

**Muswellbrook Shire Council**

**EXTRA ORDINARY COUNCIL  
MEETING**

**BUSINESS PAPER**

**22 FEBRUARY 2022**



**EXTRA ORDINARY COUNCIL MEETING, 22 FEBRUARY 2022**

MUSWELLBROOK SHIRE COUNCIL

P.O Box 122  
**MUSWELLBROOK**  
18 February, 2022

Councillors,

You are hereby requested to attend the Extra Ordinary Council Meeting to be held in the LOXTON ROOM, Administration Centre, Campbells Corner, 60-82 Bridge Street, Muswellbrook on **22 February, 2022** commencing at 5.30pm.

Fiona Plesman  
**GENERAL MANAGER**

# Order of Business

ITEM	SUBJECT	PAGE NO
1	ACKNOWLEDGEMENT OF COUNTRY	4
2	CIVIC PRAYER	4
3	APOLOGIES AND LEAVE OF ABSENCE	4
4	DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST	4
5	PUBLIC PARTICIPATION	4
6	COMMUNITY INFRASTRUCTURE	5
6.1	THOMAS MITCHELL DRIVE / DENMAN ROAD INTERSECTION - S.138 ROADS ACT 1993 PERMIT APPROVAL	5
7	CORPORATE AND COMMUNITY SERVICES	13
7.1	DECEMBER BUDGET REVIEW 2021	13



## MUSWELLBROOK SHIRE COUNCIL

# AGENDA

### **1 ACKNOWLEDGEMENT OF COUNTRY**

### **2 CIVIC PRAYER**

### **3 APOLOGIES AND LEAVE OF ABSENCE**

### **4 DISCLOSURE OF ANY PECUNIARY AND NON-PECUNIARY INTEREST**

Section 451 of the Local Government Act requires that if a councillor or member of a council or committee has a pecuniary interest in any matter before the council or committee, he/she must disclose the nature of the interest to the meeting as soon as practicable and must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of financial gain or loss (see sections 442 and 443 of the Local Government Act).

A non-pecuniary interest can arise as a result of a private or personal interest which does not involve a financial gain or loss to the councillor or staff member (eg friendship, membership of an association, or involvement or interest in an activity). A councillor must disclose the nature of the interest to the meeting as soon as practicable.

Council's Model Code of Conduct now recognises two forms of non-pecuniary conflict of interests:

- Significant
- Less than significant

A Councillor must make an assessment of the circumstances and determine if the conflict is significant.

If a Councillor determines that a non-pecuniary conflict of interests is less than significant and does not require further action, they must provide an explanation of why it is considered that the conflict does not require further action in the circumstances.

If the Councillor has disclosed the existence of a significant non-pecuniary conflict of interests at a meeting they must not be present at, or in sight of, the meeting, when the matter is being discussed, considered or voted on.

### **5 PUBLIC PARTICIPATION**

## 6 COMMUNITY INFRASTRUCTURE

### 6.1 THOMAS MITCHELL DRIVE / DENMAN ROAD INTERSECTION - S.138 ROADS ACT 1993 PERMIT APPROVAL

Attachments:	A. HVEC Thomas Mitchell Drive Denman Road Intersection Upgrade <a href="#">↓</a> B. TfNSW Approved Design <a href="#">↓</a>
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

The report is submitted for Council's consideration to delegate to the General Manager authority to approve a s.138 *Roads Act 1993* permit for works on Thomas Mitchell Drive associated with the upgrade of the Denman Road/Thomas Mitchell Drive intersection.

#### OFFICER'S RECOMMENDATION

**Council delegates to the General Manager authority to sign the s.138 *Roads Act 1993* approval for the works on Thomas Mitchell Drive associated with the Denman Road/Thomas Mitchell Drive intersection generally in accordance with the special conditions attached to the report.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

#### BACKGROUND

A report, entitled 'Thomas Mitchell Drive / Denman Road intersection – s.138 Roads Act 1993 permit approval', was submitted to the 1 February 2022 Ordinary Council meeting. Council's resolution in relation to the report was:

### 11.2 THOMAS MITCHELL DRIVE / DENMAN ROAD INTERSECTION - S.138 ROADS ACT 1993 PERMIT APPROVAL

*RESOLVED on the motion of Crs Woodruff and Scholes that:*

*Council REFUSES the application on the grounds that the design of the intersection is inappropriate for the safety of the residents within the Shire noting concerns relating to the following*

- *Carriageway*
- *Turning lanes both towards Muswellbrook and Denman*
- *Inclusion of a dual lane towards the Bengalla Road turn off*
- *Protection for turning right heading back towards Muswellbrook.*

As requested by Council, a briefing session for Councillors was conducted on 9 February 2022 in order to provide further information and clarification regarding the intersection upgrade project. Following the briefing session, the report is resubmitted to Council for further consideration.

BHP Mount Arthur Coal (**BHP**) is required to upgrade the intersection of Denman Road and Thomas Mitchell Drive (**TMD**) in accordance with Project Approval and Modifications 09\_0062 Mt Arthur Coal Mine – Open Cut Consolidation Project dated 26 September 2014.

A report was submitted to the 23 February 2021 Ordinary Council Meeting providing the preliminary design of the intersection for the notation of Council. Council's resolution in relation to the report was:

**11.5 PRELIMINARY DESIGN FOR THE PLANNED UPGRADE OF THE INTERSECTION OF DENMAN ROAD AND THOMAS MITCHELL DRIVE, MUSWELLBROOK**

*RESOLVED on the motion of Crs McNeill and Reynolds that:*

*Council notes the preliminary design provided by BHP Mt Arthur Coal for the planned upgrade of the intersection of Denman Road and Thomas Mitchell Drive, Muswellbrook, and that Council continues to liaise with the proponent and Transport for NSW for a preferred "seagull" intersection.*

In earlier consultation, Muswellbrook Shire Council (**Council**) had initially indicated its preference for a "seagull" design for the intersection upgrade, and BHP provided this concept to Transport for NSW (**TfNSW**) for comment and review. TfNSW advised that following internal consultation with their Assets, Design and Network Safety teams it was determined that TfNSW no longer supports seagull treatments on heavy traffic volume roads due to road safety issues.

**CONSULTATION**

Transport for NSW, BHP Mount Arthur Coal, GHD, Muswellbrook Shire Council's engineering team.

A report was submitted to the February 2021 Ordinary Council Meeting providing the preliminary design of the intersection for the notation of Council.

Reported to 1 February 2022 Ordinary Meeting of Council.

Briefing session held 9 February 2022.

**REPORT**

Transport for NSW (TfNSW), as the roads authority for Denman Road (Main Road 209), has approved the final design of the upgrade of the intersection of Denman Road and Thomas Mitchell Drive (see attached as C to the report), and has authorised the work under the TfNSW Works Authorisation Deed process. Road construction is required on the first 90 metres of Thomas Mitchell Drive to tie into the intersection design.

Council is the roads authority for Thomas Mitchell Drive and approval is sought under s.138 of the *Roads Act 1993* for the construction works on 90 metres of Thomas Mitchell Drive, from the Denman Road intersection, to proceed.

**OPTIONS**

Council may decide to:

1. approve the delegation to the General Manager to issue consent for the works under Section 138 *Roads Act 1993*;
2. request modification to the conditions; or
3. refuse the delegation citing reasons.

**CONCLUSION**

It is recommended that Council approves the delegation to the General Manager for the permit as outlined in the report.

**SOCIAL IMPLICATIONS**

There will be some delays during the works to the normal use of both Denman Road and Thomas Mitchell Drive, with the works being undertaken under traffic control. The intersection upgrade is necessary and is a condition of Consent for the Project Approval and Modifications 09\_0062 Mt Arthur Coal Mine – Open Cut Consolidation Project dated 26 September 2014. Once completed, the upgrade will significantly improve the level of service at the intersection and extend the pavement life of the road.

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

The intersection upgrade will be fully funded by Mt Arthur Coal as outlined in condition 47 of the Project Approval and Modifications 09\_0062 Mt Arthur Coal Mine – Open Cut Consolidation Project dated 26 September 2014.

**2. Financial Implications – Operational**

Mt Arthur Coal has ongoing contribution commitments to the maintenance of Thomas Mitchell Drive in accordance with the “Thomas Mitchell Drive Contributions Study” prepared by GHD.

**POLICY IMPLICATIONS**

Nil known

**STATUTORY IMPLICATIONS**

Council is the roads authority for Thomas Mitchell Drive and is acting within its powers under the *Roads Act 1993*

**LEGAL IMPLICATIONS**

Council is the roads authority for Thomas Mitchell Drive and is acting within its powers under the *Roads Act 1993*

**OPERATIONAL PLAN IMPLICATIONS**

Submission of the report complies 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 appropriate Standards, particularly Austroad standards and TfNSW guidelines ‘Traffic Control at Work Sites’ traffic management guidelines.

**WASTE MANAGEMENT IMPLICATIONS**

Nil known.

**COMMUNITY CONSULTATION/MEDIA IMPLICATIONS**

Variable message signage will provide notification to the road users of the upcoming works and any affected residents are to be notified by the applicant. A Community Newsletter has been sent out by Mt Arthur Coal to advise the community of the upcoming work. The information will be included on Council’s website.

## Schedule of Details

1. The Works	The works are within the Road Reserve of Thomas Mitchell Drive (TMD) associated with the Thomas Mitchell Drive Denman Road Upgrade. The first 90m TMD will be reconstructed.	
2. The Site	Thomas Mitchell Drive.	
3. Estimated Cost of the Works	\$ N/a (GST exclusive)	[Clause 6.1(e)]
4. Estimated Council Costs	Plan Approval \$ 1,608.00 (GST exclusive) Construction Observation & Traffic Control Plans \$ 3,960.00 (GST exclusive) Final Acceptance (WAE review etc) \$ 5,000.00 (GST exclusive) Total \$10,568.00 (GST exclusive)	[Clause 6.1(f)]
5. Defects Liability Period	12 Months	[Clause 8.4]
6. Consent Holder's Representative	Name..... ..Mark Nolan..... Position..... Approvals Principal Mt Arthur Coal..... Mobile Phone... 0428 885 301..... Office Phone..... Email mark.nolan@bhp.com Facsimile.....	[Clause 14.3]
7. Council's Representative	Name.....Kellie Scholes..... Position.....Manager Roads Drainage & Technical Services..... Mobile Phone... 0407 252 142 ..... Office Phone... 02 6549 3756..... Email ..... Kellie.scholes@muswellbrook.nsw.gov.au..... Facsimile.....02 6549 3701.....	[Clause 14.3]



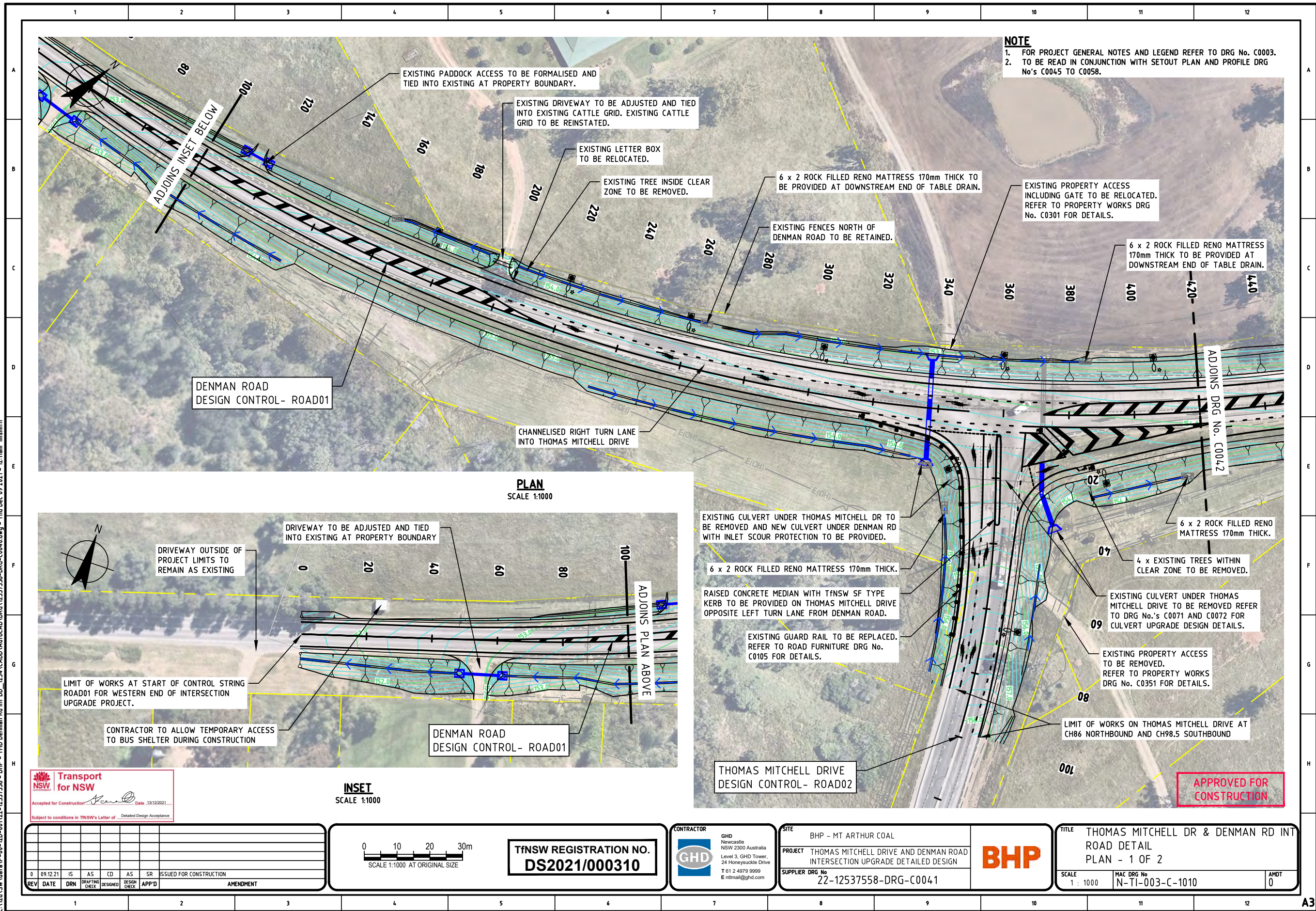
**Draft Special Conditions Thomas Mitchell Drive during the Denman Road Intersection Upgrade**

1. Prior to commencement of any construction activity, all proposed temporary construction and permanent accesses off Thomas Mitchell Drive are to be located, designed and constructed to meet minimum requirements of Muswellbrook Shire Council's rural property access drawing 0041/1 revision A dated 16/7/2012 unless otherwise agreed by Council.
2. All constructed temporary accesses off Thomas Mitchell Drive are to be removed and decommissioned upon completion of construction, boundary fencing reinstated and all areas of disturbances within the road reserve to be reestablished to AUS-SPEC standard including top soiling, grass seeding, reshaping of table drains and scour protection where required to Council's satisfaction.
3. All works impacting Thomas Mitchell Drive will require a Traffic Guidance Scheme (TGS). All TGS plans are to be developed as per RMS "Traffic Control at Worksites Conditions" and to be accepted by Council prior to use. Any changes to the TGS's will require submission to council prior to the implementation of the changes.
4. A schedule of works will be provided to Council in the form of a Gant chart detailing individual key work activities associated with the overall project and completion of the work stages. Specifically, where this work impacts Thomas Mitchell Drive and Council's road reserve. This is to be updated every four (4) weeks and made available to Council. A liaison meeting should be scheduled as required.
5. School bus times Construction traffic is not to operate on Thomas Mitchell Drive during the school bus times. School bus times are to be confirmed biny the applicant in consultation with the relevant bus companies.
6. Inclement weather: Council as the road authority for Thomas Mitchell Drive reserves the right to automatically suspend or decrease the construction traffic activity in the event of heavy or prolonged rain affecting their roads. Construction traffic movements are not permitted on public roads when fog conditions prevail and sight distances are compromised.
7. The consent Holder is to advise Council's Technical Officer, Roads & Drainage on 0418 110010 fourteen (14) days prior to commencing work to confirm inspection regime.
8. The Consent Holder is to advise directly affected residents and property owners of the program of Works that may affect access etc. at least one week in advance, and incorporate reasonable access needs for those properties. The Consent Holder is to advise the general public of the Works by variable message board in the local area of the Works and advertisement in the local newspaper at least a week prior to site works.
9. The occupation of the Road should be undertaken in a safe manner, with adequate dust control.
10. The Consent Holder shall check for other services and is responsible for any damage to services and Council Infrastructure. Dial before you dig 1100.

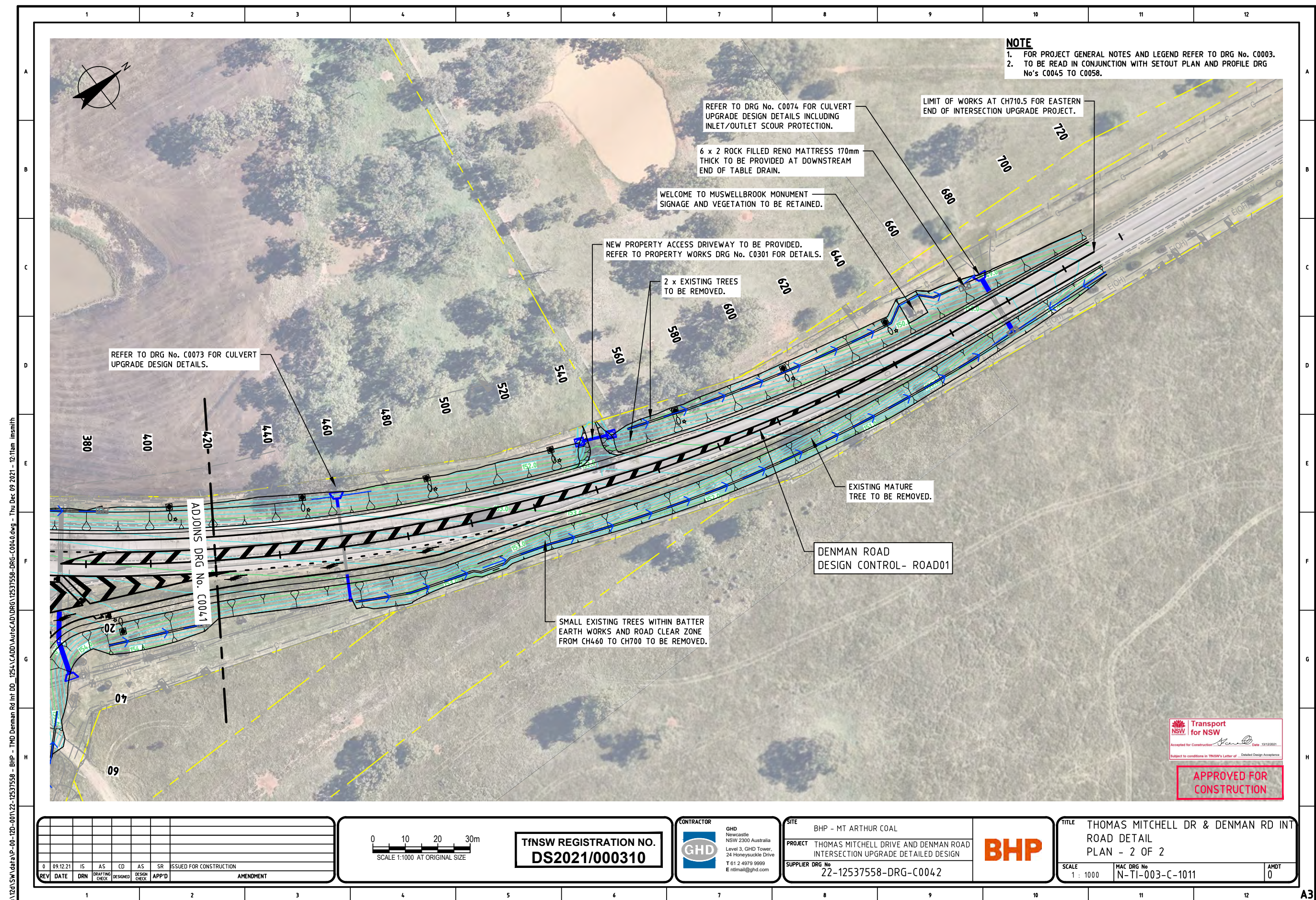
11. The Consent does not constitute approval of any environmental impacts and the Consent Holder is responsible for any such impacts and any approval that may be required in relation to the Works.
12. The Consent Holder must ensure that mud and dust from the Works is not carried on to the Road. It is recommended that a device (from the Soil Management book) be used to remove such materials prior to entering the roads.
13. The Consent Holder is required to facilitate OSOM loads which have gained Council approval to travel on Thomas Mitchell Drive.
14. This Consent is not valid until all fees listed on the Schedule of Details and any Bond amounts and terms (if required) in the Schedule are agreed on.
15. Council reserves the right to reconsider and review the special conditions relating to the movement of construction vehicles on public roads.



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## 7 CORPORATE AND COMMUNITY SERVICES

### 7.1 DECEMBER BUDGET REVIEW 2021

Attachments:	A. Budget 2021-22 - December Review <a href="#">↓</a>
Responsible Officer:	Fiona Plesman - General Manager
Author:	Josh Hogan - Financial Controller
<i>Community Plan Issue:</i>	<i>Progressive leadership</i>
<i>Community Plan Goal:</i>	<i>That Muswellbrook Shire is well led and managed</i>
<i>Community Plan Strategy:</i>	<i>A financially sustainable council</i>

#### PURPOSE

To present the December 2021 Budget Review for endorsement.

#### OFFICER'S RECOMMENDATION

Council endorse the list of proposed changes for incorporation into the 2020/21 Budget.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

#### BACKGROUND

Council is required by Clause 203 of the Local Government (General) Regulation 2005 to revise the estimates at the end of the September, December and March quarters.

#### CONSULTATION

All Managers with budget responsibility, as well as the MANEX group.

#### REPORT

During the course of the financial year, Council is required to undertake Quarterly Budget Reviews at the end of the September, December and March quarters. The aim of these reviews is to:

- Include new and/or expanded projects and programs as adopted by Council in the budget, along with their related funding source.
- To make adjustments to original estimates in line with actual receipts and expenditures to date.

When completing Budget Reviews, staff aim to ensure that the net impact of all the proposed changes maintain the adopted budget.

**Responsible Accounting Officer's Statement**

*The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005.*

*It is my opinion that the Quarterly Budget Review Statement for Muswellbrook Shire Council for the quarter ended 31 December 2021 indicates that Council's projected financial position at 30/06/2022 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.*

*David Walsh 15/2/2022*

*Responsible Accounting Officer, Muswellbrook Shire Council*

**OPTIONS**

Council can choose not to accept the proposed changes and/or to add changes of their own.

**CONCLUSION**

Not applicable

**SOCIAL IMPLICATIONS**

Not applicable

**FINANCIAL IMPLICATIONS**

As outlined in the report.

**POLICY IMPLICATIONS**

Not applicable

**STATUTORY IMPLICATIONS**

Not applicable

**LEGAL IMPLICATIONS**

Not applicable

**OPERATIONAL PLAN IMPLICATIONS**

Not applicable

**RISK MANAGEMENT IMPLICATIONS**

Not applicable

## Muswellbrook Shire Council

**Budget review for the quarter ended - 31 December 2021****Executive Summary**

The **2021/22 December Quarterly Budget Review** shows a consolidated operating surplus of \$2.7M; an unfavourable variance of \$298k against the September Quarterly Budget Review. This is the net result of the four Funds of Council.

**General Fund** shows an operating surplus of \$612k in the December Review; a favourable variance of 134k against the September Budget Review of \$478k. This is due to a favourable variance in revenue of \$1.79M largely offset by an unfavourable variance in Expenses of \$1.66M

**Water Fund** shows an operating deficit of \$642k in the December Review; an unfavourable variance of 189k against the September Review deficit of \$453k due primarily to additional costs for the asset condition assessment.

**Sewer Fund** shows an operating deficit of \$452k in the December Review; an unfavourable variance of 277k against the September Review deficit of \$175k due to an update of the depreciation for the Reuse Water Treatment Works.

**Future Fund** shows an operating surplus of \$3.1M in the December Review; a favourable variance of 33k against the September Review. This was due to decreased rental income (down \$195k) offset by reduced expenditure (down \$228k).

## Muswellbrook Shire Council

## Budget review for the quarter ended - 31 December 2021

## Income &amp; Expenses - Consolidated

Income & Expenses - Consolidated			Approved Changes		Recommended changes for Council		PROJECTED year end result		ACTUAL*	
	Note	ORIGINAL Budget	Carryovers	Sept	REVISED					
		2021/22 (000's)	(000's)	Review (000's)	Budget (000's)	Resolution (000's)	2021/22 (000's)		YTD (000's)	
Income										
Rates and Annual Charges		29,399	-	-	29,399	-	29,399		28,954	
User Charges and Fees	1	20,174	152	(458)	19,868	(214)	19,654		9,174	
Interest and Investment Revenue	2	711	-	-	711	(22)	689		302	
Other Revenues	3	2,589	22	299	2,910	195	3,105		1,293	
Grants & Contributions - Operating	4	5,805	77	305	6,187	1,441	7,628		4,410	
Internal Revenue**	5	4,240	1,488	81	5,809	201	6,010		2,155	
Total Income from continuing operations		62,918	1,740	228	64,885	1,600	66,485		46,288	
Expenses										
Employee costs	6	14,761	-	(139)	14,622	70	14,692		7,380	
Materials & Contracts	7	17,431	1,733	675	19,839	180	20,020		8,774	
Borrowing Costs		2,137	-	(18)	2,119	-	2,119		863	
Depreciation	8	14,528	-	-	14,528	(253)	14,275		8,312	
Overheads		4,388	-	-	4,388	17	4,405		2,214	
Other Expenses	9	6,386	7	35	6,428	1,884	8,312		4,339	
Total Expenses from continuing operations		59,632	1,740	553	61,925	1,898	63,823		31,882	
Net Operating Result from continuing operations		3,286	-	(325)	2,961	(298)	2,662		14,406	
Reconciliation to Cash Budget										
Net Operating Result, excluding depreciation		17,814	-	(325)	17,489	(551)	16,937			
Minus Budget Items not Included in Income Statement:										
Capital Expenditure and Purchases	10	40,222	24,648	4,862	69,732	158	69,890			
Contribution from General Fund to Future Fund		3,000	-	-	3,000	-	3,000			
Loan Principal Repayments		7,425	-	-	7,425	-	7,425			
		50,647	24,648	4,862	80,156	158	80,314			
Plus:										
Grants and Contributions - Capital	11	19,639	11,220	570	31,429	2,167	33,596			
Cash Surplus (Deficit)		(13,194)	(13,427)	(4,617)	(31,238)	1,457	(29,781)			
Funded by:										
Borrowings	12	6,625	-	2,500	9,125	(2,750)	6,375			
Transfers from Reserves	13	3,569	13,427	2,117	19,113	1,605	20,719			
General Fund Contribution to Future Fund		3,000	-	-	3,000	-	3,000			
		13,194	13,427	4,617	31,238	(1,145)	30,094			
Cash Surplus (Deficit)		(0)	-	0	0	313	313			
Transfers to Reserves	14	-	-	-	-	463	463			
Shortfall***		-	-	-	-	150	150			

## Notes:

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget

REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

\* Year to Date at 31 January 2022

\*\* Internal Revenue includes internal recoveries and transfers from reserves

\*\*\* Recommendation to Council to approve a transfer of 150k from the Unrestricted Cash Reserve to offset the shortfall



## Muswellbrook Shire Council

## Budget review for the quarter ended - 31 December 2021

## Income and Expense Statement Notes

1. **User Charges & Fees** – Unfavourable variance of \$214k largely due to reduced Future Fund rental income in the Education (\$168k) and Commercial (\$27k) Divisions. This was more than offset by a reduction in costs.
2. **Interest & Investment Income** – Unfavourable variance of \$22k due to reduced investment revenue resulting from lower interest rates.
3. **Other Revenues** show a favourable variance of \$195k largely due to a transfer from the Unrestricted Cash Reserve (265k, for legal costs) partially offset by reduced plant hire income and other small items.
4. **Operating Grants & Contributions** – favourable variance of \$1.44M primarily due to the addition of a contribution for Mangoola roads maintenance (100k) and a \$1.35M contribution from AGL for economic development.
5. **Internal Revenue** shows a favourable variance of \$201k largely due to the net effect of transfers from the Unexpended Grants Reserve (250k) and the Legal Matters Reserve (50k), partially offset by transfers to the Roads Reserve (83k) and the Insurance Reserve (33k).
6. **Employee Costs** show an unfavourable variance of 70k due to performance-related salary increases.
7. **Materials & Contracts** – Unfavourable variance of \$180k primarily due to the net effect of:
  - General Fund Increase of 357k composed mainly of:
    - Roads – Mangoola roads maintenance (100k)
    - Waste – Organics Recycling Facility (259k)
    - ICT Projects (163k) including a full GL restructure, asset integration and device renewals. These costs are largely offset by savings made in various areas around the Council.
  - Future Fund decrease of 193k composed of:
    - Reduced development application costs (100k)
    - Reduced maintenance costs (93k)
8. **Depreciation** shows a favourable variance of 253k due to an update of the original budget estimates to reflect actuals. It is the net effect of:
  - Sewer Fund increase of \$268k due to the new Reuse Water Treatment Works,
  - General Fund decrease of \$419k
  - Water Fund decrease of \$69k, and
  - Future Fund decrease of \$33k.
9. **Other Expenses** – Unfavourable variance of \$1.88M predominantly due to:
  - General Fund:
    - Planned payment of AGL contribution to the Upper Hunter Economic Development Corporation (\$1.35M).

## Muswellbrook Shire Council

## Budget review for the quarter ended - 31 December 2021

- Additional legal costs (\$300k).
- Water Fund:
  - Addition of \$250k for asset condition assessments related to the statutory revaluation.

**10. Capital Expenditure & Purchases** – Unfavourable variance of 158k for the December Review against a September revised budget of \$70M (including carryovers). This is primarily the net effect of:

- **General Fund:**
  - Decreases:
    - MSC Depot down \$2M from a total 2021/22 budget of \$2.2M due to the postponement of the project to 2022/23.
    - Civic Precinct reduced by \$535k from a total 2021/22 budget of \$3.8M due to prospective grant funding not materialising.
    - Mine-affected Roads Program (\$463k) postponed and transferred to reserves.
    - Regional Entertainment Centre decreased by \$434k from a 2021/22 budget of \$6.4M due to budgeted funding not materialising.
    - Denman Netball Courts reduced by \$394k from a total budget of \$600k due to budgeted funding not materialising.
    - Large Plant purchase budget reduced by \$135k from a total of \$967k.
  - Increases:
    - Olympic Park Field Improvements – budget of \$1M added due to confirmation of new grant funding of that amount through the Regional Sports Facility Fund.
    - Olympic Park Program budget increased from \$2.1M by \$87k to match confirmed grant funding.
    - Animal Shelter budget increased by 500k; funded from the Environmental Reserve.
    - Road Safety Program budget of \$480k; grant funding confirmed.
    - Mangoola Rd Upgrade budget of \$467k added; grant funding confirmed.
    - Thompson St Intersection project budget increased by \$456k; funded through from Roads capital contingency (\$150k), Section 7.11 – Roads Reserve (\$242k) and other reserves.
    - Bushfire Assets – 2021/22 budget increased by \$400k for the construction of the Kayuga RFS station.
- **Future Fund**
  - Tertiary Education Centre II 2021/22 budget increased by 900k from \$5.7M; funded 500k from Future Fund Reserve and 400k from Future Fund Capital Renewals budget.

## Muswellbrook Shire Council

## Budget review for the quarter ended - 31 December 2021

**11. Capital Grants & Contributions** show a favourable variance of \$2.1M primarily due to the net effect of:

- **Increases:**
  - Local Roads and Community infrastructure \$1.1M
  - Regional Sports Facility Fund \$1M
  - Road Safety Program \$480k
  - RFS Grant \$400k – for Kayuga Fire Station
  - Mangoola Rd Upgrade \$348k
- **Decreases:**
  - Denman Netball Courts \$394k
  - Regional Entertainment Centre \$434k
  - Civic Precinct \$536k

**12. Borrowings** show a favourable variance of \$2.75M due to:

- Postponement of the new MSC Depot construction to next financial year(\$2M)
- Removal of budgeted borrowings for the CBD Stage 7 - Town Centre (\$750k) as grant funding has been obtained.

**13. Transfers from Reserves** show an increase in the December QBR primarily due to:

- **General Fund**
  - Transfer from Environmental Reserve for the Animal Shelter (\$500k)
  - Transfer from Roads Reserves for the Thompson St project (\$303k)
- **Water Fund**
  - Transfer from Water Fund Reserve for System Plant Asset Renewals (\$258k)
- **Future Fund**
  - Transfer from Future Fund Reserve (\$500k) for the Tertiary Education Centre II project.

**14. Transfers to Reserves** show an increase due to the postponement of the Mine-affected Roads Program (\$463k), and associated transfer of the funding to reserves.

## 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 (Fcst)	Comments
		Transfer to	Transfer From	Transfer From	Transfer to	Transfer From	Transfer to	Transfer From	Transfer to	Transfer From		
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			78							206	
Contingency Reserve	268		50		65					81	124	
Prior Year Carryover	1,844	0	0	1,315	0	150	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
<b>Water Fund</b>													
<b>\$1,007,297</b>	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
	<b>Total</b>	<b>\$397,951</b>	<b>\$397,951</b>	<b>\$397,951</b>	<b>\$399,439</b>	<b>\$285,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Sewer Fund</b>													
<b>\$15,619,999</b>	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
	<b>Total</b>	<b>\$1,404,091</b>	<b>\$1,404,091</b>	<b>\$1,404,091</b>	<b>\$1,404,091</b>	<b>\$1,404,091</b>	<b>\$1,404,091</b>	<b>\$1,405,581</b>	<b>\$1,290,329</b>	<b>\$1,290,329</b>	<b>\$1,290,329</b>	<b>\$1,290,329</b>	<b>\$1,290,329</b>
<b>General Fund</b>													
<b>\$7,033,329</b>	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
	<b>Total</b>	<b>\$819,874</b>	<b>\$860,481</b>	<b>\$948,808</b>	<b>\$948,808</b>	<b>\$750,041</b>	<b>\$544,083</b>	<b>\$559,435</b>	<b>\$559,318</b>	<b>\$559,252</b>	<b>\$559,073</b>	<b>\$558,780</b>	<b>\$459,980</b>
<b>Future Fund</b>													
<b>\$45,600,163</b>	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
	<b>Total</b>	<b>\$6,018,956</b>	<b>\$6,080,833</b>	<b>\$6,286,672</b>	<b>\$6,024,868</b>	<b>\$5,358,501</b>	<b>\$5,427,199</b>	<b>\$5,282,437</b>	<b>\$3,247,577</b>	<b>\$3,223,952</b>	<b>\$2,475,910</b>	<b>\$1,642,544</b>	<b>\$1,281,009</b>
<b>\$69,260,789</b>		<b>\$8,640,872</b>	<b>\$8,743,355</b>	<b>\$9,037,522</b>	<b>\$8,777,205</b>	<b>\$7,797,882</b>	<b>\$7,375,373</b>	<b>\$7,247,453</b>	<b>\$5,097,223</b>	<b>\$5,073,533</b>	<b>\$4,325,312</b>	<b>\$3,491,652</b>	<b>\$3,031,318</b>

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 Corne	\$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	
<b>TOTAL</b>	<b>\$88,385,467</b>		<b>\$69,260,789</b>	<b>\$7,224,590</b>	<b>\$1,812,933</b>	<b>\$9,037,523</b>		

<b>Additional Borrowings Required - 2021/22</b>	
Aquatic Centre Upgrade	\$ 800,000
TEC II	\$ 2,500,000
<b>Total</b>	<b>\$ 3,300,000</b>

## MUSWELLBROOK SHIRE COUNCIL

## Budget review for the quarter ended - 31 December 2021

		Contracts			
Contractor	Contract detail & purpose	Contract value	Commencement date	Duration of contract	Budgeted (Y/N)
No applicable contracts for this quarter					

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's Preferred supplier list'.
3. Contracts for employment are not required to be included.
4. Where a contract for services etc was not included in the budget, an explanation is to be given (or reference made to an explanation in another Budget Review Statement).

## PART B - Consultancy and Legal expenses

## Budget review for the quarter ended - 31 December 2021

## Consultancy and Legal expenses

Expense	Expenditure YTD	Budgeted (Y/N)
Consultancies	\$100,757.00	Y
Legal Fees	\$603,397.00	Y

Definition of consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision- making by management. Generally it is the advisory nature of the work that differentiates a consultant from other

NOTE:

This document forms part of Muswellbrook Shire Council's Quarterly Budget Review Statement for the quarter ended 31/12/22 and should be read in conjunction with other documents in the QBRs.