelines), for the year ended 30 June 2020.

Use of Report

The compliance review report was prepared for Muswellbrook Shire Council to express a conclusion on compliance with the Guidelines as measured by the criteria. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than Muswellbrook Shire Council, or for any purpose other than that for which it was prepared.

Inherent Limitations

Because of the inherent limitations of any review, it is possible that fraud, error or noncompliance may occur and not be detected. A review is not designed to detect all instances of noncompliance as it generally comprises making enquiries, primarily of the responsible party, and applying analytical and other review procedures. The review conclusion expressed in this report has been formed on the above basis.

Conclusion

Qualified

Based on our review, which is not an audit, except for the effects of the matters described in the *Basis for Qualified Conclusion*, nothing has come to our attention that causes us to believe that Muswellbrook Shire Council does not comply, in all material respects, with the criteria as set out in column (3) of Table 1 of the NSW Department of Planning, Industry and Environment (DPIE) *Best-Practice Management of Water Supply and Sewerage Guidelines* (Guidelines) for the year ended 30 June 2020.

Basis for Qualified Conclusion

Full Cost Recovery

We note the Sewer Fund was in deficit (\$1,007,000) for the year ended 30 June 2020. There are also forecasted deficits for the years 2044/45 onwards for the Water Fund in the Long-Term Financial Plan as detailed in Council's *Draft Integrated Water Cycle Management Strategy* (June 2021).

The Guidelines require full cost recovery for each of the water supply and sewerage businesses resulting in a positive economic real rate of return.

Complying Water Supply Tariff

The Guidelines require local water utilities with 4,000 or more connected properties to have at least 75% of residential revenue generated through usage charges. Council's current residential usage charge for water makes up only 72% of the Typical Residential Bill.

Due to these matters, we are unable to provide an Unqualified Conclusion for the year ended 30 June 2020.



Findings and Recommendations

Under the Australian Auditing Standards ("ASA") and more specifically ASA 260 "*Communication of Audit Matters with Those Charged with Governance*", we are required to report to you matters of interest that arose during the review, and in our opinion are both relevant and important. During our review, we identified the following matters on which we would like to comment:

Full Cost Recovery Result

As noted in the *Basis for Qualified Conclusion*, the Income Statement for the Sewer Fund in the audited Special Purpose Financial Statements for the year ended 30 June 2020 had a deficit of \$1,007,000. We note operating expenses for the Sewer Fund had increased significantly compared to 2018/19 from \$4,434,000 to \$6,193,000.

Financial modelling within the *Draft Integrated Water Cycle Management Strategy* forecast total expenses for the Sewer Fund to be less than \$5,100,000 each year for the next 15 years.

We recommend the financial projections be reviewed annually to ensure it reflects any material changes to the underlying assumptions.

Water Supply Tariffs

To encourage water conservation, the Guidelines state that high water consuming residential customers should be subjected to a step price increase of at least 50% for incremental usage above a specified threshold. The residential consumption tariffs for 2019/20 were Tier 1 (for 350Kl/year, or less) \$1.87 and Tier 2 (above 350Kl/year) \$2.70 representing a step increase of only 44%.

Drought Management

Council's *Drought Management and Emergency Response Plan* was first developed in 2014. The plan states it should be reviewed annually, and any revisions are formally recorded on a record of document control.

As the version control of this document does not detail any reviews or revisions since the plan was finalised in 2014, there is no evidence of this occurring.

We recommend the *Drought Management and Emergency Response Plan* be reviewed and updated as required with details of the revision being recorded in the document version control.

Eligibility for Payment of Dividend

We were advised Council has not previously applied to the Minister for a payment of dividend from any surplus from the Water and Sewer Funds as allowed for within the Guidelines. As noted in the *Basis for Qualified Conclusion*, Council would not meet the eligibility requirements for payment of a dividend for the year ended 30 June 2020.

Council would need to address these matters should it wish to consider applying for a dividend in the future.

**Acknowledgement**

We would like to take this opportunity to thank Council staff for their co-operation and assistance provided during the engagement. If you have any questions or require further information, please contact our office.

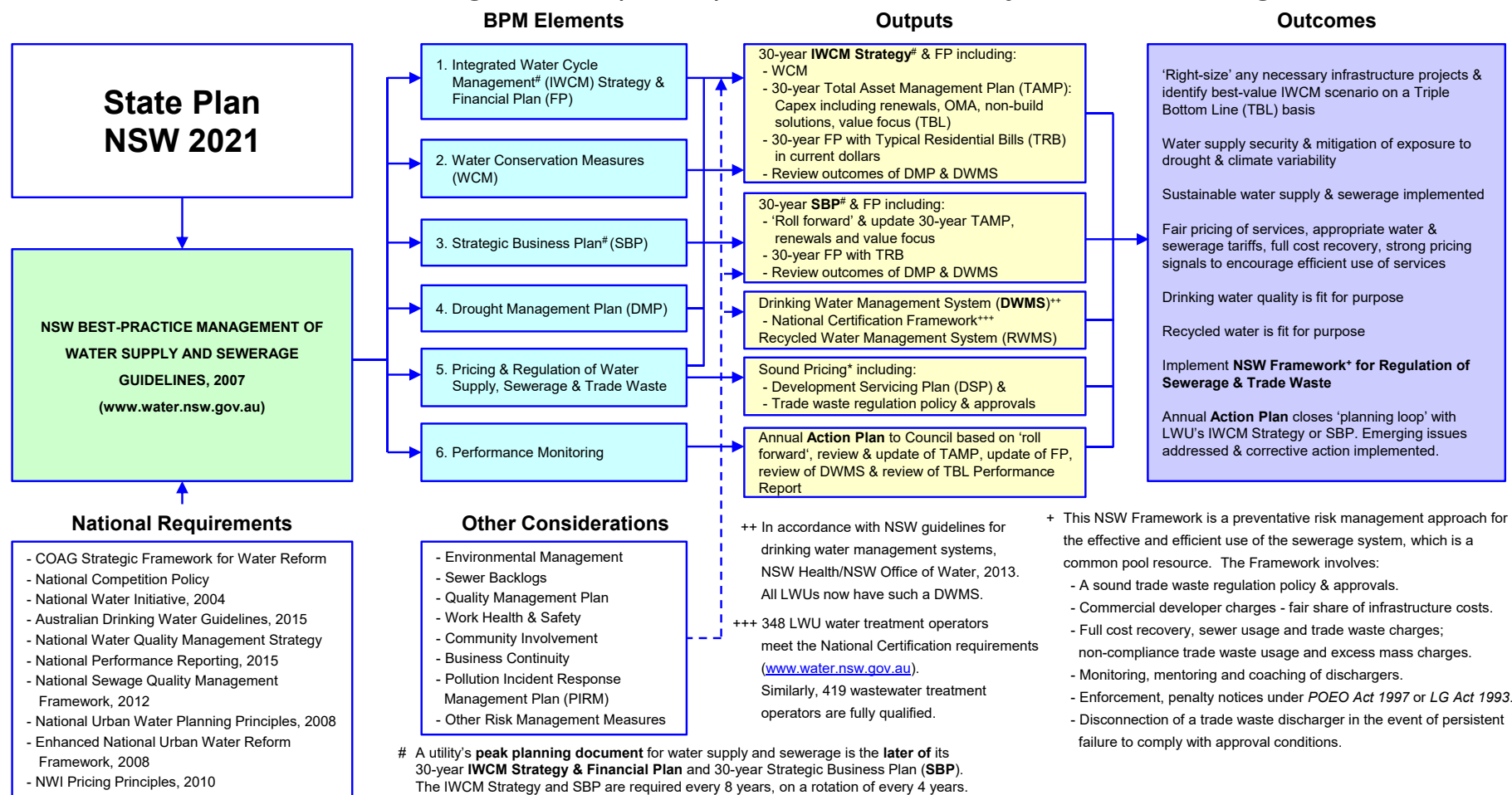
Yours faithfully,

National Audits Group Pty Ltd
Authorised Audit Company

A handwritten signature in black ink, appearing to read 'Stephen Prowse', is written over a light blue rectangular background.

Stephen Prowse
Director

NSW Best-Practice Management (BPM) of Water Supply and Sewerage Framework



Note that the *NSW Government's Best-Practice Management of Water Supply and Sewerage Framework* is the practical means of implementing Goal 21 of the State Plan NSW 2021 by the regional NSW local water utilities (LWUs). The BPM Framework assures sound long-term planning, asset management, operation & maintenance, appropriate levels of service and community involvement, fair pricing of services, with strong pricing signals, full cost recovery and affordable water and sewerage services, without wasteful 'gold plating'. Each utility needs to closely involve its community in the utility's implementation of the following **nineteen (19) outcomes** required by the NSW BPM Framework:

IWC Strategy & Financial Plan (2) - this is a required outcome for each of water supply and sewerage, Strategic Business Plan (**SBP - 2**), Water Conservation Measures (**WCM**), Drought Management Plan (**DMP**) and **Performance Monitoring (2)** and the following **11 Pricing* Outcomes** - **Full Cost Recovery (2)**, appropriate **residential charges (2)**, appropriate **non-residential charges (2)**, Development Servicing Plan (**DSP**) with commercial developer charges (**2**), **strong pricing signals**, with at least 75% of residential revenue from usage charges, appropriate **trade waste regulation policy** and approvals, and appropriate **trade waste fees and charges**.

Directly supports achievement of GOALS 21, 22 and 5 of NSW 2021:

21 Secure potable water supplies – secure long term potable water supplies for towns and cities supported by effective effluent management.
22 Protect our natural environment. **5** Place downward pressure on the cost of living.

DPI Water | July 2016

11.8 FUTURE FUND POLICY

Attachments:	A. MSC03E Future Fund (2022) FP (006) B. Future Fund - Proposed LTFP ↓
Responsible Officer:	Fiona Plesman - General Manager
Author:	Fiona Plesman - General Manager David Walsh - Manager - Corporate Services & Chief Financial Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Appropriate matters are reported to Council in a timely manner in accordance with the Financial Control and Reporting Policy.</i>

PURPOSE

The future fund policy has been reviewed. The revised policy is attached for Council's consideration and endorsement.

OFFICER'S RECOMMENDATION

- 1. Council endorses the revised future fund policy for public exhibition.**
- 2. Council endorses the Future Fund Long Term Financial Plan.**

Moved: _____ **Seconded:** _____

BACKGROUND

At the February Ordinary meeting of Council, council decided to review Council's S355 Committees and the Future Fund Policy.

CONSULTATION

Mayor Reynolds

MANEX

Council's Chief Financial Officer

REPORT

The future fund policy aims to ensure that future generations benefit from mining revenue generated in the Shire. This will be achieved by investing revenues associated with coal mining to generate a permanent dividend and, more particularly, to ensure that Council is able to:

- Offset half the mining rates revenue category in line with anticipated decline (in mine rates) with dividends derived from investments;
- Support local industry and facilitate new and emerging services and industries;
- Improve council services; the shires liveability and amenity.

The Future Fund is only to hold the following types of assets:

- Land;
- Improvements to land; or
- Cash investments made in accordance with the Local Government Act, 1993 (the Act).

There is to be a Future Fund Advisory Committee (the **Committee**) as a sub-committee of council.

The Committee shall be constituted by the following positions:

- The Mayor, or a delegate,
- A Councillor,
- General Manager,
- Chief Financial Officer,
- Manager Works, Property and Building Services, and
- Independent Financial Advisor.

The committee is to provide the Future Fund a level of oversight independent review and recommendations for Council.

OPTIONS

Council makes no changes to the future fund policy or future fund long term financial plan.

CONCLUSION

It is recommended that the changes proposed are supported.

SOCIAL IMPLICATIONS

There are no social implications from amendments to the Future Fund Policy.

FINANCIAL IMPLICATIONS

The revised Future Fund Long Term Financial Plan reduces risk to council's general fund.

Ongoing Operational and Maintenance Costs Implications Associated with Capital Project

1. Financial Implications – Capital

A reduction in the investment amounts & timeframes, referenced below, will result in a less ambitious asset build up. The current assumed asset value as at 2030/31 is \$196m, as opposed to the assumed value in the proposed LTPF of \$151m.

2. Financial Implications – Operational

The changes to the Future Fund LTFP are designed to reduce the financial burden on council and ensure the future sustainability of the fund. The changes and their associated impacts are:

- **Reduce the General Fund Contribution of \$3m:** The reduction in the general fund contribution is designed to ensure that current community services are able to be delivered free from financial stress. This reduction is able to be achieved by extending loan terms to align with LOA allowing for lower principal repayments.
- **Investment Amount & Timeframes:** The current LTFP allows for the investment of \$20m every 3-years funded by loans. To reduce the requirement for large borrowing from the Future Fund, it is envisaged to provide for a \$10m investment every 5-years.
- **General Fund Dividend:** To allow the Future Fund to provide for the community, the proposed LTFP allows for the disbursement of a dividend back to the general fund to allow for the delivery of services.
- **Future Fund Reserve:** It is proposed that the Future Fund Reserve be maintained at a level of \$1m to allow for the provision of unbudgeted repairs across the future fund assets.

By the end of the 2030/31 LTFP timeframe, the operating result of the updated LTFP will be \$4.6m against an original amount of \$5.0m.

POLICY IMPLICATIONS

The revised Future Fund Policy recommends that the Future Fund Advisory Committee becomes a sub-committee of Council Chaired by the Mayor and is no longer a s355 Committee under the Local

Government Act.

STATUTORY IMPLICATIONS

Governance of the Future Fund under the revised policy is via a sub-committee of council Chaired by the Mayor and includes an independent financial advisor.

LEGAL IMPLICATIONS

There are no legal implications

OPERATIONAL PLAN IMPLICATIONS

There are no Operational Plan implications

RISK MANAGEMENT IMPLICATIONS

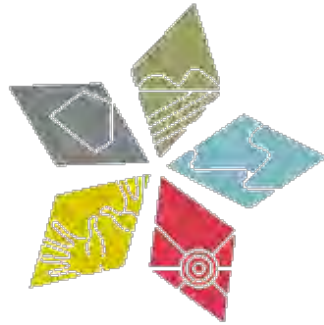
The revised Future Fund Policy and Long Term Financial Plan reduces financial risk to council

WASTE MANAGEMENT IMPLICATIONS

Not applicable

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

The Revised Future Fund Policy will be made available to the community for feedback and input.



muswellbrook shire council

DRAFT

Future Fund Policy MSC03E

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1. Preamble

For over 100 years, coal mining in the Muswellbrook Shire Council area has been a key local industry and employer. Coal mining, and particularly thermal coal mining, has increased substantially from the turn of the millennium and, together with thermal coal power generation, accounts for a significant proportion of the Shire's employment.

Council acknowledges:

- The employment benefits derived from local coal mining;
- Mine and power station scheduled closures beginning in 2022
- The impact of intensive coal mining on local liveability;
- The impact on flora, fauna, air, soil and landscape from the disturbance associated with coal mining.

Council wishes to ensure that future generations benefit from mining revenue generated in the Shire. This will be achieved by investing revenues associated with coal mining to generate a permanent dividend and, more particularly, to ensure that Council is able to:

- Offset half the mining rates revenue category in line with anticipated decline (in mine rates) with dividends derived from investments;
- Support local industry and facilitate new and emerging services and industries;
- Improve council services; the shires liveability and amenity.

To this end Council established a Future Fund in 2014, transferring certain assets from the then Commercial Fund.

2. Policy Objective, & Scope

- There is to be a Muswellbrook Shire Council Future Fund (the **Future Fund**).
- The Future Fund is to comprise the assets set out in the Schedule of this Policy as amended from time to time in accordance with this Policy.
- The Fund is to provide an annual dividend to the General Fund, to fund service delivery to the community, with sufficient reserves for sustainable maintenance and growth of the Fund.
- The schedule is to be maintained and updated within 30-days of an asset being acquired, disposed or moved out of the Fund.
- Generate a commercial dividend to Council's General Fund.
- Maintain and grow the Future Fund.
- Maintain a diversified portfolio of assets including, but not limited to, the diversification of assets by purpose and geography.

3. The Future Fund will have the following considerations

- The improvement of the quality of buildings in the Shire having regard to, without limitation;
 - principles of equal access,
 - principles of health and safety (including fire safety), and
 - energy efficiency & environmental sustainability.
- The maintenance of an appropriate number of carparks in the commercial precincts of the Shire.
- The reduction of the public subsidisation of car-parking provided to commercial activities in the

Shire by the consolidation of publicly provided car-parking with adjoining privately provided car-parking.

- The preservation and maintenance of significant heritage items.
- The construction of planned public infrastructure, drainage, liveability or environmental facilities or embellishments (as the case may be).
- The development or provision of;
 - any matter set out in Council's Integrated Planning and Reporting Framework; and
 - the furtherance of a function of Council set out in the Act.

4. Asset Classes & Sub-Categories

The Future Fund is only to hold the following types of assets:

- Land;
- Improvements to land; or
- Cash investments made in accordance with the Local Government Act, 1993 (the Act).

Assets are to be assigned a category which allocates them to different operational outcomes. These categories and/or their limitations are:

- **Type A:** Assets that meet the Purposes of the fund. That is, commercial assets designed to provide the fund a consistent and market-based income stream or will provide an increase in value over the life of the asset.
- **Type B:** Assets that are held to provide a greater level of access to loans to continue sustainable growth. Type B Assets are provided to either staff or for social justice purposes. They can generate an income below market-value and are to be held in the fund at the discretion of Council.

The final arbiter of determination of an assets type classification will be made by Council.

Assets which are residential dwellings or have been classified as Type B will not have the street addresses disclosed in the Schedule.

5. Governance

There is to be a Future Fund Advisory Committee (the **Committee**) as a sub-committee of council.

The Committee shall be constituted by the following positions:

- The Mayor, or a delegate,
- A Councillor,
- General Manager,
- Chief Financial Officer,
- Manager Works, Property and Building Services, and
- Independent Financial Advisor.

The committee is to provide the Future Fund a level of oversight independent review and recommendations for Council.

6. Assets**7. Reporting**

At least quarterly, the Committee shall provide a report to Council and Council shall provide a report to the community annually which sets out the performance of the Future Fund against its purposes. Reporting shall include, but is not limited to:

- Operational Performance,
- Financial health of the fund, including;
 - Operational result,
 - Portfolio distribution by asset type,
 - Capital Growth by asset type,
 - Any other matter Council requests.

8. Protocols

Council's General Manager may make protocols dealing with any aspect of this Policy not inconsistent with this Policy including, without limitation, to the conduct of Committee members.

9. Review

This Policy is to be reviewed within the first twelve months and not less than every four years thereafter.

The Schedule

No.	Common Name of Asset	Lot and Deposited Plan No.	Asset Type	MCR
1			A	5
2			A	5
3			A	5
4			A	5
5			A	5
6			A	5
7			A	3
8			A	2
9			A	3
10			A	1
11			A	1
12			A	5
13			A	5
14			A	5
15			A	5
16			A	2
17			A	5
18			A	1
19			A	5
20			A	5
21			A	5
22			A	2
23			A	2
24			A	2
25			A	2
26			A	5
27			A	5
28			A	1
29			A	2

Staff Housing Muswellbrook				
30			B	3
31			B	3
32			B	4
33			B	3
34			B	3
Staff Housing Denman				
35			B	3

Appendix A

Condition Rating	Condition	IP&R Description	IPWEA Description
1	Excellent / Very Good	No work required (normal maintenance)	New or as new condition. Only planned cyclic inspection and maintenance required.
2	Good	Only minor maintenance work required	Sound or good condition with minor defects. Minor routine maintenance along with planned cyclic inspection and maintenance.
3	Satisfactory	Maintenance work required	Fair condition with significant defects requiring regular maintenance on top of planned cyclic inspections and maintenance.
4	Poor	Renewal required	Poor condition with asset requiring significant renewal / rehabilitation, or higher levels of inspection and substantial maintenance to keep the asset serviceable.
5	Very Poor	Urgent renewal / upgrading required	Very poor condition. Asset physically unsound and/or beyond rehabilitation. Renewal required.

Authorisation Details

Authorised by:	Council
Minute No:	XXXXXX
Date:	XXXXXX
Review timeframe:	1 Year
Department:	Planning & Building Services
Document Owner:	Manager, Planning & Building Services

Details History

Version No.	Date changed	Policy type	Modified by	Amendments made
F28/1	XXXXXX	External	David Walsh	Included asset category & MCR Included limitations to asset management Updated Schedule Added Appendix A



Muswelbrook Shire Council
Future Fund - Long Term Financial Plan

	FORECAST & BUDGET											
	2019/2021	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Future Fund Long Term Financial Plan												
Total Revenues	\$6,691,919	\$4,283,764	\$7,116,178	\$7,294,082	\$7,476,435	\$7,663,345	\$8,454,929	\$8,666,302	\$8,882,980	\$9,105,034	\$9,332,680	\$10,420,126
User Charges and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditure	\$6,691,919	\$4,283,764	\$7,116,178	\$7,294,082	\$7,476,435	\$7,663,345	\$8,454,929	\$8,666,302	\$8,882,980	\$9,105,034	\$9,332,680	\$10,420,126
Employee costs	\$201,188	\$117,597	\$243,315	\$249,398	\$255,633	\$262,024	\$300,914	\$316,147	\$324,051	\$357,152	\$366,081	\$396,081
Materials and contracts	\$1,565,014	\$1,767,180	\$1,642,406	\$1,683,520	\$1,725,663	\$1,768,861	\$2,013,141	\$2,063,530	\$2,115,181	\$2,222,383	\$2,240,041	\$2,540,041
Borrowing costs	\$903,288	\$337,324	\$865,168	\$911,261	\$975,996	\$985,152	\$987,978	\$987,778	\$987,196	\$982,066	\$979,807	\$970,807
Depreciation	\$811,629	\$601,037	\$881,373	\$920,495	\$951,729	\$984,382	\$968,310	\$1,004,838	\$1,042,982	\$1,082,742	\$1,124,179	\$1,203,648
Other expenses	\$4,156,276	\$2,000,433	\$4,516,634	\$4,296,355	\$4,256,335	\$4,283,119	\$4,888,452	\$4,852,424	\$4,856,917	\$4,870,939	\$4,907,153	\$5,559,559
Total Costs	\$2,536,043	\$2,253,331	\$3,142,041	\$3,112,034	\$3,220,099	\$3,279,827	\$3,856,477	\$3,813,978	\$3,826,043	\$4,234,095	\$4,427,406	\$4,893,174
Overall Result before capital	\$4,155,876	\$2,030,433	\$3,974,137	\$4,182,048	\$4,256,335	\$4,383,526	\$4,608,452	\$4,852,424	\$4,856,917	\$4,870,939	\$4,907,153	\$5,559,559
Dividend to General Fund	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overall Result	\$4,155,876	\$2,030,433	\$3,974,137	\$4,182,048	\$4,256,335	\$4,383,526	\$4,608,452	\$4,852,424	\$4,856,917	\$4,870,939	\$4,907,153	\$5,559,559
Op. Result (Excl Depn & Contribs)	\$1,100,000	\$2,030,433	\$3,974,137	\$4,182,048	\$4,256,335	\$4,383,526	\$4,608,452	\$4,852,424	\$4,856,917	\$4,870,939	\$4,907,153	\$5,559,559
Balance Sheet Overview												
Cash from Operating Result	\$3,150,820	\$2,611,636	\$3,553,581	\$3,759,408	\$3,867,473	\$3,940,882	\$4,233,851	\$4,461,232	\$4,673,417	\$4,891,594	\$5,125,123	\$3,525,123
General Fund Contributions	\$7,800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Borrowings	\$250,000	\$250,000	\$250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Assets	\$4,356,345	\$298,325	\$1,420,737	\$3,759,408	\$3,867,473	\$3,940,882	\$4,233,851	\$4,461,232	\$4,673,417	\$4,891,594	\$5,125,123	\$3,525,123
Asset Disposal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Capital Inflows	\$11,980,861	\$3,610,023	\$10,410,152	\$12,286,297	\$12,754,946	\$12,881,764	\$13,904,682	\$14,462,464	\$14,746,834	\$15,013,188	\$15,250,246	\$13,904,682
Capital Outflows	\$8,503,340	\$4,073,044	\$4,664,507	\$4,413,939	\$4,717,032	\$4,767,032	\$5,077,032	\$5,287,032	\$5,497,032	\$5,707,032	\$5,917,032	\$5,250,246
Capital Purchases (maintenance)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Purchases (new)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation Cash Reinvestment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan principal repayments (existing)	\$5,116,649	\$1,830,037	\$5,447,178	\$3,788,747	\$3,256,951	\$3,247,620	\$3,226,585	\$3,281,513	\$2,598,246	\$1,906,313	\$1,510,360	\$1,532,680
Loan principal repayments (new)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total capital expenditure	\$13,729,989	\$6,903,081	\$12,830,717	\$4,294,232	\$3,937,055	\$3,940,882	\$4,462,464	\$4,462,464	\$4,462,464	\$4,462,464	\$4,462,464	\$4,462,464
Net Cash Result	\$(1,749,128)	\$(2,292,658)	\$(2,292,658)	\$4,891,816	\$4,819,891	\$4,940,882	\$4,146,388	\$4,395,960	\$4,384,373	\$4,349,624	\$4,442,689	\$3,442,689
Available Funds												
Reserve Balance (res)	\$1,440,533	\$(1,226,058)	\$(1,440,533)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Borrowing capacity (bc)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt Asset Ratio	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Capacity (cc-rc)	\$1,440,533	\$(1,226,058)	\$(1,440,533)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Proposed Investment Purchases	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Proposed Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Current Mining Rates (FY2021)
Percent of Mining Royalty 49%
Percent of Mining Royalty (Cash) 20%

11.9 SPONSORSHIP REQUEST - ROTARY CLUB OF MUSWELLBROOK

Attachments:	Nil
Responsible Officer:	Derek Finnigan - Deputy General Manager
Author:	Matthew Lysaught - Acting Executive Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Work towards the achievement of a sustainable Operating Budget result in the General Fund.</i>

PURPOSE

To consider a donation to the Rotary Club of Muswellbrook in support of the University of Newcastle Science and Engineering Challenge for June 2021.

OFFICER'S RECOMMENDATION

Council makes the catering donation to the Rotary Club of Muswellbrook for the 2021 Science and Engineering Challenge and are encouraged to apply for Council's Community Grants programme for future events.

Moved: _____ **Seconded:** _____

BACKGROUND

Over many years the Rotary Club of Muswellbrook (Rotary) has supported the University of Newcastle's Science and Engineering Challenge with event organising and catering. It is a very popular event with participation of hundreds of students from the region. Often Council has supported this initiative with the waiving or payment of fees and a donation towards catering costs.

CONSULTATION

Manager Community Services

Technical Officer – Recreation and Property

REPORT

The event was not held in 2020 due to COVID-19 restrictions but it was again held in 2021 from 9 - 11 June. Council assisted the hosting of the event with cleaning, supplying of tables and chairs, and the payment of a booking fee.

There has been a longstanding relationship between Council and Rotary in supporting this event dating back to 2001 which may on occasion lead to some confusion about arrangements. Rotary supported the 2021 event and catered providing an invoice following to Council for a donation. This invoice was unfortunately overlooked given there was no prior or supporting information provided for the invoice other than the history of supporting the event.

It is recommended that Council does make the donation to Rotary for the 2021 event but for future events Rotary be encouraged to apply under Council's Community Grants programme to ensure the financial contribution and arrangements for the event are clear.

OPTIONS

Council could choose not to make the donation for the 2021 event.

CONCLUSION

It is recommended Council make the donation to Rotary for the 2021 event and encourage Rotary to apply for Council's Community Grants programme for future events.

SOCIAL IMPLICATIONS

The University of Newcastle's Science and Engineering Challenge is an important STEM initiative in the school calendar.

FINANCIAL IMPLICATIONS**Ongoing Operational and Maintenance Costs Implications Associated with Capital Project****1. Financial Implications – Capital**

Not applicable.

2. Financial Implications – Operational

\$1,500 to be funded from Community Services, Civic Functions and Donations budget.

POLICY IMPLICATIONS

Financial Assistance and Sponsorship Policy MSC05E

STATUTORY IMPLICATIONS

Nil known.

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

'Code 2.2 Work with the University of Newcastle on research and innovation in areas where the Upper Hunter has a competitive or comparative advantage', *Muswellbrook Shire Council Operational Plan 2021/22*

RISK MANAGEMENT IMPLICATIONS

An established process in supporting the event would better managing any risks.

WASTE MANAGEMENT IMPLICATIONS

Not applicable.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Nil known.

12 CORPORATE AND COMMUNITY SERVICES

12.1 ELECTION TO COUNCIL COMMITTEES AND DELEGATE POSITIONS

Attachments: Nil

Responsible Officer: Fiona Plesman - General Manager

Author: Melissa Cleary - Manager - Governance

Community Plan Issue: *Progressive leadership*

Community Plan Goal: *That Muswellbrook Shire is well led and managed*

Community Plan Strategy: *Effective governance of Muswellbrook Shire*

PURPOSE

Appointment of Councillors is now required for the following:

1. Statutory Committees and Consultative Committees.
2. Council Delegates to Outside organisations.

Officer's Recommendation:

1. The Committee Structure be endorsed
2. Elections by show of hands be held for Councillor positions on the committees.
3. The Chair and Deputy Chair be elected for the committees.
4. The appointment of Councillors to Committees and Delegate positions be to September, 2024.

Moved: _____ **Seconded:** _____

BACKGROUND

Council has a number of Committees that require Councillor representation and delegation.

CONSULTATION

Cr Steve Reynolds

REPORT

TERM OF APPOINTMENT

Committees are elected for the term of Council.

COMMUNITY REPRESENTATIVES

Council can resolve to re-appoint the community representatives currently serving on Council Committees to their respective Committees or call for nominations.

APPOINTMENT TO COMMITTEES**COUNCIL COMMITTEES****Committee 1 Finance Review Advisory Committee**

No. of Cr Representatives	Usual Meeting Date/Time
3	Fortnightly on Tuesday between 4.00pm - 5.00pm
Elected:	Cr Steve Reynolds (Chair)
	Cr Rohit Mahajan
	Cr Rod Scholes

Committee 2 State Significant Development Committee

No. of Cr Representatives	Usual Meeting Date/Time
3	Fortnightly on a Monday between 4.00pm and 5.00pm
Elected:	Cr Steve Reynolds (Chair)
	Cr Graeme McNeill
	Cr Rod Scholes

ADVISORY COMMITTEES**Committee 3 Aboriginal Reconciliation Committee**

No. of Cr Representatives	Usual Meeting Date/Time
3	3rd Thursday quarterly commencing at 1.00pm
Elected:	Chair
	Deputy Chair

Committee 4 Arts & Culture Committee

No. of Cr Representatives	Usual Meeting Date/Time
4	TBD
Elected:	Chair
	Deputy Chair

--	--

Committee 5 Audit, Risk and Improvement Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly on First Wednesday at 9.00am
Elected:	Cr Jennifer Lecky

Committee 6 Business & Tourism Committee

No. of Cr Representatives	Usual Meeting Date/Time
6	Quarterly (TBD)
Elected:	

Committee 7 Heritage Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	Second Thursday of every even month at 2.00pm
Elected:	Chair
	Deputy Chair

STATUTORY COMMITTEES

Committee 8 Local Emergency Management Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly at 9.00am
Elected:	

Committee 9 Muswellbrook Shire Bush Fire Management Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly on Wednesday after LEMC Meeting
Elected:	

Committee 10 Rural Fire Service - Service Level Agreement Liaison Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly on Tuesday/Wednesday @ 2pm
Elected:	

Committee 11 SES Service Level Agreement Liaison Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	
Elected:	

Committee 12 Muswellbrook Shire Local Traffic Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	3rd Tuesday of each month @ 10.30am in Admin Centre
Elected:	Chair
	Alt Delegate

S355 COMMITTEES**Committee 1 Future Fund Committee**

No. of Cr Representatives	Usual Meeting Date/Time
	4 times per year
Elected:	

Committee 1 Industrial Closures Committee

No. of Cr Representatives	Usual Meeting Date/Time
Elected:	

Committee 1 Muswellbrook Bypass Advisory Committee

No. of Cr Representatives	Usual Meeting Date/Time
Elected:	

COMMUNITY CONSULTATIVE COMMITTEES**Committee 1 AGL Macquarie Dialogue Group**

No. of Cr Representatives	Usual Meeting Date/Time
0	Quarterly
Elected:	

Committee 1 Bengalla Coal Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	Quarterly 4pm - 6pm
Elected:	Chair
	Deputy Chair

Committee 1 Liddell Coal Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly
Elected:	

Committee 1 Mangoola Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	
Elected:	

Committee 1 Mt Arthur Coal Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	Quarterly 4pm - 6pm
Elected:	

Committee 1 Mt Pleasant Mine Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	Quarterly 4pm - 6pm
Elected:	

Committee 1 Muswellbrook Coal Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	Quarterly 4pm - 6pm
Elected:	

Committee 1 Spur Hill (Malabar Coal) Consultative Committee

No. of Cr Representatives	Usual Meeting Date/Time
2	
Elected:	

Committee 1 Arts Upper Hunter

No. of Cr Representatives	Usual Meeting Date/Time
1	1st Tuesday of March, June, September and December at 5.30pm (subject to discussion at their December Board Meeting)
Elected:	

Committee 1 Local Health Advisory Committee

No. of Cr Representatives	Usual Meeting Date/Time
1	
Elected:	

Committee 1 Upper Hunter County Council (Weeds Authority)

No. of Cr Representatives	Usual Meeting Date/Time
2	4th Monday of February, May, August and November @ 1pm
Elected:	

Committee 1 Joint Regional Planning Panel

No. of Cr Representatives	Usual Meeting Date/Time
2	
Elected:	Cr A. Barry
	Cr R. Scholes
Community Representative	To be elected

Committee 1 Hunter Joint Organisation

No. of Cr Representatives	Usual Meeting Date/Time
1	Quarterly @ 10am in Thornton
Elected:	Mayor

Committee 1 Transcare Hunter Ltd Board Representation

No. of Cr Representatives	Usual Meeting Date/Time
1	
Elected:	

OPTIONS

Not applicable.

CONCLUSION

That Councillors be elected and appointed to the Committees listed in the report.

SOCIAL IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

Not applicable.

STATUTORY IMPLICATIONS

Not applicable.

LEGAL IMPLICATIONS

Not applicable.

OPERATIONAL PLAN IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

12.2 JOINT REGIONAL PLANNING PANEL EXPRESSION OF INTEREST

Attachments:	A. Joint Regional Planning Panel Expression of Interest - Granville Taylor 20220219
Responsible Officer:	Fiona Plesman - General Manager
Author:	Kimberley Cotter - Governance Officer
Community Plan Issue:	<i>Collaborative and responsive community leadership that meets the expectations and anticipates the needs of the community</i>
Community Plan Goal:	<i>Enhanced collaboration with Council's community and stakeholders to ensure Council and its elected arm is best placed to make decisions in the best interest of the community.</i>
Community Plan Strategy:	<i>Implement and maintain a diverse range of communication channels between Council and community stakeholders..</i>

PURPOSE

The purpose of this report is for Council to endorse a community representative on the Joint Regional Planning Panel.

OFFICER'S RECOMMENDATION

Council ENDORSE as a community member on the Joint Regional Planning Panel.

Moved: _____ Seconded: _____

BACKGROUND

A report on the membership of the Joint Regional Planning Panel went to the 1 February 2022 Ordinary Council Meeting.

The decision arising from this report was that Council would seek nominations for the community representative position via an advertisement for a period of 21 days placed on Council's website, social media platform and in the local newspaper, in order to provide equal access to interested and suitably skilled community members.

Council has received three Expressions of Interests from the following community members regarding the community representative position:

- Mr Granville Taylor (see Expression of Interest attached as Appendix A)
- Mrs Mary Bowman (Expression of Interest submitted verbally at Front Counter)

REPORT

Not Applicable.

OPTIONS

Council may pursue the following options:

- a) Endorse Mr Taylor or Mrs Bowman as the community representative for the Joint Regional Planning Panel;
- b) Not endorse Mr Taylor or Mrs Bowman as the community representative for the Joint Regional Planning Panel.

CONCLUSION

It is recommended that option a, listed above be pursued.

SOCIAL IMPLICATIONS

Nil known.

FINANCIAL IMPLICATIONS

Nil known.

POLICY IMPLICATIONS

Nil known.

STATUTORY IMPLICATIONS

Nil known.

LEGAL IMPLICATIONS

Nil known.

OPERATIONAL PLAN IMPLICATIONS

Nil known.

RISK MANAGEMENT IMPLICATIONS

Nil known.

WASTE MANAGEMENT IMPLICATIONS

Nil known.

COMMUNITY CONSULTATION/MEDIA IMPLICATIONS

Nil known.

The General Manager, Muswellbrook Shire Council



grussellt@gmail.com

To Muswellbrook Shire Council

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Resume2022.doc
.doc File

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[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

I provide the attached information in support of an expression of interest in an application for the Community Member position on the Joint Regional Planning Panel as exhibited on the Muswellbrook Shire Council website on February 2, 2022.

Kind regards,

Granville Taylor

<https://skellatarhouse.com/>

RESUME: G. R. TAYLOR**RESUME: G. R. TAYLOR****NAME****COMMUNITY ACTIVITIES**

PREVIOUS ADDRESS: Since moving to Muswellbrook in 2005 I have been actively involved in local Clubs including the Upper Hunter Woodworkers, Muswellbrook Shire Local and Family History Society and the Muswellbrook Wine Appreciation Club. As the owner of a heritage property I have been happy to make presentations to local charity organisations and we were proud to host a Garden Party at Skellatar House in 2008, opened by Emeritus Mayor John Covin, to celebrate the 50th Anniversary of the HSMHS Society.

grusselltt@gmail.com

MARITAL STATUS: In 2013 I was involved in the formation of Muswellbrook Aged Care and Hospital In a New Environment ("MACHINE"), a community group which had the objective of seeking better facilities in Muswellbrook for Aged Care and a new hospital. I was appointed Chairman of a very active committee which made a detailed submission to the NSW Cabinet and succeeded in raising 10,000 signatures for a petition to be debated in the NSW Legislative Assembly.

EDUCATION: In 2014 Hunter New England Local Health Department advised MACHINE that it would apply for a \$35m grant for hospital redevelopment and in 2014 this was revised to \$20m for works to be completed in 2019. In 2021 the NSW Government announced that the Muswellbrook Hospital redevelopment would be completed by the provision of funding of \$45m over three years.

In 2014 I was pleased to nominate Ms. Jenny Hinschen, Secretary of MACHINE, as a candidate for Muswellbrook Shire Citizen of the Year and she was duly appointed. In 2017 another very active member of Machine, Mr Tony Neate was also appointed Citizen of the Year.

EXPRESSION OF INTEREST

I provide the above information in support of an expression of interest in an application for the Community Member position on the Joint Regional Planning Panel.

EMPLOYMENT EXPERIENCE**1974-2006**

I spent my entire career in investment management and stockbroking over a period of thirty two years. Although based in Australia I also advised institutional and corporate clients in Europe, North America, South Africa and New Zealand. I was responsible for substantial fund raisings and IPOs for a wide range of companies in banking, mining, technology and venture capital. I undertook a range of corporate finance transactions including takeovers, mergers, reconstructions and schemes of arrangement. I was appointed a director and Chairman of ASX-listed companies.

In the course of my career I visited a wide range of industrial activities in companies involved in fibreglass and float glass production, aluminium can production, plastics manufacture, food manufacture, brewing, winemaking, printing, cotton farming, construction and the mining of gold, silver, copper and tin.

12.3 RELATED PARTY DISCLOSURES POLICY

Attachments:	<p>A. Policy R23-1 - Related Party Disclosures Policy 1.0.7</p> <p>B. AASB 124, September 2021 - Related Party Disclosures ↓</p>
Responsible Officer:	Fiona Plesman - General Manager
Author:	<p>Kimberley Cotter - Governance Officer</p> <p>Melissa Cleary - Manager - Governance</p>
Community Plan Issue:	<i>Collaborative and responsive community leadership that meets the expectations and anticipates the needs of the community</i>
Community Plan Goal:	<i>Enhanced collaboration with Council's community and stakeholders to ensure Council and its elected arm is best placed to make decisions in the best interest of the community.</i>
Community Plan Strategy:	<i>Implement and maintain a diverse range of communication channels between Council and community stakeholders..</i>

PURPOSE

The purpose of this report is to update Council policies.

OFFICER'S RECOMMENDATION

The draft Related Party Disclosures Policy be placed on public exhibition for a period of 28 days to allow for community comment.

Moved: _____ Seconded: _____

BACKGROUND

It is best practice for Council to maintain a set of policies that are current and meet the operational needs of Council.

Council must review all policies within the timeframe prescribed in each policy and keep their content up to date. The attached policy has been updated in accordance with current legislation and awaits adoption by Council before it can be put into operation.

CONSULTATION

General Manager

Manager Governance

REPORT

The Policy in this report was updated as it was due for review. The revised policy is attached for Councillor's reference at **Appendix A** and awaits adoption by Council before it can operate.

The Related Party Disclosures Policy establishes a framework for high-quality financial reporting standards. The objective of this policy is to ensure compliance with the Australian Accounting Standards Board – *standard AASB 124 Related Party Disclosures, September 2021* ("AASB 124") (attached at **Appendix B** for Councillor's reference).

The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

In order for the abovementioned policy to be adopted, it is recommended that the policy be placed on Council's website for a period of 28 days to allow for potential community comment. After the expiration of the 28-day period, the policy will be taken to have been adopted by Council.

The review of the attached policy included updating the relevant legislation contained within the policy. No further amendments have been made to the policy.

OPTIONS

Council may:

1. Resolve to provide public notice of its intention to adopt the policy and place the Related Party Disclosures Policy on public exhibition for a period of 28 days.
2. Resolve not to place the draft Policy on public exhibition and request that further amendments be carried out to the draft policy prior to further consideration.
3. Resolve not to place the draft policy on public exhibition and retain the existing policy.

It is recommended that option 1 listed above be pursued.

CONCLUSION

It is recommended that the draft Related Party Disclosures Policy be placed on Council's website for 28 days, following which the policy will be taken to have been adopted by Council, subject to community comment.

SOCIAL IMPLICATIONS

Nil known.

FINANCIAL IMPLICATIONS

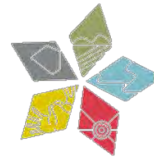
Nil known.

POLICY IMPLICATIONS

Policies are due for review by Council.

STATUTORY IMPLICATIONS

Nil known. **LEGAL IMPLICATIONS** Nil known. **OPERATIONAL PLAN IMPLICATIONS** This report links to the Operational Plan as follows: "Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves". "Enhanced collaboration with Council's community and stakeholders to ensure Council and its elected arm is best placed to make decisions in the best interest of the community". **RISK MANAGEMENT IMPLICATIONS** Nil known.



**muswellbrook
shire council**

Related Party Disclosure Policy

Policy No R23/1

This document is a controlled document. Before using this document, check it is the latest version by referring to the Controlled Document Register. Printed or downloaded versions of this document are uncontrolled.

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Policy Objective

The objective of this policy is to ensure compliance with the Australian Accounting Standards Board standard AASB 124 Related Party Disclosures, September 2021 ("AASB 124"), which is required under the Local Government (General) Regulation 2021.

Policy Statement

Council will comply with the disclosure requirements of AASB 124, which include:

1. identifying related party relationships, related party transactions and ordinary citizen transactions;
2. identifying information about the related party transactions for disclosure;
3. establish systems to capture and record the related party transactions and information about those transactions;
4. identifying the circumstances in which disclosure of the items in subparagraphs 1, 2 and 3 are required; and
5. determining the disclosures to be made about those items in the General Purpose Financial Statements by aggregate or general description for the purpose of complying with AASB 124, except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity, in consideration of the following criteria:
 - a. the nature of the related party relationship;
 - b. the significance of the transaction (individually or collectively) in terms of size or value (including where the materiality arises due to the fact that no consideration for the transaction is given or received by Council);
 - c. whether the transaction is carried out on non-arm's length terms;
 - d. whether the nature of the transaction is outside normal day-to-day business operations; based on the factors and thresholds under the direction of the General Manager in consultation with Council's external auditor.

Legislation

Local Government Act 1993

Local Government (General) Regulation 2021

Australian Accounting Standard AASB 124 Related Party Disclosures, September 2021

Government Information (Public Access) Act 2009

Privacy and Personal Information Protection Act 1998

Office of Local Government – *Local Government Code of Accounting Practice and Financial Reporting* – 2020-21

Associated Council Documentation

Access to Information Policy (Draft)

Access to Information Guidelines (Draft)

Doc ID: 742245
Uncontrolled document when printed

Page 3 of 4
Date printed - 8 February 2022

Related Party Disclosure Procedures (Draft)

Authorisation Details

Authorised by:	Council
Minute No:	
Date:	
Review timeframe:	
Department:	Governance
Document Owner:	Governance Officer

Details History

Version No.	Date changed	Modified by	Amendments made
1.0.7	13.12.2021	Kimberley Cotter	AASB – changed from July 2015 to September 2021. Local Government General Regulation – changed from 2005 to 2021.

Compiled AASB Standard**AASB 124**

Related Party Disclosures

This compiled Standard applies to annual periods beginning on or after 1 July 2021. Earlier application is permitted for annual periods beginning on or after 1 January 2014 but before 1 July 2021. It incorporates relevant amendments made up to and including 6 March 2020.

Prepared on 8 June 2021 by the staff of the Australian Accounting Standards Board.

Compilation no. 2

Compilation date: 30 June 2021

**Australian Government****Australian Accounting
Standards Board**

Authorised Version F2021C00864 registered 01/09/2021

Obtaining copies of Accounting Standards

Compiled versions of Standards, original Standards and amending Standards (see Compilation Details) are available on the AASB website: www.aasb.gov.au.

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AASB 124-compiled

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COMPARISON WITH IAS 24

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AVAILABLE ON THE AASB WEBSITE

Basis for Conclusions on IAS 24

Australian Accounting Standard AASB 124 *Related Party Disclosures* (as amended) is set out in paragraphs 1 – Aus29.2, Appendices A and B and the Australian Implementation Guidance. All the paragraphs have equal authority. Paragraphs in **bold type** state the main principles. AASB 124 is to be read in the context of other Australian Accounting Standards, including AASB 1048 *Interpretation of Standards*, which identifies the Australian Accounting Interpretations, and AASB 1057 *Application of Australian Accounting Standards*. In the absence of explicit guidance, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies.

Comparison with IAS 24

AASB 124 *Related Party Disclosures* as amended incorporates IAS 24 *Related Party Disclosures* as issued and amended by the International Accounting Standards Board (IASB). Australian-specific paragraphs (which are not included in IAS 24) are identified with the prefix “Aus”. Paragraphs that apply only to not-for-profit entities begin by identifying their limited applicability.

Tier 1

For-profit entities complying with AASB 124 also comply with IAS 24.

Not-for-profit entities’ compliance with IAS 24 will depend on whether any “Aus” paragraphs that specifically apply to not-for-profit entities provide additional guidance or contain applicable requirements that are inconsistent with IAS 24.

AASB 1053 *Application of Tiers of Australian Accounting Standards* explains the two tiers of reporting requirements.

Accounting Standard AASB 124

The Australian Accounting Standards Board made Accounting Standard AASB 124 *Related Party Disclosures* under section 334 of the *Corporations Act 2001* on 24 July 2015.

This compiled version of AASB 124 applies to annual periods beginning on or after 1 July 2021. It incorporates relevant amendments contained in other AASB Standards made by the AASB up to and including 6 March 2020 (see Compilation Details).

Accounting Standard AASB 124 *Related Party Disclosures*

Objective

- 1 The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

AusCF1

AusCF entities are:

- (a) not-for-profit entities; and
- (b) for-profit entities that are not applying the *Conceptual Framework for Financial Reporting* (as identified in AASB 1048 *Interpretation of Standards*).

For AusCF entities, the term 'reporting entity' is defined in AASB 1057 *Application of Australian Accounting Standards* and Statement of Accounting Concepts SAC 1 *Definition of the Reporting Entity* also applies. For-profit entities applying the *Conceptual Framework for Financial Reporting* are set out in paragraph Aus1.1 of the *Conceptual Framework*.

Scope

- 2 This Standard shall be applied in:
- (a) identifying related party relationships and transactions;
 - (b) identifying outstanding balances, including commitments, between an entity and its related parties;
 - (c) identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
 - (d) determining the disclosures to be made about those items.
- 3 This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent or investors with joint control of, or significant influence over, an investee presented in accordance with AASB 10 *Consolidated Financial Statements* or AASB 127 *Separate Financial Statements*. This Standard also applies to individual financial statements.
- 4 Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intragroup related party transactions and outstanding balances are eliminated, except for those between an investment entity and its subsidiaries measured at fair value through profit or loss, in the preparation of consolidated financial statements of the group.

Purpose of related party disclosures

- 5 Related party relationships are a normal feature of commerce and business. For example, entities frequently carry on parts of their activities through subsidiaries, joint ventures and associates. In those circumstances, the entity has the ability to affect the financial and operating policies of the investee through the presence of control, joint control or significant influence.

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- 6 A related party relationship could have an effect on the profit or loss and financial position of an entity. Related parties may enter into transactions that unrelated parties would not. For example, an entity that sells goods to its parent at cost might not sell on those terms to another customer. Also, transactions between related parties may not be made at the same amounts as between unrelated parties.
- 7 The profit or loss and financial position of an entity may be affected by a related party relationship even if related party transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the entity with other parties. For example, a subsidiary may terminate relations with a trading partner on acquisition by the parent of a fellow subsidiary engaged in the same activity as the former trading partner. Alternatively, one party may refrain from acting because of the significant influence of another—for example, a subsidiary may be instructed by its parent not to engage in research and development.
- 8 For these reasons, knowledge of an entity's transactions, outstanding balances, including commitments, and relationships with related parties may affect assessments of its operations by users of financial statements, including assessments of the risks and opportunities facing the entity.

Definitions

- 9 The following terms are used in this Standard with the meanings specified:

A *related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A *related party transaction* is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Compensation includes all employee benefits (as defined in AASB 119 *Employee Benefits*) including employee benefits to which AASB 2 *Share-based Payment* applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity. Compensation includes:

- (a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;
- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;
- (d) termination benefits; and
- (e) share-based payment.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Government refers to government, government agencies and similar bodies whether local, national or international.

A **government-related entity** is an entity that is controlled, jointly controlled or significantly influenced by a government.

The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in AASB 10, AASB 11 *Joint Arrangements* and AASB 128 *Investments in Associates and Joint Ventures* respectively and are used in this Standard with the meanings specified in those Australian Accounting Standards.

- 10 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.
- 11 In the context of this Standard, the following are not related parties:
- (a) two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
 - (b) two joint venturers simply because they share joint control of a joint venture.
 - (c)
 - (i) providers of finance,
 - (ii) trade unions,
 - (iii) public utilities, and
 - (iv) departments and agencies of a government that does not control, jointly control or significant influence the reporting entity,
 simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
 - (d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.
- 12 In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.

Disclosures

All entities

- 13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.**
- Aus13.1 When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall:
- (a) identify which of those entities is incorporated overseas and where; and
 - (b) disclose the name of the ultimate controlling entity incorporated within Australia.
- 14 To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.**
- 15 The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127 and AASB 12 *Disclosure of Interests in Other Entities*.**
- 16 Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.**
- 17 An entity shall disclose key management personnel compensation in total and for each of the following categories:**
- (a) short-term employee benefits;
 - (b) post-employment benefits;
 - (c) other long-term benefits;
 - (d) termination benefits; and
 - (e) share-based payment.
- 17A If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.**
- 18 If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:**
- (a) the amount of the transactions;
 - (b) the amount of outstanding balances, including commitments, and:
 - (i) their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement; and
 - (ii) details of any guarantees given or received;
 - (c) provisions for doubtful debts related to the amount of outstanding balances; and
 - (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.
- 18A Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.**
- 19 The disclosures required by paragraph 18 shall be made separately for each of the following categories:**
- (a) the parent;
 - (b) entities with joint control of, or significant influence over, the entity;
 - (c) subsidiaries;
 - (d) associates;

- (e) joint ventures in which the entity is a joint venturer;
 - (f) key management personnel of the entity or its parent; and
 - (g) other related parties.
- 20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in AASB 101 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.
- 21 The following are examples of transactions that are disclosed if they are with a related party:
- (a) purchases or sales of goods (finished or unfinished);
 - (b) purchases or sales of property and other assets;
 - (c) rendering or receiving of services;
 - (d) leases;
 - (e) transfers of research and development;
 - (f) transfers under licence agreements;
 - (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind);
 - (h) provision of guarantees or collateral;
 - (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts¹ (recognised and unrecognised); and
 - (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.
- 22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119).
- 23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.
- 24 **Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.**

Government-related entities

- 25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:
- (a) a government that has control or joint control of, or significant influence over, the reporting entity; and
 - (b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.
- 26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:
- (a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence);
 - (b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:
 - (i) the nature and amount of each individually significant transaction; and
 - (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21.

¹ AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* defines executory contracts as contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.

- 27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:
- (a) significant in terms of size;
 - (b) carried out on non-market terms;
 - (c) outside normal day-to-day business operations, such as the purchase and sale of businesses;
 - (d) disclosed to regulatory or supervisory authorities;
 - (e) reported to senior management;
 - (f) subject to shareholder approval.

Effective date and transition

- 28 [Deleted by the AASB]
- Aus28.1 An entity shall apply this Standard for annual periods beginning on or after 1 July 2016. Earlier application is permitted for periods beginning on or after 1 January 2014 but before 1 July 2016. If an entity applies this Standard for a period beginning before 1 July 2016, it shall disclose that fact.
- Aus28.2 AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* amended the previous version of this Standard as follows: deleted paragraph Aus1.3, amended paragraph Aus9.1 and added the Australian Implementation Guidance for Not-for-Profit Public Sector Entities. An entity shall apply those amendments for annual periods beginning on or after 1 July 2016. Earlier application is permitted. Those amendments shall be applied prospectively as at the beginning of the annual period in which this Standard is initially applied. For example, a not-for-profit public sector entity shall apply this Standard prospectively as at the beginning of the annual period in which this Standard is initially applied.
- 28A–
- 28B [Deleted by the AASB]
- 28C AASB 2014-1 *Amendments to Australian Accounting Standards*, issued in June 2014, amended the previous version of this Standard as follows: amended paragraph 9 and added paragraphs 17A and 18A. An entity shall apply that amendment for annual periods beginning on or after 1 July 2014. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.

Withdrawal of IAS 24 (2003)

- 29 [Deleted by the AASB]

Commencement of the legislative instrument

- Aus29.1 [Repealed]

Withdrawal of AASB pronouncements

- Aus29.2 This Standard repeals AASB 124 *Related Party Disclosures* issued in December 2009. Despite the repeal, after the time this Standard starts to apply under section 334 of the Corporations Act (either generally or in relation to an individual entity), the repealed Standard continues to apply in relation to any period ending before that time as if the repeal had not occurred.
- [Note: When this Standard applies under section 334 of the Corporations Act (either generally or in relation to an individual entity), it supersedes the application of the repealed Standard.]

Appendix A

Australian defined terms

This appendix is an integral part of AASB 124.

Aus9.1 **The following terms are also used in this Standard with the meaning specified.**

***Director* means:**

- (a)** **a person who is a director under the Corporations Act; and**
- (b)** **in the case of entities governed by bodies not called a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.**

***Remuneration* is *compensation* as defined in this Standard.**

Aus9.1.1 Although the defined term ‘compensation’ is used in this Standard rather than the term ‘*remuneration*’, both words refer to the same concept and all references in the Corporations Act to the remuneration of directors and executives is taken as referring to compensation as defined and explained in this Standard.

Appendix B

Australian simplified disclosures for Tier 2 entities

This appendix is an integral part of the Standard.

AusB1 **This Standard does not apply to entities preparing general purpose financial statements that apply AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.**

Australian implementation guidance for not-for-profit public sector entities

This guidance is an integral part of AASB 124 and has the same authority as the other parts of the Standard. The guidance applies only to public sector entities. The guidance does not apply to private sector entities or affect their application of AASB 124.

- IG1 AASB 124 *Related Party Disclosures* incorporates International Financial Reporting Standard IAS 24 *Related Party Disclosures*, issued by the International Accounting Standards Board. Consequently, much of the text of the body of this Standard and the Illustrative Examples is expressed from the perspective of for-profit entities. The AASB has prepared this guidance to explain and illustrate the principles in the Standard to assist application of the Standard by not-for-profit public sector entities, particularly to address circumstances where a for-profit perspective does not readily translate to a not-for-profit public sector perspective. This guidance also assists not-for-profit public sector entities in determining the extent of the information necessary to meet the objective of the Standard. This guidance does not remove the need for judgement to be applied by an entity in complying with the requirements of the Standard.
- IG2 This guidance addresses a range of matters affecting not-for-profit public sector entities broadly in the order in which the related paragraphs appear in the body of the Standard. Illustrative examples are provided in the implementation guidance. The examples apply by analogy to types of not-for-profit public sector entities other than those identified in the examples and similar circumstances. It is the facts and circumstances in any case, not simply the type of not-for-profit public sector entity, that need to be assessed in determining the appropriate disclosures that apply.

Identification of key management personnel

- IG3 Paragraph 9 of the Standard defines key management personnel as being those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. In a public sector context, entities should consider the facts and circumstances, including the terms of the relevant legislative instruments that give rise to the entity, in assessing whether a person is a member of the key management personnel, as defined, of the entity. For example, the facts and circumstances may reflect that not all persons described as ‘senior executive staff’ or ‘Secretary’ or ‘Minister’ may be a member of the key management personnel of the entity. Similarly, in relation to a not-for-profit public sector entity, the facts and circumstances may reflect that a person’s powers do not give rise to a capacity to direct or control the activities of an entity, where the powers are only ceremonial or procedural in substance.
- IG4 Normally, the determination of key management personnel is similar for entities in the public sector and the private sector. However, ministerial-type roles do not normally arise in a private sector context. A Minister would be a member of the key management personnel of an entity that is within the Minister’s portfolio if the Minister has the “authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly”. In some entities or jurisdictions, the responsible Minister may not, in substance, have such authority and responsibility over the activities of the entity, and consequently would not meet the definition of key management personnel.
- IG5 A Minister may be a member of the key management personnel of an entity where the Minister’s role and responsibilities result in the Minister forming part of the group of persons tasked with determining the direction of the entity. It would be uncommon for a Minister to be a member of the key management personnel of an entity that is within their portfolio where the entity is not otherwise controlled by the government, as the government’s powers and functions (executed by the Minister) in relation to that entity would have formed part of the government’s assessment of whether it controls the entity. Whether a Minister is a member of the key management personnel of an entity controlled by the government will depend on the facts and circumstances that apply in each instance, as the determination of the key management personnel of an entity is made on an entity by entity basis. Accordingly, a member of the key management personnel of the government is not necessarily also a member of the key management personnel of each entity controlled by that government (see also paragraph IG10).
- IG6 Examples 1–6 illustrate application of the definition of key management personnel by not-for-profit public sector entities. These examples do not limit the persons who may be key management personnel of a not-for-profit public sector entity to only those roles described.

Example 1

Minister A is the Australian Minister for Education and Training. Minister A administers their portfolio through the Department of Education and Training (the Department), a controlled entity of the Australian Government. Minister A is accountable to Parliament for the actions of the Department. As part of the portfolio, the Minister is responsible for:

- education policy and programs including schools, vocational, higher education and Indigenous education, but excluding migrant adult education;
- education and training transitions policy and programs;
- science awareness programs in schools;
- training, including apprenticeships and training services;
- policy, co-ordination and support for education exports and services; and
- income support policies and programs for students and apprentices.

Minister B is the Assistant Minister for Education and Training. Assistant Ministers are appointed to assist Ministers in prioritising work, to provide a training experience for future Ministers, to facilitate public access to the Ministers and to enable the bureaucracy to have an ongoing point of contact so that parliamentary correspondence and other parliamentary administrative issues are neither overlooked nor downgraded. As an Assistant Minister, Minister B cannot:

- sit as a Minister in Cabinet;
- attend a meeting of the Executive Council or sign Executive Council Minutes on behalf of the Minister;
- perform any duties in Parliament on behalf of the Minister including answering questions without notice, presenting Ministerial Statements, tabling documents and introducing legislation; or
- appear before a Committee of Parliament on behalf of the Minister.

The Department is responsible for delivering national policies and programs that help Australians access quality early childhood education, school education, higher education, vocational education and training, international education and research. The Department is headed by the Secretary of the Department, who reports to the Australian Minister for Education and Training. At the same time, the Secretary also makes reports to the Assistant Minister for Education and Training. The Secretary of the Department, and two Associate Secretaries and a Deputy Secretary within the Department, operate as the executive management team responsible for the day-to-day delivery of the Department's services.

Based on the facts and circumstances above, Minister A, the Secretary of the Department, and the two Associate Secretaries and Deputy Secretary are members of the key management personnel of the Department as they have the authority and responsibility for planning, directing and controlling the activities of the entity. Minister A's role is akin to that of a director in a company, as the Minister discharges their role and responsibilities regarding the Department and is ultimately responsible for the performance of the Department. Minister B is not a member of the key management personnel of the Department as Minister B's role supports that of the Minister, rather than having any authority and responsibility for planning, directing and controlling the activities of the Department in Minister B's own right.

Example 2

The Cabinet is a group within the Australian Government (the Commonwealth of Australia) comprising the Prime Minister and a number of senior Ministers. All current Ministers are part of the Executive Council, but not all Ministers are also part of Cabinet. The Governor-General is the chair of the Executive Council.

Minister A, the Australian Minister for Education and Training, is part of Cabinet. Minister B, the Assistant Minister for Education and Training is not part of Cabinet but is part of the Executive Council. Minister D, the Minister for Justice, is also not part of Cabinet but is part of the Executive Council.

Cabinet's role is to direct the overall government policy and make decisions about national issues. In Cabinet meetings, Ministers also present bills from their government departments. Cabinet examines these bills, and recommends whether bills should proceed to Parliament or changes should be made. A Minister who is not part of Cabinet may be invited to a Cabinet meeting to speak about developments within their portfolio. The Cabinet is accountable to Parliament for the running of the government.

The Executive Council is a constitutional body charged with advising the Governor-General. Legally, members of the Executive Council are chosen by the Governor-General; however, in practice, all current Ministers are part of the Executive Council. The Executive Council acts as a formal ratification body for the decisions of Cabinet, and is required to undertake a range of functions including making proclamations, regulations and ordinances as delegated by various Acts of Parliament, issuing writs for elections, appointing public servants and recommending the appointment of judges.

Section 61 of the Australian Constitution provides that “The executive power of the Commonwealth is vested in the Queen and is exercisable by the Governor-General as the Queen’s representative, and extends to the execution and maintenance of this Constitution, and of the laws of the Commonwealth”. However, the Governor-General is bound by convention to follow the advice of the Executive Council.

Based on the facts and circumstances above, Minister A is a member of the key management personnel of the Australian Government. As part of Cabinet and having regard to Cabinet’s powers, Minister A has the authority and responsibility for planning, directing and controlling the activities of the Australian Government. In addition, as a member of the key management personnel of the Australian Government, Minister A is also a related party of any entities controlled by the Australian Government, consistent with paragraph 9 of the Standard.

Minister B and Minister D are unlikely to be members of the key management personnel of the Australian Government as, although they are part of the Executive Council, they are outside the group of persons responsible for making decisions about the overall running of the government. Further, in substance, neither the members of the Executive Council nor Governor-General have the authority and responsibility for directing and controlling the activities of the Australian Government, and accordingly, are not members of the key management personnel of the Australian Government reporting entity.

Example 3

University XYZ is a not-for-profit public sector entity established under an Act of the State Government. The State Government has determined that it does not control the University.

The governing body of the University is the University Council. The University Council consists of 17 members, five of whom are appointed directly or indirectly by the State Minister for Education. The Chair of the University Council is the Chancellor, who is the formal head of the University. The Chancellor is responsible for ensuring the efficient operation of the University Council in the performance of its governance role, presiding at ceremonial occasions of the University and acting as a signatory to official statutory reports of the University.

The Act specifies that the University Council’s responsibilities, powers and functions include:

- approving the mission, strategic direction and annual budget and business plan of the University;
- establishing policies (‘university statutes and regulations’) relating to the governance and operation of the University, including trusts and endowments, and research, development, consultancy, commercial activities and other services undertaken for commercial organisations or public bodies;
- developing guidelines (if any) concerning the carrying out of commercial activities, finance and property matters, or any other related matter;
- overseeing the management of the property, finances and business affairs of the University, such as risk management across the University, including its commercial activities;
- any other powers and functions conferred on it by or under legislation or any university statute or regulation; and
- the power to do anything else necessary or convenient to be done for or in connection with its powers and functions.

The University Council has a range of powers and functions that it can exercise directly, including the following:

- appointing the Vice-Chancellor, who is the chief executive officer of the University and responsible for the conduct of the University’s affairs in all matters;
- determining the composition of borrowings within the parameters set by the State Government;
- approving the University’s budget for a financial year, incorporating total revenue and the planned revenue sources, including planning the mix between teaching, research and commercial activities, the fees and charges to apply to those activities, and the type and value of government grants desired;
- determining the course mix and target student mix, such as vocational, undergraduate, graduate and executive courses, on-campus or distance learning, and local and international students;

- appointing staff and determining their terms and conditions;
- deciding whether to operate through multiple campuses and how to utilise the University's infrastructure; and
- making university regulations with respect to any matter relating to the University.

The University Council has delegated the day-to-day management responsibilities and other functions to the University's executive and other senior staff in order to be able to focus on the broader policy and strategic issues.

The State Minister for Education has the following powers and functions as part of the Minister's role in the State Government:

- fixing the remuneration and fees to be paid to University Council members who are not full-time staff of the University or holders of statutory office;
- approving (or vetoing) University statutes and guidelines made by the University Council;
- declaring an activity to be a university commercial activity;
- making interim guidelines concerning university commercial activities and finance and property matters – these apply unless replaced by University-submitted guidelines approved by the Minister;
- in conjunction with the State Treasurer, approving the limits and conditions (eg security) for University borrowings;
- approving (or vetoing) the disposal of land that was previously Crown land granted to the University;
- requesting commercial and financial reports from the University;
- referring a university commercial activity or any aspect thereof to the auditor-general for investigation; and
- ensuring that the University complies with certain rights specified in State Government grants provided to the University – some of the grants are required to be repaid if not applied as specified.

Based on the facts and circumstances above, as the State Government has determined that it does not control the University, it is unlikely that the State Minister for Education, as the executor of the State Government's powers, is a member of the key management personnel of the University, as the evaluation of control includes an assessment of the State Government's ability to direct the activities that most significantly affect the University's outcomes. The State Minister's powers and functions (provided to the position) may restrict the way in which the University operates, but do not of themselves give the State Minister authority and responsibility for the activities of the University.

Rather, based on the facts and circumstances above, it is the University Council (who are akin to a board of directors, with the Chancellor akin to a non-executive chairman) and the University's executive and other senior staff who have the authority and responsibility for planning, directing and controlling the activities of the University.

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, an entity should also consider whether the State Minister for Education, or the State Government, will otherwise meet the definition of a related party of the University (see paragraph 9 of the Standard).

Example 4

The LMN local government (the Council) is a local government entity created under a State's Local Government Act (the Act) and is subject to a wide range of State Government regulatory powers. The interest of the State Government in the activities of the Council is primarily to ensure that the general objectives set out in the Act are being achieved or furthered. The State Government's rights in respect of the Council are held primarily by the State Minister for Local Government. These rights allow the State Government (via the State Minister for Local Government) to advise or guide the Council in its activities, or under particular circumstances, to intervene in the activities of the Council.

Minister X is the State Minister for Local Government. The Minister administers their portfolio through the Local Government branch of the State Department of Transport, Planning and Local Infrastructure (the Department). As part of the Minister's role and responsibilities, Minister X is responsible for:

- the scrutiny of councils, including municipal boundaries;
- making recommendations for allocation of project grants to local governments for projects;
- overseeing tendering processes for council services;
- ensuring the concerns of local governments are communicated to the State Cabinet; and
- the coordination of council community and infrastructure work at a State level.

The Council's primary objective is to achieve the best outcomes for the local community over the long term. The Council is empowered by the Act to do all things necessary and convenient for the achievement of its objectives and the performance of its functions, subject to any limitations under the Act or any other legislation.

The Council is administered by 10 councillors, who are elected directly by the local community in periodic elections. The Council's functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads. The day-to-day operations of the Council are carried out by council staff under the direction of its elected councillors.

The State Government has determined that it does not control the Council.

Based on the facts and circumstances above, Minister X is not a member of the key management personnel of the Council, as the Minister's role does not extend to having the authority and responsibility for planning, directing and controlling the activities of the Council itself. Having concluded that the State Government does not control the council, Minister X's role as executor of the State Government's powers and rights over the Council cannot of itself enable Minister X to meet the definition of key management personnel of the Council. Rather, in this example, it is the councillors and senior council staff who have the authority and responsibility for the activities of the Council (similar to a board of directors and senior management of a company).

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, an entity should also consider whether Minister X, or the State Government, will otherwise meet the definition of a related party of the Council (see paragraph 9 of the Standard).

Example 5

Minister E, the State Minister for Education, Minister F, the State Minister for Children and Early Childhood, and Minister G, the State Minister for Higher Education and Skills, administer their portfolios wholly through the State Department of Education (the Department), a controlled entity of the State Government.

The day-to-day operations of the Department are managed by an Executive Board comprising the Secretary of the Department and the head of each of the Department's divisions. The Executive Board is the governance and decision-making body for the Department accountable for the:

- strategic direction and leadership of the Department;
- management of the Department;
- decision-making and risk management;
- monitoring and evaluation of the Department's activities; and
- compliance and stakeholder management.

The Department reports to the three Ministers, separately or jointly as appropriate to the nature of the Ministers' portfolio. The Ministers are jointly accountable to Parliament for the actions of the Department.

Based on the facts and circumstances above, Minister E, Minister F and Minister G, and the members of the Executive Board are members of the key management personnel of the Department as they have the authority and responsibility for planning, directing and controlling the activities of the Department. The Ministers' roles are akin to that of directors in a company, even though each has responsibility only to the extent of their respective portfolios, as they discharge their roles and responsibilities regarding the Department and are ultimately responsible for the performance of the Department.

Example 6

Statutory authority SLA is a statutory authority of the State Government tasked with providing legal information, advice and representation to financially disadvantaged residents of the State. As a statutory authority, SLA was established under its own enabling legislation, which sets out its functions, powers and responsibilities. Its remit is such that it generally operates independently of any governmental direction or influence.

SLA is funded by the State Government to undertake state law matters. The State Government may specify areas to which certain of the funds granted should be allocated. SLA is a controlled entity of the State Government.

The execution and authority for the day-to-day operations of SLA are the responsibility of its executive management team, who report to the Board of SLA. The Board is the statutory authority's governing body and is responsible for managing SLA and ensuring that its objectives are achieved. The Board is responsible for deciding SLA's priorities and strategies, leading its policy direction and ensuring its sound and prudent financial management. Board members are appointed by the State Governor in Council, on advice of the State Minister for Justice.

SLA is accountable to the State Government for the delivery of legal assistance services. As a statutory authority, the Board of SLA reports to the State Minister for Justice, who is responsible to Parliament for the oversight of statutory authorities within the Minister's portfolio.

SLA's enabling legislation provides that the Board must:

- if asked by the State Minister for Justice, give the Minister a report on any issue relevant to its functions, other than about legal assistance for a particular person; and
- act upon a written direction given by the State Minister for Justice about the performance of SLA's functions or exercise of its powers, and its policies, priorities or guidelines, including priorities in legal assistance funding. The direction cannot be about giving legal assistance to a particular person.

While SLA generally operates independently of any governmental direction or influence, from time to time, the State Minister for Justice has requested various reports and required SLA to act as directed.

Based on the facts and circumstances above, the Board and executive management team of SLA are members of the key management personnel of the entity, as they ultimately have the authority and responsibility for planning, directing and controlling the activities of the entity. In this fact pattern, the State Minister for Justice is also a member of the key management personnel of SLA, as the powers vested in the Minister's role also give the Minister authority and responsibility for planning, directing and controlling the activities of the entity, as SLA is required to act in accordance with the Minister's written directions (which may relate to SLA's execution of its remit).

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, consideration should also be given to whether the State Government is a related party of SLA (see paragraph 9 of the Standard).

Key management personnel compensation

- IG7 In the public sector, Ministers are normally compensated through one or more central government agencies or authorities. In relation to not-for-profit public sector entities, the central government agency typically operates as a management entity for the purposes of applying paragraph 17A of the Standard.
- IG8 Paragraph 18A of the Standard requires disclosure of amounts incurred by the entity preparing general purpose financial statements for the key management personnel services that are provided by a separate management entity. No disclosure is required to comply with the requirement in paragraph 18A where an entity is not obligated to reimburse the management entity for key management personnel services it has obtained.

Related party transactions

- IG9 Paragraph 18 of the Standard requires an entity to disclose information about transactions that have occurred between the entity and its related parties, including transactions between the entity and its key management personnel or key management personnel of the entity's parent, that is necessary for users to understand the potential effect of the relationship on the financial statements.
- IG10 Ministers, councillors and other senior public servants may qualify as a related party of a public sector entity under one or more of the criteria set down in paragraph (a) in the definition of 'related party' in AASB 124. For example, a Minister who is a member of the key management personnel of the Commonwealth or State government is, under the definition of 'related party', a related party not only of the Commonwealth or State government consolidated entity but also of each controlled entity of that government (see Example 2 in paragraph IG6). In such instances, the Standard requires the controlled government entity to disclose related party transactions with that Minister which are necessary to meet the objective noted in paragraph 1 of the Standard, whether or not the Minister has responsibility for the entity.
- IG11 A related party transaction is a transfer of resources, services or obligations between an entity and its related party, regardless of whether a price is charged. In the not-for-profit public sector, many entities are likely to engage frequently with persons who are a related party of that entity in the course of delivering the entity's public service objectives, including the raising of funds (for example, rates and taxes) to meet those objectives. These related party transactions often occur on terms and conditions no different to those

applying to the general public (for example, the Medicare rebate or public school fees). A not-for-profit public sector entity may determine that information about related party transactions occurring during the course of delivering its public service objectives and which occur on no different terms to that of the general public is not material for disclosure in its general purpose financial statements and accordingly need not be disclosed. Guidance relevant to an entity's assessment of the materiality of a disclosure to its general purpose financial statements is included in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The factors described in paragraph 27 of the Standard may also assist an entity in making this determination.

- IG12 Examples 7–8 describe different types of related party transactions that may occur between not-for-profit public sector entities and their related parties:

Example 7

Councillor P is a member of the key management personnel of the LMN local government (the Council). The Council's functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads.

Councillor P is a ratepayer residing within the Council's constituency. As such, Councillor P takes advantage of the availability of free public access to local parks and libraries. Councillor P also used the swimming pool at the Council's Recreation Centre twice during the financial year, paying the casual entry fee applicable to the general public each time. The recreation centre has approximately 20,000 visitors each financial year.

All of the transactions described above between the Council and Councillor P are related party transactions of the Council considered for disclosure in the Council's general purpose financial statements. Based on the facts and circumstances described, the Council may determine that these transactions are unlikely to influence the decisions that users of the Council's financial statements make having regard to both the extent of the transactions, and that the transactions have occurred between the Council and Councillor P within a public service provider/ taxpayer relationship.

Example 8

Minister Z, the State Minister for Planning, has responsibility for a range of functions and, in certain circumstances, has the power to intervene on matters associated with planning and heritage processes. Minister Z is a member of the key management personnel of State Government H.

Entity MED is a controlled entity of State Government H, and operates within the State Health sector. Entity MED is currently seeking State development approval for a potentially contentious new building.

Around this time, Entity MED enters into a contract with Entity STU, an entity wholly-owned and controlled by a close member of Minister Z's family for Entity STU to provide cleaning services at various current and future Entity MED locations, including the new building when completed. The cleaning contract was won by Entity STU in an open tender. Minister Z has declared information about the contract to provide cleaning services to Cabinet and it is included as part of the Minister's Register of Members' Interests. During the reporting period, Entity STU rendered services of \$50,000 to Entity MED. No amounts remain outstanding at Entity STU's reporting date. Entity MED assesses the cleaning services rendered to be a material component of its total operating expenses.

Entity STU is a related party of Entity MED in accordance with the definition of a related party in paragraph 9 of the Standard. The provision of \$50,000 cleaning services by Entity STU to Entity MED described above is a related party transaction of Entity MED as there has been a transfer of services and resources between Entity MED and Entity STU. Based on the facts and circumstances described, management of Entity MED may determine that information about the transaction is material for disclosure in its general purpose financial statements as there has been a transfer of resources occurring other than as a result of a public service provider/ taxpayer relationship between related parties and the amount of the transaction is material to Entity MED.

The provision of \$50,000 cleaning services by Entity STU to Entity MED described above is also a related party transaction of State Government H as Minister Z is a member of the key management personnel of State Government H and Entity MED is a controlled entity of State Government H. State Government H should separately assess whether the related party transaction is material for disclosure in the whole-of-government financial statements.

Government-related entities

- IG13 Paragraph 25 of the Standard provides a limited exemption from the disclosure requirements of paragraph 18 for government-related entities, subject to the alternative disclosures in paragraph 26 of the Standard. An entity considers, on balance, the range of factors included in paragraph 27, as well as any additional relevant factors, in determining the extent of the disclosure required by paragraph 26(b). In some instances, the presence of a single factor identified in paragraph 27 will not be sufficient to inform the entity of the level of individual or collective significance of the transaction. For example, a requirement of legislation to report on various transactions to Parliament may not of itself inform a not-for-profit public sector entity of the significance of a transaction to itself where the entity's objective is to carry out such transactions, and consequently, the entity should also have regard to other factors in forming its assessment of the significance of the transaction. In other instances, a single factor may be adequate to establish the extent of the significance of the transaction to the entity.
- IG14 Individually significant transactions would normally form a small subset, by number, of the total related party transactions of the entity. Paragraph IE3 in the Illustrative Examples accompanying the Standard provides examples of disclosure to comply with paragraph 26(b).

Illustrative examples

The following examples accompany, but are not part of, AASB 124 Related Party Disclosures. They illustrate:

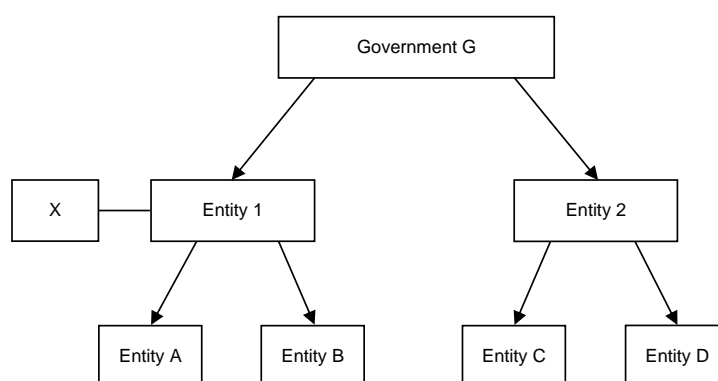
- the partial exemption for government-related entities; and
- how the definition of a related party would apply in specified circumstances.

In the examples, references to 'financial statements' relate to the individual, separate or consolidated financial statements.

Partial exemption for government-related entities

Example 1 – Exemption from disclosure (paragraph 25)

- IE1 Government G directly or indirectly controls Entities 1 and 2 and Entities A, B, C and D. Person X is a member of the key management personnel of Entity 1.



- IE2 For Entity A's financial statements, the exemption in paragraph 25 applies to:

- transactions with Government G; and
- transactions with Entities 1 and 2 and Entities B, C and D.

However, that exemption does not apply to transactions with Person X.

Disclosure requirements when exemption applies (paragraph 26)

- IE3 In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(i) for **individually** significant transactions could be:

*Example of disclosure for individually significant transaction carried out on **non-market terms***

On 15 January 20X1 Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, sold a 10 hectare piece of land to another government-related utility company for CU5 million.² On 31 December 20X0 a plot of land in a similar location, of a similar size and with similar characteristics, was sold for CU3 million. There had not been any appreciation or depreciation of the land in the intervening period. See note X [of the financial statements] for disclosure of government assistance as required by AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

² In these examples monetary amounts are denominated in 'currency units (CU)'.

*Example of disclosure for individually significant transaction because of **size** of transaction*

In the year ended December 20X1 Government G provided Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, with a loan equivalent to 50 per cent of its funding requirement, repayable in quarterly instalments over the next five years. Interest is charged on the loan at a rate of 3 per cent, which is comparable to that charged on Entity A's bank loans.³ See notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

Example of disclosure of collectively significant transactions

In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(ii) for **collectively** significant transactions could be:

Government G, indirectly, owns 75 per cent of Entity A's outstanding shares. Entity A's significant transactions with Government G and other entities controlled, jointly controlled or significantly influenced by Government G are [a large portion of its sales of goods and purchases of raw materials] or [about 50 per cent of its sales of goods and about 35 per cent of its purchases of raw materials].

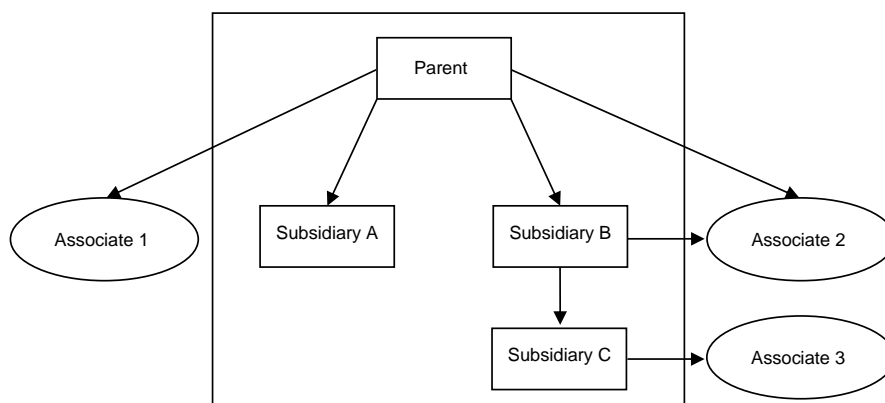
The company also benefits from guarantees by Government G of the company's bank borrowing. See note X [of the financial statements] for disclosure of government assistance as required by AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

Definition of a related party

*The references are to subparagraphs of the definition of a **related party** in paragraph 9 of AASB 124.*

Example 2 – Associates and subsidiaries

- IE4 Parent entity has a controlling interest in Subsidiaries A, B and C and has significant influence over Associates 1 and 2. Subsidiary C has significant influence over Associate 3.



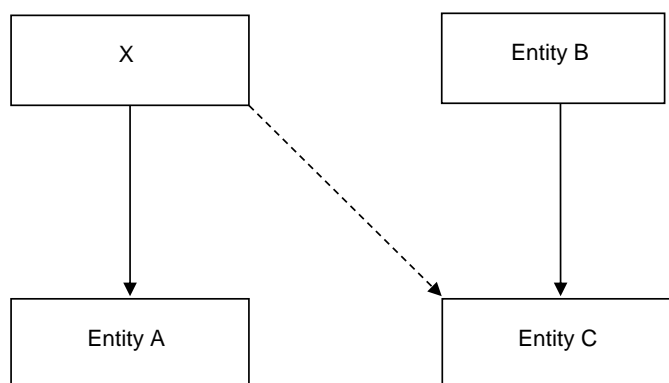
- IE5 For Parent's separate financial statements, Subsidiaries A, B and C and Associates 1, 2 and 3 are related parties. [Paragraph 9(b)(i) and (ii)]
- IE6 For Subsidiary A's financial statements, Parent, Subsidiaries B and C and Associates 1, 2 and 3 are related parties. For Subsidiary B's separate financial statements, Parent, Subsidiaries A and C and Associates 1, 2 and 3 are related parties. For Subsidiary C's financial statements, Parent, Subsidiaries A and B and Associates 1, 2 and 3 are related parties. [Paragraph 9(b)(i) and (ii)]
- IE7 For the financial statements of Associates 1, 2 and 3, Parent and Subsidiaries A, B and C are related parties. Associates 1, 2 and 3 are not related to each other. [Paragraph 9(b)(ii)]

³ If the reporting entity had concluded that this transaction constituted government assistance it would have needed to consider the disclosure requirements in AASB 120.

- IE8 For Parent's consolidated financial statements, Associates 1, 2 and 3 are related to the Group. [Paragraph 9(b)(iii)]

Example 3 – Key management personnel

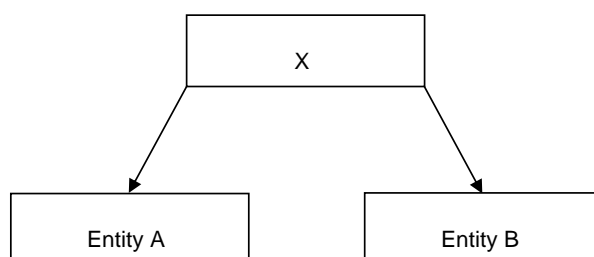
- IE9 A person, X, has a 100 per cent investment in Entity A and is a member of the key management personnel of Entity C. Entity B has a 100 per cent investment in Entity C.



- IE10 For Entity C's financial statements, Entity A is related to Entity C because X controls Entity A and is a member of the key management personnel of Entity C. [Paragraph 9(b)(vi)–(a)(iii)]
- IE11 For Entity C's financial statements, Entity A is also related to Entity C if X is a member of the key management personnel of Entity B and not of Entity C. [Paragraph 9(b)(vi)–(a)(iii)]
- IE12 Furthermore, the outcome described in paragraphs IE10 and IE11 will be the same if X has joint control over Entity A. [Paragraph 9(b)(vi)–(a)(iii)] (If X had only significant influence over Entity A and not control or joint control, then Entities A and C would not be related to each other.)
- IE13 For Entity A's financial statements, Entity C is related to Entity A because X controls A and is a member of Entity C's key management personnel. [Paragraph 9(b)(vii)–(a)(i)]
- IE14 Furthermore, the outcome described in paragraph IE13 will be the same if X has joint control over Entity A. The outcome will also be the same if X is a member of key management personnel of Entity B and not of Entity C. [Paragraph 9(b)(vii)–(a)(i)]
- IE15 For Entity B's consolidated financial statements, Entity A is a related party of the Group if X is a member of key management personnel of the Group. [Paragraph 9(b)(vi)–(a)(iii)]

Example 4 – Person as investor

- IE16 A person, X, has an investment in Entity A and Entity B.

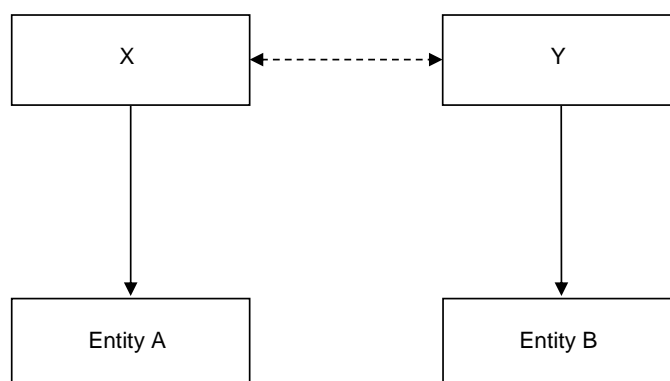


- IE17 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when X has control, joint control or significant influence over Entity B. [Paragraph 9(b)(vi)–(a)(i) and 9(b)(vii)–(a)(i)]

- IE18 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when X has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]
- IE19 If X has significant influence over both Entity A and Entity B, Entities A and B are not related to each other.

Example 5 – Close members of the family holding investments

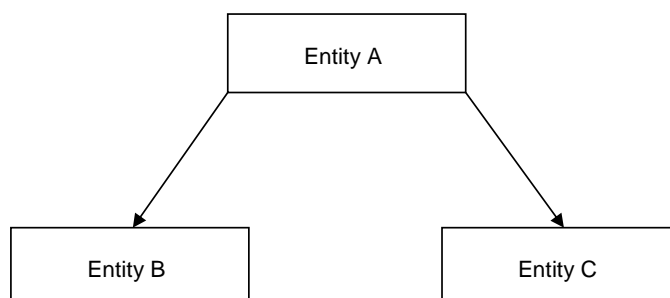
- IE20 A person, X, is the domestic partner of Y. X has an investment in Entity A and Y has an investment in Entity B.



- IE21 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vii)–(a)(i)*]
- IE22 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]
- IE23 If X has significant influence over Entity A and Y has significant influence over Entity B, Entities A and B are not related to each other.

Example 6 – Entity with joint control

- IE24 Entity A has both (i) joint control over Entity B and (ii) joint control or significant influence over Entity C.



- IE25 For Entity B's financial statements, Entity C is related to Entity B. [*Paragraph 9(b)(iii) and (iv)*]
- IE26 Similarly, for Entity C's financial statements, Entity B is related to Entity C. [*Paragraph 9(b)(iii) and (iv)*]

Compilation details**Accounting Standard AASB 124 Related Party Disclosures (as amended)**

Compilation details are not part of AASB 124.

This compiled Standard applies to annual periods beginning on or after 1 July 2021. It takes into account amendments up to and including 6 March 2020 and was prepared on 8 June 2021 by the staff of the Australian Accounting Standards Board (AASB).

This compilation is not a separate Accounting Standard made by the AASB. Instead, it is a representation of AASB 124 (July 2015) as amended by other Accounting Standards, which are listed in the table below.

Table of Standards

Standard	Date made	FRL identifier	Commence- ment date	Effective date (annual periods ... on or after ...)	Application, saving or transitional provisions
AASB 124	24 Jul 2015	F2015L01621	30 Jun 2016	(beginning) 1 Jul 2016	see (a) below
AASB 2019-1	21 May 2019	F2019L00966	31 Dec 2019	(beginning) 1 Jan 2020	see (b) below
AASB 1060	6 Mar 2020	F2020L00288	30 Jun 2021	(beginning) 1 Jul 2021	see (c) below

- (a) Entities may elect to apply this Standard to annual periods beginning on or after 1 January 2014 but before 1 July 2016.
- (b) Entities may elect to apply this Standard to annual periods beginning before 1 January 2020.
- (c) Entities may elect to apply this Standard to annual periods beginning before 1 July 2021.

Table of amendments

Paragraph affected	How affected	By ... [paragraph/page]
AusCF1	added	AASB 2019-1 [page 20]
Aus29.1	repealed	Legislation Act 2003, s. 48D
Appendix B	replaced	AASB 1060 [page 63]

Deleted IAS 24 text

Deleted IAS 24 text is not part of AASB 124.

- 28 An entity shall apply this Standard retrospectively for annual periods beginning on or after 1 January 2011. Earlier application is permitted, either of the whole Standard or of the partial exemption in paragraphs 25–27 for government-related entities. If an entity applies either the whole Standard or that partial exemption for a period beginning before 1 January 2011, it shall disclose that fact.
- 28A IFRS 10, IFRS 11 *Joint Arrangements* and IFRS 12, issued in May 2011, amended paragraphs 3, 9, 11(b), 15, 19(b) and (e) and 25. An entity shall apply those amendments when it applies IFRS 10, IFRS 11 and IFRS 12.
- 28B *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27), issued in October 2012, amended paragraphs 4 and 9. An entity shall apply those amendments for annual periods beginning on or after 1 January 2014. Earlier application of *Investment Entities* is permitted. If an entity applies those amendments earlier it shall also apply all amendments included in *Investment Entities* at the same time.
- 29 This Standard supersedes IAS 24 *Related Party Disclosures* (as revised in 2003).

Basis for Conclusions on AASB 2015-6

This Basis for Conclusions accompanies, but is not part of, AASB 124. The Basis for Conclusions was originally published with AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.

Background

- BC1 This Basis for Conclusions summarises the Australian Accounting Standards Board's considerations in deciding to extend the scope of AASB 124 *Related Party Disclosures* (December 2009) to the not-for-profit public sector. Individual Board members gave greater weight to some factors than to others.
- BC2 The first version of AASB 124, AASB 124 *Related Party Disclosures* (July 2004), applied explicitly to general purpose financial statements of companies and other for-profit entities. The December 2005 and subsequent versions of AASB 124 specifically exempt not-for-profit public sector entities from applying AASB 124. This exemption was provided on the grounds of practicability, including the number of intra-government transactions.
- BC3 The Board received representations from constituents that the disclosure of relevant related party information is a critical element of accountability in the public sector. A key example is information relating to key management personnel of public sector entities, the disclosure of which is not required under current Australian Accounting Standards.
- BC4 Following requests from its constituents to review IAS 24 *Related Party Disclosures*, the International Accounting Standards Board (IASB) made amendments to simplify the definition of 'related party' and, to ease concerns about practicability, provide a partial exemption from the disclosure requirements for entities that are related by virtue of being controlled, jointly controlled or significantly influenced by the same government. The Board incorporated the revised IAS 24 into AASB 124 (December 2009). The Board noted that this version of AASB 124 provides a more appropriate basis for application by not for profit public sector entities than the previous versions, as transactions between government-related entities of the same jurisdiction are exempted partially from disclosure.
- BC5 Therefore, in furtherance of its policy of promulgating transaction-neutral Standards to the extent feasible, the Board initiated a project to consider issues relating to extending the scope of AASB 124 (December 2009) to not-for-profit public sector entities. The Board issued Exposure Draft ED 214 *Extending Related Party Disclosures to the Not-for-Profit Public Sector* in July 2011. ED 214 exposed for public comment the Board's proposal to extend the scope of AASB 124 to include not-for-profit public sector entities. The ED explained the Board's reasons for its proposals, including its considerations as to the applicability of AASB 124 to a not-for-profit public sector context. In addition, public roundtables were conducted with public sector constituents to identify concerns and implementation issues arising from the Board's proposals.
- BC6 In finalising its proposals that not-for-profit public sector entities be required to apply AASB 124 unamended, the Board addressed a range of issues, including consideration of:
- (a) amending the definition of 'key management personnel' for such entities;
 - (b) amending the requirements to provide such entities with some relief from disclosure of ministerial compensation;
 - (c) exempting such entities from disclosing certain related party transactions with Ministers;
 - (d) not requiring general government sector (GGS) financial statements to comply with AASB 124;
 - (e) adding a public sector perspective to AASB 124, for example by inserting an alternative definition for the term 'business' in paragraph 5 of AASB 124; and
 - (f) extending the disclosure requirements in AASB 124 for key management personnel.
- Each of these issues and the outcome of the Board's considerations are noted below.
- BC7 In finalising its proposals, the Board also considered constituent feedback for implementation guidance to be developed to assist not-for-profit public sector entities in applying AASB 124. The Board noted that while some information about Ministerial or senior executive compensation or related party transactions may be disclosed pursuant to other legislation or directives, the requirement to apply AASB 124 will be the first time that information about a not-for-profit public sector entity's related parties is specified by Australian Accounting Standards for inclusion in its general purpose financial statements. Consequently,

such entities may not have previously considered challenges in implementing the Standard's requirements in a not-for-profit public sector environment. The Board considered that these entities may also have difficulty in identifying and determining the extent of the information necessary to meet the objective of AASB 124, as described in paragraph 1 of the Standard. Accordingly, the Board determined that the final amendments would include implementation guidance to assist not-for-profit public sector entities with their implementation of the Standard.

Significant issues

Definition of key management personnel

- BC8 The Board considered whether an amendment of the definition of key management personnel for the not-for-profit public sector would be necessary to facilitate a decision to remove the not-for-profit public sector exemption from AASB 124, but decided that the present definition was suitable. The AASB noted that, in a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity.
- BC9 The Board considered that normally, the determination of key management personnel will be similar for entities in the public sector or the private sector. For example, a not-for-profit public sector entity will need to determine whether all, or only certain, of its senior executive service employees meet the definition of key management personnel. However, the Board acknowledged constituents' concerns that the determination of key management personnel may not be straightforward in the not-for-profit public sector given ministerial-type roles. The Board noted that it does not regard a Minister to always be a member of the key management personnel of a not-for-profit public sector entity; rather, this is dependent on the particular circumstances of the jurisdiction and of the entity. Accordingly, the Board decided to add guidance to the Standard, in the absence of a private sector analogy, to assist not-for-profit public sector entities in applying the definition of key management personnel to Ministers, as ministerial-type roles do not usually arise in a private sector context.
- BC10 The Board also noted that an entity may determine that a relevant Minister may not meet the definition of key management personnel of an entity. However, the Board observed that this did not preclude that Minister from being otherwise identified as a related party of the entity, for example, where the Minister is a member of the key management personnel of the entity's parent.

Key management personnel compensation – Ministers

- BC11 Respondents to ED 214 raised concerns that the requirements of AASB 124 pertaining to the disclosure of key management personnel compensation would be onerous if applicable to Ministers, noting also that any attribution of a Ministerial salary across entities coming under the responsibility of that Minister's portfolio would involve significant judgement.
- BC12 The Board considered whether some relief was necessary with respect to the compensation of a Minister who is a member of the key management personnel of an entity. The Board observed that Ministers are typically remunerated through Parliament via a central agency, and that a Minister's compensation, while related to their responsibilities, may not be related to services performed for any specific entity or group of entities.
- BC13 The Board noted the addition of paragraphs 17A and 18A into AASB 124 since the comment period on ED 214 closed. These paragraphs were inserted into AASB 124 by AASB 2014-1 *Amendments to Australian Accounting Standards* (June 2014) to address the disclosures that apply where members of the key management personnel are not employees of the reporting entity (see paragraphs BC51 and BC52 of IAS 24). The Board considered that these paragraphs will be of relevance to a not-for-profit public sector entity when considering the disclosure of the compensation of a Minister who has been identified as part of the key management personnel of the entity, and may alleviate the respondents' concerns noted in paragraph BC11. Accordingly, the Board decided that no amendment to AASB 124 to address the disclosure of ministerial compensation was necessary at this time. However, the Board decided to add implementation guidance to clarify the manner it considers paragraph 17A operates in relation to a Minister's compensation.

Related party transactions

- BC14 The definition of 'related party' in AASB 124 separately addresses persons and entities related to the entity preparing general purpose financial statements. The partial exemption in AASB 124 from the disclosure

requirements for government-related entities applies only in relation to those entities specified in paragraphs 25(a) and 25(b) of that Standard, and not also to persons who are related parties covered by paragraph 17 (key management personnel compensation) or paragraph 18 (transactions during the periods covered by the financial statements) of AASB 124.

- BC15 Having regard to the partial exemption for government-related entities in AASB 124, the Board considered whether providing an exemption for the disclosure of related party transactions with Ministers or local government councillors was justified by any circumstances unique to the public sector and that may not have been considered by the IASB, whose mandate is limited to for-profit entities. The Board's consideration included the role of Ministers in a government and how onerous the disclosures required under AASB 124 might be. As part of its consideration, the Board had regard to the New Zealand Accounting Standards Board's decisions relating to disclosures of related party transactions with Ministers.
- BC16 The Board observed that Ministers who are members of the key management personnel of their government would also be related parties not only of the government but also of each controlled entity of the government. Accordingly, a subsidiary government entity will be required to disclose related party transactions with Ministers who may have no responsibility for the entity to the extent the disclosures are considered material, from the entity's perspective, for disclosure. For example, the Board noted that in Example 1 of the Illustrative Examples accompanying AASB 124, Entities 1-, 2, A, B, C and D will be required to disclose in their financial statements related party transactions between a Minister who is a member of the key management personnel of Government G and the entity, even where the Minister's portfolio does not include the entity.
- BC17 The Board noted that, as is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of transactions. The Board considered situations in which key management personnel of a not-for-profit public sector entity, including Ministers or local government councillors where so identified, paid taxes, levies or other statutory charges or fees faced generally by citizens, or used public services such as state hospitals or schools. The Board does not expect, absent unusual circumstances, that the application of materiality would result in disclosure in many of these situations. In contrast, a commercial contract entered into by a Minister or local government councillor with a related public sector entity may be relevant for disclosure, similar to a commercial contract between a member of the key management personnel of a for-profit entity and the for-profit entity (for example, a contract to provide accountancy services between the entity and an entity controlled by a member of its key management personnel). Accordingly, the Board observed that a not-for-profit public sector entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure. The Board noted that it would expect appropriate criteria to be identified so that information about transactions that are possibly material (for example, transactions that have occurred at a different price or volume to that applying to the general public) is captured for assessment.
- BC18 Having regard to the role of materiality, the Board decided that no specific exemption from disclosure of the related party transactions with key management personnel of a not-for-profit public sector entity, including any Ministers or local government councillors where so identified, was necessary. However, to respond to constituents' requests for clarification on the extent of disclosures required of related party transactions that occur in the not-for-profit public sector, the Board decided to add implementation guidance to AASB 124 to assist not-for-profit public sector entities in this regard.

Transactions with Ministers acting in their collective government capacity

- BC19 The Board considered whether transactions with Ministers who are related parties and who are acting in their collective government capacity would be assessed as being with the government and eligible for the partial exemption from disclosure in paragraphs 25 and 26 of AASB 124. The Board decided that such transactions were in substance transactions between the entity and the government-related entity, rather than being transactions with the Ministers in their own right, and that no clarification to the Standard was necessary in this regard (however, see also paragraphs BC20–BC22 below).

Government-related entities

- BC20 The Board noted that not-for-profit public sector entities were previously excluded from applying the Standard on grounds of practicability, including having regard to the number of intra-government transactions. In extending the Standard to apply to not-for-profit public sector entities, the Board

considered the extent of transactions for which disclosure may be necessary to comply with paragraph 26 of the Standard.

- BC21 In its considerations, the Board had regard to the IASB's reasons for including the partial exemption, being to resolve concerns raised when the Standard was applied in environments where government control is pervasive. The Board noted that the IASB had indicated that it did not intend to require the entity to identify every government-related entity or to quantify in detail every transaction with such entities, as such a requirement would negate the exemption (see paragraph BC43 of IAS 24).
- BC22 The Board noted that it shared the IASB's view communicated in paragraph BC45 of IAS 24. Paragraph BC45 of IAS 24 states:
- BC45 The Board noted that this requirement should not be too onerous for the reporting entity because:
- (a) individually significant transactions should be a small subset, by number, of total related party transactions;
 - (b) the reporting entity should know what those transactions are; and
 - (c) reporting such items on an exceptional basis takes into account cost-benefit considerations.

Nevertheless, the Board decided to add implementation guidance to the Standard to respond to constituent concerns about the extent of disclosure required by paragraph 26.

Other issues

Applicability to the general government sector

- BC23 Respondents to the Exposure Draft sought clarification as to whether related party disclosures would be required in general purpose financial statements of entities in the general government sector (GGS). The Board noted the requirements in AASB 1049 *Whole of Government and General Government Sector Financial Reporting* for GGS and whole of government financial statements to be made available at the same time and, if presented separately, to be cross-referenced to each other. The Board also noted that there may be considerable overlap between the related party disclosures for the GGS and whole of government financial statements, and that exempting GGS entities from the scope of the Standard may reduce complexity and duplication of disclosures.
- BC24 The Board noted that the issue of related party disclosures by subsidiary entities is also relevant to for-profit entities, and considered that related party disclosures for the GGS entity need not be the same as the disclosures for the whole-of-government or other public sector entities. Accordingly, the Board decided that GGS financial statements should not be exempt from complying with the Standard.

Public sector perspective

- BC25 The Board considered whether amendment was necessary to AASB 124, for example, to paragraphs 5 and 27, to add a public sector perspective to the Standard. The Board decided that amendment was not necessary in this regard and that the addition of limited implementation guidance in respect of not-for-profit public sector entities would provide a sufficient public sector perspective to the Standard.
- BC26 For example, the Board considered whether an alternative definition (to that in Appendix A of AASB 3 *Business Combinations*) for the term 'business' in paragraph 5 of AASB 124 was necessary. The Board decided that an alternative definition is not required, which is consistent with its decision when it reissued AASB 3 in March 2008. In the Board's view, the term 'business' can be read broadly. In particular, the phrase "lower costs or other economic benefits directly to investors or other owners, members or participants" in the definition of 'business' in AASB 3 is broad and can be applied by not-for-profit public sector entities.

Extending the disclosures of key management personnel of public sector entities

- BC27 In finalising the amendments, the Board considered requests from some public sector constituents for additional disclosures (such as salary banding disclosures) for key management personnel in the public sector. Some constituents also queried whether additional disclosures similar to those required by section 300A of the *Corporations Act 2001* of key management personnel of listed companies should be required in respect of key management personnel of government business enterprises, based on the view

that for-profit government business enterprises should be regarded as at least as publicly accountable as such entities.

- BC28 The Board follows a policy of transaction neutrality in the requirements in Standards. Therefore, the Board decided not to require any compensation or other related party disclosures for key management personnel of public sector entities in addition to those specified of key management personnel of private sector entities, including in instances where a not for profit public sector entity has availed itself of the relief in paragraph 17A of AASB 124. The Board was not convinced that there was a not for profit sector specific reason to impose disclosures that exceed the requirements for for-profit entities.

Reduced disclosure requirements

- BC29 The Board considered whether amendment was required to the reduced disclosure requirements specified in paragraph Aus1.11 for application by not-for-profit public sector entities, and decided that no amendment was necessary in this regard. Accordingly, the reduced disclosure requirements set out in AASB 124 that apply to Tier 2 not-for-profit public sector entities are the same as those applying to other Tier 2 entities.

Application date and transitional provisions

- BC30 The Board considered the application date and transitional provisions of the amendments to extend the scope of AASB 124 to include not for profit public sector entities. The Board acknowledged constituent concerns about the ability of existing systems, processes and controls to capture the information required, and requests for a lengthy transition period prior to mandatory application of the amendments.
- BC31 The Board was disinclined to unnecessarily further extend the period to which these amendments are on issue before mandatory application, having made its key decisions on the amendments in 2012, and as the finalised amendments are largely as were exposed. Further, the Board noted that Australian Implementation Guidance to AASB 10 *Consolidated Financial Statements* relating to the application of control by not-for-profit entities had been issued by the Board in October 2013. The Board also noted that the forthcoming issue of an amending standard extending the scope of AASB 124 to not-for-profit public sector entities has been signalled in its publicly available work program. Accordingly, the Board decided that the amendments should apply to annual reporting periods beginning on or after 1 July 2016.
- BC32 However, having regard to constituent concerns, the Board decided not to require comparative related party disclosures to be presented in the period of initial application of the amendments.

12.4 STORE AND MATERIAL STOCKTAKE - 3 NOVEMBER 2021

Attachments:	Nil
Responsible Officer:	David Walsh - Manager - Corporate Services & Chief Financial Officer
Author:	Kate Collins - Finance Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Appropriate matters are reported to Council in a timely manner in accordance with the Financial Control and Reporting Policy.</i>

PURPOSE

The Stocktake of Store and Materials was conducted on 3 November 2021. The results of the stocktake are reported below

OFFICER'S RECOMMENDATION

Council notes the report on the stocktake carried on 3 November 2021 and that an amount of \$1,008.62 be added to the inventory register.

Moved: _____ Seconded: _____

BACKGROUND

Twice a year Council staff undertake a stocktake of materials.

CONSULTATION

Storekeeper

CONSULTATION WITH COUNCILLOR SPOKESPERSON

Not applicable.

REPORT

An inventory of Store and Materials has been undertaken and compared with the recorded level of Store and Materials on hand. This comparison has revealed the need to make one adjustment to the level of stores on hand.

With the very short list of adjustments required as shown below:

1. It was required to add \$1,008.62 to the Works Depot Department.

MSC LIVE 7.0		STOCKTAKE DISCREPANCY REPORT			Report Date: 03/11/2021		Page: 1
r_ic012 03/11/2021 14:21:48							

Location		1 General Fund					
Bin	Stock	Quantity Transaction		Count	-----Discrepancy-----		
Number	Item Description	Ord Unit	On Hand	Quantity	Quantity	Quantity	Value
	7213 Sunscreen	EACH	129.00	.00	188.00	59.00	1008.62
						Total:	1008.62

A summary of the changes appears in the table below:

VALUE OF STOCK RECORDED BEFORE STOCKTAKE	VALUE OF STOCK RECORDED AFTER STOCKTAKE	VARIANCE
\$305,277.45	\$306,286.07	\$1,008.62

OPTIONS

Not applicable.

CONCLUSION

An inventory of Store and Materials was undertaken which revealed the need to adjust the level of stores on hand and add an amount of \$1,008.62.

SOCIAL IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

The total provision in the General Fund Stores to be added to the inventory register is \$1,008.62.

The previous stocktake report that was submitted to the Council Ordinary Meeting on 29 June 2021 which showed an amount of \$53.91 to be added to the inventory register.

POLICY IMPLICATIONS

Not applicable.

STATUTORY IMPLICATIONS

Not applicable.

LEGAL IMPLICATIONS

Not applicable.

OPERATIONAL PLAN IMPLICATIONS

Not applicable.

RISK MANAGEMENT IMPLICATIONS

Not applicable.

12.5 AUTHORISATION UNDER SECTION 226 OF THE LOCAL GOVERNMENT ACT

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Michelle Sandell-Hay - PA to the General Manager
Community Plan Issue:	<i>Progressive leadership</i>
Community Plan Goal:	<i>That Muswellbrook Shire is well led and managed</i>
Community Plan Strategy:	<i>Effective governance of Muswellbrook Shire</i>

PURPOSE

To advise of the Mayor's exercise of his delegation under section 226(d) of the *Local Government Act 1993* (NSW).

OFFICER'S RECOMMENDATION

Council note the information provided.

Moved: _____ Seconded: _____

BACKGROUND

Section 226(d) of the *Local Government Act 1993* provides for the Mayor to exercise, in cases of necessity, the policy-making functions of the governing body of the council between meetings of the council. The Mayor has exercised his delegation on one occasions.

CONSULTATION

General Manager.

REPORT

A delegation was exercised on 20 January, 2022 to authorise the changing of the time for Ordinary Council Meetings from 4.00pm on the first Tuesday of each month to 6.00pm on the first Tuesday of each month.

CONCLUSION

It is recommended that Council notes the information provided in the report.

12.6 REPORT ON COUNCIL GRANT FUNDING AND COMMUNITY ENGAGEMENT - MARCH 2022

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Ivan Skaines - Grants and Community Engagement Advisor
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Appropriate matters are reported to Council in a timely manner in accordance with the Financial Control and Reporting Policy.</i>

PURPOSE

To advise Council of recent grant applications submitted, grant funding recently announced or to be announced shortly, and of upcoming grant opportunities. In addition, to provide updates on Council's other grants and community engagement activities.

OFFICER'S RECOMMENDATION

Council notes the information contained in the report.

Moved: _____ Seconded: _____

BACKGROUND

For some time Muswellbrook Shire Council has been successful in obtaining grants which have been decided via competitive applications and, in addition, Council has continued to receive grant allocations from both State and Federal government sources for which we are required to nominate proposed projects for funding.

Council also runs a number of grant programs and has also established a grant finding portal via Council's website.

CONSULTATION

Grant applications are aligned to projects identified by Council's Delivery Program and prepared in consultation with Council's senior managers and key staff in relevant sections.

CONSULTATION WITH COUNCILLOR SPOKESPERSON

Councillors are regularly updated about grant applications.

REPORT**Upcoming grant and funding opportunities**

- **Places to Play** offers \$16.7 million to provide more public open spaces for adventure and play to support the health and wellbeing of the community. Places to Play will support the broadening of the Everyone Can Play program and will focus on the creation of inclusive water, nature and adventure play for people of all ages and abilities in New South Wales. Applications for the Round 1 grant program for Places to Play are now open and will close on 4 March 2022. The proposed project is an adventure playground at Wollombi Park.
- Round 2 (detailed application including Business Case) of the Medium to Large Projects are now open through the **Create NSW Creative Capital program** and need to be submitted before Monday, 28 March 2022. The focus of the fund is new infrastructure or to upgrade existing cultural infrastructure to make existing spaces fit for purpose. The proposed project for this grant

opportunity is the extensions to the Muswellbrook Regional Arts Centre. The total project cost is \$920,460, Council is applying for a grant of \$670,460 and Council's contribution is \$250,000.

- The next round of **NSW Government's Clubgrants Category 3 Fund – Infrastructure** is coming up in April and **the closing date is likely to be 22 April 2022**. Applicants are required to contribute matching funds and the likely categories and funding amounts available are listed below:
 - Arts and Culture: \$50,000 to \$200,000 available per project;
 - Community Infrastructure: \$10,000 to \$200,000 available per project;
 - Disaster Readiness: \$10,000 to \$200,000 available per project;
 - Sport and Recreation: \$50,000 to \$300,000 available per project.
- The **Commonwealth Bridges Renewal Program (BRP)** and the **Heavy Vehicle Safety and Productivity Program (HVSPP)** are Australian Government initiatives funding infrastructure projects that improve the productivity and safety outcomes of heavy vehicle operations across Australia. **The fund is currently open and on-going.** A likely project for the Heavy Vehicle Safety and Productivity Program component is the re-development of Thomas Mitchell Drive starting from the Denman Road intersection.
- Up to \$20,000 is available for **Planting Trees for The Queen's Jubilee Program**. The objective of the program is to mark the significant occasion of Her Majesty's Jubilee through community tree planting events across Australia. The program also intends to increase community awareness and celebration of Her Majesty's Jubilee, create a legacy of tree plantings across the nation and increase and/or enhance the area of tree canopy. Expressions of interest close on **Thursday 10 March 2022**.
- Indications are that the NSW Government will be doubling funding for walking and bike paths across the State. Active Transport Minister Rob Stokes recently announced the funding boost and said while about \$950 million was earmarked for active transport projects over the next five years, it was nowhere near enough.

Grant funding recently announced

- Council has been successful in obtaining funding for two projects under the Black Summer Bushfire Recovery (BSBR) Grants Program - **the replacement of Oakleigh Bridge on Widden Valley Road (\$546,980) and the installation of five LED fire danger warning signs at key gateways across the Shire (\$152,304).**
- Council has been awarded \$1 million under the Regional Sports Facility Fund for funding for **field improvements at Olympic Park.**
- Council is also through to the next round (a Build Quote) of the nbnco Regional Co-investment Fund, which is designed to help fund local broadband infrastructure projects to deliver higher speed broadband services to households, businesses and communities. Council has received a build estimate for a residential area **in the vicinity of Council's Muswellbrook Water Treatment Plant and two industrial areas, one facing Denman Road and one facing Thomas Mitchell Drive**, and nbnco is positive about the feasibility of the project and the opportunity for Council to seek grant funding for the project.

Grant funding to be announced shortly:

- The **Denman Children's Centre Expression of Interest** under the NSW Start Strong Capital Works Grants Program with a request for funding of \$546,194. If Denman Children's Centre is successful with the EOI they will be invited to submit a more detailed application;
- Round 2 of the Fixing Country Bridges Program, a \$500 million NSW Government program which enables Councils to replace hundreds of timber bridges in poor condition and better connect regional and rural communities. Council applied for funding for the **replacement of Oakleigh Bridge on Widden Valley Road and the culvert over Rainbow Creek on Sandy Creek Road**. Since we were successful in obtaining funding for the former project under the Black Summer Bushfire Recovery Grants Program we have withdrawn our application for Oakleigh Bridge from this grant program;

- **A new bus shelter on the southern side of the Golden Highway at Sandy Hollow** under the 2021-23 Country Passenger Transport Infrastructure Grants Scheme. If Council is successful with this application, Council will be required to determine whether to allocate the cost difference between the \$11,500 Council will receive for the shelter and associated works, as opposed to the cost of funding a new shelter;
- An application for \$128,211 focussing on **improvements to Muscle Creek within Muswellbrook Golf Club** under the NSW Environmental Trust's Restoration and Rehabilitation Grants Program. Council is making a cash contribution of \$46,806 over three years from existing allocations to the project (mainly weed treatments and the cost of holding events) and also an in-kind contribution (staff time) valued at \$84,420;
- An application for funding of \$47,640 for the **Muswellbrook Sustainable Futures Network** under the NSW Environment Trust's Environmental Education Tier 1 Program 2021 with a total project cost of \$156,860. The program supports projects that develop, broaden and transform the community's knowledge, skills, and intrinsic motivation to undertake sustainable behaviour and encourage participation in protecting the environment;
- An application for funding of \$38,005 for the **Muscle Creek Habitat Enhancement Project** under the NSW Environment Trust's Fish Habitat Action Grant with a total project cost of \$76,305;
- Improvements to the value of approximately \$300,000 for **asset renewal at Victoria Park**, (floors to be surfaced and tiles replaced, cubicles and changerooms, guttering on facility replaced, accessible toilet and access, referee room and storage) with funding of approximately \$150,000 from the NSW Government's Clubgrants Category 3 Fund – Infrastructure. Council is required to contribute matching funds for this project, with Council's contribution coming from the General Recreation Programme and/or the Large Capital Grant Programme;
- Council's Registration of Interest under the Snowy Hydro Legacy Fund Freight Linkages program for the concept of the **Gateway Service Centre on the New England Highway south of Muswellbrook**;
- An application for the development of **Muswellbrook Shire Organics Recycling Facility (ORF)** with a request for \$600,000 under the Organics Infrastructure (Large and Small) - Stream 1 Organics Processing Infrastructure. The total estimated cost of the project is \$3 million.

Muswellbrook Shire Council Grants Portal

The report for data from July 2021 to January 2022 for Council's grant finding portal at <https://muswellbrook.grantguru.com.au/> is listed in the table below:

Indicator	Jan	Dec	Nov	Oct	Sept	Aug	July
Total unique portal visitors ¹	36	59	59	37	30	84	85
Number of page views ²	162	177	206	136	196	296	219
Total cumulative registrations to the portal (via the sign-up form) ³	39	38	35	32	30	28	25
Grant alerts sent per month to registered users	229	261	338	259	241	180	139

¹ A visitor is someone who has viewed your portal, but may or may not be registered - the same person is not double counted.

² Page views are the total number of a visitor's 'clicks' within your portal, and includes viewing grant information. Repeated views of a single page are counted.

³ Registrations are people that have registered to your portal via the signup form and are still active.

Community interaction with the grant finding portal is generally positive. The number of registered users continues to increase, although slowly.

Muswellbrook Shire Community Grants – Round 1, 2022

Council receives numerous requests for financial assistance from community organisations or groups throughout the year. Council has approved the establishment of a Community Grants Programme and the establishment of a robust and equitable process to determine funding outcomes.

Round 1 - 2022 of the Muswellbrook Shire Community Grants program will open shortly, supported by a communications.

OPTIONS

Council notes upcoming grant and funding opportunities, grant funding recently announced, grant funding to be announced shortly, data on Council's Grant Portal and the upcoming round of Council's community grants program.

CONCLUSION

The funding received under these grant programs will offset expenditure that would otherwise be needed to be made by Council.

SOCIAL IMPLICATIONS

These projects address priority issues in the community and are well-supported.

FINANCIAL IMPLICATIONS

There are co-contributions required as specified in the descriptions above.

POLICY IMPLICATIONS

Council has also approved the incorporation of the Rural Halls Funding into the development of a Community Grants Program and adopted the Financial Assistance and Sponsorship Policy (MSC05E).

STATUTORY IMPLICATIONS

Council's grant applications align with the goals in the Muswellbrook Shire Community Strategic Plan and with a range of Federal and State strategy documents.

LEGAL IMPLICATIONS

Where grant applications are successful Muswellbrook Shire Council will be required to enter into a grant agreement with the funding body.

OPERATIONAL PLAN IMPLICATIONS

The projects funded by these grants are in line with Council's Operational Plan.

RISK MANAGEMENT IMPLICATIONS

Council is required to identify risks and associated risk management strategies for each project in preparing the grant application.

12.7 REPORT ON INVESTMENTS HELD AS AT 31 JANUARY 2022

Attachments:	A. Portfolio Valuation Report as at 31 Jan 2022 B. Trading Limit Performance Report - 31 Jan 2022 ↓
Responsible Officer:	Fiona Plesman - General Manager
Author:	David Walsh - Manager - Corporate Services & Chief Financial Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Work towards the achievement of a sustainable Operating Budget result in the General Fund.</i>

PURPOSE

To present the list of financial investments currently held by Council in accordance with the Regulation.

OFFICER'S RECOMMENDATION

The information showing Council's investments as at 31 January 2022 be noted.

Moved: _____ Seconded: _____

REPORT

Clause 212 (1) of the Local Government (General) Regulation 2005, requires details of funds invested, as at the end of the preceding month, to be reported to an ordinary meeting of Council. Due to Council meetings held earlier in the month, the month prior will be reported.

Funds invested under Section 625 of the Local Government Act, as at 31 January 2022 are shown in the attachments.

COMMENT:

As at 31 January 2022, Council's weighted running yield is 0.85% for the month. No reported trading exceedances are noted.

The Responsible Accounting Officer certifies that the investments listed have been made in accordance with the Act, the Regulations and Council's Investment Policy. This includes investments that have been made in accordance with Minister's Orders that have been subsequently amended. "Grandfathering" provisions still allow the holding of these investments. A detailed list of investments is attached.

Fixed Interest Security	ISIN	Face Value Original	Bond Factor	Face Value Current	Capital Price	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
At Call Deposit										
Westpac Bus Prem At Call		9,989,491.24	1.00000000	9,989,491.24	100.000	0.000	9,989,491.24	15.74%	0.34%	
Westpac Muswellbrook Trading Acct At Call		100,000.00	1.00000000	100,000.00	100.000	0.000	100,000.00	0.16%	0.34%	
		10,089,491.24		10,089,491.24			10,089,491.24	15.90%		0.34%
Fixed Rate Bond										
BENAU 1.7 06 Sep 2024 Fixed	AU3CB0266377	2,500,000.00	1.00000000	2,500,000.00	99.483	0.690	2,504,325.00	3.95%	1.68%	
NTTC 1.1 15 Dec 2025 - Issued 31 August 2021 - Muswellbrook Council Fixed		2,000,000.00	1.00000000	2,000,000.00	100.000	0.142	2,002,840.00	3.16%	1.10%	
NTTC 1.1 15 Dec 2025 - Issued 6 September 2021 - Muswellbrook Council Fixed		1,500,000.00	1.00000000	1,500,000.00	100.000	0.142	1,502,130.00	2.37%	1.10%	
SunBank 1.85 30 Jul 2024 Fixed	AU3CB0265403	2,000,000.00	1.00000000	2,000,000.00	100.142	0.005	2,002,940.00	3.16%	1.80%	
		8,000,000.00		8,000,000.00			8,012,235.00	12.62%		1.46%
Floating Rate Deposit										
ANZ 1.2 21 Jul 2022 2557DAY FRD		1,000,000.00	1.00000000	1,000,000.00	100.000	0.035	1,000,349.29	1.58%	1.27%	
		1,000,000.00		1,000,000.00			1,000,349.29	1.58%		1.27%
Floating Rate Note										
Auswide 0.75 07 Nov 2022 FRN	AU3FN0057345	1,000,000.00	1.00000000	1,000,000.00	100.299	0.183	1,004,820.00	1.58%	0.80%	
Auswide 1.05 17 Mar 2023 FRN	AU3FN0053567	2,000,000.00	1.00000000	2,000,000.00	100.726	0.138	2,017,280.00	3.18%	1.12%	
Auswide 0.6 22 Mar 2024 FRN	AU3FN0059317	1,500,000.00	1.00000000	1,500,000.00	100.142	0.074	1,503,240.00	2.37%	0.67%	
BOQ 1.05 03 Feb 2023 FRN	AU3FN0040549	500,000.00	1.00000000	500,000.00	100.732	0.268	505,000.00	0.80%	1.10%	
BOQ 1.03 18 Jul 2024 FRN	AU3FN0049094	1,000,000.00	1.00000000	1,000,000.00	101.206	0.039	1,012,450.00	1.60%	1.09%	
BOQ 1.1 30 Oct 2024 FRN	AU3FN0051272	500,000.00	1.00000000	500,000.00	101.416	0.000	507,080.00	0.80%	1.17%	
BENAU 1.05 25 Jan 2023 FRN	AU3FN0040523	500,000.00	1.00000000	500,000.00	100.743	0.018	503,805.00	0.79%	1.12%	
MACQ 0.48 09 Dec 2025 FRN	AU3FN0057709	3,000,000.00	1.00000000	3,000,000.00	99.415	0.079	2,984,820.00	4.70%	0.54%	
RACB 0.93 24 Feb 2023 FRN	AU3FN0053146	1,000,000.00	1.00000000	1,000,000.00	100.340	0.182	1,005,220.00	1.58%	0.98%	
MYS 0.65 16 Jun 2025 FRN	AU3FN0061024	3,000,000.00	1.00000000	3,000,000.00	99.875	0.090	2,998,950.00	4.73%	0.72%	
NAB 0.93 26 Sep 2023 FRN	AU3FN0044996	2,000,000.00	1.00000000	2,000,000.00	101.084	0.090	2,023,480.00	3.19%	1.00%	
NPBS 1.4 06 Feb 2023 FRN	AU3FN0040606	500,000.00	1.00000000	500,000.00	101.033	0.333	506,830.00	0.80%	1.42%	
NPBS 1.12 04 Feb 2025 FRN	AU3FN0052627	4,500,000.00	1.00000000	4,500,000.00	101.426	0.281	4,576,815.00	7.21%	1.17%	
Qld Police 1.15 06 Dec 2022 FRN	AU3FN0052072	2,000,000.00	1.00000000	2,000,000.00	100.610	0.185	2,015,900.00	3.18%	1.21%	
Qld Police 0.75 22 Mar 2024 FRN	AU3FN0059416	1,500,000.00	1.00000000	1,500,000.00	99.651	0.090	1,496,115.00	2.36%	0.82%	
UBS Aust 1.05 21 Nov 2022 FRN	AU3FN0054151	1,000,000.00	1.00000000	1,000,000.00	100.702	0.210	1,009,120.00	1.59%	1.10%	
UBS Aust 0.87 30 Jul 2025 FRN	AU3FN0055307	1,650,000.00	1.00000000	1,650,000.00	100.962	0.000	1,665,873.00	2.62%	0.93%	
		27,150,000.00		27,150,000.00			27,336,798.00	43.07%		0.96%
Term Deposit										
AMP 0.55 14 Feb 2022 276DAY TD		3,000,000.00	1.00000000	3,000,000.00	100.000	0.395	3,011,843.85	4.75%	0.55%	
AMP 1 30 Nov 2022 365DAY TD		1,000,000.00	1.00000000	1,000,000.00	100.000	0.170	1,001,698.63	1.58%	1.00%	
JUDO 0.95 10 Oct 2022 272DAY TD		5,000,000.00	1.00000000	5,000,000.00	100.000	0.052	5,002,602.75	7.88%	0.95%	

Fixed Interest Security	ISIN	Face Value Original	Bond Factor	Face Value Current	Capital Price	Accrued Interest Price	Market Value	% Total Value	Running Yield	Weighted Running Yield
ME Bank 0.5 18 Oct 2022 484DAY TD		3,000,000.00	1.00000000	3,000,000.00	100.000	0.307	3,009,205.47	4.74%	0.50%	
NAB 0.52 11 Jul 2022 181DAY TD		5,000,000.00	1.00000000	5,000,000.00	100.000	0.028	5,001,424.65	7.88%	0.52%	
		17,000,000.00		17,000,000.00			17,026,775.35	26.83%		0.68%
Fixed Interest Total		63,239,491.24		63,239,491.24			63,465,648.88	100.00%		0.85%

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Report Code: TBSBP100EXT-01.17
Report Description: Portfolio Valuation As At Date
Parameters:
Term Deposit Interest Included
Cash Excluded
Settlement Date-Based Balances

1 Issuer Trading Limits

Issuer	Issuer Rating Group (Long Term)	Issuer Parent	Already Traded (with Issuer Group) Face Value Notional	Limit For Book or Entity	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
AMP Bank Ltd	BBB+ to BBB-		4,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	63.00	37.00	2,323,949	0.00	0
ANZ Banking Group Ltd	AA+ to AA-		1,000,000.00	Book	30.00 % of 63,239,491.24	18,971,847.37	5.00	95.00	17,971,847	0.00	0
Auswide Bank Limited	BBB+ to BBB-		4,500,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	71.00	29.00	1,823,949	0.00	0
Bank of Melbourne	AA+ to AA-	Westpac Banking Corporation Ltd	10,089,491.24	Book	30.00 % of 63,239,491.24	18,971,847.37	53.00	47.00	8,882,356	0.00	0
Bank of Queensland Ltd	A+ to A-		5,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	79.00	21.00	1,323,949	0.00	0
BankSA	AA+ to AA-	Westpac Banking Corporation Ltd	10,089,491.24	Book	30.00 % of 63,239,491.24	18,971,847.37	53.00	47.00	8,882,356	0.00	0
BankVic	BBB+ to BBB-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
BankWest Ltd	AA+ to AA-	Commonwealth Bank of Australia Ltd	0.00	Book	30.00 % of 63,239,491.24	18,971,847.37	0.00	100.00	18,971,847	0.00	0
Bendigo & Adelaide Bank Ltd	A+ to A-		3,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	47.00	53.00	3,323,949	0.00	0
Commonwealth Bank of Australia Ltd	AA+ to AA-		0.00	Book	30.00 % of 63,239,491.24	18,971,847.37	0.00	100.00	18,971,847	0.00	0
Credit Suisse Sydney	A+ to A-		0.00	Book	20.00 % of 63,239,491.24	12,647,898.25	0.00	100.00	12,647,898	0.00	0
Credit Union Australia Ltd t/as Great Southern Bank	BBB+ to BBB-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
Greater Bank Ltd	BBB+ to BBB-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
Heritage Bank Ltd	BBB+ to BBB-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
ING Bank Australia Limited	A+ to A-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
Investec Bank Australia Limited	A+ to A-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
Judo Bank	BBB+ to BBB-		5,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	79.00	21.00	1,323,949	0.00	0
Macquarie Bank	A+ to A-		3,000,000.00	Book	20.00 % of 63,239,491.24	12,647,898.25	24.00	76.00	9,647,898	0.00	0
Members Banking Group Limited t/as RACQ Bank	BBB+ to BBB-		1,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	16.00	84.00	5,323,949	0.00	0
Members Equity Bank Ltd	A+ to A-	Bank of Queensland Ltd	5,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	79.00	21.00	1,323,949	0.00	0
MyState Bank Ltd	BBB+ to BBB-		3,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	47.00	53.00	3,323,949	0.00	0
National Australia Bank Ltd	AA+ to AA-		7,000,000.00	Book	30.00 % of 63,239,491.24	18,971,847.37	37.00	63.00	11,971,847	0.00	0
Newcastle Permanent Building Society Ltd	BBB+ to BBB-		5,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	79.00	21.00	1,323,949	0.00	0
Northern Territory Treasury Corporation	AA+ to AA-		3,500,000.00	Book	30.00 % of 63,239,491.24	18,971,847.37	18.00	82.00	15,471,847	0.00	0
P&N Bank Ltd	BBB+ to BBB-		0.00	Book	10.00 % of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
QPCU LTD t/a QBANK	BBB+ to BBB-		3,500,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	55.00	45.00	2,823,949	0.00	0
Rabobank Australia Ltd	A+ to A-		0.00	Book	20.00 % of 63,239,491.24	12,647,898.25	0.00	100.00	12,647,898	0.00	0
Rabobank Nederland Australia Branch	A+ to A-		0.00	Book	20.00 % of 63,239,491.24	12,647,898.25	0.00	100.00	12,647,898	0.00	0
Royal Bank of Scotland	BBB+ to BBB-		0.00	Book	5.00 % of 63,239,491.24	3,161,974.56	0.00	100.00	3,161,975	0.00	0
Rural Bank Ltd	A+ to A-	Bendigo & Adelaide Bank Ltd	3,000,000.00	Book	10.00 % of 63,239,491.24	6,323,949.12	47.00	53.00	3,323,949	0.00	0



Trading Limit Report 125
Muswellbrook Shire Council
As At 31 January 2022

1 Issuer Trading Limits

Issuer	Issuer Rating Group (Long Term)	Issuer Parent	Already Traded (with Issuer Group) Face Value Notional	Limit For Book or Entity	Trading Limit	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
St George Bank Limited	AA+ to AA-	Westpac Banking Corporation Ltd	10,089,491.24	Book	30.00	% of 63,239,491.24	18,971,847.37	53.00	47.00	8,882,356	0.00	0
Suncorp Bank	A+ to A-		2,000,000.00	Book	20.00	% of 63,239,491.24	12,647,898.25	16.00	84.00	10,647,898	0.00	0
UBS Australia Ltd	A+ to A-		2,650,000.00	Book	20.00	% of 63,239,491.24	12,647,898.25	21.00	79.00	9,997,898	0.00	0
Westpac Banking Corporation Ltd	AA+ to AA-		10,089,491.24	Book	30.00	% of 63,239,491.24	18,971,847.37	53.00	47.00	8,882,356	0.00	0
			101,507,964.96					363,627,074.63			262,119,104	0
		(Excluding Parent Group Duplicates)	63,239,491.24									

2 Security Rating Group Trading Limits

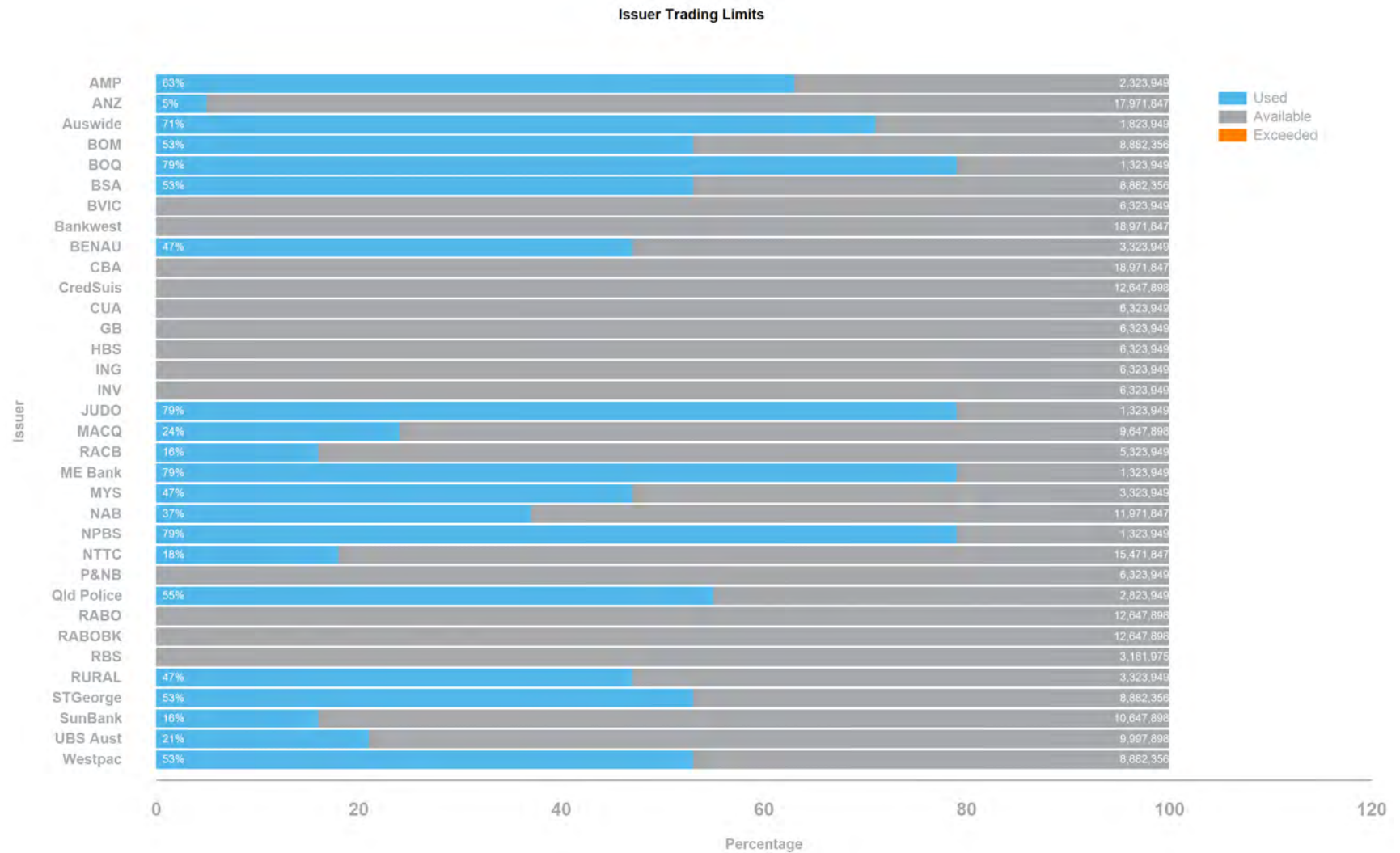
Security Rating Group	Already Traded Face Value Notional	Limit For Book or Trading Entity	Trading Limit	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
AAA	0.00	Book	100.00	% of 63,239,491.24	63,239,491.24	0.00	100.00	63,239,491	0.00	0
AA+ to AA-	5,500,000.00	Book	100.00	% of 63,239,491.24	63,239,491.24	9.00	91.00	57,739,491	0.00	0
A+ to A-	11,150,000.00	Book	70.00	% of 63,239,491.24	44,267,643.87	25.00	75.00	33,117,644	0.00	0
A1+	16,089,491.24	Book	100.00	% of 63,239,491.24	63,239,491.24	25.00	75.00	47,150,000	0.00	0
A1	1,000,000.00	Book	70.00	% of 63,239,491.24	44,267,643.87	2.00	98.00	43,267,644	0.00	0
A2	8,500,000.00	Book	60.00	% of 63,239,491.24	37,943,694.74	22.00	78.00	29,443,695	0.00	0
A3	7,000,000.00	Book	60.00	% of 63,239,491.24	37,943,694.74	18.00	82.00	30,943,695	0.00	0
BBB+ to BBB-	14,000,000.00	Book	60.00	% of 63,239,491.24	37,943,694.74	37.00	63.00	23,943,695	0.00	0
N/R	0.00	Book	10.00	% of 63,239,491.24	6,323,949.12	0.00	100.00	6,323,949	0.00	0
	63,239,491.24				398,408,794.81			335,169,304		0

Notes

1. In instances where long securities have a term remaining which is less than 365 days, the issuer's short term rating is used instead of the security's (presumably long term) rating.

3 Term Group Trading Limits

Term Group	Already Traded Face Value Notional	Limit For Book or Trading Entity	Trading Limit	Trading Limit Type	Trading Limit Value	Trading Limit Used (%)	Trading Limit Available (%)	Trading Limit Available (Value)	Trading Limit Exceeded (%)	Trading Limit Exceeded (\$)
0-1 Year	32,589,491.24	Book	100.00	% of 63,239,491.24	63,239,491.24	52.00	48.00	30,650,000	0.00	0
1-3 Year	15,000,000.00	Book	100.00	% of 63,239,491.24	63,239,491.24	24.00	76.00	48,239,491	0.00	0
3-5 Year	15,650,000.00	Book	100.00	% of 63,239,491.24	63,239,491.24	25.00	75.00	47,589,491	0.00	0
5+ Year	0.00	Book	100.00	% of 63,239,491.24	63,239,491.24	0.00	100.00	63,239,491	0.00	0
	63,239,491.24				252,957,964.96			189,718,473		0







Trading Limit Report 125 Muswellbrook Shire Council As At 31 January 2022

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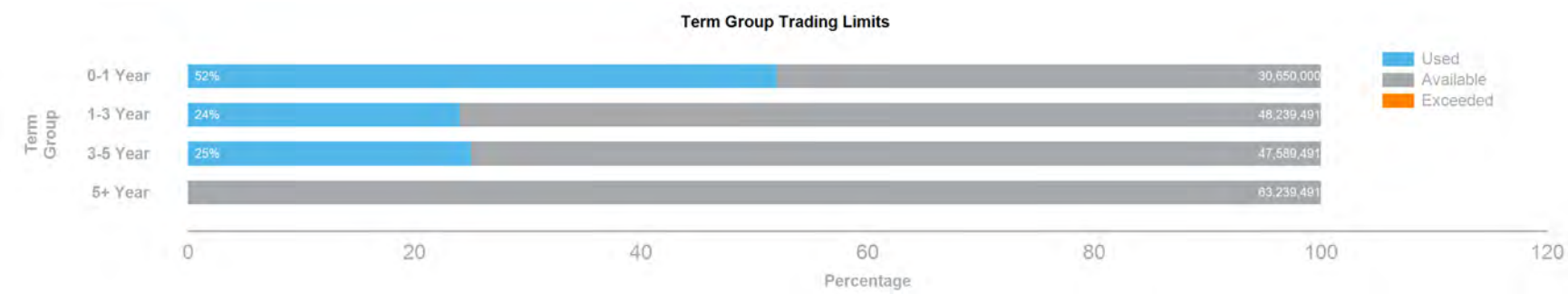
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Report Code: TBSBP125EXT-0016
Report Description: Trading Limit Performance As At Date
Parameters:
As At Scenario Date: 31 January 2022
Balance Date: 10 February 2022 (but 31 Jan 2022 used instead)
Trading Entity: Muswellbrook Shire Council
Trading Product: Muswellbrook Shire Council
Reporting Mode: BalOnly
Using Face Value
Trading Entity and Book Limits
Effects of Parent/Child Issuers Not Ignored



12.8 JANUARY 2022 MONTHLY FINANCIAL REPORTS

Attachments:	A. Monthly Operating Report B. Projects Report ↓ C. Reserves Report ↓ D. Loan Schedule ↓
Responsible Officer:	Fiona Plesman - General Manager
Author:	David Walsh - Manager - Corporate Services & Chief Financial Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Work toward the achievement of the targets established in the Fit for the Future ratios.</i>

PURPOSE

To provide Council with an overview of the monthly financial performance of Council's General, Water, Sewer and Future Funds and to identify and explain any major variances against Council's approved budget at an organisational level for the month ending 31 January 2022.

OFFICER'S RECOMMENDATION

The Financial Reports for the month ending 31 January 2022 be noted.

Moved: _____ **Seconded:** _____

REPORT

Please refer to the attachments for the January 2022 details of:

- Monthly & YTD operating performance by Fund
- Project Spend
- Details of Current Loans
- Reserve Balance Projection

Muswellbrook Shire Council												
Financial Report - January 2021												
Council Consolidated												
Account Group	Monthly Actuals	Monthly Budget	Monthly Var	Mth Var %	YTD Actuals	YTD Adopted Budget	YTD Var	YTD % Spend vs Budget	Full-Year Budget	September Review Budget	YTD % vs FY Sept Review Budget	Variance Commentary (By material exception)
Revenue	Monthly				YTD				Full Year			
Rates and Charges	\$293	\$2,449,943	(\$2,449,650)	-100%	\$28,953,719	\$17,149,600	\$11,804,119	69%	\$29,399,314	\$29,399,314	98%	
User Charges and Fees	\$1,334,155	\$1,655,672	(\$321,517)	-19%	\$9,235,861	\$11,589,701	(\$2,353,840)	-20%	\$20,325,816	\$19,868,058	46%	Revenue timing will result in monthly unfavourable variances for much of the year.
Interest and Investments Revenues	\$44,993	\$59,229	(\$14,236)	-24%	\$302,311	\$414,600	(\$112,289)	-27%	\$710,743	\$710,743	43%	* Rates & Charges are at 98% of the FY Budget
Other Revenues	\$137,756	\$242,539	(\$104,783)	-43%	\$1,293,390	\$1,697,773	(\$404,383)	-24%	\$2,610,982	\$2,910,469	44%	* User Charges & Fees are behind from a YTD perspective, with 46% FY Budget achievement
Operating Grants and Contributions	\$166,565	\$515,610	(\$349,045)	-68%	\$4,409,967	\$3,609,268	\$800,699	22%	\$5,882,317	\$6,187,317	71%	* Overall revenue is at 71% of the FY budget
Internal Revenue	\$290,700	\$484,124	(\$193,424)	-40%	\$2,154,900	\$3,388,867	(\$1,233,967)	-36%	\$5,728,274	\$5,809,487	37%	See individual funds for commentary specific to that fund
Total Revenue	\$1,974,462	\$5,407,116	(\$3,432,654)	-63%	\$46,350,148	\$37,849,809	\$8,500,339	22%	\$64,657,445	\$64,885,387	71%	
Expenses												
Wages and Salaries	\$871,195	\$1,218,489	\$347,294	29%	\$7,380,307	\$8,529,421	\$1,149,114	13%	\$14,761,285	\$14,621,864	50%	
Materials and Contracts	\$862,626	\$1,653,280	\$790,654	48%	\$8,811,368	\$11,572,961	\$2,761,593	24%	\$19,163,922	\$19,839,361	44%	Overall costs are below from a YTD perspective - at 51% against FY budget.
Other Costs	\$201,051	\$535,691	\$334,640	62%	\$4,304,251	\$3,749,839	(\$554,412)	-15%	\$6,392,984	\$6,428,295	67%	* Other Costs significantly over YTD budget expectations - see General Fund
Borrowing Costs	\$40,833	\$176,614	\$135,781	77%	\$865,940	\$1,236,297	\$370,357	30%	\$2,137,285	\$2,119,367	41%	* All other expenses are below expected levels for the year-to-date (<58%)
Overheads	\$316,357	\$365,657	\$49,300	13%	\$2,214,497	\$2,559,599	\$345,102	13%	\$4,387,884	\$4,387,884	50%	See individual funds for commentary specific to that fund
Depreciation	\$1,250,650	\$1,210,675	(\$39,975)	-3%	\$8,312,050	\$8,474,728	\$162,678	2%	\$14,528,106	\$14,528,106	57%	
Total Expenses	\$3,542,712	\$5,160,406	\$1,617,694	31%	\$31,888,413	\$36,122,845	\$4,234,432	12%	\$61,371,465	\$61,924,876	51%	
Result	(\$1,693,288)	\$246,709	(\$1,814,959)		\$14,762,186	\$1,726,965	\$12,734,770		\$3,285,979	\$2,960,511		

Muswellbrook Shire Council												
Financial Report - January 2021												
General Fund												
Account Group	Monthly Actuals	Monthly Budget	Monthly Var	Mth Var %	YTD Actuals	YTD September Review Budget	YTD Var	YTD % Spend vs FY Budget	Full-Year Budget	September Review Budget	YTD % vs FY Sept Review Budget	Variance Commentary (By material exception)
	Monthly				YTD				Full Year			
Revenue												
Rates and Charges	\$227	\$1,887,690	(\$1,887,463)	-100%	\$22,661,612	\$13,213,829	\$9,447,783	71%	\$22,652,278	\$22,652,278	100%	
User Charges and Fees	\$710,179	\$636,032	\$74,147	12%	\$3,659,831	\$4,452,226	(\$792,395)	-18%	\$7,983,830	\$7,632,387	48%	
Interest and Investments Revenues	\$30,933	\$37,548	(\$6,615)	-18%	\$231,047	\$262,834	(\$31,787)	-12%	\$450,573	\$450,573	51%	Revenue commentary will focus on material exceptions and concerns
Other Revenues	\$137,756	\$242,539	(\$104,783)	-43%	\$1,293,390	\$1,697,773	(\$404,383)	-24%	\$2,610,982	\$2,910,469	44%	* User Charges and Fees are behind from a YTD perspective, at 48% of FY budget, largely due to lower TINSW income and Mixed Waste fees. This will continue to be closely monitored going forward
Operating Grants and Contributions	\$166,565	\$509,433	(\$342,868)	-67%	\$4,332,577	\$3,566,032	\$766,545	21%	\$5,808,198	\$6,113,198	71%	
Internal Revenue	\$290,700	\$423,035	(\$132,335)	-31%	\$2,034,900	\$2,961,243	(\$926,343)	-31%	\$4,995,203	\$5,076,416	40%	
Total Revenue	\$1,336,360	\$3,736,277	(\$2,399,917)	-64%	\$34,213,357	\$26,153,937	\$8,059,420	31%	\$44,501,064	\$44,835,321	76%	
Expenses												
Wages and Salaries	\$695,343	\$1,027,701	\$332,358	32%	\$6,145,845	\$7,193,909	\$1,048,064	15%	\$12,471,836	\$12,332,415	50%	
Materials and Contracts	\$615,475	\$1,245,805	\$630,330	51%	\$6,665,849	\$8,720,637	\$2,054,788	24%	\$14,505,827	\$14,949,663	45%	Overall costs are under from a YTD perspective - with costs at 52% against FY budget
Other Costs	\$101,677	\$382,161	\$280,484	73%	\$3,431,888	\$2,675,128	(\$756,760)	-28%	\$4,556,092	\$4,585,934	75%	* Other Costs significantly over YTD budget expectations due to:
Borrowing Costs	\$2,050	\$36,499	\$34,449	94%	\$94,666	\$255,494	\$160,828	63%	\$437,990	\$437,990	22%	- Legal costs at 613k YTD against FY budget of 392k
Overheads	\$133,704	\$169,404	\$35,700	21%	\$935,926	\$1,185,829	\$249,903	21%	\$2,032,850	\$2,032,850	46%	- Timing of payments to the UHEDC
Depreciation	\$802,924	\$834,872	\$31,948	4%	\$5,587,879	\$5,844,104	\$256,225	4%	\$10,018,463	\$10,018,463	56%	* All other costs are below expected levels for YTD (<58%)
Total Expenses	\$2,351,173	\$3,696,443	\$1,345,270	36%	\$22,862,053	\$25,875,100	\$3,013,047	12%	\$44,023,058	\$44,357,315	52%	
Result	(\$1,014,813)	\$39,834	(\$1,054,647)		\$11,351,304	\$278,837	\$11,072,467		\$478,006	\$478,006		

Muswellbrook Shire Council												
Financial Report - January 2021												
Water Fund												
Account Group	Monthly Actuals	Monthly Budget	Monthly Var	Mth Var %	YTD Actuals	YTD September Review Budget	YTD Var	YTD % Spend vs FY Budget	Full-Year Budget	September Review Budget	YTD % vs FY Sept Review Budget	Variance Commentary (By material exception)
	Monthly				YTD				Full Year			
Revenue												
Rates and Charges	\$0	\$146,663	(\$146,663)	-100%	\$1,769,262	\$1,026,643	\$742,619	72%	\$1,759,959	\$1,759,959	101%	
User Charges and Fees	\$16,619	\$373,562	(\$356,943)	-96%	\$1,025,196	\$2,614,934	(\$1,589,738)	-61%	\$4,482,744	\$4,482,744	23%	
Interest and Investments Revenues	\$9,550	\$16,586	(\$7,036)	-42%	\$45,275	\$116,103	(\$70,828)	-61%	\$199,033	\$199,033	23%	
Other Revenues	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	Water usage charges for YTD are below budget due to lower-than-expected usage.This will continue to be monitored.
Operating Grants and Contributions	\$0	\$3,127	(\$3,127)	-100%	\$38,586	\$21,890	\$16,696	76%	\$37,526	\$37,526	103%	
Internal Revenue	\$0	\$32,605	(\$32,605)	-100%	\$0	\$228,232	(\$228,232)	-100%	\$391,254	\$391,254	0%	
Total Revenue	\$26,169	\$572,543	(\$546,374)	-95%	\$2,878,319	\$4,007,801	(\$1,129,482)	-28%	\$6,870,516	\$6,870,516	42%	
Expenses												
Wages and Salaries	\$100,518	\$100,308	(\$210)	0%	\$635,979	\$702,158	\$66,179	9%	\$1,203,699	\$1,203,699	53%	
Materials and Contracts	\$118,059	\$169,220	\$51,161	30%	\$933,768	\$1,184,542	\$250,774	21%	\$1,880,644	\$2,030,644	46%	
Other Costs	\$28,345	\$42,470	\$14,125	33%	\$133,760	\$297,292	\$163,532	55%	\$509,644	\$509,644	26%	Overall costs are below FY projections - at 50% against FY budget.
Borrowing Costs	\$0	\$7,122	\$7,122	100%	\$32,699	\$49,856	\$17,157	34%	\$85,467	\$85,467	38%	* All cost categories are below expected levels for YTD.
Overheads	\$113,231	\$126,831	\$13,600	11%	\$792,617	\$887,819	\$95,202	11%	\$1,521,975	\$1,521,975	52%	
Depreciation	\$186,669	\$164,359	(\$22,310)	-14%	\$1,104,021	\$1,150,514	\$46,493	4%	\$1,972,310	\$1,972,310	56%	
Total Expenses	\$546,822	\$610,312	\$63,490	10%	\$3,632,844	\$4,272,181	\$639,337	15%	\$7,173,738	\$7,323,738	50%	
Result	(\$520,653)	(\$37,769)	(\$482,885)		(\$754,525)	(\$264,380)	(\$490,146)		(\$303,222)	(\$453,222)		

Muswellbrook Shire Council												
Financial Report - January 2021												
Sewer Fund												
Account Group	Monthly Actuals	Monthly Budget	Monthly Var	Mth Var %	YTD Actuals	YTD September Review Budget	YTD Var	YTD % Spend vs FY Budget	Full-Year Budget	September Review Budget	YTD % vs FY Sept Review Budget	Variance Commentary (By material exception)
	Monthly				YTD				Full Year			
Revenue												
Rates and Charges	\$66	\$415,590	(\$415,524)	-100%	\$4,522,845	\$2,908,128	\$1,613,717	55%	\$4,987,077	\$4,987,077	91%	
User Charges and Fees	\$42,651	\$38,743	\$3,908	10%	\$217,900	\$271,200	(\$53,300)	-20%	\$540,384	\$464,915	47%	
Interest and Investments Revenues	\$4,510	\$5,095	(\$585)	-11%	\$25,989	\$35,663	(\$9,674)	-27%	\$61,136	\$61,136	43%	Revenue commentary will focus on material exceptions and concerns - No concerns exist at this stage
Other Revenues	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	
Operating Grants and Contributions	\$0	\$3,049	(\$3,049)	-100%	\$38,804	\$21,346	\$17,458	82%	\$36,593	\$36,593	106%	
Internal Revenue	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	
Total Revenue	\$47,227	\$462,477	(\$415,250)	-90%	\$4,805,538	\$3,237,337	\$1,568,201	48%	\$5,625,189	\$5,549,720	87%	
Expenses												
Wages and Salaries	\$60,288	\$70,724	\$10,436	15%	\$480,896	\$495,066	\$14,170	3%	\$848,684	\$848,684	57%	
Materials and Contracts	\$49,429	\$80,117	\$30,688	38%	\$480,654	\$560,817	\$80,163	14%	\$861,400	\$961,400	50%	
Other Costs	\$40,249	\$37,612	(\$2,637)	-7%	\$237,232	\$263,284	\$26,052	10%	\$451,344	\$451,344	53%	Overall costs are in line with FY projections - with costs at 50% against FY budget. * Depreciation at 67% is above the expected level for YTD due to updates in the depreciation for the RWTW * All other cost categories are at or below expected levels for YTD (58%)
Borrowing Costs	\$23,204	\$61,729	\$38,525	62%	\$401,251	\$432,100	\$30,849	7%	\$740,742	\$740,742	54%	
Overheads	\$69,422	\$69,422	(\$0)	0%	\$485,954	\$485,951	(\$3)	0%	\$833,060	\$833,060	58%	
Depreciation	\$209,871	\$157,497	(\$52,374)	-33%	\$1,261,845	\$1,102,476	(\$159,369)	-14%	\$1,889,959	\$1,889,959	67%	
Total Expenses	\$452,463	\$477,099	\$24,636	5%	\$3,347,832	\$3,339,694	(\$8,138)	0%	\$5,625,189	\$5,725,189	58%	
Result	(\$405,236)	(\$14,622)	(\$390,614)		\$1,457,706	(\$102,357)	\$1,560,063		\$0	(\$175,469)		

Muswellbrook Shire Council												
Financial Report - January 2021												
Future Fund												
Account Group	Monthly Actuals	Monthly Budget	Monthly Var	Mth Var %	YTD Actuals	YTD September Review Budget	YTD Var	YTD % Spend vs FY Budget	Full-Year Budget	September Review Budget	YTD % vs FY Sept Review Budget	Variance Commentary (By material exception)
	Monthly				YTD				Full Year			
Revenue												
Rates and Charges	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	
User Charges and Fees	\$564,706	\$607,334	(\$42,628)	-7%	\$4,332,934	\$4,251,341	\$81,593	2%	\$7,318,858	\$7,288,013	59%	
Interest and Investments Revenues	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	Revenue commentary will focus on material exceptions and concerns - No concerns exist at this stage
Other Revenues	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	COVID impacts of rental income is still to be assessed - confirmation will be presented once known.
Operating Grants and Contributions	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	
Internal Revenue	\$0	\$28,485	(\$28,485)	-100%	\$120,000	\$199,393	(\$79,393)	-40%	\$341,817	\$341,817	35%	
Total Revenue	\$564,706	\$635,819	(\$71,113)	-11%	\$4,452,934	\$4,450,734	\$2,200	0%	\$7,660,675	\$7,629,830	58%	
Expenses												
Wages and Salaries	\$15,046	\$19,755	\$4,709	24%	\$117,587	\$138,288	\$20,701	15%	\$237,065	\$237,065	50%	
Materials and Contracts	\$79,663	\$158,138	\$78,475	50%	\$731,097	\$1,106,965	\$375,868	34%	\$1,916,051	\$1,897,654	39%	
Other Costs	\$30,780	\$73,448	\$42,668	58%	\$501,371	\$514,134	\$12,763	2%	\$875,904	\$881,373	57%	Overall costs are below FY projections - with costs at 45% against FY budget.
Borrowing Costs	\$15,579	\$71,264	\$55,685	78%	\$337,324	\$498,848	\$161,524	32%	\$873,086	\$855,168	39%	* All expense categories are at or below expected levels for YTD
Overheads	\$0	\$0	\$0	0%	\$0	\$0	\$0	0%	\$0	\$0	0%	
Depreciation	\$51,186	\$53,948	\$2,762	5%	\$358,305	\$377,635	\$19,330	5%	\$647,374	\$647,374	55%	
Total Expenses	\$192,254	\$376,553	\$184,299	49%	\$2,045,684	\$2,635,870	\$590,186	22%	\$4,549,480	\$4,518,634	45%	
Result	\$372,452	\$259,266	\$113,186		\$2,407,250	\$1,814,864	\$592,386		\$3,111,196	\$3,111,196		

Muswellbrook Shire Council									
Financial Report - January 2022									
Capital Costs (incl. Loan Repayment & Govt Revenue)									
General & Future Fund Projects	YTD Actuals		Carry Overs	Total Budget	September Review Yr	September Budget	YTD % Spend	Over Budget	
111 Brook Street Mbk Purchases	218,015	-	-	-	220,000	-	99%	-	
Acoustic Centres Programme	19,983	-	-	60,000	-	60,000	33%	-	
Art Acquisitions	-	-	-	65,000	-	65,000	0%	-	
Bakery Shed Up	96,540	99,794	-	99,794	-	99,794	57%	-	
Barbecues	3,543	-	-	3,543	-	3,543	0%	-	
Bridges Renewal Programme	18,647	-	-	95,000	-	95,000	20%	-	
Buildings New and Replacement	93,753	451,034	-	1,676,034	(450,000)	1,226,034	8%	-	
Busstop Assets	22,914	-	-	250,000	-	250,000	9%	-	
Busstop Replacement	-	-	-	100,000	-	100,000	0%	-	
Canal Works Configuration	-	-	-	100,000	-	100,000	0%	-	
Canal Works Programme	-	-	-	750,000	-	750,000	0%	-	
COB Study (Town Centre)	465,944	-	-	3,804,615	-	3,804,615	12%	-	
COB Study (Town Square)	46,803	-	-	1,320,154	-	1,320,154	0%	-	
Corporate Services General Programme	59,526	-	-	148,006	(65,000)	83,006	55%	-	
COVID 19	-	-	-	119,580	-	119,580	0%	-	
CRTGIS - Bus Shelter	28,828	48,400	-	48,400	-	48,400	4%	-	
Damen Childrens Centre - Extension (Contribution)	11,619	-	-	600,000	-	600,000	1%	-	
Damen Hillside Village	-	-	-	300,000	-	300,000	0%	-	
Damen Metal Courts	-	-	-	600,000	-	600,000	0%	-	
Damen Park (Coastal) Works Programme	-	-	-	300,000	-	300,000	0%	-	
Deming Driveway Programme	-	-	-	140,000	-	140,000	0%	-	
Emulsion Tank	135,000	-	80,000	80,000	-	80,000	0%	-	
Emulsion Tank	-	-	-	1,697,846	-	1,697,846	0%	-	
Future Fund Contribution	3,340	-	-	200,000	-	200,000	0%	-	
General Design Programme	189,685	-	-	45,000	-	45,000	7%	-	
General Projects - Loans	-	-	-	200,000	-	200,000	0%	-	
Heavy Paving Programme	2,923,028	2,923,029	-	500,000	-	500,000	0%	-	
Hunter 2050 Foundation	21,649	250,000	-	500,000	-	500,000	0%	-	
Investigation and Design - Aquatic Centre	1,766,230	1,982,975	-	2,792,975	150,000	3,173,029	60%	-	
Levebank Road Footpath	223,425	-	-	250,000	-	250,000	90%	-	
Levebank Park Childrens Wk Parkway	116,336	20,000	-	20,000	-	20,000	0%	-	
Levebank Park Childrens Wk Parkway	-	-	-	1,170,000	-	1,170,000	99%	-	
Levebank Road Footpath	399,925	395,000	-	75,776	-	75,776	0%	-	
Levebank Road Footpath	7,616	498,212	-	498,212	-	498,212	32%	-	
Library Shanty Projects	42,865	35,742	-	94,442	-	94,442	45%	-	
Local Priority Grant	129,422	129,422	-	129,422	-	129,422	1%	-	
Local Priority Grant	173,814	350,782	-	350,782	-	350,782	50%	-	
Masterplan Projects	34,063	34,021	-	228,254	-	228,254	15%	-	
Masterplan Projects	308,492	3,254	-	228,254	-	228,254	0%	-	
Masterplan Projects	1,528,705	4,927,178	-	4,927,178	-	4,927,178	31%	-	
Masterplan Projects	398,481	398,484	-	398,484	-	398,484	7%	-	
Masterplan Projects	21,631	-	-	2,200,000	-	2,200,000	0%	-	
Masterplan Projects	23,341	-	-	237,500	-	237,500	10%	-	
Masterplan Projects	131,839	-	-	135,000	-	135,000	98%	-	
Masterplan Projects	33,417	222,534	-	2,348,747	-	2,348,747	4%	-	
Masterplan Projects	27,412	6,434,000	-	6,434,000	-	6,434,000	4%	-	
Masterplan Projects	50,433	34,255	-	84,255	-	84,255	60%	-	
Masterplan Projects	857,228	2,391,041	-	2,391,041	-	2,391,041	36%	-	
Masterplan Projects	107,602	157,486	-	417,486	-	417,486	24%	-	
Masterplan Projects	145,156	250,100	-	595,180	-	595,180	0%	-	
Masterplan Projects	74,121	-	-	70,000	-	70,000	0%	-	
Masterplan Projects	-	-	-	713,503	-	713,503	0%	-	
Masterplan Projects	2,551,166	8,143,687	-	462,515	-	462,515	0%	-	
Masterplan Projects	327,351	1,108,627	-	1,108,627	-	1,108,627	30%	-	
Masterplan Projects	30,715	50,000	-	100,000	-	100,000	31%	-	
Masterplan Projects	49,687	500,000	-	500,000	-	500,000	10%	-	
Masterplan Projects	-	-	-	150,000	-	150,000	0%	-	
Masterplan Projects	28,743	-	-	577,898	-	577,898	0%	-	
Masterplan Projects	428,146	-	-	1,833,400	-	1,833,400	50%	-	
Masterplan Projects	-	-	-	850,000	-	850,000	0%	-	
Masterplan Projects	155,759	-	-	350,000	-	350,000	53%	-	
Masterplan Projects	1,500	47,772	-	37,000	-	37,000	0%	-	
Masterplan Projects	17,208	246,506	-	246,506	-	246,506	29%	-	
Masterplan Projects	64,763	214,403	-	214,403	-	214,403	30%	-	
Masterplan Projects	7,483	-	-	25,000	-	25,000	30%	-	
Masterplan Projects	303,333	-	-	520,000	-	520,000	60%	-	
Masterplan Projects	3,415,951	3,322,716	-	5,732,716	-	5,732,716	30%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0%	-	
Masterplan Projects	19,904	-	-	60,000	-	60,000	33%	-	
Masterplan Projects	388,643	553,397	-	553,397	-	553,397	67%	-	
Masterplan Projects	5,717	20,547	-	20,547	-	20,547	53%	-	
Masterplan Projects	-	-	-	400,000	-	400,000	0		

MUSWELLBROOK SHIRE COUNCIL



RESERVES TRANSACTIONS

	Balance as at 30 June 2021 \$'000's	2021/2022 Original Budget		Carryovers		September 21 Review Changes		December 21 Review Changes		Operating Reserves		Closing Balance 30 June 2022 (Fcast)	Comments
		Transfer to	Transfer From	Transfer From	Transfer to	Transfer From	Transfer to	Transfer From	Transfer to	Transfer From	Transfer to		
Unrestricted	3,022		1,000				288		265		22	1,447	
Externally Restricted													
Unexpended Loan - COVID	728			728								0	
Unexpended Loan - Wilkinson Bridge	1,785			1,785								0	
s7.11 & s7.12 Levies	81											81	
s7.11 & s7.12 - Drainage	153											153	
s7.11 & s7.12 - Roads	302								242			60	
s7.11 & s7.12 - Parking	2											2	
s7.11 & s7.12 - Open Space	209											209	
s7.11 & s7.12 - Community Facilities	3											3	
s7.11 & s7.12 - Tourism	37											37	
s7.11 & s7.12 - Bushfire	111											111	
s7.11 & s7.12 - Social Infrastructure	17											17	
Mt Arthur VPA	474	1,034	1,034	166								308	
Bengalla VPA	1,705	226	226	1,455			250					0	
Mangoola VPA	445	399	399	439								6	
Liddell VPA	23											23	
Mt Pleasant VPA	648	350	350	394			250					4	
Mangoola Muswellbrook Rec	102											102	
Ridgeland	1,610	155	655	640			470					0	
Muswellbrook Coal	396			396								0	
Bengalla Coal Community Fund	45											45	
Mangoola Education	161											161	
VPA Reserves												0	
Road Network Efficiency	2,034			2,034								0	
Section 64 (Water)	7,498											7,498	
Section 64 (Sewer)	3,373		1,800									1,573	
Unexpended Grants (G)	4,970			924							1,009	3,037	
Unexpended Grants (W)												0	
Unexpended Grants (S)												0	
Water	6,105		354	698			377				641	4,035	
Sewer	1,174			30			175					969	
Domestic Waste	790											790	
Externally Restricted Sub-total	34,981	2,164	4,818	9,689	0	1,522	0	242			1,650	19,224	
Internally Restricted													
Plant and Vehicle	2,576		365									2,211	
Infrastructure Replacement	108									66		42	
Mine Affected Roads	908						462					1,370	
Road Reserve	912											912	
Employee Leave Entitlement	1,313											1,313	Unavailable for reallocation
Deposits Retentions and Bonds	4,341											4,341	Unavailable for reallocation
Carpark Replacement	113											113	
Road Works Contingency	494									83		577	
Future Fund	1,559	606		498			220		500			947	
Building Replacement	7											7	
Culture	10										10	0	
Drainage Reserve	143											143	Only available for Water/Drainage
Administrative	3											3	
Environmental	613								500			113	
Waste Management Centre	7,180	201		913			75			250	60	6,583	Only available for Water Management
Stormwater	881											881	Only available for Stormwater
Sustainability Reserve	56			50							6	0	
Builders Rubble	80											80	
Road Pavement Consumption Charge	90											90	
Road Closure	206											206	
Contingency Reserve	268		50	78	65						81	124	
Prior Year Carryover	1,844	0	0	1,315	0	150	0	0	0	0	260	119	
Waste Levy Aggregate (R&D)	61							61				0	
SRV Reserve	92			86								6	Only available for SRV Projects
Works in Progress	148											148	
Financial Assistance Grant	1,889						1,872					17	
Mine Affected Roads Study	70											70	
Legal Contingency	151										50	101	
Election Reserve	123										123	0	
Insurance Reserve	0									33		33	
Infrastructure Works - Muswellbrook	125											125	
Internally Restricted Sub-total	26,364	807	415	2,940	65	2,317	462	1,061	366	656		20,675	
Grand Totals	64,367	2,971	6,233	12,629	65	4,127	462	1,568	366	2,328		41,346	

Details of Current Council Loans



Balance at 30/06/2021	Payment Type	2019/20 Repayments	2020/21 Repayments	2021/22 Repayments	2022/23 Repayments	2023/24 Repayments	2024/25 Repayments	2025/26 Repayments	2026/27 Repayments	2027/28 Repayments	2028/29 Repayments	2029/30 Repayments	2030/31 Repayments
Water Fund													
\$1,007,297	Principal	\$310,206	\$330,160	\$351,400	\$375,624	\$280,273	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Interest	\$87,745	\$67,791	\$46,551	\$23,815	\$4,977	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total	\$397,951	\$397,951	\$397,951	\$399,439	\$285,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sewer Fund													
\$15,619,999	Principal	\$642,256	\$677,873	\$710,385	\$743,509	\$778,430	\$816,997	\$856,300	\$780,502	\$815,416	\$850,535	\$886,347	\$922,883
	Interest	\$761,835	\$726,218	\$693,706	\$660,582	\$625,661	\$587,094	\$549,281	\$509,827	\$474,913	\$439,794	\$403,982	\$367,446
	Total	\$1,404,091	\$1,404,091	\$1,404,091	\$1,404,091	\$1,404,091	\$1,404,091	\$1,405,581	\$1,290,329	\$1,290,329	\$1,290,329	\$1,290,329	\$1,290,329
General Fund													
\$7,033,329	Principal	\$592,931	\$614,941	\$715,625	\$747,212	\$589,049	\$398,903	\$411,895	\$425,955	\$440,494	\$455,537	\$471,112	\$400,583
	Interest	\$226,943	\$245,540	\$233,183	\$201,596	\$160,992	\$145,179	\$147,540	\$133,362	\$118,758	\$103,536	\$87,667	\$59,397
	Total	\$819,874	\$860,481	\$948,808	\$948,808	\$750,041	\$544,083	\$559,435	\$559,318	\$559,252	\$559,073	\$558,780	\$459,980
Future Fund													
\$45,600,163	Principal	\$4,822,070	\$5,116,650	\$5,447,178	\$5,288,747	\$4,625,951	\$4,747,820	\$4,672,525	\$2,736,585	\$2,781,513	\$2,095,246	\$1,306,313	\$1,010,380
	Interest	\$1,196,886	\$964,183	\$839,494	\$736,121	\$732,550	\$679,379	\$609,912	\$510,992	\$442,438	\$380,663	\$336,230	\$270,629
	Total	\$6,018,956	\$6,080,833	\$6,286,672	\$6,024,868	\$5,358,501	\$5,427,199	\$5,282,437	\$3,247,577	\$3,223,952	\$2,475,910	\$1,642,544	\$1,281,009
\$69,260,789		\$8,640,872	\$8,743,355	\$9,037,522	\$8,777,205	\$7,797,882	\$7,375,373	\$7,247,453	\$5,097,223	\$5,073,533	\$4,325,312	\$3,491,652	\$3,031,318
Purpose	Original Amount	Interest Rate	Balance at 30/06/2021	2021/22 Principal Repayments	2021/22 Interest Repayments	2021/22 Total Payments	Year of Final Payment	Notes (If any)					
Water - South Muswellbrook Reservoir	\$1,100,000	6.03%	\$177,682	\$85,735	\$6,377	\$92,112	2022/23						
Water - Sandy Hollow Augmentation	\$300,000	6.09%	\$48,855	\$23,428	\$1,780	\$25,208	2022/23						
Water - South Muswellbrook Reservoir	\$3,200,000	6.61%	\$780,760	\$242,238	\$38,394	\$280,632	2023/24						
Sewer - Mains and Pump Stations	\$1,300,000	6.50%	\$493,102	\$86,344	\$27,418	\$113,762	2025/26						
General - Widden Bridge	\$1,750,000	6.00%	\$1,235,130	\$75,776	\$70,290	\$146,066	2034/35						
General - Smiths Bridge	\$1,573,967	4.28%	\$1,242,076	\$61,664	\$50,833	\$112,497	2024/25						
General - Roads Infrastructure Backlog	\$3,000,000	5.90%	\$924,205	\$350,782	\$54,528	\$405,310	2023/24	LIFS interest rate subsidy applies					
General - Olympic Park Bridge	\$1,785,000	1.45%	\$1,749,405	\$107,823	\$24,668	\$132,491	2025/26						
Future Fund	\$3,300,000	1.60%	\$3,135,000	\$165,000	\$48,950	\$213,950	2024/25						
Future Fund - Seven Hills, Campbell's Corn	\$13,500,000	2.32%	\$9,863,009	\$1,882,507	\$218,357	\$2,100,864	2021/22	To be refinanced this year					
Future Fund - Muswellbrook Marketplace	\$13,276,500	1.20%	\$12,817,758	\$616,862	\$151,900	\$768,762	2023/24						
Future Fund - Muswellbrook Marketplace	\$5,000,000	3.43%	\$1,693,904	\$954,627	\$45,373	\$1,000,000	2022/23						
Future Fund - Muswellbrook Marketplace	\$12,500,000	2.34%	\$10,593,826	\$1,308,183	\$239,901	\$1,548,084	2024/25						
Sewer - Sewer Treatment Plant	\$7,000,000	4.49%	\$6,326,136	\$252,074	\$278,898	\$530,972	2038/39						
Sewer - Sewer Treatment Plant	\$10,000,000	4.50%	\$8,800,761	\$371,967	\$387,390	\$759,357	2037/38						
Covid 19	\$2,000,000	1.77%	\$1,882,513	\$119,580	\$32,863	\$152,443	2022/23						
Throsby ACT	\$7,800,000	1.86%	\$7,496,667	\$520,000	\$135,013	\$655,013	2025/26						
TOTAL	\$88,385,467		\$69,260,789	\$7,224,590	\$1,812,933	\$9,037,523							

12.9 COMMUNITY SERVICES

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Kim Manwarring - Manager - Community Services
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Appropriate matters are reported to Council in a timely manner in accordance with the Financial Control and Reporting Policy.</i>

PURPOSE

To provide an update on activities in the Community Services section.

OFFICER'S RECOMMENDATION

The information contained in this report be noted.

Moved: _____ Seconded: _____

REPORT**MUSWELLBROOK SHIRE LIBRARIES – MUSWELLBROOK and DENMAN**

During January Muswellbrook and Denman library branches continued Summer Reading Programming throughout January despite multiple Covid related closures of branches. Home library services recommenced following the Christmas break and made deliveries within the Muswellbrook area during the month with **493 items** selected and delivered by library staff.

Core programming included:

- The Library closed the 2022 Summer Reading Club with this year's theme 'Adventures are calling'. This program was launched in December and had **29 registered participants** with a total of **306 items loaned**. The winners of the Comic Competition were awarded as was the overall branch winners of the Summer Reading Challenge.

The Muswellbrook Shire Libraries was attended by **1,320 customers**.

- **Providing opportunities that increase community literacy, both physical and digital**

Online Engagement:

Celebrated reopening of branches and Summer Reading. Over the past month the library has had **1,905** post views on Facebook.

Collections:

During January the library added **277 new items** to the physical collections. Over the month the library loaned **6,161 physical items** and there have been **152 eAudio loans, 153 eBook Loans and 78 Digital magazine loans**.

- **Creating spaces and programs that meet the needs of members and library visitors**

Children's Programs

Children's Storytime and Rhyme time: These sessions were attended by **43 attendees** across both branches including attendance at scheduled school holiday activities.



PICTURED: Library member Sophie participating in the Interesting Insect activity at Denman Library.

Wifi and Computer Usage

Wifi Usage:

Muswellbrook: 151

Denman: 128

- **Increasing and maintaining library memberships**

Muswellbrook and Denman libraries registered **29 new members** during January.

MUSWELLBROOK REGIONAL ARTS CENTRE

'Two Artists Tour Muswellbrook' features works from Liz Anelli and Mario Minichiello, these works were produced as the annual Artist in Residence Program. Works feature significant landscapes and features of Muswellbrook and its surrounding areas.

The Wollombi Gallery hosts 'From Manawatu to Muswellbrook' by Photographer Jessica Duggan which displays her love for her two homes. Both exhibitions along with 'Art Is' in the Watters Gallery were successfully launched on the 8 January and are on exhibition until the 5 March.

The Muswellbrook Art Prize finalist can be now accessed artgalleria.com/view-room/42264. Council received more than 700 entries, the winners of the Muswellbrook Art Prize; Painting (\$50 000 acquisitive); Works on Paper (\$10 000 acquisitive); Ceramics (\$10 000 acquisitive) will be announced at the exhibitions opening Saturday 12 March.

COMMUNITY PARTNERSHIPS

Australia Day 2022 Celebrations were a great success, and the following attendance are provided for your information:

- 10 conferees became Australian Citizens
- Approximately 200 attendees at the Awards and Citizenship Ceremony
- Attendance at the Muswellbrook Aquatic Centre (free entry)– 100 participants
- Attendance at the Denman Aquatic Centre (free entry) – 187 participants

Governance support has been provided to Arts UH and Upper Hunter Youth Services and Upper Hunter Homeless Support.

Denman Visitor Information Centre is open and is staffed by a core group of 5 volunteers, tourism is slowly picking up the sale of local mechanise has been very popular.

MUSWELLBROOK SHIRE AQUATIC & FITNESS CENTRE – Denman and Muswellbrook

The Muswellbrook Outdoor Pool, Denman Outdoor Pool and the Muswellbrook Fitness Centre are all operational and Learn to Swim and Aqua Aerobic programs have resumed for 2022.

13 REPORTS FROM COMMITTEES

13.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON WEDNESDAY 15 DECEMBER, 2021

Attachments:	A. Minutes of ARIC meeting 15 December 2021
Responsible Officer:	Fiona Plesman - General Manager
Author:	Leonie Nash - Risk & Improvement Officer
Community Plan Issue:	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
Community Plan Goal:	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
Community Plan Strategy:	<i>Appropriate matters are reported to Council in a timely manner in accordance with the Financial Control and Reporting Policy.</i>

PURPOSE

To inform Council of a meeting of the Audit, Risk and Improvement Committee held on 15 December 2021.

OFFICER'S RECOMMENDATION

The Minutes of the Audit, Risk and Improvement Committee meeting on Wednesday 15 December 2021 be noted.

Moved: _____ Seconded: _____

REPORT

The Audit, Risk and Improvement Committee met on Wednesday 15 December 2021.

The minutes of the meeting are attached for the information of the Councillors.

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

PRESENT: Mr M. Morley (Chair), Mr P. Quealey, Cr R. Scholes, Ms F. Plesman (General Manager) and Mr D. Walsh (Manager – Corporate Services & Chief Financial Officer).

IN ATTENDANCE: Nil.

1 APOLOGIES AND LEAVE OF ABSENCE

Nil

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The Minutes of the Audit, Risk and Improvement Committee Meeting held on 6 October 2021, and the Extraordinary Audit, Risk and Improvement Committee Meeting held on 20 October 2021, a copy of which has been distributed to all members, be taken as read and confirmed as a true record.

3 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST

Nil

4 BUSINESS ARISING

Nil

5 RISK MANAGEMENT

5.1 MAJOR PROJECTS STATUS REPORT

A report was submitted to the Committee providing an update on the of status of major projects updated to 26 October 2021.

The Committee was advised that the information is reported to Council on a monthly basis.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

5.2 RISK MANAGEMENT FRAMEWORK & POLICY UPDATE

A report was submitted to the Committee presenting Council's proposed updated *Enterprise Risk Management Framework* and *Enterprise Risk Management Policy* to the Audit, Risk and Improvement Committee (ARIC), and seeking feedback.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The ARIC reviews and provides feedback in response to Council's proposed:

1. *Enterprise Risk Management Framework* (Attachment A);
2. *Enterprise Risk Management Policy* (Attachment B).

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

6 INTERNAL AUDIT

Nil

7 EXTERNAL AUDIT

Nil

8 LEGISLATIVE COMPLIANCE

Nil

9 GOVERNANCE AND INTERNAL CONTROL

Nil

10 PERFORMANCE MANAGEMENT AND IMPROVEMENT

10.1 2021-2022 OPERATIONAL PLAN 30 SEPTEMBER QUARTERLY REVIEW

A report was submitted to the Committee advising that the 2021/22 Operational Plan had been reviewed over the months of 1 July 2021 to 30 September 2021 and was presented to Council at the 26 October 2021 Ordinary Meeting.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The 2021/22 Operational Plan Review dated 30 September 2021 be noted.

10.2 SEPTEMBER BUDGET REVIEW 2021

A report was submitted to the Committee presenting the September, 2021 Budget Review.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

ARIC to note the list of proposed changes for incorporation into the 2020/21 Budget.

10.3 SERVICE DELIVERY REVIEW PROGRAM QUARTERLY UPDATE

A report was submitted to the Committee providing an update on the Service Delivery Review Program.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

11 GENERAL BUSINESS

11.1 ARIC FORWARD MEETING PLAN 2021

A report was submitted to the Committee providing the forward meeting plan.

RECOMMENDED on the motion of Mr Quealey and Cr Scholes that:

The Committee note the information.

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

11.2 ARIC MEETING ACTIONS STATUS UPDATE

A report was submitted to the Committee providing an update on the status of meeting actions.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The Committee note the information.

12 DATE OF NEXT MEETING

2 March 2022

13 CLOSURE

The meeting was declared closed at 10.08am.

.....
Ms F. Plesman

General Manager

.....
Mr M. Morley

Chairperson

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

PRESENT: Mr M. Morley (Chair), Mr P. Quealey, Cr R. Scholes, Ms F. Plesman (General Manager) and Mr D. Walsh (Manager – Corporate Services & Chief Financial Officer).

IN ATTENDANCE: Nil.

1 APOLOGIES AND LEAVE OF ABSENCE

Nil

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The Minutes of the Audit, Risk and Improvement Committee Meeting held on 6 October 2021, and the Extraordinary Audit, Risk and Improvement Committee Meeting held on 20 October 2021, a copy of which has been distributed to all members, be taken as read and confirmed as a true record.

3 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST

Nil

4 BUSINESS ARISING

Nil

5 RISK MANAGEMENT

5.1 MAJOR PROJECTS STATUS REPORT

A report was submitted to the Committee providing an update on the of status of major projects updated to 26 October 2021.

The Committee was advised that the information is reported to Council on a monthly basis.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

5.2 RISK MANAGEMENT FRAMEWORK & POLICY UPDATE

A report was submitted to the Committee presenting Council's proposed updated *Enterprise Risk Management Framework* and *Enterprise Risk Management Policy* to the Audit, Risk and Improvement Committee (ARIC), and seeking feedback.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The ARIC reviews and provides feedback in response to Council's proposed:

1. *Enterprise Risk Management Framework* (Attachment A);
2. *Enterprise Risk Management Policy* (Attachment B).

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

6 INTERNAL AUDIT

Nil

7 EXTERNAL AUDIT

Nil

8 LEGISLATIVE COMPLIANCE

Nil

9 GOVERNANCE AND INTERNAL CONTROL

Nil

10 PERFORMANCE MANAGEMENT AND IMPROVEMENT

10.1 2021-2022 OPERATIONAL PLAN 30 SEPTEMBER QUARTERLY REVIEW

A report was submitted to the Committee advising that the 2021/22 Operational Plan had been reviewed over the months of 1 July 2021 to 30 September 2021 and was presented to Council at the 26 October 2021 Ordinary Meeting.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The 2021/22 Operational Plan Review dated 30 September 2021 be noted.

10.2 SEPTEMBER BUDGET REVIEW 2021

A report was submitted to the Committee presenting the September, 2021 Budget Review.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

ARIC to note the list of proposed changes for incorporation into the 2020/21 Budget.

10.3 SERVICE DELIVERY REVIEW PROGRAM QUARTERLY UPDATE

A report was submitted to the Committee providing an update on the Service Delivery Review Program.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

11 GENERAL BUSINESS

11.1 ARIC FORWARD MEETING PLAN 2021

A report was submitted to the Committee providing the forward meeting plan.

RECOMMENDED on the motion of Mr Quealey and Cr Scholes that:

The Committee note the information.

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

PRESENT: Mr M. Morley (Chair), Mr P. Quealey, Cr R. Scholes, Ms F. Plesman (General Manager) and Mr D. Walsh (Manager – Corporate Services & Chief Financial Officer).

IN ATTENDANCE: Nil.

1 APOLOGIES AND LEAVE OF ABSENCE

Nil

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The Minutes of the Audit, Risk and Improvement Committee Meeting held on 6 October 2021, and the Extraordinary Audit, Risk and Improvement Committee Meeting held on 20 October 2021, a copy of which has been distributed to all members, be taken as read and confirmed as a true record.

3 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST

Nil

4 BUSINESS ARISING

Nil

5 RISK MANAGEMENT

5.1 MAJOR PROJECTS STATUS REPORT

A report was submitted to the Committee providing an update on the of status of major projects updated to 26 October 2021.

The Committee was advised that the information is reported to Council on a monthly basis.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

5.2 RISK MANAGEMENT FRAMEWORK & POLICY UPDATE

A report was submitted to the Committee presenting Council's proposed updated *Enterprise Risk Management Framework* and *Enterprise Risk Management Policy* to the Audit, Risk and Improvement Committee (ARIC), and seeking feedback.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The ARIC reviews and provides feedback in response to Council's proposed:

1. *Enterprise Risk Management Framework* (Attachment A);
2. *Enterprise Risk Management Policy* (Attachment B).

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

6 INTERNAL AUDIT

Nil

7 EXTERNAL AUDIT

Nil

8 LEGISLATIVE COMPLIANCE

Nil

9 GOVERNANCE AND INTERNAL CONTROL

Nil

10 PERFORMANCE MANAGEMENT AND IMPROVEMENT

10.1 2021-2022 OPERATIONAL PLAN 30 SEPTEMBER QUARTERLY REVIEW

A report was submitted to the Committee advising that the 2021/22 Operational Plan had been reviewed over the months of 1 July 2021 to 30 September 2021 and was presented to Council at the 26 October 2021 Ordinary Meeting.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The 2021/22 Operational Plan Review dated 30 September 2021 be noted.

10.2 SEPTEMBER BUDGET REVIEW 2021

A report was submitted to the Committee presenting the September, 2021 Budget Review.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

ARIC to note the list of proposed changes for incorporation into the 2020/21 Budget.

10.3 SERVICE DELIVERY REVIEW PROGRAM QUARTERLY UPDATE

A report was submitted to the Committee providing an update on the Service Delivery Review Program.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The information contained in this report be noted.

11 GENERAL BUSINESS

11.1 ARIC FORWARD MEETING PLAN 2021

A report was submitted to the Committee providing the forward meeting plan.

RECOMMENDED on the motion of Mr Quealey and Cr Scholes that:

The Committee note the information.

MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING OF THE MUSWELLBROOK SHIRE COUNCIL HELD IN VIA TEAMS / THE LOXTON ROOM, ADMINISTRATION CENTRE, 60-82 BRIDGE STREET, MUSWELLBROOK ON WEDNESDAY 15 DECEMBER, 2021 COMMENCING AT 9.01AM.

11.2 ARIC MEETING ACTIONS STATUS UPDATE

A report was submitted to the Committee providing an update on the status of meeting actions.

RECOMMENDED on the motion of Mr Quealey and Mr Morley that:

The Committee note the information.

12 DATE OF NEXT MEETING

2 March 2022

13 CLOSURE

The meeting was declared closed at 10.08am.

.....
Ms F. Plesman
General Manager

.....
Mr M. Morley
Chairperson

14 NOTICES OF MOTION / RESCISSION

14.1 BENGALLA MODIFICATION PROJECT

Attachments: A. Council submission on Bengalla MOD 5

Responsible Officer: Fiona Plesman - General Manager

Cr Drayton has indicated his intention to move the following motion at the next March 1 Ordinary Meeting of Council, as follows:

MOTION:

1. Council support Bengalla's development application to landfill tyres subject to the following further conditions:
 - (a) The Environmental Protection License is granted on the basis of an annual review having regard to the State's hierarchy of waste: avoidance, re-use, recycling, waste-to-energy and landfilling.
 - (b) Bengalla provide to Council \$50,000 to support investigation into potential industry options that might provide a more sustainable and preferable outcome in terms of the NSW waste hierarchy and the local economy.
2. Council seek expressions of interest from a suitably qualified industry expert to undertake an investigation into potential options in the event Bengalla agrees to the payment of \$50,000.
3. If the Office of Environment and Heritage or Bengalla do not agree to the above conditions, the matter be referred back to Council for further consideration.

Moved: _____ **Seconded:** _____

RESPONSE BY EXECUTIVE MANAGER

Bengalla Mining Company Pty Ltd (BMC) operates Bengalla and are seeking a modification to SSD-5170 to facilitate the following activities:

- Operation of a mobile rock crushing facility and ancillary equipment, and the use of that crushed rock at Bengalla;
- Geotechnical investigations in connection with any activities approved under SSD-5170 from time to time;
- Prospecting operations (including exploration drilling) in accordance with BMC's mining leases issued under the *Mining Act 1992*;
- Realignment of the Western Diversion Levee within the Disturbance Boundary;
- Enlargement of the Run Of Mine (ROM) coal stockpile located adjacent to the ROM dump hopper from 40,000 tonnes(t) to 150,000 t approximate maximum capacity;
- Upgrade/widening of an existing haul road (Southern Endwall Road) adjacent to the southern visual bund, which may require removal of part of the visual bund (to be replaced by an equivalent measure);
- Disposal of tyres in-pit; and
- Minor administrative changes to conditions of SSD-5170.

Submissions on the SSD application were due on 2 February 2022. Council's submission is provided in Attachment A.

The next step in the process is for the Proponent to prepare a submissions report where responses are provided to matters raised in submissions. Council will be given a short period to review the submissions report and to provide a further submission/response.

As a result, it would be more appropriate for the 3rd point in the Motion to be amended to:

3. If ~~the Office of Environment and Heritage or Bengalla Mining Company Pty Ltd~~ do not agree to the above conditions, the matter be referred back to Council for further consideration in response to the submissions report.



Enquiries
Please ask for Theresa Folpp
Direct 02 6549 3700

7 February 2022

Joe Fittell
Team Leader
Energy, Resources and Industry
Planning and Assessment

Dear Joe

Bengalla SSD-5170 Modification 5
Muswellbrook Shire Council comments on Modification Report

Reference is made to the Modification (MOD) Report for Bengalla MOD5 prepared by James Bailey and Associates dated 26 November 2021.

Bengalla Mine (Bengalla) is approved by Development Consent SSD-5170 granted under the (then) Division 4.1 of Part 4 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). SSD-5170 (as modified) authorises the continuation of open cut coal mining and associated activities at Bengalla until 28 February 2039.

Bengalla Mining Company Pty Ltd (BMC) operates Bengalla and are seeking a modification to SSD-5170 to facilitate the following activities:

- Operation of a mobile rock crushing facility and ancillary equipment, and the use of that crushed rock at Bengalla;
- Geotechnical investigations in connection with any activities approved under SSD-5170 from time to time;
- Prospecting operations (including exploration drilling) in accordance with BMC's mining leases issued under the *Mining Act 1992*;
- Realignment of the Western Diversion Levee within the Disturbance Boundary;
- Enlargement of the Run Of Mine (ROM) coal stockpile located adjacent to the ROM dump hopper from 40,000 tonnes(t) to 150,000 t approximate maximum capacity;
- Upgrade/widening of an existing haul road (Southern Endwall Road) adjacent to the southern visual bund, which may require removal of part of the visual bund (to be replaced by an equivalent measure);
- Disposal of tyres in-pit; and
- Minor administrative changes to conditions of SSD-5170.

Council's submission is as follows. Requests and recommendations are shown in underlined text.

1.0 Waste Management

It is noted that waste tyre management options are currently limited for mining operations in NSW and across Australia, due to a general lack of available recycling technologies and transportation impediments (DPIE, 2021).

Tyre Stewardship Australia has received a federal government grant to deliver a business case that can be used to make a positive shift in improving off-the-road (OTR) tyres in the

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mining industry. In January 2022 the following OTR tyre importers committed to joining the voluntary Tyre Product Stewardship Scheme (the Scheme) to help find sustainable outcomes for OTR tyres that have reached their end-of-life in Australia:

- Bearcat;
- Bridgestone Mining Solutions;
- Goodyear;
- Kal Tire;
- Michelin; and
- Yokohama

The Scheme has meant that consumers will ensure that tyre retailers are considering a circular economy for end-of-life tyres, contributing to a sustainable society.

OTR tyres are a valuable resource that is being wasted by disposing in-pit. Increasing the recovery rate can lead to new investments, new markets and new jobs. For these reasons, Council requests that the BMC identify purchasing opportunities from signatories of the Scheme to drive solutions for the sustainable management, recycling and productive use of end-of-life tyres. This is Council's preferred option.

Where the first two priorities of the *Waste Avoidance and Resource Recovery Act 2001* are not feasible, waste disposal in an environmentally responsible manner should only then be considered. In relation to tyre waste management, it is therefore recommended that:

- a. The approval authority require that the BMC undertake a review of available recycling for end of life heavy mining plant tyres at recurrent intervals throughout the remaining life of the mine.
- b. A limitation be imposed on the number of, and origin of tyres that can be stockpiled and disposed of at the premises in any one year.
- c. Only waste tyres generated at the premises may be disposed of on the subject site.
- d. Tyres should be placed as deep as possible, but not directly on the pit or emplacement floor. Any associated placement activities should ensure that waste tyres do not impede saturated aquifers or compromise the stability of the consolidated final landform.
- e. The proponent develop an internal 'Mine Tyre Disposal Procedure' (Procedure) that provides a standard work practice for the disposal of waste tyres and guidance on the identification and environmental management of risks associated with the disposal of waste tyres. The Procedure should include a standard work practice for storage, disposal preparation and method, hazard and assessment, waste tyre tracking, monitoring and reporting.
- f. Temporary tyre stockpile areas should be subject to an ongoing and robust monitoring and management program to ensure that stored tyres do not provide an environment that promotes harbourage of vermin or encourages mosquito breeding. Appropriate mitigation and management measures should be put in place in respect of potential stockpile fires.
- g. Monitoring of disposed waste tyres should occur as part of establishment of the final landform for rehabilitation. Monitoring should assess the final shaped grade and stability prior to topsoil placement to ensure no up-rising of waste tyres has occurred, and that at least twenty metres of emplacement material is over the deposited waste tyre area.
- h. The proponent should maintain a comprehensive inventory of all waste heavy vehicle tyres buried on site, including within overburden emplacement area. The following key information should be included: serial number, type/make and quantity, disposal date,

surveyed coordinates of the disposal site area (Easting, Northing, relative level), and summary description of the disposal area.

- i. The proponent should undertake a preliminary Environmental Risk Assessments (RA) prior to the selection of an appropriate disposal area for the waste heavy vehicle tyres. The RA to consider the potential unacceptable risk of soil; sediment; groundwater or surface water contamination; as well as proximity to coal rejects and potentially acid forming material.
- j. A range of measures should be implemented for the purpose of extending the operational lifespan of mining equipment tyres and minimising disposal rates. These measures could include road design, mining equipment speed limits, regular tyre inspection and maintenance, repair of tyres as far as practicable without impacting safe operation of equipment, and consideration of other beneficial use on-site where practical (e.g reuse as bunding, for intersection construction etc).
- k. Waste tyre disposal information should be reported in the Bengalla Mine Annual Review.
- l. The existing groundwater monitoring program should assist in identifying any potential contamination from waste tyre disposal and prompt remediation actions.

Additionally, the following information should be clarified:

- a. Quantity of tyres currently stockpiled and historically buried at the mine (where applicable).
- b. How existing stockpiled tyres will be managed e.g disposal of these tyres should be staggered to optimise disposal locations and volumes.

2.0 Mobile Rock Crushing Facility

Section 1.3.1 of the Modification Report states that the 'crushed rock may be used for rock lining of drains in rehabilitation'. Leading practice of mine rehabilitation is that the area of rehabilitation is environmentally sustainable. This requires the landform to be stable and free from long-term erosion.

It is expected that the crushed rock used in the rock lining of drains of rehabilitation will accommodate natural erosive processes and be resistant to weathering in the long-term.

3.0 Visual Impact

The modification includes the enlargement of ROM coal stockpile height by approximately 10 m. Section 6.3 of the Modification Report includes a 'Visual Long Sections' diagram from two key locations along Bengalla Link Road and Denman Road.

Recommend that two photos are provided (one each from Bengalla Link Road and Denman Road). The photos should label key approved aspects of Bengalla (e.g. current stockpiles and associated infrastructure and active mining area) and the location of the proposed ROM coal stockpiles.

4.0 Tree Plantings Along Public Roads

Council acknowledges that due to physical constraints within the relevant public road reserves, BMC is seeking amendments to Condition 40 and 41 of Schedule 3 of SSD-5170 to provide flexibility in relation to the required visual tree screens. It is also acknowledged that some of the tree plantings have already occurred.

Council does not have any objections to the wording of the inclusion of planting of trees where feasible 'to Council's written satisfaction' (partially covered by a Section 138 permit).

Council requests that the following information be provided to understand the status of works completed and the scope of works remaining:

1. A revised tree planting program which includes:
 - a) The locations of historic and planned tree plantings;
 - b) An 80% minimum survival rate commitment for the trees planted;
 - c) A description of where trees cannot be planted and why;
 - d) Typical cross sections of planting/bunding for any road section;
 - e) Plans showing overhead powerlines and other services; and
 - f) A works program indicating commencement date of plantings and timeline.

Additionally, it is expected any future planting will be undertaken:

1. Generally, as described in Section 5.3 of the AECOM Tree Screen Plan (June, 2017) using a species list described in Section 5 of the same;
2. In accordance with a Section 138 permit, prepared prior to any works within Council's road corridor; and
3. In consideration of Over Size Over Mass vehicle widths and turning circles of long vehicles (up to 90m wind turbine blades) for road access.

Council have previously requested that BMC use resources planned to be committed to the Denman Road tree plantings to be used for riparian trees on the Hunter River on Bengalla owned land to provide a visual benefit from Denman Road, which is the intent of the condition. Council requests an update on this request.

5.0 Other

Clarify the Disturbance Boundary shown in Figure 6. Update to be consistent with Disturbance Boundary shown in Figure 2 (if required).

Council staff appreciates the opportunity to comment and would be pleased to provide additional information if requested. Should you need to discuss the above, please contact Theresa Folpp, Development Compliance Officer on 02 6549 3700 or email council@muswellbrook.nsw.gov.au.

Yours faithfully



Sharon Pope
Executive Manager Environment and Planning

References

- DPIE (2021) *Tarrawonga Coal Mine Modification 9 – Waste Tyre Disposal Planning Secretary's Assessment Report*

15 QUESTIONS WITH NOTICE

Nil

16 COUNCILLORS REPORTS**17 QUESTIONS FOR NEXT MEETING****18 ADJOURNMENT INTO CLOSED COUNCIL**

In accordance with the Local Government Act 1993, and the Local Government (General) Regulation 2005, business of a kind referred to in Section 10A(2) of the Act should be dealt with in a Confidential Session of the Council meeting closed to the press and public.

19 CLOSED COUNCIL**RECOMMENDATION**

Council adjourn into Closed Session and members of the press and public be excluded from the meeting of the Closed Session, and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld unless declassified by separate resolution. This action is taken in accordance with Section 10A(2) of the Local Government Act, 1993 as the items listed come within the following provisions:

19.1 TENDER 2021-2022-0507 - LORNE STREET DRAINAGE UPGRADE

Item 19.1 is classified CONFIDENTIAL under the provisions of Section 10A(2)(d)(ii) of the local government act 1993, as it deals with information that would, if disclosed, confer a commercial advantage on a competitor of the council, and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

19.2 TENDER 2021-2022-0510 - LEGAL SERVICES PANEL

Item 19.2 is classified CONFIDENTIAL under the provisions of Section 10A(2)(d)(i) of the local government act 1993, as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it, and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

19.3 TENDER 2021-2022-0511 - PROVISION OF PROPERTY AND BUILDING TRADES AND SERVICES PANEL

Item 19.3 is classified CONFIDENTIAL under the provisions of Section 10A(2)(c) of the local government act 1993, as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

19.4 TENDER 2021-2022-0499 - DESIGN AND CONSTRUCTION OF FLUORIDE DOSING SYSTEM UPGRADE - TENDER ASSESSMENT

Item 19.4 is classified CONFIDENTIAL under the provisions of Section 10A(2)(c) of the local government act 1993, as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business,

and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

19.5 UPPER HUNTER ECONOMIC DEVELOPMENT CORPORATION

Item 19.5 is classified CONFIDENTIAL under the provisions of Section10A(2)(a) and 10A(2)(c) of the local government act 1993, as it deals with personnel matters concerning particular individuals (other than councillors), and information that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business, and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

19.6 CHANGES TO THE STAFF ESTABLISHMENT

Item 19.6 is classified CONFIDENTIAL under the provisions of Section10A(2)(a) of the local government act 1993, as it deals with personnel matters concerning particular individuals (other than councillors), and Council considers that discussion of the matter in an open meeting would be, on balance, contrary to the public interest.

Moved: _____ Seconded: _____

20 RESUMPTION OF OPEN COUNCIL

21 CLOSURE

DATE OF NEXT MEETING: TUESDAY 5 APRIL 2022