

**Muswellbrook Shire Council**

**EXTRA ORDINARY COUNCIL  
MEETING**

**BUSINESS PAPER**

**26 APRIL 2022**



**EXTRA ORDINARY COUNCIL MEETING, 26 APRIL 2022**

MUSWELLBROOK SHIRE COUNCIL

P.O Box 122  
**MUSWELLBROOK**  
3 June, 2022

Councillors,

You are hereby requested to attend the Extra Ordinary Council Meeting to be held in the LOXTON ROOM, Administration Centre, Campbell's Corner, 60-82 Bridge Street, Muswellbrook on **26 April, 2022** commencing at 6:00pm.

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	ENVIRONMENTAL SERVICES	5
6.1	DA 2021-158 - CHANGE OF USE - HEALTH CARE SERVICE -	5
7	COMMUNITY INFRASTRUCTURE	27
7.1	PUBLIC EXHIBITION - MUSWELLBROOK SHIRE COUNCIL RESOURCING STRATEGY	27
8	CORPORATE AND COMMUNITY SERVICES	86
8.1	COMMUNITY GRANTS PROGRAM - ROUND 1 2022	86
8.2	ADDITIONAL RATE VARIATION - APPLICATION PROPOSAL	88
8.3	ADAPT PROJECT	95
8.4	PUBLIC EXHIBITION - DRAFT 2022-2026 DELIVERY PROGRAM	98



## MUSWELLBROOK SHIRE COUNCIL

# AGENDA

### **1 ACKNOWLEDGEMENT OF COUNTRY**

### **2 CIVIC PRAYER**

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

#### **RECOMMENDATION**

The apologies for inability to attend the meeting submitted by **Mr R. Mahajan** be **ACCEPTED** and the necessary Leave of Absence be **GRANTED**.

### **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 ENVIRONMENTAL SERVICES

### 6.1 DA 2021-158 - CHANGE OF USE - HEALTH CARE SERVICE -

<b>Responsible Officer:</b>	<b>Sharon Pope - Executive Manager - Environment and Planning</b>
<b>Author:</b>	<b>Alisa Evans - Projects Planner</b>
<b>Community Plan Issue:</b>	<b><i>Support initiatives which reduce the community's impact on the environment</i></b>
<b>Community Plan Goal:</b>	<b><i>Require all development proposals to avoid and mitigate against potential environmental impacts and facilitate improved environmental outcomes where possible.</i></b>
<b>Community Plan Strategy:</b>	<b><i>Require all development proposals to avoid and mitigate against potential environmental impacts and facilitate improved environmental outcomes where possible.</i></b>
<b>Attachments:</b>	<b>A. DA 2021-158 Section 4.15 Development Assessment Report</b> <b>B. DA 2021-158 Proposed Plans</b> <b>C. DA 2021-158 Recommended Conditions of Consent</b>

#### PURPOSE

An application was lodged on 21 December 2021 seeking consent for Change of Use to Health Service Facility at 79 Brook Street Muswellbrook (Lot 19 DP 701287).

DA 2021-158 is being reported to Council for determination as the proposed development does not meet the minimum off-street car parking requirements of the Muswellbrook Development Control Plan 2009.

#### RECOMMENDATION

**Council grant development consent to Development Application 2021-158 for the change of use of the building located at 79 Brook Street, Muswellbrook (Lot 19 DP 701287) to a health service facility, subject the conditions in Attachment C.**

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

<input type="checkbox"/> Cr A. Barry	<input type="checkbox"/> Cr M. Bowditch	<input type="checkbox"/> Cr D. Douglas
<input type="checkbox"/> Cr J. Drayton	<input type="checkbox"/> Cr L. Dunn	<input type="checkbox"/> Cr J. Lecky
<input type="checkbox"/> Cr R. Mahajan	<input type="checkbox"/> Cr D. Marshall	<input type="checkbox"/> Cr G. McNeill
<input type="checkbox"/> Cr S. Reynolds	<input type="checkbox"/> Cr R. Scholes	<input type="checkbox"/> Cr B. Woodruff

#### DESCRIPTION OF THE PROPOSED DEVELOPMENT

The application is seeking consent for a Change of Use to a Health Service Facility, new pedestrian access and car parking (see Attachment B). The site is currently occupied by a dwelling house, is zoned R1 General Residential and is situated within Muswellbrook Residential Heritage Conservation Area under Muswellbrook Local Environmental Plan 2009 (MLEP 2009).

**ASSESSMENT SUMMARY**

Council Officers have assessed the development application under the relevant heads of consideration under Section 4.15 of the Environmental Planning and Assessment Act 1979. A copy of the Section 4.15 Assessment is provided in Attachment A. The proposed development application complies with relevant requirements of the MLEP 2009.

Key findings of the section 4.15 assessment include:

- The proposed development was considered against provision of MLEP 2009 and is permitted.
- The proposed development was considered against the provisions of relevant State Environmental Planning Policies (SEPP's) and there are no provisions which would prohibit the proposed development.
- The proposed development does not comply with the requirements of the Muswellbrook Development Control Plan 2009 (MDCP 2009) related to the provision of off-street car parking. A total of three (3) off-street car parking spaces were required while two (2) spaces can be provided once the width requirements of an accessible space are accounted for. When considering this non-compliance Council Officers have had regard to the related MDCP 2009 objectives and formed a view that the proposed development may be supported if the applicant improves the footpath connectivity between the site and Sowerby Street where there is on-street car parking. This would be achieved through the construction of a 2m wide concrete footpath. Conditions related to the design and construction of this footpath have been included in the recommended conditions of consent.
- The proposed development is compatible with the remaining requirements of the MDCP 2009.
- It is considered that the proposed development was unlikely to have any significant adverse environmental impacts.

**COMMUNITY CONSULTATION**

The development proposal was notified from 4 January to 18 January 2022. No submissions were received.

**OPTIONS**

The Council may:

- A) Grant development consent to the proposed development subject to the recommended conditions of consent – this is the recommended option;
- B) Grant development consent to the proposed development subject to different conditions of consent; or
- C) Refuse development consent to the proposed development and nominate reasons for refusal.

**LEGAL IMPLICATIONS**

Where the applicant is dissatisfied with the determination of the development application, they have an opportunity under the provisions of the Environmental Planning and Assessment Act 1979 to appeal that determination at the Land and Environment Court.

**CONCLUSION**

DA 2021-158 has been reported to Council for determination as the development proposal is noncompliant with MDCP 2009. Staff recommend a condition requiring the installation of a section of concrete footpath along a portion on Sowerby Street to improve access to on-street parking as an alternative.

**DEVELOPMENT ASSESSMENT REPORT****Attached:** Site Plan**REPORT TO THE GENERAL MANAGER**

<b>ADDRESS:</b>	LOT: 19 DP: 701287 79 Brook Street MUSWELLBROOK
<b>APPLICATION No:</b>	2021-158
<b>PROPOSAL:</b>	Change of Use to Health Services Facility- Health consulting rooms
<b>OWNER:</b>	Mr R M Haynes & Ms S Marich
<b>APPLICANT:</b>	Ms L Wilson 17 Russell Street QUIRINDI NSW 2333
<b>AUTHOR:</b>	Ms A J Evans
<b>DATE LODGED:</b>	09/12/2021
<b>AMENDED:</b>	-
<b>ADD. INFO REC'D:</b>	-
<b>DATE OF REPORT:</b>	8 April 2022

---

**SUMMARY**

<b>ISSUES:</b>	Carparking
<b>SUBMISSIONS:</b>	0
<b>RECOMMENDATION:</b>	Approval subject to conditions

---

### 1.0 DESCRIPTION OF PROPOSAL

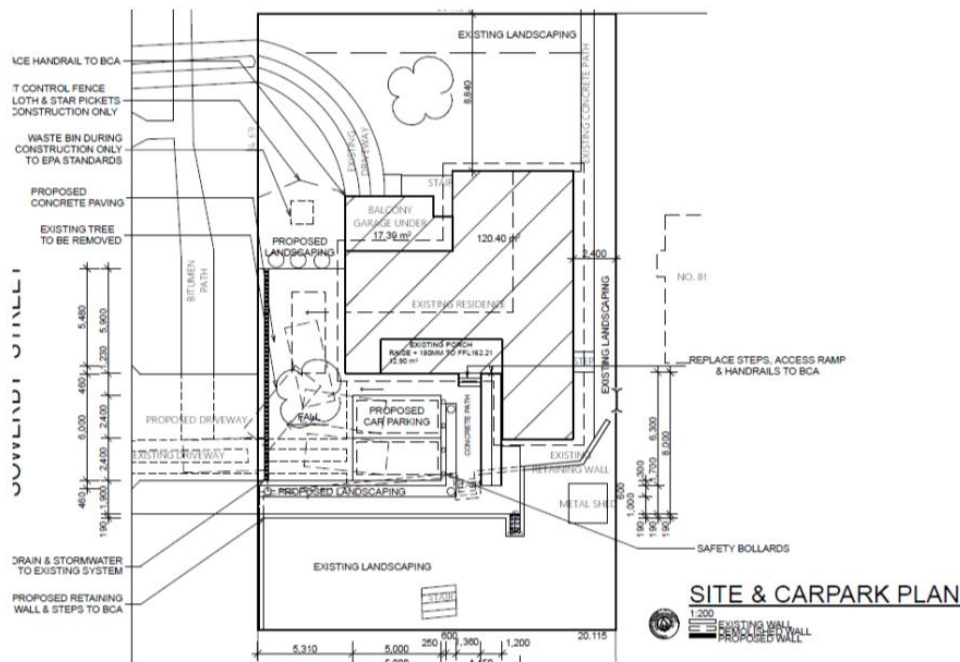
The proposal seeks approval for a change of use from a dwelling house to health service facility - health consulting rooms at 79 Brook Street Muswellbrook (Lot 19 DP 701287). The site is zoned R1 General Residential and is within Muswellbrook Residential Heritage Conservation Area under Muswellbrook Local Environmental Plan 2009 (MLEP 2009).

The existing dwelling house will have access ramps and doors installed to facilitate accessible entry to the premise. Minor demolition and tree removal will be required to accommodate the new works.

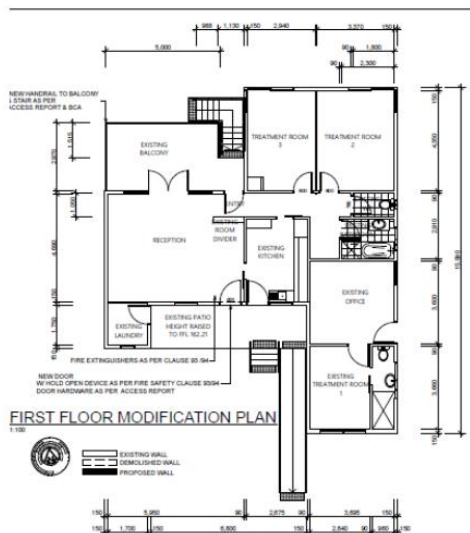
The existing garage will be utilised by the practitioner and new parking will be constructed at the rear through removal of the existing retaining wall and construction of a driveway from Sowerby Street.



Figure 1: Site aerial 79 Brook Street, Muswellbrook



### Figure 2 Proposed site and carpark



**Figure 3 Floor Plan for proposed Health consulting rooms**

## 1.2 Internal Referrals

The application was referred to Council's Building Section and Community Infrastructure. Both have recommended standard conditions of development consent should the application be approved.

### 1.3 External Referrals

Not required

## 2.0 ASSESSMENT

### Section 4.15 Matters for Consideration

### Section 4.15(1)(a)(i) The provisions of any Environmental Planning Instrument (EPI)

The following EPIs, DCPs, Codes and Policies are relevant to this Application:

#### 1. Muswellbrook Local Environmental Plan 2009 (MLEP 2009)

##### Land Use Zone and Permitted Land Use

The development site is zoned R1 General Residential pursuant to MLEP 2009. The proposal is best defined as *health consulting rooms*, which is permitted with consent in the subject Zone.

##### Objectives of the R1 General Residential Zone

- To provide for the housing needs of the community.
- To provide for a variety of housing types and densities.
- To enable other land uses that provide facilities or services to meet the day to day needs of residents.
- To enable sensitive infill development of other housing types.
- To allow people to carry out a reasonable range of activities from their homes, where such activities do not adversely affect the living environment of neighbours.
- To promote the principles of ecological sustainable development including energy and water efficient subdivision and housing design.
- To minimise the impact of non-residential uses and ensure these are in character and compatible with surrounding development.
- To ensure that development is carried out in a way that is compatible with the flood risk of the area.

The development proposal achieves the objectives of the Zone.

##### Relevant Clauses applicable under the Muswellbrook Local Environmental Plan 2009

<b>Part 1 Preliminary</b>	
1.1 Name of Plan	Muswellbrook Local Environmental Plan 2009
1.1AA Commencement	The MLEP 2009 was gazette 17 April 2009.
1.6 Consent authority	The consent authority for this development is Muswellbrook Shire Council.
<b>Part 2 Permitted or prohibited development</b>	
2.2 Zoning of land to which Plan applies	See above
2.3 Zone objectives and Land Use Table	See above
2.5 Additional permitted uses for particular land	NA
2.6 Subdivision—consent requirements	NA
<b>Part 4 Principal development standards</b>	
4.3 Height of buildings	MLEP 2009 specifies a maximum building height of 8 m in relation to the land. The proposal does not involve building works over 4m.
4.4 Floor space ratio	1:2
4.5 Calculation of floor space ratio and site area	complies
4.6 Exceptions to development standards	N/A
<b>Part 5 Miscellaneous provisions</b>	
5.9AA Trees or vegetation not prescribed by development control plan	NA
5.10 Heritage conservation	While the works are located within the Muswellbrook Residential Heritage Conservation Area the works are at the rear and are not impacting the overall heritage

	significance of the area or any adjoining heritage items.
5.11 Bush fire hazard reduction	NA
Part 7 Additional local provisions	
7.1 Terrestrial biodiversity	NA
7.6 Earthworks	The site will have a cut at the rear to accommodate car parking. The retaining wall is with the property boundaries and does not impact adjoining land.

## 2. State Environmental Planning Policy

The proposed development has been considered against relevant State Environmental Planning Policies. Council Officers are satisfied that the proposal is consistent with requirements of these environmental planning instruments.

### **Section 4.15(1)(a)(ii) the provisions of any draft EPI.**

There are no draft EPIs relevant to the subject Application.

### **Section 4.15(1)(a)(iii) the provisions of any development control plan**

#### Section 3 – Site Analysis

It is considered that the documentation provided with the Development Application satisfies the provisions of Section 3 of the Muswellbrook DCP.

#### Section 6 – Residential Development

The proposed works are minor and are at the rear of the property and do not impact the current built form or the adjoining properties.

#### Section 14 – Outdoor Signage

It is noted that no signage is proposed as part of the application. If any future signage will be require separate approval if it is not compliant with State Environmental Planning Policy Exempt and Complying Codes 2008.

#### Section 15 – Heritage Conservation

The site is within the Muswellbrook Residential Heritage Conservation Area under MLEP 2009. The proposed works do not significantly alter the existing dwelling. The installation of the driveway and parking area is the most notable change to the streetscape along Sowerby Street. The works are consider to comply with the relevant sections of this chapter of the DCP.

#### Section 16 – Car Parking and Access

The requirements of Section 16 of the Muswellbrook Development Control Plan related to the provision of off-street carparking for health consulting rooms are as follows have been included in the table below and considered in relation to the proposed development.

Land use	Land Use Requirement	Required	Provided
Health Consulting Room	1 space per practitioner, PLUS 1 space per employee, PLUS 2 spaces for patients of each practitioner.	3	2 (one at rear for patients and the existing garage)

a are required to service the development, while two would be provided under the proposed plans once the parking width requirements for an accessible parking space are accounted for.



While an accessible parking space is required, the Disability Access Report submitted with the application advises that the space does not need to be signposted.

*Below is an extract from 'Disability Access Report, 79 Brook Street, Muswellbrook' prepared by Access Solutions NSW Pty Ltd.*

**Accessible Car Parking**

There are less than 5 parking spaces and BCA D3.5 (d) states that a space for people with disability, "need not be identified with signage where there is a total of not more than 5 carparking spaces so as to restrict the use of the car parking space only for people with a disability."

The BCA requirement was reviewed by Council's Building Surveyor to confirm that the space must be constructed as per the accessible standard (AS).

The inclusion of a parking space that conforms with the accessible parking width requirements would use space that could otherwise be used to provide a third car parking space and causes the development to be non-compliant with the DCP off-street car parking requirement. The applicant's SoEE notes to the availability of on-street car parking in the vicinity of the development site, in particular in Sowerby Street.

In line with advice from Council's engineers, the Assessing Officer has formed a view that the proposed development may be considered to be compatible with the DCP objectives and supported where connectivity improvements are made between the site and on-street parking. It is recommended that a condition be imposed requiring.

The upgrade/construction of a 2m wide concrete footpath within the Sowerby Street Road Reserve for the frontage of the development site.

Section 94A Contributions Plan 2009

No developer contribution will apply to the proposed development should the Application be approved as the proposed works are valued under \$100,000.

**Section 4.15(1)(a)(iia) the provisions of any planning agreement**

There are no planning agreements relevant to the subject Application.

**Section 4.15(1)(a)(iv) the provisions of the regulations**

The Environmental Planning and Assessment Regulation 2022 applies to the development and the development complies.

**Section 4.15(1)(a)(v) the provisions of any coastal zone management plan**

This item is not relevant to the subject Application.

**Section 4.15(1)(b) the likely impacts of that development**

Through the assessment of the development application Council Officers considered the likely impacts of the proposed development. These impacts are broadly commented on under previous headings of this report.

Council Officers are satisfied that the development is unlikely to have any significant adverse environmental impact that may substantiate the refusal of the proposed development.

**Section 4.15(1)(c) the suitability of the site for the development**



It is considered that the development is compatible with surrounding land uses and site characteristics, subject to consent conditions.

**Section 4.15(1)(d) any submissions made**

The application was notified for a period of fourteen days from *4 January 2022* to *18 January 2022*.

NO submissions were received during the notification period:

**Section 4.15(1)(e) the public interest.**

It is considered that the proposal is not contrary to the public interest.

**3.0 CONCLUSION**

The application has been assessed in accordance with legislation. It is recommended the application be approved subject to conditions of consent.

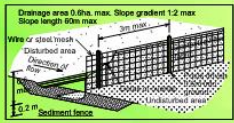
Signed by:

Alisa Evans  
Project Planner

Date:


18 April 2022

Drainage area 0.6ha. max. Slopes gradient 1:2 max.  
Slope length 60m max.



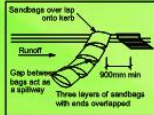
Disturbed area  
Sediment fence

1200mm high weed control mat fixed with bag ties to pickets



Star picket  
1800mm (typ.)  
Weed Control Mat  
NOTE  
Shade cloth bag laid over top one side left accessible for the disposing of rubbish

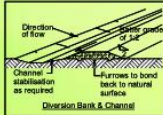
Sandbags over top onto kerb



Runoff  
900mm min  
gap between  
bags and  
a kerb  
300mm min  
gap between  
bags  
Three layers of sandbags  
with ends overlapped

NOTE  
1. No vehicle crossing or stockpiling of material on vegetation cover.  
2. All sedimentation control structures to be inspected & maintained by site manager daily.  
3. All sediment retaining structures to be cleaned on reaching 50% storage capacity.  
4. All existing vegetation will be retained outside the construction site.  
5. Clean sediments from footpaths, driveways & roads daily.  
6. Road drainage via sealed gullies to street gutter on road completion.

Direction of flow



Channel Bank & Channel  
Kynowes to bond back to natural surface as required

**NOTES**

- \* ALL WORKMANSHIP AND MATERIALS SHALL COMPLY WITH ALL RELEVANT CODES, ORDINANCES, AUSTRALIAN STANDARDS, MANUFACTURERS INSTRUCTIONS AND COUNCIL REQUIREMENTS.
- \* CHECK ALL DIMENSIONS AND LEVELS ON-SITE PRIOR TO CONSTRUCTION COMMENCING OR ORDERING MATERIALS.
- \* FIGURED DIMENSIONS SHALL BE TAKEN IN PREFERENCE TO SCALED READINGS. CONTACT THE DESIGNER REGARDING ANY DISCREPANCIES.
- \* ALL LEVELS ARE TO BE CONFIRMED AND CONSTRUCTION SET OUT BY A REGISTERED SURVEYOR.

THE ACCESS REPORT REQUIREMENTS ARE TO BE ADHERED TO WITH THIS PLAN

1. TITLE & NOTES

2. SITE & CAR PARK PLAN

3. GROUND & FIRST FLOOR PLAN

4. ELEVATIONS

5. DETAILS

6. APPENDIX A -ACCESS REPORT

7. APPENDIX B - SoEE

8. APPENDIX C - SIVINART HOLISTIC LIVING CLINIC NOTES

**Organic Home Designs**

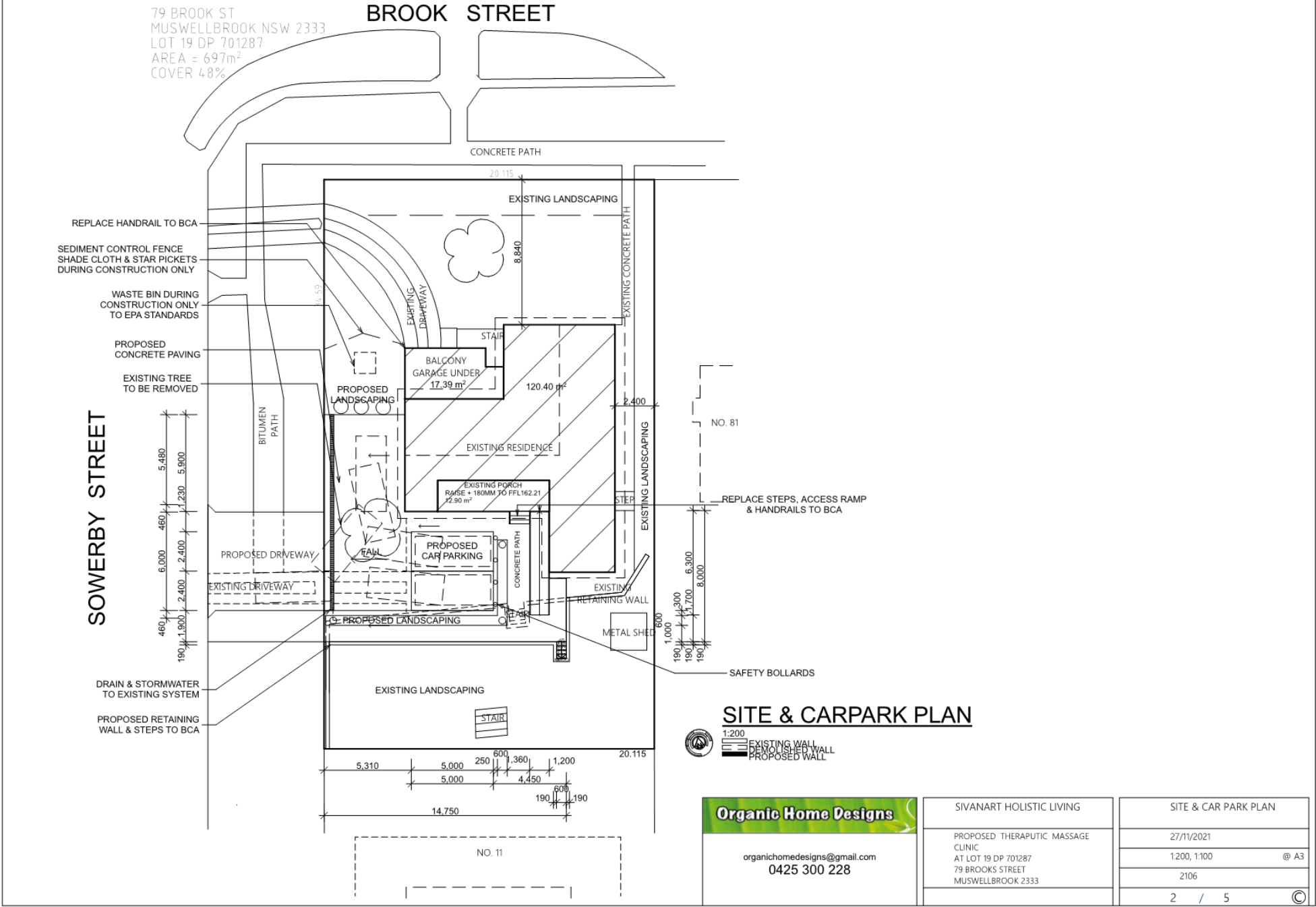
organichomedesigns@gmail.com  
0425 300 228

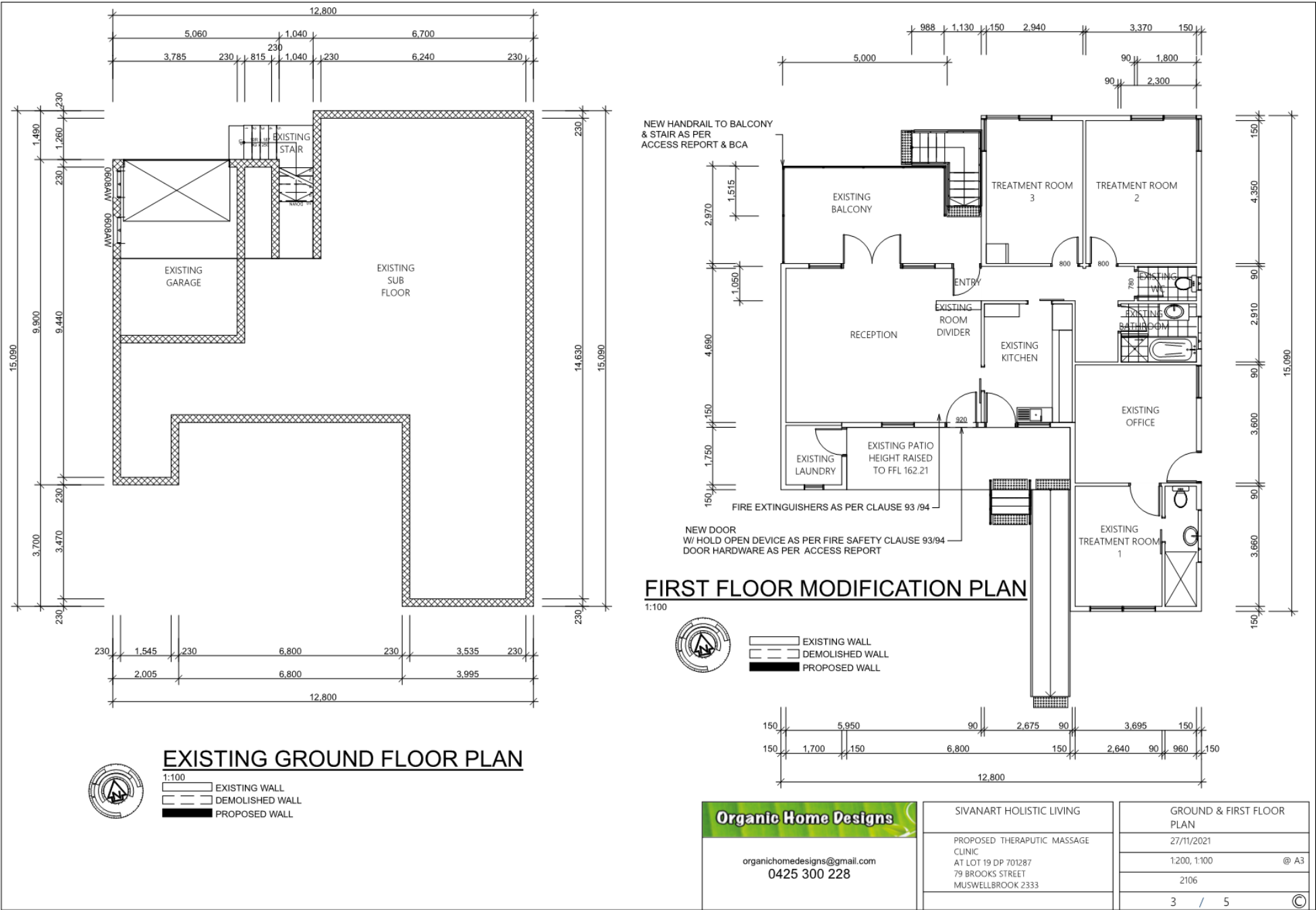
CLIENT	SIVANART HOLISTIC LIVING
PROJECT	PROPOSED THERAPUTIC MASSAGE CLINIC AT LOT 19 DP 701267 79 BROOKS STREET MUSWELLBROOK 2333
DATE	

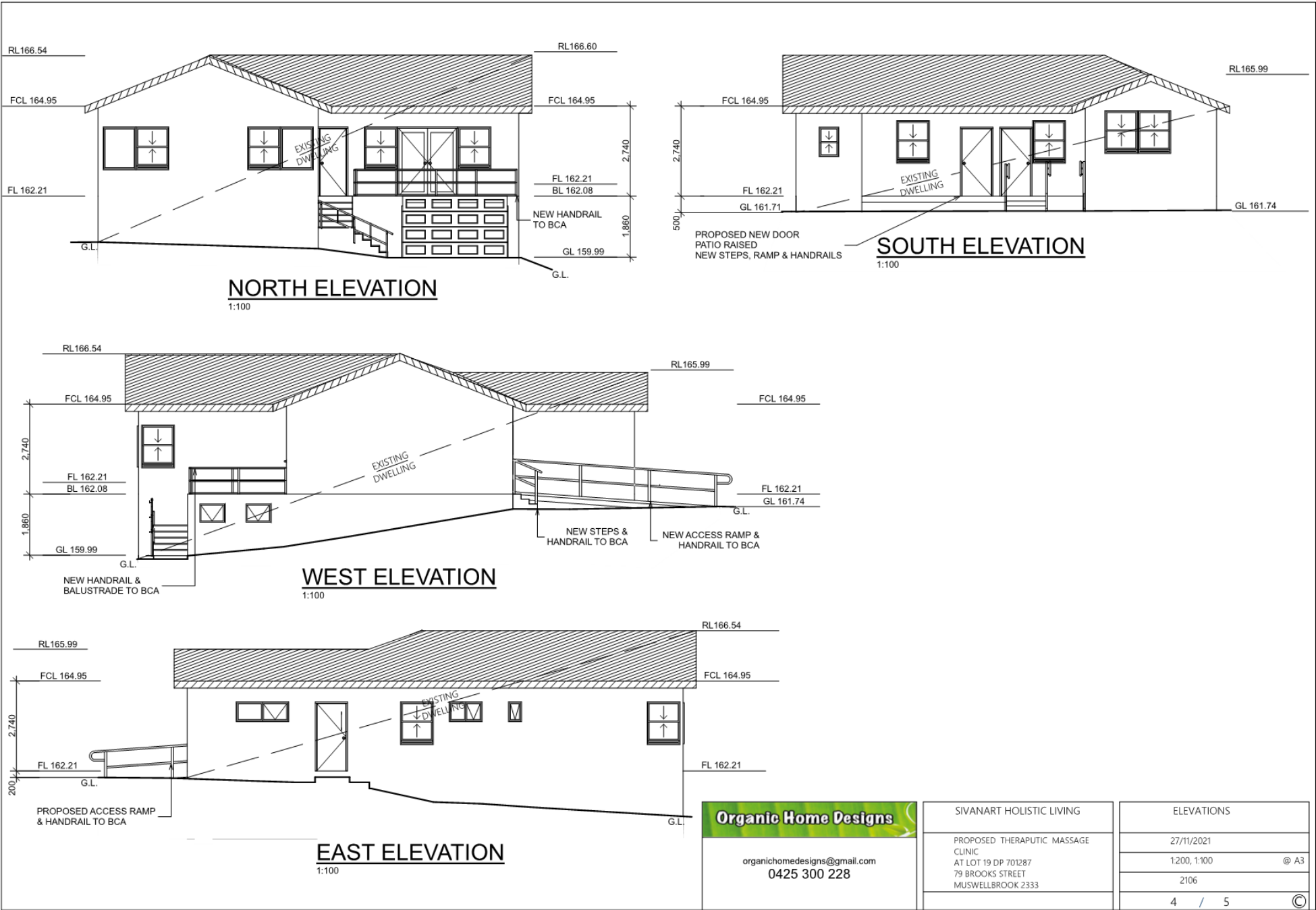
DRAWING TITLE	TITLE PAGE
DATE	27/11/2021
SCALE	1:200, 1:100 & 1:50 @ A3
DRAWING NO	2106
PAGE NO	1 / 5

Attachment B

Page 14









#### IDENTIFICATION OF APPROVED PLANS

### 1. Approved Plans and Supporting Documents

The development being carried out in accordance with the development application and the drawings referenced below, and endorsed with Council's approval stamp, except where amended by the following conditions.

Drawing No.	Revision No.	Page No.	Drawn by.	Dated.
2106	-	1 to 5	Organic Home Design	21/11/2021

### 2. Health Consulting Rooms

No more than one (1) health practitioner is permitted to operate from the premises, unless otherwise approved by Council in writing.

The employment of additional health consulting professionals would require the provision of additional car parking in accordance with the Muswellbrook Development Control Plan 2009.

#### OPERATIONAL CONDITIONS IMPOSED UNDER THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT AND REGULATIONS AND OTHER RELEVANT LEGISLATION

### 3. Building Code of Australia

All building work must be carried out in accordance with the provisions of the Building Code of Australia.

#### ANCILLARY MATTERS TO BE COMPLETED PRIOR TO THE ISSUE OF THE CONSTRUCTION CERTIFICATE

### 4. Construction Certificate Requirement

No works shall commence on site until such time as a Construction Certificate has been issued for either part or all of the works. If a certificate is issued for part of the works it must cover the works being undertaken onsite.

### 5. Footpath Construction Requirement

Prior to the issue of a Construction Certificate the person acting with this consent is to submit to Council for approval a design for the construction of a 2m wide concrete footpath within the Sowerby Street Road Reserve from the Sowerby Street/Brook Street intersection for the frontage of the development site.

The footpath design should be prepared to by a suitably qualified civil engineer and is to comply with the provisions of Council's Policy F/10 Footpath Kerb and Guttering.

For more information regarding Council's footpath and design requirements it is recommended that you contact Council's Manager Roads Drainage and Technical Services on 6549 3700.

#### **6. Section 138 Permit**

Prior to the issue of a Construction Certificate, or the carrying out of works within the road reserve related to the footpath construction, the person acting with this consent is to obtain a Section 138 permit from Council for all works within the road reserve.

For more information related to the Section 138 permit application please contact Council Community Infrastructure Officers on 65493700 or visit Council's website.

#### **7. Off Street Car Parking**

A total two 2 off-street car-parking spaces, together with access driveways, shall be constructed, paved, line marked and signposted in accordance with the approved development plans, appropriate Australian Standards and industry best practice as appropriate. The plans shall also nominate the allocation of parking spaces for specific purposes as required by conditions of this consent. Detailed plans for the construction of these areas in accordance with this requirement shall be submitted to the Certifying Authority for approval with the Construction Certificate.

### **CONDITIONS THAT MUST BE ADDRESSED PRIOR TO COMMENCEMENT**

#### **8. Sediment and Erosion Control**

Adequate measures for erosion and sediment control shall be provided prior to commencing construction works. As a minimum, control techniques are to be in accordance with 'The Blue Book' published by Landcom provisions on Erosion and Sediment Control, or a suitable effective alternative method.

All required sedimentation control techniques are to be properly installed prior to the commencement of any site works and maintained in a functional and effective condition throughout the carrying out the development.

#### **9. Site Sign**

A sign must be erected in a prominent position on any work site on which work involved in the erection or demolition of a building is being carried out:

- (a) stating that unauthorised entry to the work site is prohibited;
- (b) showing the name of the principal contractor (or person in charge of the work site), and a telephone number at which that person may be contacted at any time for business purposes and outside working hours; and
- (c) showing the name, address and telephone number of the Principal Certifying Authority for the work.



Any such sign must be maintained while building work or demolition work is being carried out but must be removed when the work has been completed.

This condition does not apply to building works being carried out inside an existing building.

#### **10. Damage to Public Infrastructure**

The applicant shall bear the cost of all restoration works to Council property damaged during the course of this development. The applicant shall submit in writing and/or photographic record, of any existing damage to Council property before commencement of work.

Note: This documentation will be used to resolve any dispute over damage to infrastructure. If no documentation is received prior to commencement of work it will be assumed that the infrastructure was undamaged and the applicant will be required to restore all damaged infrastructure at their expense.

#### **11. Site Facilities**

- (a) If the development involves building work or demolition work, the work site must be fully enclosed by a temporary security fence (or hoarding) before work commences.
- (b) A minimum width of 1.2m must be provided between the work site and the edge of the roadway so as to facilitate the safe movement of pedestrians.
- (c) Any such hoarding or fence is to be removed when the work has been completed.
- (d) A garbage receptacle fitted with a tight-fitting lid for the reception of all food scraps and papers from the work site must be provided prior to building work commencing and must be maintained and serviced for the duration of the work.
- (e) Toilet facilities must be provided on the work site at the rate of one toilet for every 20 persons or part of 20 persons employed at the work site.
- (f) Each toilet provided must:
  - be a standard flushing toilet, connected to a public sewer, or
  - if connection to a public sewer is not available, to an on-site effluent disposal system approved by the council, or
  - an approved temporary chemical closet.
- (g) The provision of toilet facilities must be completed before any other work is commenced.
- (h) A person having the benefit of this certificate who causes an excavation that extends below the level of the base of the footings of a building on an adjoining allotment of land must at their own expense and where necessary:
  - protect and support the building from damage, and
  - If necessary, underpin and support the building in accordance with the details prepared by a professional engineer.
- (i) A person having the benefit of this certificate who causes the excavation must, at least 7 days before commencing this work, give notice of intention to do so to the owner of the adjoining allotment of land and provide particulars of the proposed work.
- (j) Erosion and sediment controls must be provided in accordance with the details shown on the approved plans, prior to the disturbance of any soil on the work site.

**12. Materials**

In accordance with the provisions of the Muswellbrook Development Control Plan the external cladding of the building shall be constructed from non-reflective cladding. Zincalume or reflective white sheet metal cladding is not be used without the prior written approval from Council.

**13. Vehicle Entry**

Prior to commencing construction of the driveway/vehicle crossing/layback, within the road reserve, a permit for the work must be obtained from Council, under Section 138 of the Roads Act 1993.

Note: The driveway area to be in accordance with Council's standard drawings for cross-overs and driveway construction

**14. Section 68 Local Government Act Approval**

Prior to the commencement of any works the applicant is to obtain a Section 68 Local Government Act approval for all water supply, sewer and stormwater drainage works.

**CONDITIONS THAT MUST BE COMPLIED WITH DURING DEMOLITION AND BUILDING WORK****15. Construction Hours**

- (a) Subject to this clause, building construction is to be carried out during the following hours:
  - i. between Monday to Friday (inclusive)—7.00am to 6.00pm
  - ii. on a Saturday—8.00am to 1.00pm
- (b) Building construction must not be carried out on a Sunday or a public holidays.
- (c) Demolition works and excavation works must only be carried out between Monday to Friday (inclusive) between 8.00am and 5.00pm.
- (d) The builder and excavator must display, on-site, their 24 hour contact telephone numbers, which are to be clearly visible and legible from any public place adjoining the site.

**16. Prohibition on Use of Pavements**

Building materials and equipment must be stored wholly within the work site unless prior written approval has been obtained from Council. Equipment must not be operated on the footpath or roadway unless prior written approval has been obtained from council.

**17. Excavation/Demolition**

- (a) All excavations and backfilling associated with the erection or demolition of a building must be executed safely and in accordance with appropriate professional standards.

- (b) All excavations associated with the erection or demolition of a building must be properly guarded and protected to prevent them from being dangerous to life or property.
- (c) Demolition work must be undertaken in accordance with the provisions of AS2601- Demolition of Structures.
- (d) The builder is to ensure that persons working on the site comply with the Safe Authority's requirements.

#### **18. Erosion and Sediment Controls**

The approved Sediment & Erosion controls shall be reinstated daily prior to workers leaving the site if modified at any time. Any sediment that escapes from the site shall be cleaned, collected and disposed of to Council's waste management facility or the sediment shall be returned to the site on a daily basis.

#### **19. Site Waste Minimisation**

Throughout the carrying out of building works the person acting with this consent shall take reasonable steps to minimise waste from the carrying-out of the development in accordance with the following objectives of Chapter 24 Waste Minimisation and Management of Council's Development Control Plan.

- Optimise adaptive reuse opportunities of existing building/structures
- Maximise reuse and recycling of materials
- Minimise waste generation
- Ensure appropriate storage and collection of waste
- Minimise environmental impacts associated with waste management
- Avoid illegal dumping
- Promote improved project management.

#### **CONDITIONS WHICH MUST BE COMPLIED WITH PRIOR TO THE ISSUE OF THE OCCUPATION CERTIFICATE**

#### **20. Occupation**

The building is not to be used or occupied until a final inspection has been carried out and an occupation certificate has been obtained from the Principal Certifying Authority.

#### **21. Off-street Carparking**

Prior to the issue of an Occupation Certificate, off-street car-parking spaces, together with access driveways, shall be constructed, paved, line marked and signposted in accordance with the approved development plans.

#### **22. Footpath**

Prior to the issue of an Occupation Certificate, a 2m wide concrete footpath is to be constructed within the Sowerby Street road reserve for the full frontage of the site.

Note: the works are to be approved under Section 138 of the Roads Act 1993.

#### **23. Clause 93 Considerations**

Under clause 93 of the Environmental Planning & Assessment Regulation, the following fire safety/Building Code of Australia (BCA) works are to be undertaken with the construction certificate works and are to be completed prior to the issue of the Occupation Certificate:

1. The existing exit door that does not swing in the direction of egress are to be provided with hold open device which allow the door to be held in the open position in an emergency in accordance with D2.20 of the BCA.
2. The door furniture of the required exit of the building is to be modified so that it is readily openable without a key by a single hand downward action or pushing action on a single device located between 900 mm and 1100 mm above the floor level in accordance with D2.21 of the BCA.
3. Portable fire extinguishers are to be provided throughout the health consultancy in accordance with AS 2444 and E1.6 of the BCA.

#### **23. Fit-out to be in accordance with relevant legislation and standards**

The premises, including the premise fit out, installation of all equipment, fixtures and fittings, must comply with the requirements of The Public Health Act, the NSW Health.

#### **24. Registration with Council**

Prior to commencement of trade the business is to be registered with Council's Environmental Health Section.

The person acting with this consent is to provide Council's Environmental Health Officer of an itemised list of activities being undertaken on the premises.

#### **25. Final inspection by Council's Environmental Health Officer required**

A satisfactory final inspection is to be undertaken of the premises by Council's Environmental Health Officer. Council's Environmental Health Officer is to be given a minimum seventy-two (72) hours' notice to inspect the premises.

### **CONDITIONS THAT MUST BE COMPLIED WITH AT ALL TIMES**

#### **26. Stormwater Disposal**

All stormwater from the development including all hard surfaces and overflows from any rainwater tanks is to be collected and disposed of via a connection to the stormwater system or a new stormwater line which conveys water to Sowerby Street.

Note: Prior to the carrying out of stormwater works the person carrying out those works must obtain the approval of Council for the works under Section 68 of the Local Government Act.

#### **27. Traffic Movements**

At all times traffic movements to and from the site shall occur in a forward direction.

#### **28. Hours of Operation –**

The business may be open for business only between the following hours:-

**Monday to Sunday 8:00am to 8:00pm**

Upon expiry of the permitted hours, all business operations shall immediately cease, no person shall be permitted entry and all customers on the premises shall be required to leave within the following half hour.

**29. Hygiene**

The premises must be always kept in a clean and hygienic condition.

**REASON FOR IMPOSITION OF CONDITIONS:**

The reason for the imposition of the following conditions is to ensure, to Council's satisfaction, the objects of the *Environmental Planning and Assessment Act 1979* (as amended) are achieved:

- (a) To encourage:
  - (i) The proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forest, minerals, water, cities, towns, and villages for the purpose of promoting the social and economic welfare of the community and a better environment;
  - (ii) The promotion and co-ordination of the orderly and economic use of development of land;
  - (iii) The protection, provision, and co-ordination of communication and utility services;
  - (iv) The provision of land for public purposes;
  - (v) The provision and co-ordination of community services and facilities;
  - (vi) The protection of the environment, including the protection and conservation of native animals and plants including threatened species, populations, and ecological communities and their habitats;
  - (vii) Ecologically Sustainable Development; and
  - (viii) The provision and maintenance of affordable housing.
- (b) To promote the sharing of the responsibility for environmental planning between the different levels of government in the State.
- (c) To provide increased opportunity for public involvement and participation in environmental planning and assessment.

**ADVICE:**

- Where indicated by specific reference in a condition above, approval is also granted for Section 68 of the Local Government Act 1993 to carry out sewer drainage, water supply work and stormwater drainage.
- You are advised that changes to the external configuration of the building, changes to the site layout, density and unit configuration or internal changes to the proposed building or any changes to the proposed operation of a use **MAY** require the submission of a modification under Section 96 of the Environmental Planning & Assessment Act, 1979. Any such changes may need to be the subject of a separate Development Application.

Please bear this in mind before preparing documentation in support of a Construction Certificate application. Council staff would be pleased to assist in identifying such changes which may require the submission of a modification of a Development Application under Section 4.55 of the Environmental Planning & Assessment Act.

- This document is a development consent only and does not authorise construction or subdivision works to commence. Prior to commencing any building, subdivision or associated construction works, the following provisions of the Environmental Planning and Assessment Act 1979 (the 'Act') are to be complied with:
  - (i) A Construction Certificate is to be obtained in accordance with Section 6.7 of the Act.
  - (ii) A Principal Certifying Authority is to be appointed and Council is to be notified of the appointment in accordance with Section 6.6(1) of the Act.
  - (iii) Council is to be notified at least two (2) days before the intention to commence building works, in accordance with Section 6.6(2) of the Act.
- The applicant may apply to the Council or an Accredited Certifier for the issuing of a Construction Certificate and to be the Principal Certifying Authority to monitor compliance with the approval and issue necessary documentary evidence or certificate/s.
- Failure to comply with any of the above requirements is an offence under the provisions of the Act and may result in enforcement action being taken by Council if these requirements are not complied with.

#### RIGHT OF APPEAL:

Sections 8.2, 8.3, 8.4, 8.5 of the Environmental Planning and Assessment Act 1979 provide that the applicant may request the Council to review the determination. The request must be made in writing (or on the review application form) within six (6) months *after receipt of this Notice of Determination*, together with payment of the appropriate fees. It is recommended that the applicant discuss any request for a review of the determination with Council Officers before lodging such a request.

If you are dissatisfied with this decision, Section 8.7, 8.10 of the Environmental Planning and Assessment Act, 1979 give you the right to appeal to the Land and Environment Court within six (6) months after the date on which you receive this notice.

## 7 COMMUNITY INFRASTRUCTURE

### 7.1 PUBLIC EXHIBITION - MUSWELLBROOK SHIRE COUNCIL RESOURCING STRATEGY

<b>Attachments:</b>	<b>A. DRAFT 2022-2032 Strategic Asset Management Plan</b> <b>B. DRAFT 2022-2026 Workforce Management Plan</b> <b>C. DRAFT 2022-2032 Long Term Financial Plan</b>
<b>Responsible Officer:</b>	<b>Fiona Plesman - General Manager</b>
<b>Author:</b>	<b>Peter Chambers - Chief Engineer</b> <b>Michelle Cleary - HR Co-Ordinator</b> <b>Josh Hogan - Financial Controller</b>
<b>Community Plan Issue:</b>	<b><i>Our community's infrastructure is planned well, is safe and reliable and provides required levels of service</i></b>
<b>Community Plan Goal:</b>	<b><i>Maintain and continually improve asset management.</i></b>
<b>Community Plan Strategy:</b>	<b><i>Co-ordinate and facilitate implementation of the Asset Management Improvement Strategy.</i></b>

#### PURPOSE

To seek Council's endorsement for the public exhibition of the Muswellbrook Shire Council Resourcing Strategy comprising the *DRAFT 2022-2032 Long-term Financial Plan*, *DRAFT 2022-2032 Strategic Asset Management Plan* and *DRAFT 2022-2026 Workforce Management Plan*.

#### OFFICER'S RECOMMENDATION

**Council endorses the revised Muswellbrook Shire Council Resourcing Strategy (DRAFT 2022-2032 Long-term Financial Plan, DRAFT 2022-2032 Strategic Asset Management Plan and DRAFT 2022-2026 Workforce Management Plan) for public exhibition from 27 April 2022 to 24 May 2022.**

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

#### BACKGROUND

Council's *DRAFT 2022-2032 Long-term Financial Plan*, *DRAFT 2022-2032 Strategic Asset Management Plan* and *DRAFT 2022-2026 Workforce Management Plan* (Muswellbrook Shire Council Resourcing Strategy), attached under separate cover, have been reviewed in alignment with the *DRAFT 2022-2032 Muswellbrook Shire Community Strategic Plan* and in consultation with Council's senior executive team.

Council's Integrated Planning and Reporting documents, including the Muswellbrook Shire Council Resourcing Strategy require public exhibition of at least 28 days to allow sufficient time for community engagement and for Council to consider any feedback received prior to their adoption.

#### CONSULTATION

General Manager;

Deputy General Manager;

Manager Corporate Services and Chief Financial Officer;

Manager Works, Property and Building Services;

Asset Management Engineer;  
Financial Controller;  
Asset and Financial Accountant;  
Human Resources Coordinator.

## REPORT

The revised Muswellbrook Shire Council Resourcing Strategy articulates how Council will allocate resources to deliver the objectives under its responsibility as identified in the *2022-2032 Community Strategic Plan*, including provisions for long-term financial planning, workforce management planning and asset management planning.

The DRAFT *2022-2032 Long-term Financial Plan* is a 10-year rolling plan to inform decision-making and demonstrate how Council's commitments to the realisation of the Community's vision and goals will be resourced and funded.

The DRAFT *2022-2032 Strategic Asset Management Plan* is a 10-year rolling plan outlining the key activities, requirements and planning objectives to ensure sustainable, effective and auditable asset management practice.

The DRAFT *2022-2026 Workforce Management Plan* is a 4-year document that shapes the capacity and capability of the workforce to achieve Council's strategic goals and objectives.

## OPTIONS

Council may determine to:

1. endorse the revised Muswellbrook Shire Council Resourcing Strategy for public exhibition, or
2. propose amendments to the DRAFT *2022-2032 Long-term Financial Plan*, DRAFT *2022-2032 Strategic Asset Management Plan* and/or DRAFT *2022-2026 Workforce Management Plan* prior to public exhibition.

## CONCLUSION

It is recommended that Council endorses the revised Muswellbrook Shire Council Resourcing Strategy for public exhibition.

## SOCIAL IMPLICATIONS

The Strategic Asset Management Plan (SAMP) provides the framework from which each discrete Asset Management Plan is developed to provide renewal, maintenance and capital investment plans to ensure Council's assets meet the required life, function and expectations of the community within Council's budget. Review of the SAMP facilitates long term planning to prioritise key objectives to meet the Asset Management Policy that considers the requirements and desires of the community.

Investment in maintenance, renewal and new assets to meet the developing and ongoing needs of the community is determined by strategic long-term planning informed by condition assessments, valuations and resourcing. The ability to attract additional funding grants to provide additional community infrastructure requires plans such as the SAMP to demonstrate effective management of Council's infrastructure assets.

## FINANCIAL IMPLICATIONS

The Strategic Asset Management Plan (SAMP) outlines the requirements for ongoing replacement, renewal and maintenance of existing and future constructed and inherited Council assets, and forms the basis of Asset Management Plans for each class of assets. The SAMP is consistent with Council's Long-Term Financial Plan.



**POLICY IMPLICATIONS**

The Strategic Asset Management Plan is referenced in Council's Asset Management Policy (Policy no. A40-1).

**STATUTORY IMPLICATIONS**

Pursuant to section 335 of the NSW *Local Government Act, 1993* the general manager is to prepare, in consultation with the mayor and the governing body, the council's Resourcing Strategy.

Pursuant to section 403 of the NSW *Local Government Act, 1993* a council must have a long-term Resourcing Strategy for the provision of the resources required to perform its functions.

**LEGAL IMPLICATIONS**

Nil known.

**OPERATIONAL PLAN IMPLICATIONS**

The 2022-2023 Operational Plan will be developed in alignment with the goals and strategies outlined in the endorsed *2022-2032 Muswellbrook Shire Community Strategic Plan*, the adopted *2022-2026 Muswellbrook Shire Delivery Program* and the adopted *Muswellbrook Shire Council Resourcing Strategy*.

**RISK MANAGEMENT IMPLICATIONS**

The Resourcing Strategy provides the framework for the identification and management of financial, asset management and human resources risks which may effect the realisation of Council's objectives.

# STRATEGIC ASSET MANAGEMENT PLAN



## Document Control

### Authorisation Details:

<b>Authorised by:</b>	Council
<b>Minute No:</b>	
<b>Date:</b>	16 March 2022
<b>Review timeframe:</b>	12 Months
<b>Department:</b>	Asset Management
<b>Document Owner:</b>	Chief Engineer

### Details History:

<b>Version No.</b>	<b>Date changed</b>	<b>Modified by</b>	<b>Amendments made</b>
1	13 June 2017	Dilip	Document Prepared
2	16 March 2022	Peter Chambers	Document Revised, clarifications made, strategy and data updated

## Table of Contents

<b>1. Executive Summary .....</b>	<b>5</b>
<b>2. How Council Provides the Best Possible Value for Money .....</b>	<b>7</b>
<b>3. Technical Analysis, Planning and Management of Infrastructure .....</b>	<b>7</b>
3.1 Categories of Technical Analysis, Planning and Management .....	7
<b>4. Aligning Infrastructure and Financial Planning .....</b>	<b>8</b>
4.1 Asset Valuation and Depreciation .....	8
4.2 10 Year Expenditure Projections .....	8
4.3 Asset Maintenance Shortfall and Renewal Backlog .....	8
<b>5. Risk Management .....</b>	<b>9</b>
5.1 Relationship between Risk and Asset Management Systems .....	9
5.2 Managing Critical Assets .....	10
<b>6. The Asset Management System .....</b>	<b>12</b>
6.1 Asset Management Steering Committee .....	12
6.2 Roles, Responsibilities and Resourcing .....	12
6.3 AM System Operation, Control, Monitoring and Audit .....	12
6.4 Review and Improvement .....	12
<b>Appendix 1 – Asset Management Information Register .....</b>	<b>13</b>
<b>Appendix 2 – Charter of the Asset Management Steering Committee .....</b>	<b>14</b>

This page intentionally left blank

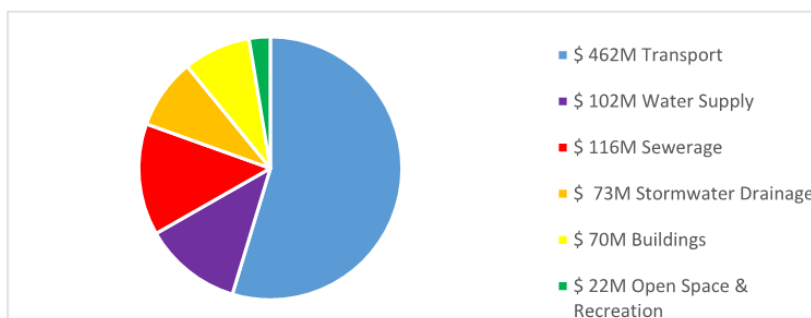
## 1. Executive Summary

The Strategic Asset Management Plan (SAMP) is one of three plans covering each major resource type (finance, people and assets) considered under Council's Resourcing Strategy.

The SAMP establishes a framework for Council to achieve the objectives of its Asset Management Policy to provide the best possible value from activities related to the management of infrastructure assets and to continually improve Council's asset management practices.

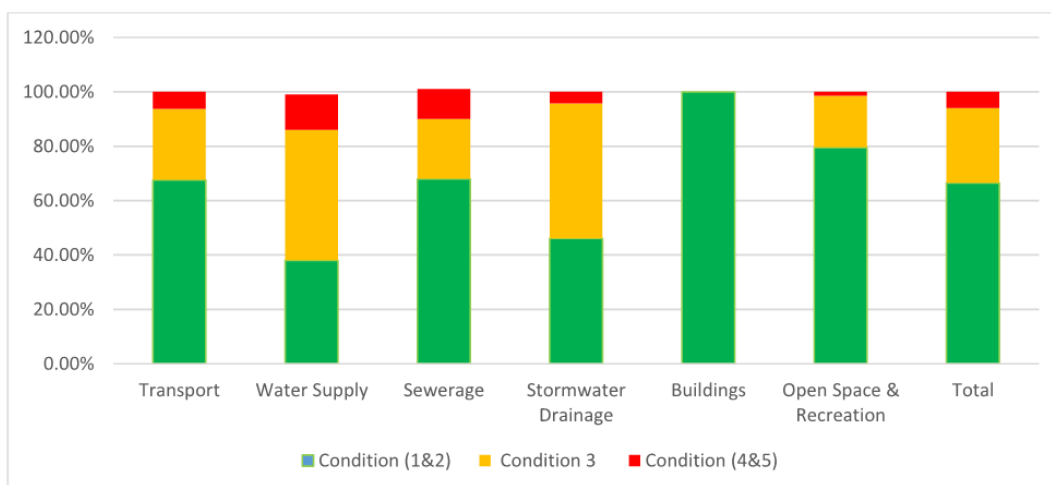
The way assets are managed is critical to Council's financial sustainability. Many key inputs to the *Fit for the Future* infrastructure ratios, used to benchmark performance, are defined by the asset condition and the expenditure on asset renewal and maintenance.

Council's infrastructure assets have a replacement value of approximately \$845M. The chart below shows the value (\$M) of each of the six major asset classes.



This does not include investment properties, plant and equipment, or land.

The chart below shows the condition of assets in each class. While transport and building assets are in generally good condition, a significant proportion of water and sewerage assets are near the end of, or have exceeded, their useful life. Confidence level for most of these items is medium to high, however more investigation is necessary to be more confident with stormwater asset condition.



In order to sustainably maintain an increasing portfolio of assets delivered by development or Council projects in a condition to meet the requirements of the community, Council's approved

budgets should be sustained to enable satisfactory asset management outcomes, for example, proactive rural road table drain maintenance can prevent significant structural damage over time that may require more expensive heavy patching or reconstruction works.

The SAMP provides a systematic approach to managing assets, based on the principles of ISO 55000: Asset Management, that strategically considers the life cycle of Council assets to achieve the best value for money outcomes over the ten year SAMP period. The SAMP aligns its activities with the objectives of the Community Strategic Plan and provides consistency with the Long Term Financial Plan to enable forward planning of capital and renewal programs to ensure that assets are fit for purpose, verified by regular asset condition audits, and establishes a framework for continual asset management improvement.

As part of meeting its regulatory requirements, Council undertakes regular condition assessments for a proportion of each asset type to collect and monitor data relating to infrastructure, and regularly undertakes valuations of assets to meet auditing requirements. Council also undertakes annually a Special Schedule 7 valuation of identified classes of assets.

Regular condition inspections of critical infrastructure, such as bridges and road assets, are carried out to identify any strategic maintenance and renewal requirements in order to maximise serviceable asset life and to minimise risks and disruptions to Council and the community.

As a component of ongoing improvements to asset management, Council has recently completed a review of the Road Asset Management Plan in order to program and deliver investment, maintenance and renewal of its road assets projected for the next 10 year period. Similarly, following the completion of its Water and Wastewater Revaluation in 2021-2022, this asset class and stormwater drainage will form the key focus for Council's subsequent Asset Management Plans. All Asset Management Plans are informed by agreed Levels of Service determined through regular engagement with the local community and complementary technical assessments.

On completion of each significant revaluation, the Asset Management Register and geographic information system (GIS) are updated to deliver ongoing improvements to Council's data and asset management tools.

## 2. How Council Provides the Best Possible Value for Money

In order to deliver effective and sustainable outcomes in asset management (AM), it is important that asset management documentation should be free of unnecessary complexity in order to facilitate understanding and implementation of its objectives. Council's Asset Management Policy focuses on Council *providing the best possible value from activities related to its infrastructure assets*.

Council's discrete asset management plans, the four year Delivery Plan and annual Operational Plan detail the practical priorities and associated resourcing required to achieve the objectives of the Strategic Asset Management Plan.

The Strategic Asset Management Plan describes the application of the AM system based on the principles in ISO 55000. The AM Steering Committee is the primary means by which the organisation monitors and reviews the implementation and improvement of the AM system.

## 3. Technical Analysis, Planning and Management of Infrastructure

Council's AM Steering Committee manages and monitors the implementation and improvement of Council's AM system.

Council's discrete Asset Management Plans specify the activities, resources and timescales required to achieve Council's AM objectives as provided in the Delivery Plan and Operational Plan.

### 3.1 Categories of Technical Analysis, Planning and Management

Council undertakes a process of data sourcing and management, condition assessments, analysis and ongoing review of processes and systems to inform the objectives of the Asset Management Plans.

Documentation to support the Asset Management Plans incorporate hierarchies of asset classes, including technical analysis, planning and management systems as detailed below. These are regularly reviewed to ensure the objectives of the Strategic Asset Management Plan are achieved.

- *Asset registers* are the building blocks for the AM system, identifying all assets, including component parts, as well as location, quantities, materials, condition, age, remaining service life and other attributes.
- *Asset hierarchies* are a means of prioritising resources and the effort required to appropriately maintain assets, for example, differentiating between very busy roads and those serving only a few properties).
- *Asset condition assessments* use a variety of methods from visual inspections of buildings to automated laser/video assessments of roads to assess the condition of assets and their remaining functional service life.
- *Needs analysis and strategies* identify both the needs of the community and the performance that is required from infrastructure assets to meet the agreed level of service, usually expressed in terms of quality or condition, functionality and capacity. Needs analysis considers the deterioration of assets, growth in demand, and changes in community needs and expectations.
- *Performance modelling* predicts expected deterioration in the performance of assets over time.



- *Asset valuations* consider both the 'fair value' of an asset, that is, what it would be worth to sell on the open market, as required by accounting standards, and the expected service life of the asset. This information, coupled with asset condition information, enables Council to determine the current fair value of its assets and annual depreciation, that is, how much of an asset's value is being consumed each year.
- *Capital works programs* identify the priorities for future works based on the Operational Plan, Asset Management Plans and consideration of recent condition assessments, and draw on a range of asset data, including the asset hierarchy. Justification for the works is identified, prioritised and detailed, including an estimated cost for undertaking the works.
- *Operations and Maintenance Management Plans/Systems* are the means by which Council ensures complex assets, such as water treatment plants, are performing satisfactorily, that they are being managed sustainably, including asset renewal and replacement as required, and that risks are appropriately managed.
- *Procedural Documents* are the means by which Council controls critical processes in the AM system, such as the design and management of projects, the methodology for the collection and storage of data, and ongoing assessment methodologies related to the performance of Council's infrastructure.

## 4. Aligning Infrastructure and Financial Planning

Council's assets are strategically managed to ensure Council's financial sustainability.

It is important to ensure the Strategic Asset Management Plan aligns with the Long Term Financial Plan (LTFP) and Council's annual approved budgets. Two key areas are discussed below.

### 4.1 Asset Valuation and Depreciation

The valuation of assets is carried out on the basis of 'fair value', that is, what an asset is worth on the open market. Asset condition describes how far the asset has progressed through its useful life, that is, how much of the asset value has been consumed. The cost of asset depreciation (consumption) is calculated based on the value consumed each year as the asset deteriorates, that is, the asset value divided by its service life.

Asset value estimates undergo periodic review to ensure robust asset management principles are followed and that currency of information is maintained.

### 4.2 10 Year Expenditure Projections

Council forecasts its revenues and expenditure over 10 years through the Long Term Financial Plan (LTFP). It is important that financial estimates contained within Council's Asset Management Plans are consistent with those contained in the LTFP.

### 4.3 Asset Maintenance Shortfall and Renewal Backlog

The NSW Government's *Local Government Code of Accounting Practice and Financial Reporting (the "Code")* defines the method of calculating infrastructure performance measures that must be reported in Special Schedule 7 (SS7) of Council's annual financial statements. Special Schedule 7 contains important *Fit for the Future* benchmarks.

**Required maintenance** is defined as funding 'sufficient to ensure assets don't fail prematurely and can be kept in a functional state for community use'.

Council's approach has been to base required maintenance estimates either on:

- Current maintenance methodologies, including regular inspections and condition assessments of Council assets, for example, roads and drainage systems, parks and reserves; or



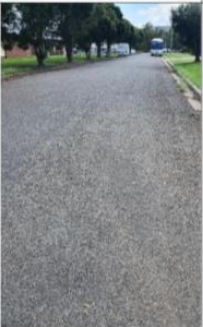


- Benchmark figures, where available, such as data from panel contracts, quotations and tendered projects as well as comparison of data from similar local Councils and application of relevant geographical distance factors and characteristics.

Ongoing review of data from inspections, condition assessment tracking and renewal estimates from recent projects ensure a higher level of confidence of expected future renewal planning expenditure and related interventive maintenance.

In terms of renewal **backlog**, the *Code* requires Council to report on the cost to bring assets:

1. to a “satisfactory” condition (defined as a minimum of condition 3, that is, fair). See example of Road Condition below from the Draft Road Asset Management Plan); and/or
2. to an “agreed” or “accepted” level of service (defined as the intervention level set by Council, based on condition)

See below an example of different road conditions encountered through scheduled asset condition inspections:

Condition 1 - New	Condition 2 - Good	Condition 3 - Fair	Condition 4 - Poor	Condition 5 - Very Poor
				
Ogilvie St, Denman	St Heliers St, Muswellbrook	Merino St – Denman	Palace St – Denman	Hill St, near bridge st intersection
Asset Life Consumed < 2 years	Asset Life Consumed < 5 years	Asset Life Consumed > 10 years	Asset Life Consumed > 20 years	Asset Life Consumed > 25 years
No Pavement or Surface distress	No pavement distress, low level of ravelling	Moderate roughness, rutting and Ravelling	High pavement roughness, potholes, cracks	High roughness, potholes, cracking and ravelling

Reference: IPWEA, Condition Assessment and Asset Performance guidelines, Road Pavement Assets (Visual Assessment) Practice Note 9

## 5. Risk Management

### 5.1 Relationship between Risk and Asset Management Systems

Council's AM Policy identifies three perspectives in relation to providing the ‘best possible value’ to the community in relation to assets:

1. performance;
2. sustainability; and
3. risk/resilience.

Council's Risk Management system underpins its Asset Management system.

Risks identified at the corporate level, through the corporate risk register, will impact the management of assets and the implementation of the AM system through operational and capital

works programs driven by risk management as a high priority. Detailed technical analysis and planning are driven by the need to quantify and manage risk.

The 'front line' of risk management is the physical operations and management areas, for example, identifying and repairing defects on the road network and managing the storage, treatment and distribution of drinking water as prescribed in the NSW Guidelines for Drinking Water Management Systems.

Some risks can only be treated adequately by undertaking capital works. Where a project is included in the capital works program for reasons related to risk, this will be noted in the justification for the carrying out of the works.

## 5.2 Managing Critical Assets

The Integrated Planning and Reporting Guidelines require that the Asset Management Strategy identifies assets that are critical to its operations and outline risk management strategies for these assets.

ISO 55000 (clause 3.2.8) defines a critical asset as an asset having potential to significantly impact on the achievement of the organisation's objectives. Assets can be critical due to safety, environment or performance reasons, and can relate to legal, regulatory or statutory requirements, or because they provide services to critical and vulnerable customers. Examples of critical assets include:

- The Muswellbrook, Denman and Sandy Hollow water treatment plants and storage reservoirs; and
- The Muswellbrook and Denman recycled water treatment plants.

Council has established hierarchies for most asset categories that prioritise appropriate asset management efforts toward those assets with higher demand, and in most cases establish higher standards of performance, for example, proactive and responsive maintenance is undertaken as a higher priority.

Risk management strategies for the primary asset categories are outlined below.

Critical Asset	Primary Risks	Management Strategies
Water Supply	<ul style="list-style-type: none"> <li>Supply problems due to severe drought.</li> <li>Supply problems due to turbidity or high sediment loads during peak events in the Hunter River.</li> <li>Failure to comply with the Australian Drinking Water Quality Guidelines.</li> <li>Failure of critical infrastructure (e.g. pumps) or loss of power leads to loss of supply.</li> <li>Infrastructure failure such as water main breaks leading to loss of supply.</li> </ul>	<ul style="list-style-type: none"> <li>NSW Guidelines for Drinking Water Management Systems.</li> <li>Drought and Emergency Response Risk Management Plan.</li> <li>Maintain peak storage levels in reservoirs.</li> <li>Management Plans in place; criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g., backup pumps, deployment of generators, etc.)</li> <li>Stop Valve renewal and installation.</li> <li>Arrangement with electricity supplier to ensure return of electricity to Council's critical assets is carried out as a high priority.</li> <li>Maintain an inventory of critical parts, which are held by Council and a range of external parties.</li> </ul>
Sewerage	Release of untreated sewage or effluent to the environment due to a loss of power or failure from deterioration of infrastructure.	<ul style="list-style-type: none"> <li>Carrying out of proactive jetter maintenance.</li> <li>Criticality analysis undertaken on all assets and condition assessments underway with opportunities to improve redundancy and resilience identified (e.g. backup pumps and generators, storage time in pump stations).</li> <li>Pollution incident response plans in place.</li> </ul>
Roads, Bridges and other Transport	Safety issues arising from asset failures and/or other issues such as fallen trees, washed out bridges, flooded roads, deterioration of infrastructure.	Inspection systems in place with additional inspections undertaken where necessary (e.g. after a major storm event).
Playgrounds	Safety issues from damaged or broken equipment.	Inspection system in place to identify and appropriately respond to defects.
Sportsgrounds	Safety of users.	Appropriate inspections and maintenance carried out.
Aquatic Centres	Drowning, poor water quality leads to health issues.	Supervision in place, trained operators, appropriate equipment and maintenance.
Buildings	Business continuity in the event of a problem with the building.	<ul style="list-style-type: none"> <li>Business continuity plans in place.</li> <li>Appropriate maintenance carried out.</li> </ul>



## 6. The Asset Management System

The AM System is the set of interrelated or interacting elements of an organization to establish policies and objectives for AM, and processes to achieve those objectives (ISO 55000).

The planning, implementation, review and improvement of the AM system is described below.

### 6.1 Asset Management Steering Committee

The role of Council's Asset Management Steering Committee is to monitor and review implementation and improvement of the AM system to ensure Council's AM objectives are achieved. The terms of reference of the Asset Management Steering Committee are provided in Appendix 2 of the SAMP.

It is important to note that, in addition to monitoring and reviewing the AM system, the Committee provides an important cross-functional forum for planning and coordinating AM activities, including raising the awareness of sound asset management practice, and the provision of communication regarding asset management issues.

### 6.2 Roles, Responsibilities and Resourcing

Monitoring the clarity of roles and responsibilities, as well as the qualifications and experience of staffing and of resources to support the implementation of the AM system is a responsibility of the AM Steering Committee, as is raising awareness of and communicating about AM issues. Designated Council Officers are classified as asset owners for each of the identified asset classes and are accountable for the appropriate management of assets in their area of responsibility.

### 6.3 AM System Operation, Control, Monitoring and Audit

Processes within the AM system must be planned, implemented and controlled. Where problems or potential problems with Council's assets, AM or AM system are identified, Council will take necessary actions to prevent or correct and control them, as well as eliminate the cause to avoid them recurring, and will review their effectiveness. The AM Steering Group is the forum responsible to review and discuss such issues.

ISO 55001 requires that internal audits are carried out at planned intervals to provide information to assist in the determination of whether the AM system conforms to Council's own requirements and those of ISO 55001, and whether it is effectively implemented and maintained.

### 6.4 Review and Improvement

In addition to providing a forum for the planning and coordination of prioritised AM improvements, a primary function of the AM Steering Committee is to provide management review of the AM system to ensure its continuing suitability, adequacy and effectiveness.

When appropriate, improvement actions will be identified in the Delivery Program and Operational Plan.

## Appendix 1 – Asset Management Information Register

The table below provides an overview of key documents and sources of asset information.

<b>Buildings and Recreation</b>
GIS layer for buildings
GIS layer for other structures and depreciable land improvements
Maintenance Management System for Playgrounds
<b>Finance</b>
Asset Register
<b>Roads</b>
Asset register for sealed and unsealed roads
Automated condition data for sealed roads
Condition rating and future works programs for transport assets
Pavement Management System
Asset register for bridges
Asset register for storm water drainage
Maintenance Management System for roads
<b>Water and Sewerage</b>
FINMOD (financial modelling of future water supply infrastructure needs and operations)
GIS backend database
Service request management system
Plant asset register
Plant condition inspection records
<b>Waste Management</b>
Waste Management Strategy
Closure Plan

## Appendix 2 – Charter of the Asset Management Steering Committee

### Membership of the Corporate Asset Management Steering Committee

1. Chief Engineer (Chair)
2. Asset Management Engineer
3. Assets and Financial Accountant
4. Manager Governance
5. Information Services Team Leader
6. IS Applications Officer
7. Director Property and Place
8. Manager Roads, Drainage and Technical Services
9. Asset Manager Water and Wastewater
10. Operations Manager Water and Wastewater
11. Manager Waste
12. Director Corporate Services and Chief Financial Officer (optional)
13. Deputy General Manager (optional)

### Charter of the Muswellbrook Shire Council Corporate Asset Management Steering Committee

The Corporate Asset Management Steering Committee (the “**Committee**”) provides strategic, practical leadership in all facets of asset management. The committee ensures the ongoing development and improvement of appropriate asset management systems, procedures and practice that will provide consistent guidance to management and staff in implementing sound standards of asset management throughout Council’s operations and activities.

The primary responsibilities of the Committee include:

1. develop and implement an asset management improvement strategy and action plan. Provide quarterly reports to MANEX regarding the progress of the implementation of the prioritised, funded elements of the action plan;
2. progressively develop and implement appropriate policies and procedures to ensure best practice asset management across the organisation that demonstrates value for money, and ensures asset management practice is appropriately integrated into Council’s financial, information technology, and reporting systems;
3. develop consistency in Council’s asset management plans to ensure they are essential documents that provide practical guidance in the formation of Council’s budgets and prioritised works programmes, and ensure that Council’s assets are managed to a best practice standard;
4. provide strategic oversight of the regular review of Council’s asset management plans. The review of each asset management plan is the responsibility of the individual designated asset owner;
5. provide strategic oversight of the integration of the asset management plans into Integrated Planning and Reporting Documents and the Long Term Financial Plan;
6. collaboration, and pooling of corporate expertise, in relation to asset management matters;

7. ensure asset information is regularly updated so that all asset information is current and accurate; and
8. strategically and consistently work towards improving Council's level of asset management maturity.







---

# WORKFORCE MANAGEMENT PLAN

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.

## Table of Contents

Executive Summary .....	3
Our Workforce .....	4
1. Profile .....	5
2. Gender .....	6
3. Tenure .....	6
4. Age .....	7
5. Workforce Gender Breakdown .....	8
6. Workforce Comparison .....	8
7. Manex Level .....	8
8. Staff Turnover .....	9
9. Health, Safety and Wellbeing .....	9
Workforce Forecast .....	10
Action List .....	11
Monitor and Evaluate .....	12



## Executive Summary

Muswellbrook Shire Council is a rural local government that oversees and delivers a diverse range of programs, services, facilities and projects for the community.

Effective workforce planning is essential to the success of meeting the community's needs now and in the future. The workforce plan enables council to achieve the right fit and mix of staffing, to have the right people or skills at the right time and the right price.

The workforce plan is one part of Councils' Resourcing Strategy along with the long-term financial plan and the asset management plan. The resourcing strategy delivers on the 10-year Community strategic plan, the 4-year delivery program and the yearly operational plan.

The review of the workforce plan on an annual basis is required to consider efficiencies and innovation to improve the sustainability of Councils' workforce. Workforce planning assists the integrated planning and reporting framework.

Currently the Workforce Plan will be implemented from 2021-2025 and comprises of 4 focus areas, namely;

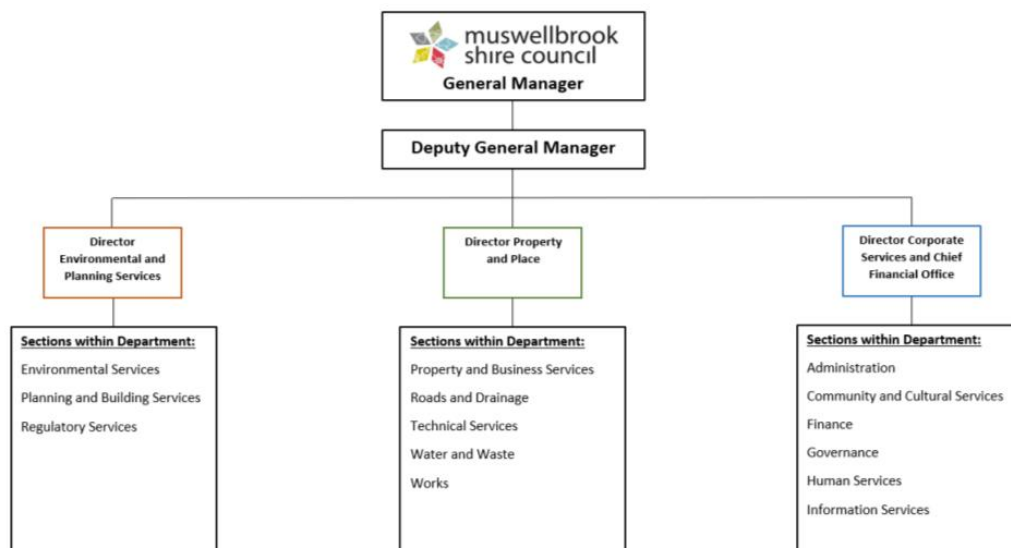
1. Attract
2. Retain
3. Engage
4. Develop

Throughout the four-year plan, Council will undertake annual reviews to ensure the Workforce plan actions are implemented; monitored and reported against.

Key challenges or risks identified within the plan include the encouragement to come and live in Muswellbrook, update and improve processes and systems to support the diverse workforce and lack of investment in development, career pathing and multi-skilling of the current workforce.

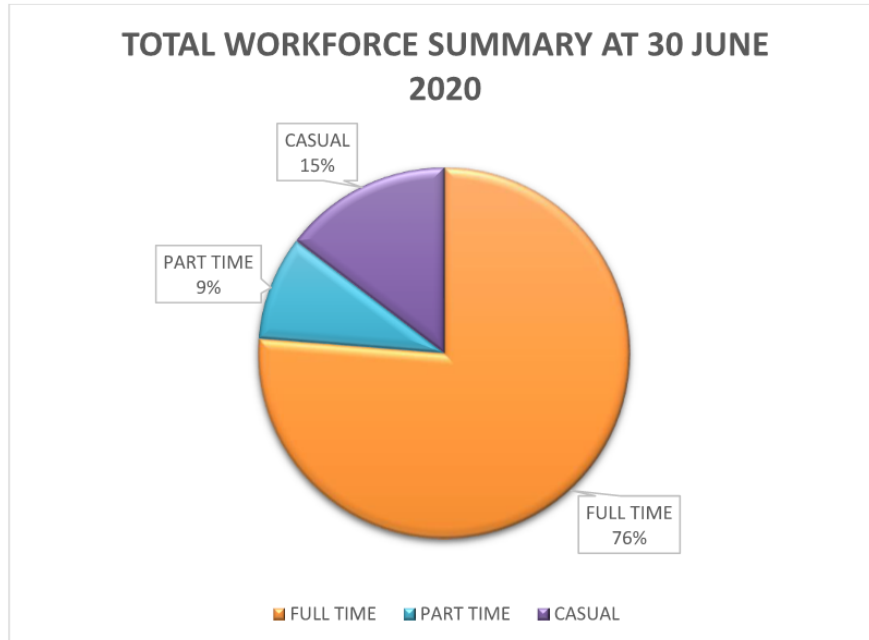
Implementation of the workforce plan will support the delivery of the community strategic plan and ensure that Muswellbrook Shire Council is delivering in accordance with Councils' SPIRIT Values; Safety, Pride, Integrity, Respect, innovation and teamwork.

## Our Workforce

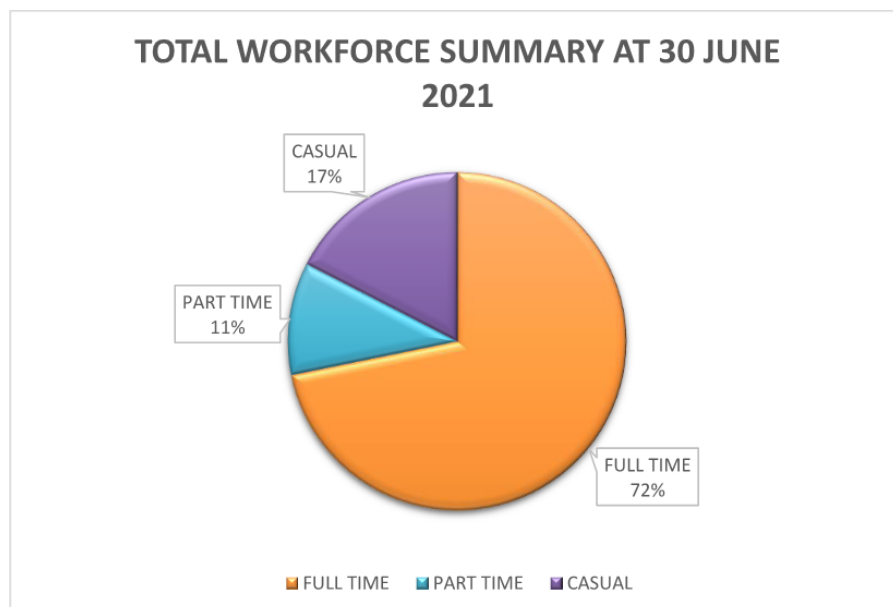


## 1. Profile

At 30 June 2020 there were 198 Council employees including 151 full time, 18 part time, 29 casual employees. The FTE at 30 June 2020 equalled 157.3.

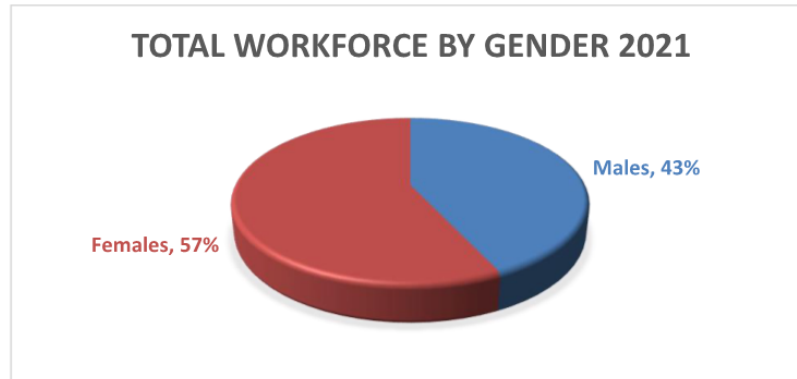


At 30 June 2021 there were 195 Council employees including 140 full time, 21 part time, 34 casual employees. The FTE at 30 June equalled 146.9. Council have reduced full time employees as well as the overall FTE and increased casual employees.



## 2. Gender

At 30 June 2021, 43% of employees were male, compared to 57% Female.

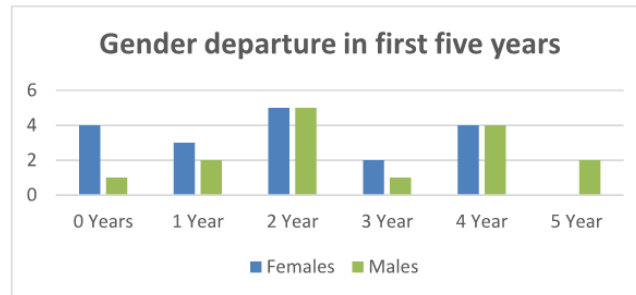


## 3. Tenure

Median tenure at 30 June 2021 is 7.5 years, The NSW Public Service Commission 2020 reports the median agency tenure, 2020 at 8.4 years. The following should be noted:

- 19 New employees – under 1-year tenure, currently employed.
- 1 New employee – under 1-year tenure – resignation at executive level (CFO).
- 4 New employee – under 1-year tenure – Removed from casual employment.
- 1 Male employee – currently employed with 42-year tenure.
- 2 Male employees – currently employed with 39-year tenures.
- 1 Male employee – currently employed with 32-year tenure.
- 1 Female employee – currently employed with 32-year tenure.





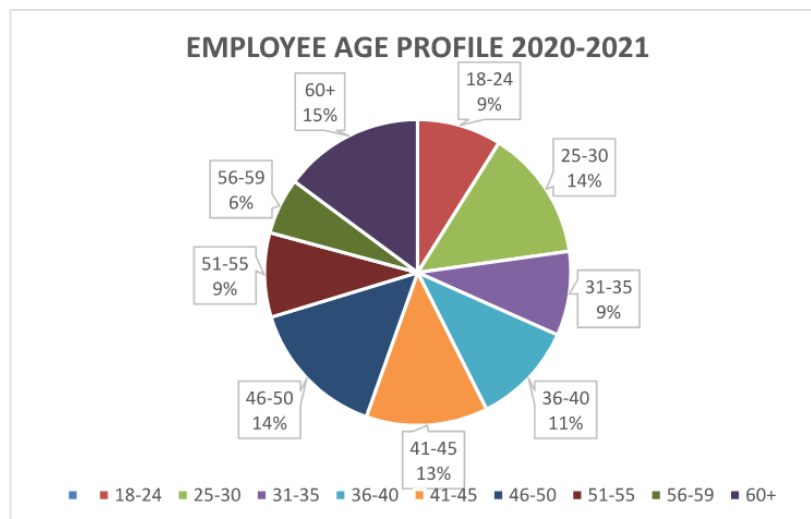
This knowledge enables council the opportunity to examine the challenges for employees in the first five years of employment. In relation to recruitment and selection as well as job design and training.

#### 4. Age

As at 30 June 2021 the average age of council employees was 43. The youngest employee is 18 and the oldest 71. Both employees are female. The NSW Public Service Commission 2020 reports the average age of employees was 44, no change since 2019.

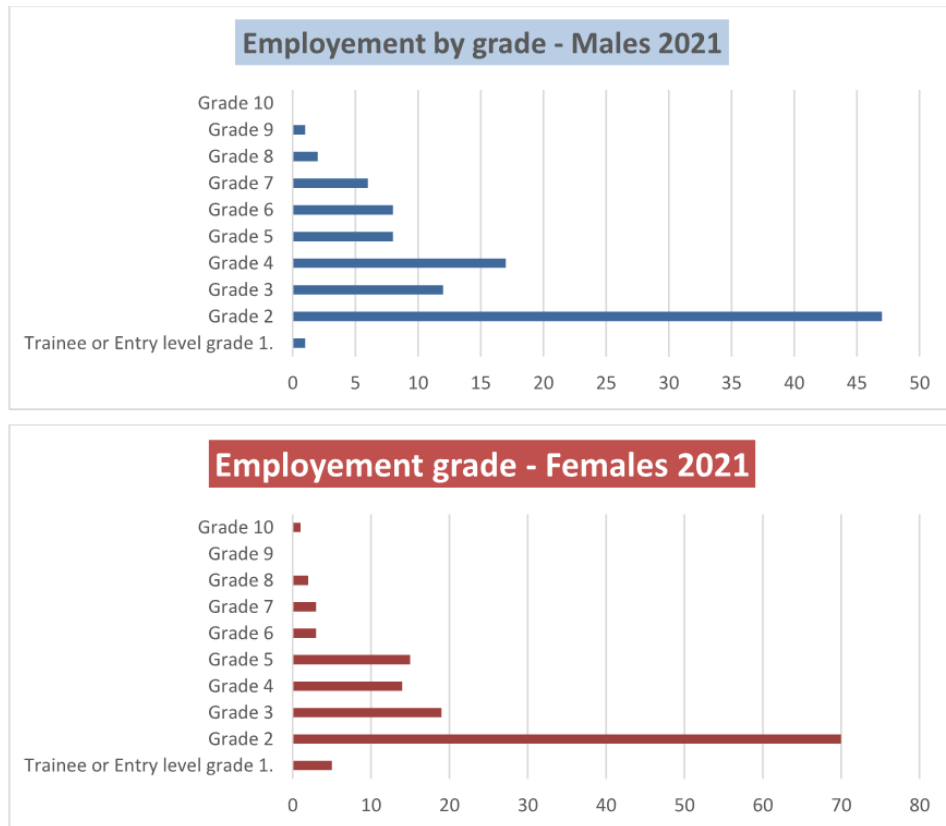
The overall age profile for Muswellbrook Shire Council employees is relatively even spread. Divided into three sections; 18-35 age category, with 32%. 36-50 age category, with 38%. 51-60+ age category with 30%. The 55 and over age group with 21% is trending well, with the NSW Public Service Commission 2020 reporting the average percentage of employees over 55 at 23.6%.

The 65 and over age category, with 6% a total of 15 employees. 40% of the employees in this age category have commenced a formal retirement plan with Council. The NSW Public Service Commission 2020 reports the average retirement age at 64.





## 5. Workforce Gender Breakdown



## 6. Workforce Comparison

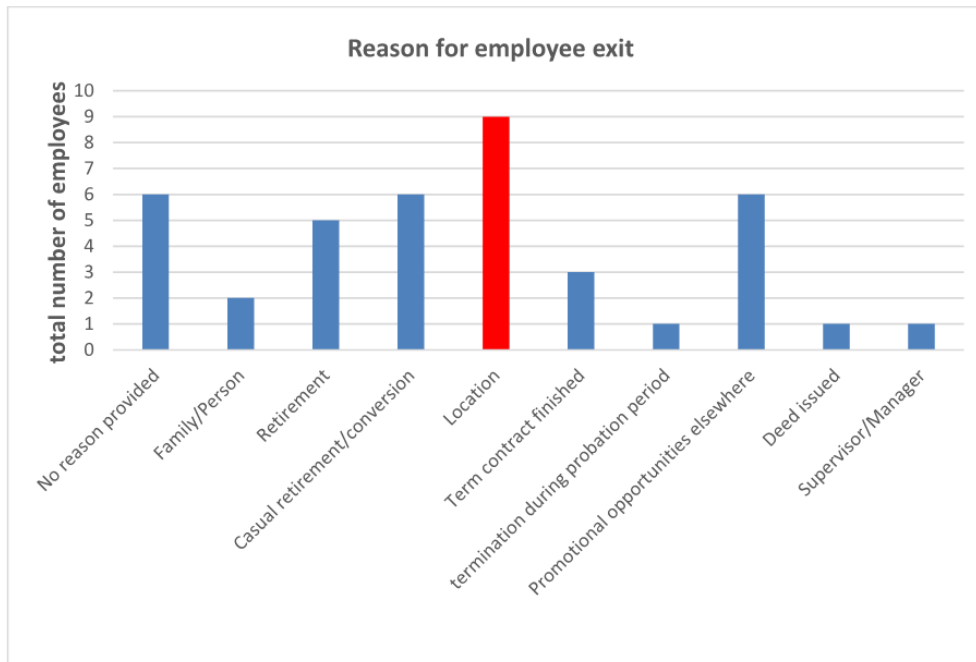
- Employment at grade 2; 53% of the female workforce, 46% of the male workforce.
- Employment at grade 5; 11% of the female workforce, 8% of the male workforce.
- Employment at grade 5; or above; 6% of the female workforce, 17% of the male workforce.

## 7. Manex Level

Muswellbrook Shire Councils' executive team has 6 members, 3 males, 3 females.

## 8. Staff Turnover

In the 2020/2021 financial year 40 employees left Council. Council turnover percentage 20.5%. Retirement & Casual conversion is expected turnover and reduces the percentage to 14.8%.



The highest reason recorded was location, followed by no reason provided (no exit interview submitted) and promotional opportunities elsewhere. Areas of improvement in the first five years of employment should be considered for retention of employees and reduced turnover.

## 9. Health, Safety and Wellbeing

We value the health and wellbeing of our employees and are committed to providing a workplace environment that promotes motivated, productive and healthy staff.

Monthly meetings of the Work Health & Safety (WH&S) Committee continued during the year. Councils' health, safety and wellbeing initiatives included:

Workplace inspections where identified hazards have been eliminated or managed

Flu vaccination program

Employee Assistance Program (EAP) for staff and their immediate family members

Access to WH&S e-learning to support on-boarding for new staff

EEO training and employees available

Joint statement with USU and Council to eliminate bullying in the workplace

Face-to-face sessions and virtual webinars for staff to promote wellbeing, mindfulness and stress reduction.

## Workforce Forecast

There are several factors that could affect the current NSW labour market that need consideration in monitoring and evaluating the effectiveness of the workforce.

- New legislative/compliance or reporting requirements with workforce implications
- The way in which we view flexible working arrangements (including working from home)
- Training and upskilling of existing staff will be paramount
- Empowerment of our managers, supervisors through leadership programs
- Competition in the labour market is continuing
- Difficulty/risk in specific skill areas/specific key roles in demand
- The importance of providing a happy, healthy and safe workplace
- Technology changes are impacting the way in which we work and learn
- Lack of accommodation options in Muswellbrook and surrounding areas
- Lack of succession planning, knowledge transfer and career pathing
- Lack of youth opportunities to experience employment with council
- All staff engagement in Councils' performance management system (IWP)
- High staff turnover exists in the first five years of engagement
- Covid-19 impact on workforce engagement and socialising

All the above need consideration when implementing the actions for improvements in the workforce plan.



## Action List

Key Areas	Specific outcomes	Actions	Timeframes	Measures
Workforce planning – A thorough understanding of our current workforce resources	• Effective workforce planning procedures and tools are available to leaders	• Enhance current reporting on workforce data	• June 2022	• Workforce data is provided to MANEX & SCC monthly
	• Ensure that we have the right people in the right jobs at the right time – develop / recruit / outsource	• Enhance the process and on-line access to exit interviews and data recording	• June 2023	• 100% of employee complete exit interview
Promotion of local area utilising technology	• Attraction of a diverse and inclusive workforce	• Develop council's diversity and inclusion program	• Dec 2024	• Decrease in staff turnover in first five years of engagement
	• Technology and Councils' on-line profile drive attraction to the local area	• Promote monthly basis – achievements, acknowledgements etc on Councils website and platforms such as LinkedIn	• Dec 2022	• Increase in youth employment numbers
Enhancing our Culture	• Increased employee engagement, retention, morale and satisfaction	• Provide rewards and recognition programs, promote social club	• Mar 2022	• Remain and monitor current staff satisfaction
	• Provide opportunities for contribution and alignment to Councils goals	• Improve engagement in the IWP process	• Feb 2023	• Increase participation and timeframes achieved
Career opportunities and skill development	• Training opportunities for all workforce	• Develop and implement a structured approach to training and development supported by systems and technology	• Sept 2023	• All employees participating in learning and development.
	• Career pathing, opportunities available within Council	• Create practices to support career development and career progression opportunities	• Jan 2024	• Employee engagement in the development of career pathing
Empower our managers and supervisors	• Encourage workplace culture with well-informed Managers and supervisors	• Develop ongoing leadership introductions to council and supervisory development programs	• May 2023	• Employee satisfaction with improved employee / manager / supervisor relationship.
	• Provide anytime information accessibility	• Develop on-line platform with information, training, policies and procedure for supervisors and manager	• Aug 2024	• Improve accountability in people management

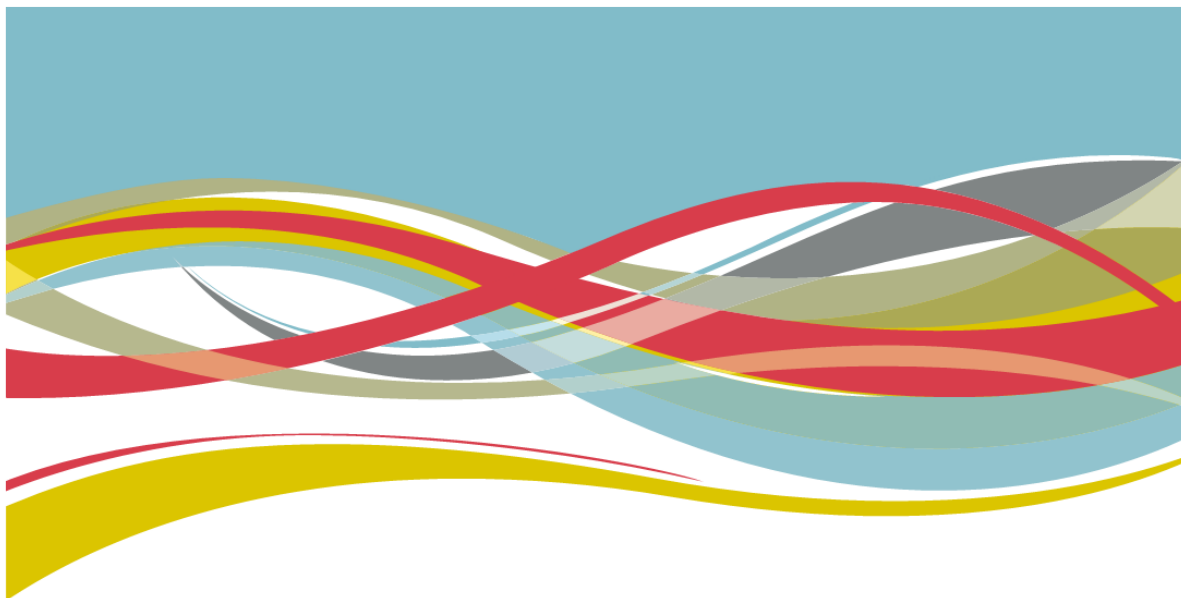


Key Areas	Specific outcomes	Actions	Timeframes	Measures
Encourage local Youth employment opportunities	• Increase youth attraction, development and engagement	• Develop programs across youth council	• Sep 2023	• Increased youth engagement numbers
	• Encourage local youth opportunities within council	• Develop relationships with external youth services and career advisors	• Dec 2023	• Contribution to the local youth employment opportunities

## Monitor and Evaluate

The workforce plan will be reviewed every year. The monitoring and review process enable Council to assess what is working and what is not, adjust this plan and its actions and be able to address any workforce and organisation issues that may arise.

Measures of success will be indicated by the outcomes of the action plan, delivered within the timeframes and achieving the performance indicators above.



**Muswellbrook Shire Council  
Long Term Financial Plan  
2022-32**

**DRAFT**



## Introduction

### Purpose of the Long Term Financial Plan (LTFP)

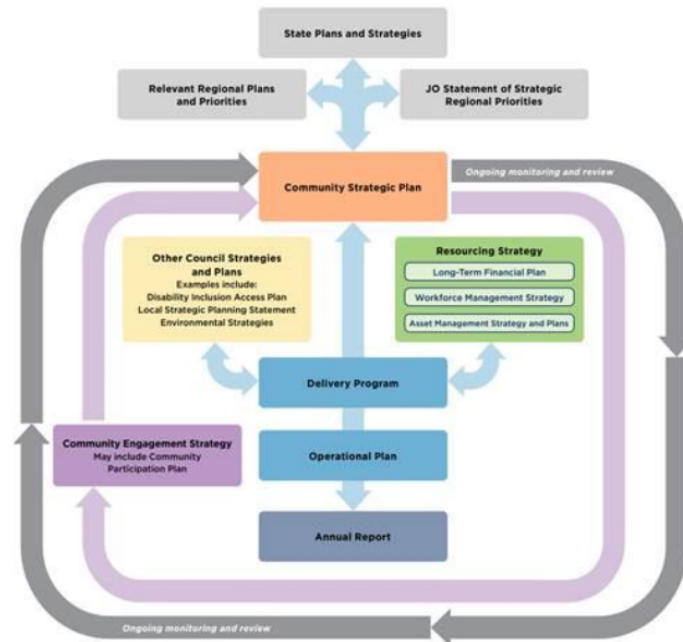
The Long-Term Financial Plan 2022-2032 is a decision-making tool for stakeholders (Council and the community) to use in determining the resources which Council needs to apply to deliver on community outcomes and aspirations contained within the Muswellbrook Community Strategic Plan. It ensures that Council can identify future financial issues at an early stage and understand and mitigate future impacts as required.

This Long-Term Financial Plan supports Council in addressing the following dilemmas:

- Leading the change required to support a community and economy in transition;
- Initiating opportunities for future income and economic growth; and
- To source revenue to deliver the infrastructure required for a sustainable future.

In particular, this plan models the financial implications of the Muswellbrook Community Strategic Plan and Delivery Program, along with the ability to maintain existing facilities and infrastructure based on a range of assumptions and within known constraints.

The Long-Term Financial Plan is one component of Council's resourcing strategy which underpins the Muswellbrook Community Strategic Plan along with the Workforce Management Plan and Asset Management Plan. These documents are all interrelated with Council's four-year Delivery Program and provide inputs and outputs for one another. The suite of documents should be viewed together as Council's overall strategy.



## Financial Stability

A financially sustainable council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without imposing excessive debt or large rate increases on future generations. This definition has been translated into four key financial sustainability principles which Council is committed to:

- Council must achieve a **fully funded operating position** reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation
- Council must **maintain sufficient cash reserves** to ensure it can meet short-term working capital requirements
- Council must have an appropriately **funded capital program** where the source of funding is identified and secured for capital renewal, upgrade, and new capital works
- Council must **maintain its asset base** by renewing aging infrastructure, which is identified, and by ensuring cash reserves are set aside for those works which are yet to be identified.

The Office of Local Government (OLG) includes several financial performance measures in the Code of Accounting Practice. Council reports its performance against these measures in the annual financial statements. These indicators assist to assess the financial sustainability of councils. Council has reviewed its Long-Term Financial Plan (LTFP) against the OLG indicators as part of assessing the long-term financial health of the organisation and its capacity to fund the proposed delivery program.





## How is Long Term Financial Sustainability Measured?

Following the release of the report from the NSW Independent Local Review Panel in October 2013 a range of indicators are now being used to assess the financial sustainability of councils as stand-alone entities.

Council has reviewed its Long-Term Financial Plan against these indicators as part of assessing the long-term financial health of the organisation and its capacity to fund the proposed delivery program. The following shows Council's performance against the indicators for 2020/21:

Ratio	Calculation	Sustainable Target	2020/21 Actual Ratio	Achieved?
<b>Operating Performance Ratio</b>	Total operating revenue (excluding capital grants and contributions) less total operating expenditure <b>divided by</b> continuing operating revenue	> 0%	9.96%	Yes
<b>Own Source Revenue Ratio</b>	Total continuing operating revenue (excluding capital grants and contributions) <b>divided by</b> continuing operating revenue	> 60%	58.81%	Yes
<b>Building and Asset Renewal Ratio</b>	Asset renewals <b>divided by</b> depreciation, amortization and impairment	> 100%	75.02%	No



<b>Infrastructure Backlog Ratio</b>	Estimated cost to bring assets to a satisfactory condition <b>divided by</b> the total WDV of infrastructure assets	< 2%	2.39%	No
<b>Asset Maintenance Ratio</b>	Actual asset maintenance <b>divided by</b> required asset maintenance	> 100%	78.67%	No
<b>Debt Service Cover Ratio</b>	Operating result before capital excluding interest and depreciation <b>divided by</b> principal repayments plus borrowing costs	> 2x	2.43x	Yes
<b>Unrestricted Current Ratio</b>	Current assets less all external restrictions <b>divided by</b> current liabilities less specific purpose liabilities	> 1.5x	2.17x	Yes
<b>Rates &amp; Annual Charges Outstanding</b>	Rates & annual charges outstanding <b>divided by</b> rates and annual charges collectable	= <10%	10.05%	No
<b>Real Operating Expenditure</b>	Operating expenditure <b>divided by</b> population	Decreasing		

## Financial Management in Council

Council has prepared a budget based around the facilitation of the activities and targets outlined in its Delivery Program and these budgets have been projected out for 10 years based on a range of assumptions.

## Financial Management Principles

The 2022-2032 Long-Term Financial Plan (LTFP) applies the following underpinning principles:

- Council will maintain its existing services to residents
- Management will continually look for ways to improve service delivery
- Services and infrastructure in any new areas will be provided within reason and in consultation with the community
- Council will continue to improve its capacity to fund its recurrent operations and renew critical infrastructure through sustainable financial decision making



- Council will manage within the existing financial constraints as much as possible

## Long Term Financial Plan Assumptions

The long-term financial model requires Council to identify all material items of revenue and expenditure and determine the external and internal influences which could significantly impact on Council's finances.

In preparing the 2022-32 Long Term Financial Plan, the following underpinning principles have been adopted.

### **Some significant adjustments within the plan do not use assumptions for projections:**

- Capital programs are built at a project level and/or using other relevant inputs.
- Capital grants are projected based on known capital projects and the likelihood of grants being available for recurrent programs.
- Administration costs of local government elections are projected only for the identified year an election will occur. However, funding for this projected expense is allocated on an annual basis.
- Asset maintenance cost increases are projected based on the capital program.
- There are unknown impacts of the continued COVID-19 pandemic due to the inability to predict this.
- Non-cash revaluations are not projected due to the uncertainty of valuations and that these have no impact on Council's budgeted cash position.
- No allowance has been made for additional rate revenues for Council as a result of population growth.

## OUR CHALLENGES

### **COVID-19**

The COVID-19 pandemic and global health crisis have negatively impacted the community, business and tourism. This has created increased operating costs for cleaning and equipment, as well as reduced revenue as a result of closing services to the community and restricting numbers of some services under Public Health Orders. Council has implemented various strategies to assist the community during this time while continuing to consider the financial impact to Council's long-term objectives with the uncertainty of COVID-19 impacts in the future.

### **INDEPENDENT PRICING AND REGULATORY TRIBUNAL (IPART) RATE PEG**



IPART is an independent authority established under the Independent Pricing and Regulatory Tribunal Act 1992. IPART is responsible for setting a 'rate peg' each year. This rate peg identifies the maximum allowable increase that can be applied to ordinary rates annually without special approvals, such as a special rate variation.

The rate peg limits the amount the Council can increase rates each year without obtaining special permissions. The rate peg for 2022-2023 was set at 0.7 per cent. Given that rate income represents 35 per cent of income received by Council, this represents a challenge for the Council in increasing income and continuing to meet community expectations, manage assets and operate in a growth environment.

### **INCREASING COSTS**

Increasing costs of operating and capital materials, as well as the availability of these materials, create many challenges for Council. The cost of construction has risen significantly in 2021 and 2022. Increasing costs mean efficiencies are required to be made continually in how Council spends money to provide these services and to ensure cost increases do not rise at a higher rate than Council income. A small movement in Consumer Price Index (CPI) indices can have a significant negative impact to Council's operating position. To mitigate this risk, Council is to engage in business improvement and financial sustainability practices across the organisation to identify and put in place strategies to reduce the impact of these changes as they occur.

### **INSTABILITY OF CONTINUED GRANTS**

During the past two years, with the emergence of the COVID-19 pandemic, there has been an increase in capital and operating grants made available to assist Council in funding specific projects and programs. However, it is not anticipated that the current rate of available grants will continue into the future. The increase in grants over this period is expected to reduce as the economy returns to a more normal way of operating. It is possible that as a result of increased available grants in recent periods, future grants will reduce below the previous level. This would require Council to seek other methods of funding operating and capital programs without the benefit of grants.



## PROJECTED FINANCIAL STATEMENTS

### PLANNING PRINCIPLES

The purpose of this plan is not to provide specific detail about various individual works or services. The Long-Term Financial Plan will provide a decision-making tool that allows various assumptions and sensitivity analysis to be carried out, which will indicate the ability of Council to deliver cost-effective services to our community into the future, within a framework of financial sustainability.

The key principles in the development of the financial planning and modelling process include:

- continuing to engage in financial sustainability initiatives
- identifying and implementing initiatives to reduce expenditure and/or increase income
- maintaining current and future infrastructure effectively using funding sources
- managing loan borrowings
- exploring profit generating activities.



## OUR INCOME

Council has several major sources of income which are explained below.

### Rates and Annual Charges

Rates and annual charges are the primary source of annual income, contributing about 35 per cent of total annual income.

Rates are calculated annually, in accordance with NSW legislative requirements, and include the ordinary rate and annual charges for domestic waste collection and management and for on-site sewer management. The ordinary rate is calculated by applying a flat base amount, plus a rate in the dollar (ad valorem) multiplier to each property owner's unimproved land value.

Each property falls into one of four categories for rating purposes depending on the land use of the property. These categories are residential, business, farm land and mining.

Increases for ordinary rates are determined at a maximum amount by IPART. This increase is described as a rate peg and is determined by reference to the annual movement in the local government cost index. The rate peg for 2022-2023 is set at 0.7 per cent. It has been assumed that a two per cent rate peg will apply in future years and we have therefore applied the two per cent rate peg as well as an additional 0.5 per cent to allow for development growth in the region.

Additionally, the Minister for Local Government has announced a one-off opportunity available for the 2022-2023 year for councils to apply for an Additional Special Variation (ASV) of up to 2.5 per cent, inclusive of the previously determined rate cap of 0.7 per cent. Muswellbrook Shire Council is considering applying for this, as the 0.7 per cent rate peg from IPART was significantly lower than the 2.5 per cent used as a baseline assumption from prior year increases.

If the 2.5 per cent rate increase is not granted, the Rates revenue will reduce by \$350 thousand for 2022-2023 compared to that shown in Scenario 1 of the reported Long-Term Financial Plan. The estimated impact across the next 10 years is \$4.6 million. Staff have prepared a report for Council's consideration.

Applications for an ASV will be accepted until 29 April. IPART will publish applications to enable community consultation for a period of at least three weeks.

Councils will be notified of IPART's decision no later than 21 June.



### **User Fees and Charges**

Fees and charges for goods and services provide about seven per cent of annual income. This income is derived from the use of facilities and services by the public. Fees and charges are determined annually, published with the Operational Plan and incorporated within the annual budget. These fees are levied to cover the cost associated with:

- the supply of a product, service or commodity
- the giving of information
- providing a service in connection with the Council's regulatory functions, including receiving an application for approval, granting an approval, making an inspection and issuing a certificate
- allowing admission to any building or enclosure.

General Fund Fees and Charges are proposed to rise in 2022/23 by an average of 3.0%.

### **Interest and Investments**

Council's cash holdings are invested in Minister approved shorter term (between one and three years) term deposits, bank issued bonds and floating rate notes, which provide short term liquidity should that be needed. For the purposes of the plan, Council has assumed a return of 3% in 2022/23 and in future years on its invested funds.

### **Other Revenues**

Council has established a Future Fund, which has as its main activity the acquisition and lease of commercial buildings. The Fund is designed to be self-sustaining in terms of its financial situation with all expenses related to the Fund being paid from the generation of revenues derived from these buildings. In addition to this, the Fund pays a dividend to the General Fund, thereby assisting in the funding of General Fund activities. No significant changes in these other revenues are forecast over the term of this LTFP.

### **Operational Grants and Contributions**

Operational grants and contributions are received from other government bodies to supplement other sources of income and provide additional funding for specific projects and programs where there may be shared outcomes.

Council is allocated about \$3.1 million annually from the Commonwealth Government in the form of the Financial Assistance Grant. This is a general-purpose grant paid to Council under the Commonwealth Local Government (Financial Assistance) Act 1995. These funds comprise an unconditional grant, and a smaller local roads component.

### **Capital Income**

Capital income includes development contributions that provide significant funding towards the cost of essential public facilities and infrastructure provided by Council. This income helps fund infrastructure such as parks, community facilities, local roads, footpaths,



stormwater drainage and traffic management. Capital grants are received by Council for specific projects to assist in funding community facilities and infrastructure. The grants provide supplementary funding that can assist in accelerating the start of a project, demonstrate a shared commitment from the other party or provide a greater benefit arising from additional funding.

Capital grants income does not require sensitivity analysis as this is budgeted at a detailed level based on the minimum known grants available and those grants that have been committed for specific projects. Any variations to capital grants income are assessed against the capital program and asset management plans.





## OUR EXPENDITURE

Council has several major sources of expenditure which are explained below. Operating expenditure is expected to increase in general over the next 10 years and an average increase for CPI growth has been applied to all costs, unless specifically modified on the basis of other data or assumptions.

### Employee Costs

Employee costs includes the costs of salaries, wages and other associated costs of Council's workforce. Direct employee costs represent about 36 per cent of Council's total annual operating costs (excluding depreciation). Increases applied to this class of expenditure are in line with previous Enterprise Agreements as well as an allowance for growth as Council is required to provide additional services to residents.

#### Employee cost sensitivity analysis

\$,000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	84	86	89	92	94	97	100	103	106	109
1.0%	168	173	178	183	189	194	200	206	212	219
1.5%	252	259	267	275	283	292	300	309	319	328



### Materials and Contracts

Materials and contract expenditures are another significant cost element accounting for 38 per cent of Council's total annual operating costs (excluding depreciation). This category includes costs for services contracted to external parties, costs associated with consultants and labour hire contracts and the purchase of goods such as materials. Projections have been based on existing contracted rates escalated for CPI where applicable. Major financial risks within this category of expenditure include:

- increased costs of inputs such as waste/recycling disposal costs, fuel and labour
- increased levels of service expected by the community and other stakeholders
- new services expected to be delivered in the future
- additional asset maintenance costs of new infrastructure
- limited competitive supply for some specific service areas.

#### Materials & contract sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>1.0%</b>	178	182	186	191	195	199	204	209	213	218
<b>2.0%</b>	356	364	373	381	390	399	408	417	427	437
<b>3.0%</b>	534	546	559	572	585	598	612	626	640	655



### Borrowing Costs

Borrowing costs represent the interest charges on loans taken out to finance new capital expenditure projects. Loan funds are typically used to generate the cashflow to deliver new infrastructure and allow the cost of the project to be spread across the useful life of the asset in order to facilitate intergenerational equity for these assets.

The risk inherent in this category is increasing interest rates caused by uncertain financial markets. Council mitigates this risk through most of its current borrowing being on a fixed rate basis. Hence, the sensitivity analysis is on planned new borrowings only.

#### Borrowing cost sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	10	10	9	8	10	9	8	7	7	8
1.0%	20	21	17	16	19	18	16	15	14	16
1.5%	30	31	326	24	29	26	24	22	20	25

### Other Expenditure

**Other expenditure** includes the following:

- insurance premiums
- NSW Fire Brigades, Rural Fire Service and State Emergency Service contributions
- electricity and street lighting
- telephone and communications
- Councillors' fees, allowances and expenses
- subscriptions and memberships
- bank charges.

#### Other expenditure sensitivity analysis

\$'000	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
0.5%	26	27	28	28	29	29	30	30	31	32
1.0%	53	54	55	56	57	58	60	61	62	63



1.5%	79	81	83	84	86	88	89	91	93	95
------	----	----	----	----	----	----	----	----	----	----

## FINANCIAL PERFORMANCE INDICATORS

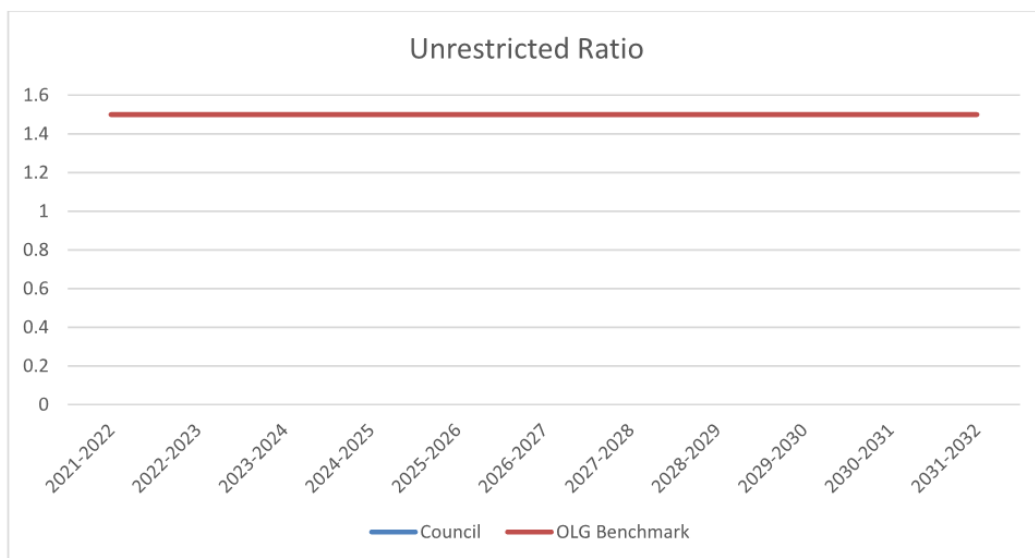
Council complies with the reporting requirements of the Integrated Planning and Reporting framework, with periodic reviews and reporting cycles to allow revision of performance and adjustment of planning activities based on results. This allows plans to be amended should performance indicate there is a risk to the achievement of the financial goals.

A critical component of measuring performance is identified by performance indicators set by Council and the Office of Local Government, including those outlined below.

### The Unrestricted Current Ratio

The unrestricted current ratio is specific to local government, measuring the adequacy of liquid working capital and its ability to satisfy its financial obligations as they fall due in the short-term. Restrictions placed on various funding sources (for example, development contributions) complicate the traditional current ratio used to assess liquidity of businesses, as cash allocated to specific projects is restricted and cannot be used to meet Council's other operating and borrowing costs. The benchmark set by the Office of Local Government (OLG) is greater than 1.5.

$$\frac{\text{Current assets less all external restrictions}}{\text{Current liabilities less specific purpose liabilities}}$$



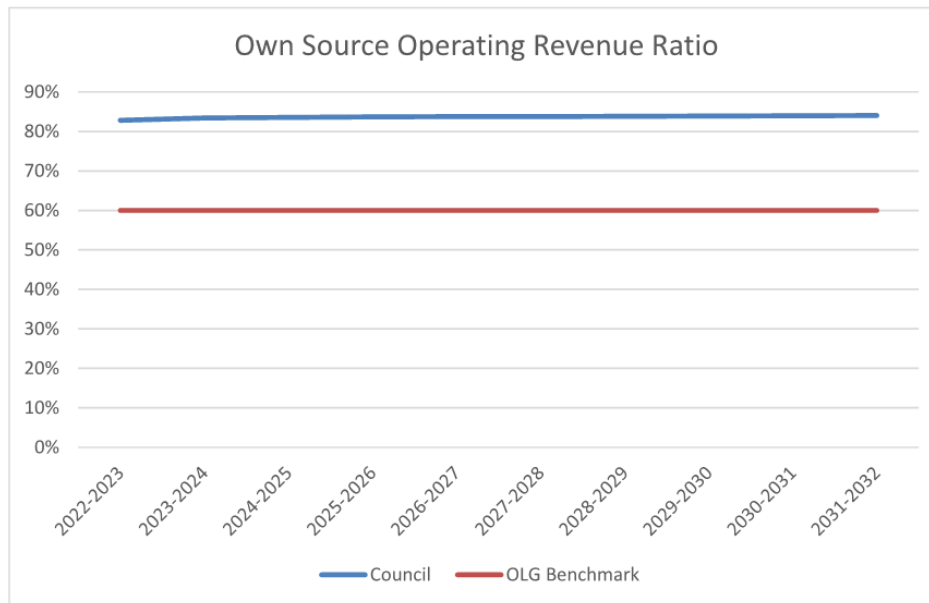




### Own Source Operating Revenue Ratio

A measure of fiscal flexibility, own source revenue refers to Council's ability to raise revenue through its own internal means, thereby reducing reliance on external sources of income and insulating against negative fluctuations in external funding. The benchmark set by OLG is greater than 60 per cent.

$$\frac{\text{Total continuing operating revenue excluding all grants and contributions}}{\text{Total continuing operating revenue}}$$

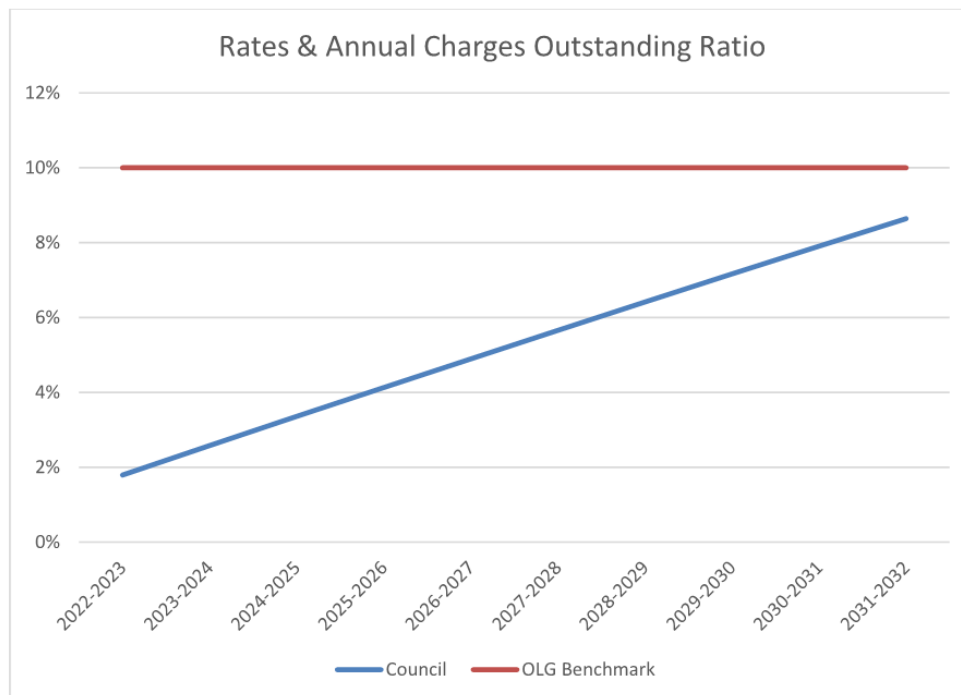




### RATES AND ANNUAL CHARGES OUTSTANDING RATIO

This measure indicates Council's success at recovering its annual rates and charges, with higher percentages of outstanding debts indicating a potential threat to Council's working capital and liquidity. The benchmark set by OLG is below 10 per cent.

Rates and annual charges outstanding  
Rates and annual charges collectable

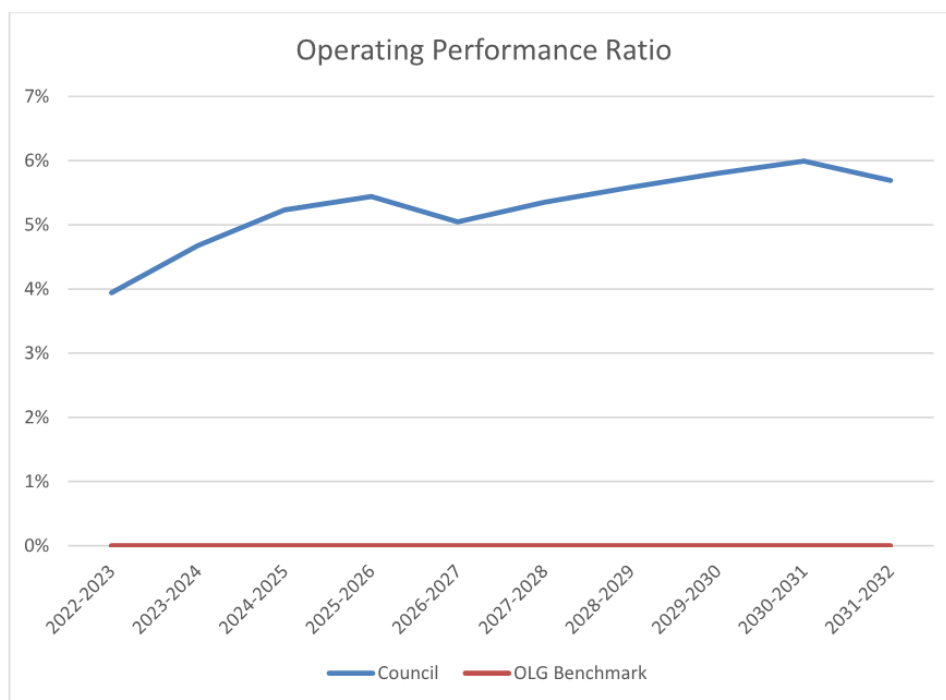




### OPERATING PERFORMANCE RATIO

This ratio provides an indication of Council's financial sustainability by measuring operating result excluding capital grants and contributions (which are typically tied to delivery of new capital works). Performance at or above benchmark indicates Council can internally generate sufficient funding for its ongoing operations. The benchmark set by OLG is greater than 0 per cent.

$$\frac{\text{Total continuing operating revenue excluding capital grants and contributions less operating expenses}}{\text{Total continuing operating revenue excluding capital grants and contributions}}$$

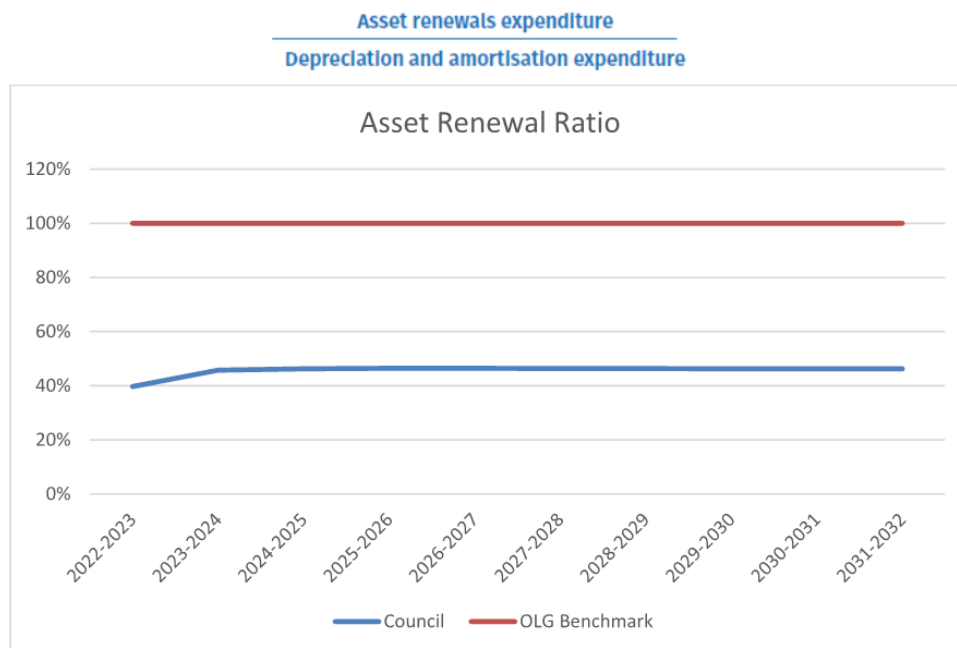






### ASSET RENEWAL RATIO

This ratio indicates Council is adequately maintaining its asset base based on planned renewal activities as a proportion of the depreciation expenditure. A ratio result of 100 per cent indicates Council is renewing its asset base and not contributing to infrastructure backlogs. The benchmark set by OLG is greater than 100 per cent.

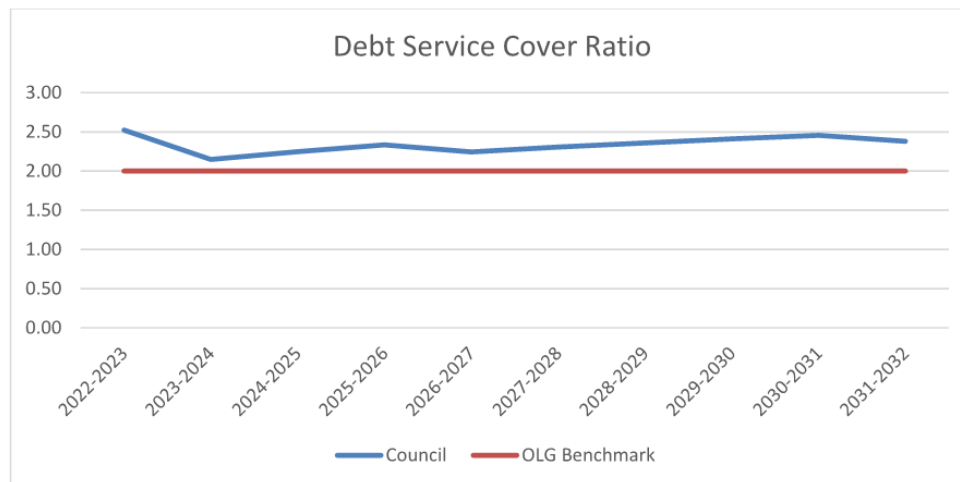




## DEBT SERVICE RATIO

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. A high ratio indicates the ability of the Council to repay debt. The benchmark set by OLG is greater than two.

$$\frac{\text{Operating result before capital excluding interest and depreciation/impairment/amortisation}}{\text{Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)}}$$



## STRATEGIC ALIGNMENT

The Long-Term Financial Plan combines the financial implications arising from the Community Strategic Plan, Delivery Program and the annual Operational Plan to ensure all items in these plans are achievable and sustainable. The Asset Management Framework and Workforce Management Strategy are major drivers of the assumptions used within the Long-Term Financial Plan.

## Projected Financial Statements – 2022-32 LTFP (Scenario 1 – With ASV)

Income Statement - Consolidated For the year	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
<b>Income from Continuing Operations</b>										
<b>Revenue:</b>										
Rates and Annual Charges	30,796	31,566	32,355	33,164	33,993	34,842	35,714	36,606	37,522	38,460
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Interest and Investment Revenue	510	823	767	720	647	575	477	379	281	183
Other Revenue	2,566	2,631	2,696	2,764	2,833	2,904	2,976	3,051	3,127	3,205
Grants and Contributions provided for Operating Purposes	7,023	7,199	7,379	7,563	7,752	7,946	8,145	8,349	8,557	8,771
Grants and Contributions provided for Capital Purposes	4,830	4,555	4,555	4,555	4,611	4,668	4,728	4,788	4,851	4,915
Internal Revenue	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
<b>Other Income:</b>										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>69,011</b>	<b>70,879</b>	<b>72,503</b>	<b>74,180</b>	<b>75,993</b>	<b>77,859</b>	<b>79,750</b>	<b>81,694</b>	<b>83,693</b>	<b>85,750</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits and On-Costs	16,792	17,296	17,814	18,349	18,899	19,466	20,050	20,652	21,271	21,910
Borrowing Costs	2,013	2,093	1,736	1,613	1,936	1,764	1,617	1,479	1,358	1,634
Materials and Contracts	17,799	18,208	18,627	19,055	19,493	19,942	20,400	20,870	21,350	21,841
Overheads	4,554	4,645	4,738	4,833	4,930	5,028	5,129	5,231	5,336	5,443
Depreciation and Amortisation	15,200	15,581	15,970	16,370	16,793	17,228	17,673	18,131	18,600	19,081
Impairment	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,294	5,400	5,508	5,618	5,730	5,845	5,962	6,081	6,202	6,327
<b>Total Expenses from Continuing Operations</b>	<b>61,651</b>	<b>63,222</b>	<b>64,393</b>	<b>65,838</b>	<b>67,781</b>	<b>69,272</b>	<b>70,832</b>	<b>72,443</b>	<b>74,117</b>	<b>76,235</b>
<b>Operating Result from Continuing Operations</b>	<b>7,359</b>	<b>7,657</b>	<b>8,109</b>	<b>8,342</b>	<b>8,212</b>	<b>8,586</b>	<b>8,918</b>	<b>9,251</b>	<b>9,576</b>	<b>9,515</b>
<b>Discontinued Operations</b>										
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>7,359</b>	<b>7,657</b>	<b>8,109</b>	<b>8,342</b>	<b>8,212</b>	<b>8,586</b>	<b>8,918</b>	<b>9,251</b>	<b>9,576</b>	<b>9,515</b>
Net Operating Result attributable to Council	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>2,530</b>	<b>3,102</b>	<b>3,555</b>	<b>3,787</b>	<b>3,601</b>	<b>3,918</b>	<b>4,190</b>	<b>4,462</b>	<b>4,725</b>	<b>4,600</b>
Net Operating Result for the Year	7,359	7,657	8,109	8,342	8,212	8,586	8,918	9,251	9,576	9,515
Amounts which will not be reclassified to the Operating Result										
Gain (Loss) on revaluation of I/P&E										
<b>Total Comprehensive Income for the year</b>	<b>7,359</b>	<b>7,657</b>	<b>8,109</b>	<b>8,342</b>	<b>8,212</b>	<b>8,586</b>	<b>8,918</b>	<b>9,251</b>	<b>9,576</b>	<b>9,515</b>

Statement of Cash Flows - Consolidated For the year (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates and Annual Charges	30,796	31,566	32,355	33,164	33,993	34,842	35,714	36,606	37,522	38,460
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Investment and Interest Revenue Received	510	823	767	720	647	575	477	379	281	183
Grants and Contributions	11,853	11,754	11,934	12,118	12,363	12,615	12,873	13,137	13,408	13,686
Bonds, Deposits and Retention amounts received										
Other	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
<b>Payments:</b>										
Employee Benefits and On-Costs	(16,792)	(17,296)	(17,814)	(18,349)	(18,899)	(19,466)	(20,050)	(20,652)	(21,271)	(21,910)
Materials and Contracts	(17,799)	(18,208)	(18,627)	(19,055)	(19,493)	(19,942)	(20,400)	(20,870)	(21,350)	(21,841)
Borrowing Costs	(2,013)	(2,093)	(1,736)	(1,613)	(1,936)	(1,764)	(1,617)	(1,479)	(1,358)	(1,634)
Bonds, Deposits and Retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(5,294)	(5,400)	(5,508)	(5,618)	(5,730)	(5,845)	(5,962)	(6,081)	(6,202)	(6,327)
<b>Net Cash provided (or used) in Operating Activities</b>	<b>24,548</b>	<b>25,252</b>	<b>26,122</b>	<b>26,781</b>	<b>27,102</b>	<b>27,938</b>	<b>28,744</b>	<b>29,562</b>	<b>30,385</b>	<b>30,834</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Sale of Investment Securities	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Purchase of Investment Securities	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Purchase of Investment Property	-	-	-	(10,000)	-	-	-	-	(10,000)	-
Purchase of Infrastructure, Property, Plant and Equipment	(18,335)	(13,532)	(13,796)	(24,009)	(14,359)	(14,718)	(15,086)	(15,463)	(25,849)	(16,246)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>(18,335)</b>	<b>(13,532)</b>	<b>(13,796)</b>	<b>(34,009)</b>	<b>(14,359)</b>	<b>(14,718)</b>	<b>(15,086)</b>	<b>(15,463)</b>	<b>(35,849)</b>	<b>(16,246)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from Borrowing and Advances	-	-	-	-	10,000	-	-	-	10,000	-
<b>Payments:</b>										
Repayment of borrowing and advances	(6,455)	(6,505)	(6,205)	(6,193)	(4,206)	(4,669)	(4,061)	(3,354)	(3,054)	(3,252)
<b>Net Cash provided (or used) in Financing Activities</b>	<b>(6,455)</b>	<b>(6,505)</b>	<b>(6,205)</b>	<b>(6,193)</b>	<b>5,794</b>	<b>(4,669)</b>	<b>(4,061)</b>	<b>(3,354)</b>	<b>6,946</b>	<b>(3,252)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(242)</b>	<b>5,215</b>	<b>6,121</b>	<b>(13,421)</b>	<b>18,537</b>	<b>8,552</b>	<b>9,598</b>	<b>10,745</b>	<b>1,481</b>	<b>11,336</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>16,978</b>	<b>16,736</b>	<b>21,951</b>	<b>28,072</b>	<b>14,651</b>	<b>33,188</b>	<b>41,740</b>	<b>51,337</b>	<b>62,083</b>	<b>63,564</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>16,736</b>	<b>21,951</b>	<b>28,072</b>	<b>14,651</b>	<b>33,188</b>	<b>41,740</b>	<b>51,337</b>	<b>62,083</b>	<b>63,564</b>	<b>74,900</b>
<b>plus: Investments on hand - end of year</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>	<b>48,283</b>
<b>Total Cash, Cash Equivalents and Investments</b>	<b>65,019</b>	<b>70,234</b>	<b>76,355</b>	<b>62,934</b>	<b>81,471</b>	<b>90,023</b>	<b>99,620</b>	<b>110,366</b>	<b>111,847</b>	<b>123,183</b>

Balance Sheet - Consolidated	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Asat (000's)	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	16,736	21,951	28,072	14,651	33,188	41,740	51,337	62,083	63,564	74,900
Investments	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550
Receivables	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Inventories	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661
Other	250	250	250	250	250	250	250	250	250	250
<b>Total Current Assets</b>	<b>46,547</b>	<b>51,762</b>	<b>57,883</b>	<b>44,462</b>	<b>62,999</b>	<b>71,551</b>	<b>81,148</b>	<b>91,894</b>	<b>93,375</b>	<b>104,711</b>
<b>Non-Current Assets</b>										
<b>Investments</b>	24,711	22,911	22,911	22,911	22,911	22,911	22,911	22,912	22,942	23,050
Infrastructure, Property, Plant and Equipment	734,201	732,153	729,978	737,617	735,182	732,672	730,084	727,416	734,666	731,831
Investments accounted for using the equity method	158	158	158	158	158	158	158	158	158	158
Investment Property	61,694	61,694	61,694	71,694	71,694	71,694	71,694	71,694	81,694	81,694
<b>Total Non-Current Assets</b>	<b>820,764</b>	<b>816,916</b>	<b>814,741</b>	<b>832,380</b>	<b>829,945</b>	<b>827,435</b>	<b>824,847</b>	<b>822,180</b>	<b>839,460</b>	<b>836,732</b>
<b>TOTAL ASSETS</b>	<b>867,311</b>	<b>868,678</b>	<b>872,624</b>	<b>876,842</b>	<b>892,944</b>	<b>898,986</b>	<b>905,996</b>	<b>914,074</b>	<b>932,835</b>	<b>941,443</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966	8,966
Borrowings	4,492	4,112	4,457	2,593	2,733	2,297	1,737	1,575	1,894	1,705
Provisions	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262	2,262
<b>Total Current Liabilities</b>	<b>15,720</b>	<b>15,340</b>	<b>15,685</b>	<b>13,821</b>	<b>13,961</b>	<b>13,525</b>	<b>12,965</b>	<b>12,803</b>	<b>13,122</b>	<b>12,933</b>
<b>Non-Current Liabilities</b>										
Payables	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
Borrowings	54,531	48,026	41,821	35,628	41,422	36,753	32,692	29,338	36,284	33,032
Provisions	32,362	32,957	34,654	38,588	40,544	43,105	45,817	48,160	50,080	52,615
<b>Total Non-Current Liabilities</b>	<b>88,185</b>	<b>82,274</b>	<b>77,766</b>	<b>75,507</b>	<b>83,257</b>	<b>81,148</b>	<b>79,800</b>	<b>78,790</b>	<b>87,655</b>	<b>86,937</b>
<b>TOTAL LIABILITIES</b>	<b>103,905</b>	<b>97,615</b>	<b>93,451</b>	<b>89,328</b>	<b>97,218</b>	<b>94,674</b>	<b>92,765</b>	<b>91,593</b>	<b>100,777</b>	<b>99,871</b>
<b>Net Assets</b>	<b>763,406</b>	<b>771,063</b>	<b>779,172</b>	<b>787,514</b>	<b>795,726</b>	<b>804,312</b>	<b>813,230</b>	<b>822,481</b>	<b>832,057</b>	<b>841,573</b>
<b>EQUITY</b>										
Retained Earnings	437,085	444,742	452,851	461,193	469,405	477,991	486,909	496,160	505,736	515,252
Revaluation Reserves	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321
<b>Total Equity</b>	<b>763,406</b>	<b>771,063</b>	<b>779,172</b>	<b>787,514</b>	<b>795,726</b>	<b>804,312</b>	<b>813,230</b>	<b>822,481</b>	<b>832,057</b>	<b>841,573</b>

## Projected Financial Statements – 2022-32 LTFP (Scenario 2 – Without ASV)

Income Statement - Consolidated For the year	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
<b>Income from Continuing Operations</b>										
<b>Revenue:</b>										
Rates and Annual Charges	29,605	30,345	31,104	31,881	32,679	33,495	34,333	35,191	36,071	36,973
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Interest and Investment Revenue	510	823	767	720	647	575	477	379	281	183
Other Revenue	2,566	2,631	2,696	2,764	2,833	2,904	2,976	3,051	3,127	3,205
Grants and Contributions provided for Operating Purposes	7,023	7,199	7,379	7,563	7,752	7,946	8,145	8,349	8,557	8,771
Grants and Contributions provided for Capital Purposes	4,830	4,555	4,555	4,555	4,611	4,668	4,728	4,788	4,851	4,915
Internal Revenue	2,778	2,847	2,919	2,992	3,066	3,143	3,222	3,302	3,385	3,469
<b>Other Income:</b>										
Net gain from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Share of interests in joint ventures and associates	-	-	-	-	-	-	-	-	-	-
<b>Total Income from Continuing Operations</b>	<b>67,820</b>	<b>69,659</b>	<b>71,252</b>	<b>72,898</b>	<b>74,679</b>	<b>76,512</b>	<b>78,369</b>	<b>80,279</b>	<b>82,243</b>	<b>84,263</b>
<b>Expenses from Continuing Operations</b>										
Employee Benefits and On-Costs	16,792	17,296	17,814	18,349	18,899	19,466	20,050	20,652	21,271	21,910
Borrowing Costs	2,013	2,093	1,736	1,613	1,936	1,764	1,617	1,479	1,358	1,634
Materials and Contracts	17,799	18,208	18,627	19,055	19,493	19,942	20,400	20,870	21,350	21,841
Overheads	4,554	4,645	4,738	4,833	4,930	5,028	5,129	5,231	5,336	5,443
Depreciation and Amortisation	15,200	15,581	15,970	16,370	16,793	17,228	17,673	18,131	18,600	19,081
Impairment	-	-	-	-	-	-	-	-	-	-
Net Losses from the disposal of assets	-	-	-	-	-	-	-	-	-	-
Other Expenses	5,294	5,400	5,508	5,618	5,730	5,845	5,962	6,081	6,202	6,327
<b>Total Expenses from Continuing Operations</b>	<b>61,651</b>	<b>63,222</b>	<b>64,393</b>	<b>65,838</b>	<b>67,781</b>	<b>69,272</b>	<b>70,832</b>	<b>72,443</b>	<b>74,117</b>	<b>76,235</b>
<b>Operating Result from Continuing Operations</b>	<b>6,169</b>	<b>6,437</b>	<b>6,859</b>	<b>7,060</b>	<b>6,898</b>	<b>7,239</b>	<b>7,537</b>	<b>7,836</b>	<b>8,126</b>	<b>8,028</b>
<b>Discontinued Operations</b>										
Net Profit / (Loss) from Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the Year</b>	<b>6,169</b>	<b>6,437</b>	<b>6,859</b>	<b>7,060</b>	<b>6,898</b>	<b>7,239</b>	<b>7,537</b>	<b>7,836</b>	<b>8,126</b>	<b>8,028</b>
Net Operating Result attributable to Council	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Net Operating Result attributable to Minority Interests	-	-	-	-	-	-	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>1,339</b>	<b>1,882</b>	<b>2,304</b>	<b>2,505</b>	<b>2,287</b>	<b>2,571</b>	<b>2,810</b>	<b>3,047</b>	<b>3,275</b>	<b>3,113</b>
Net Operating Result for the Year	6,169	6,437	6,859	7,060	6,898	7,239	7,537	7,836	8,126	8,028
Amounts which will not be reclassified to the Operating Result										
Gain (Loss) on revaluation of IPP&E										
<b>Total Comprehensive Income for the year</b>	<b>6,169</b>	<b>6,437</b>	<b>6,859</b>	<b>7,060</b>	<b>6,898</b>	<b>7,239</b>	<b>7,537</b>	<b>7,836</b>	<b>8,126</b>	<b>8,028</b>



Statement of Cash Flows - Consolidated For the year (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
<b>Cash Flows from Operating Activities</b>										
<b>Receipts:</b>										
Rates and Annual Charges	29,605	30,345	31,104	31,881	32,679	33,495	34,333	35,191	36,071	36,973
User Charges and Fees	20,507	21,259	21,833	22,423	23,091	23,779	24,488	25,219	25,971	26,746
Investment and Interest Revenue Received	510	823	767	720	647	575	477	379	281	183
Grants and Contributions	11,853	11,754	11,934	12,118	12,363	12,615	12,873	13,137	13,408	13,686
Bonds, Deposits and Retention amounts received	-	-	-	-	-	-	-	-	-	-
Other	2,566	2,631	2,696	2,764	2,833	2,904	2,976	3,051	3,127	3,205
<b>Payments:</b>										
Employee Benefits and On-Costs	(16,792)	(17,296)	(17,814)	(18,349)	(18,899)	(19,466)	(20,050)	(20,652)	(21,271)	(21,910)
Materials and Contracts	(17,799)	(18,208)	(18,627)	(19,055)	(19,493)	(19,942)	(20,400)	(20,870)	(21,350)	(21,841)
Borrowing Costs	(2,013)	(2,093)	(1,736)	(1,613)	(1,936)	(1,764)	(1,617)	(1,479)	(1,358)	(1,634)
Bonds, Deposits and Retention amounts refunded	-	-	-	-	-	-	-	-	-	-
Other	(5,294)	(5,400)	(5,508)	(5,618)	(5,730)	(5,845)	(5,962)	(6,081)	(6,202)	(6,327)
<b>Net Cash provided (or used) in Operating Activities</b>	<b>23,145</b>	<b>23,815</b>	<b>24,648</b>	<b>25,271</b>	<b>25,554</b>	<b>26,352</b>	<b>27,118</b>	<b>27,895</b>	<b>28,677</b>	<b>29,082</b>
<b>Cash Flows from Investing Activities</b>										
<b>Receipts:</b>										
Sale of Investment Securities	28,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Sale of Investment Property	-	-	-	-	-	-	-	-	-	-
Sale of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
Sale of Infrastructure, Property, Plant and Equipment	-	-	-	-	-	-	-	-	-	-
<b>Payments:</b>										
Purchase of Investment Securities	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Purchase of Investment Property	-	-	-	(10,000)	-	-	-	-	(10,000)	-
Purchase of Infrastructure, Property, Plant and Equipment	(18,335)	(13,532)	(13,796)	(14,009)	(14,359)	(14,718)	(15,086)	(15,463)	(15,849)	(16,246)
Purchase of Real Estate Assets	-	-	-	-	-	-	-	-	-	-
<b>Net Cash provided (or used) in Investing Activities</b>	<b>1,665</b>	<b>(13,532)</b>	<b>(13,796)</b>	<b>(24,009)</b>	<b>(14,359)</b>	<b>(14,718)</b>	<b>(15,086)</b>	<b>(15,463)</b>	<b>(25,849)</b>	<b>(16,246)</b>
<b>Cash Flows from Financing Activities</b>										
<b>Receipts:</b>										
Proceeds from Borrowing and Advances	-	-	-	-	10,000	-	-	-	10,000	-
<b>Payments:</b>										
Repayment of borrowing and advances	(6,455)	(6,505)	(6,205)	(6,193)	(4,206)	(4,669)	(4,061)	(3,354)	(3,054)	(3,252)
<b>Net Cash provided (or used) in Financing Activities</b>	<b>(6,455)</b>	<b>(6,505)</b>	<b>(6,205)</b>	<b>(6,193)</b>	<b>5,794</b>	<b>(4,669)</b>	<b>(4,061)</b>	<b>(3,354)</b>	<b>6,946</b>	<b>(3,252)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>18,355</b>	<b>3,778</b>	<b>4,647</b>	<b>(4,931)</b>	<b>16,989</b>	<b>6,965</b>	<b>7,971</b>	<b>9,079</b>	<b>9,773</b>	<b>9,584</b>
<b>plus: Cash and Cash Equivalents - beginning of year</b>	<b>(3,750)</b>	<b>14,605</b>	<b>18,383</b>	<b>23,031</b>	<b>18,100</b>	<b>35,089</b>	<b>42,055</b>	<b>50,026</b>	<b>59,105</b>	<b>68,878</b>
<b>Cash and Cash Equivalents - end of year</b>	<b>14,605</b>	<b>18,383</b>	<b>23,031</b>	<b>18,100</b>	<b>35,089</b>	<b>42,055</b>	<b>50,026</b>	<b>59,105</b>	<b>68,878</b>	<b>78,462</b>
<b>plus: Investments on hand - end of year</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>	<b>28,283</b>
<b>Total Cash, Cash Equivalents and Investments</b>	<b>42,888</b>	<b>46,666</b>	<b>51,314</b>	<b>46,383</b>	<b>63,372</b>	<b>70,338</b>	<b>78,309</b>	<b>87,388</b>	<b>97,161</b>	<b>106,745</b>





Balance Sheet - Consolidated As at (000's)	Budgeted 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31	Projected 2031/32
<b>ASSETS</b>										
<b>Current Assets</b>										
Cash and Cash Equivalents	10,705	11,333	16,824	21,943	27,031	31,062	35,335	40,576	46,139	51,269
Investments	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550	20,550
Receivables	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350	7,350
Inventories	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661	1,661
Other	250	250	250	250	250	250	250	250	250	250
<b>Total Current Assets</b>	<b>40,516</b>	<b>41,144</b>	<b>46,635</b>	<b>51,754</b>	<b>56,842</b>	<b>60,873</b>	<b>65,146</b>	<b>70,387</b>	<b>75,950</b>	<b>81,080</b>
<b>Non-Current Assets</b>										
Investments	24,711	22,911	22,911	22,911	22,911	22,911	22,911	22,912	22,942	23,050
Infrastructure, Property, Plant and Equipment	734,201	732,153	729,978	737,617	735,182	732,672	730,084	727,416	734,666	731,831
Investments accounted for using the equity method	158	158	158	158	158	158	158	158	158	158
Investment Property	61,694	61,694	61,694	71,694	71,694	71,694	71,694	71,694	81,694	81,694
<b>Total Non-Current Assets</b>	<b>820,764</b>	<b>816,916</b>	<b>814,741</b>	<b>832,380</b>	<b>829,945</b>	<b>827,435</b>	<b>824,847</b>	<b>822,180</b>	<b>839,460</b>	<b>836,732</b>
<b>TOTAL ASSETS</b>	<b>861,280</b>	<b>858,060</b>	<b>861,376</b>	<b>884,133</b>	<b>886,787</b>	<b>888,309</b>	<b>889,994</b>	<b>892,567</b>	<b>915,410</b>	<b>917,812</b>
<b>LIABILITIES</b>										
<b>Current Liabilities</b>										
Payables	6,241	6,241	6,250	6,249	6,236	6,211	6,174	6,124	6,063	6,001
Borrowings	7,482	5,932	6,066	6,072	6,239	4,748	4,853	4,230	3,505	3,315
Provisions	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837	2,837
<b>Total Current Liabilities</b>	<b>16,559</b>	<b>15,009</b>	<b>15,153</b>	<b>15,157</b>	<b>15,312</b>	<b>13,796</b>	<b>13,864</b>	<b>13,191</b>	<b>12,405</b>	<b>12,153</b>
<b>Non-Current Liabilities</b>										
Payables	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
Borrowings	78,631	74,660	68,498	62,460	65,978	62,757	57,833	54,262	51,518	58,189
Provisions	2,583	-1,552	923	22,655	14,738	13,758	12,761	11,743	29,990	17,945
<b>Total Non-Current Liabilities</b>	<b>82,505</b>	<b>74,399</b>	<b>70,712</b>	<b>86,406</b>	<b>82,007</b>	<b>77,806</b>	<b>71,885</b>	<b>67,296</b>	<b>82,799</b>	<b>77,425</b>
<b>TOTAL LIABILITIES</b>	<b>99,065</b>	<b>89,408</b>	<b>85,865</b>	<b>101,563</b>	<b>97,319</b>	<b>91,601</b>	<b>85,749</b>	<b>80,487</b>	<b>95,204</b>	<b>89,578</b>
<b>Net Assets</b>	<b>762,216</b>	<b>768,652</b>	<b>775,511</b>	<b>782,570</b>	<b>789,468</b>	<b>796,707</b>	<b>804,244</b>	<b>812,080</b>	<b>820,206</b>	<b>828,234</b>
<b>EQUITY</b>										
Retained Earnings	435,894	442,331	449,190	456,249	463,147	470,387	477,924	485,759	493,885	501,913
Revaluation Reserves	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321	326,321
<b>Total Equity</b>	<b>762,215</b>	<b>768,652</b>	<b>775,511</b>	<b>782,570</b>	<b>789,468</b>	<b>796,708</b>	<b>804,245</b>	<b>812,080</b>	<b>820,206</b>	<b>828,234</b>





**The End**

## 8 CORPORATE AND COMMUNITY SERVICES

### 8.1 COMMUNITY GRANTS PROGRAM - ROUND 1 2022

Attachments:	Nil
Responsible Officer:	Fiona Plesman - General Manager
Author:	Ivan Skaines - Grants and Community Engagement Advisor Kim Manwarring - Manager - Community Services
Community Plan Issue:	<i>Continue to improve the affordability, livability and amenity of the Shire's communities</i>
Community Plan Goal:	<i>Promote and facilitate increased participation in active and passive recreational activities.</i>
Community Plan Strategy:	<i>Continue small grants dollar for dollar program.</i>

#### PURPOSE

The purpose of this report is for Council to establish a sub-committee in order to assess the applications received for Round 1, 2022 of Council's Community Grants Program.

#### OFFICER'S RECOMMENDATION

1. Council endorses the formation of a Community Grants sub-Committee to determine the successful applications for receipt of funds from the 2021-22 Budget for Sundry Donations and Community Halls.
2. Council nominates the following three Councillors as members of the Community Grants Sub Committee to assess and determine the successful applications to receive funds as part of Round 1, 2022 of Council's Community Grants program;

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

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

#### BACKGROUND

Council's Community Grants Program provides financial assistance to local not-for-profit community groups and organisations that work towards enhancing the social, cultural and recreational well-being of the communities of Muswellbrook Shire.

Applications for Round 1, 2022 of the Program closed on Monday, 18 April. The number and value of grants offered in this round will depend upon the amounts requested and the total available annual funding pool.

#### CONSULTATION

Grants and Community Engagement Advisor;  
Manager Community Services.

**REPORT**

The Guidelines for Council's Community Grants Program states that a panel of three (3) Councillors will be formed in order to assess the applications and make recommendations to Council for approval (Item 12).

Given that the next Ordinary Meeting of Council will not be held until the end of May, and there is a need to have the grants paid before the end of the financial year, the proposal is (for this Round only) that Council appoint a Sub-Committee and that the Sub-Committee will make the determination on the successful applications and that a report comes back to the next Council meeting for information purposes only.

The Community Grants Sub Committee will be supported by the following staff officers:

- Grants and Community Engagement Officer
- Manager Community Services
- Recreation and Property Officer

**OPTIONS**

1. Council nominates a sub-Committee comprising three Councillors to assess the applications received for Round 1, 2022 of Council's Community Grants program; or
2. Council does not nominate a sub-committee.

**CONCLUSION**

The establishment of the Community Grants Program has provided the opportunity for Council to provide financial assistance to local not-for-profit community organisations that work towards enhancing the social, cultural and recreational well-being of the communities of the Muswellbrook Shire.

It is recommended that Council pursue option 1, listed above.

**SOCIAL IMPLICATIONS**

Local initiatives and projects that address priority issues in the community are supported.

**FINANCIAL IMPLICATIONS**

Nil known.

**POLICY IMPLICATIONS**

The Community Grants Program aligns with Council's Financial Assistance and Sponsorship Policy.

**STATUTORY IMPLICATIONS**

The proposal is consistent with section 356 of the *Local Government Act 1993*.

**LEGAL IMPLICATIONS**

Not applicable.

**OPERATIONAL PLAN IMPLICATIONS**

This is in line with Council's Operational Plan goals and objectives.

**RISK MANAGEMENT IMPLICATIONS**

Not applicable.

## 8.2 ADDITIONAL RATE VARIATION - APPLICATION PROPOSAL

<b>Attachments:</b>	<p>A. Minister for Local Government - Guidelines for Additional Special Rates Variation Process for 2022-23</p> <p>B. Information-Paper-Additional-Special-Variations-2022-23-7-April-2022.pdf</p>
<b>Responsible Officer:</b>	Fiona Plesman - General Manager
<b>Author:</b>	<p>David Walsh - Manager - Corporate Services &amp; Chief Financial Officer</p> <p>Josh Hogan - Financial Controller</p>
<b>Community Plan Issue:</b>	<i>A Council that is well managed, efficient and properly resourced and that is responsive to its communities and stakeholders</i>
<b>Community Plan Goal:</b>	<i>Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.</i>
<b>Community Plan Strategy:</b>	<i>Work towards the achievement of a sustainable Operating Budget result in the General Fund.</i>

### PURPOSE

Provide Councillors information in order to decide on whether to support an additional special variation (ASV), and endorse an application by Council to IPART to seek a rate increase.

### OFFICER'S RECOMMENDATION

**Council endorse an application to IPART seeking a permanent additional rate variation of 1.8%.**

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

### BACKGROUND

IPART annually reviews council rates and charges and sets the maximum increase councils can apply to their general income from these charges – this is called the rate peg. For the budget period 2022/23, IPART has set a limit of 0.7%. This report seeks to outline the impacts that the low-rate peg will have on Council. Furthermore, IPART has provided for an Additional Special Variation (ASV) through an application to be made by 29<sup>th</sup> April 2020, with the ability for Council's to apply for a rate increase consistent with their 2021/22 LTFP. As such, this report will also provide an overview of how an additional increase of 1.8% could enable Council to provide a maintained level of service to the community.

### CONSULTATION

Mayor

General Manager

Deputy General Manager

Financial Controller

Manex

Finance Committee

### REPORT

Due to on-going cost pressures across Councils and a decision by IPART to set the rate peg at 0.7%, Councils across NSW have been put into a position of difficulty. As a result, IPART have released an additional round of special variations (ASV) that Councils are able to apply for. In a departure from traditional SRV applications, the ASV is to be based on a simple application process allowing for

Council's to seek permissions to increase their rates, provided Council endorses such an application through resolution, and that amounts sought are reasonable.

IPART are still to release all documentation and the application, so to date Council officers are limited in the information they are able to provide, however, some high-level modelling has been done to provide community impacts for the successful application of an ASV at different levels.

Rate Category	No. of Assess.	Increase at 0.70%	Increase at 2.50%	Increase at 4.00%	Increase at 5.00%	Avg Increase at 0.70%	Avg Increase at 2.50%	Avg Increase at 4.00%	Avg Increase at 5.00%	Avg Increase at 2.50% vs 0.7%	Avg Increase at 4.00% vs 0.7%	Avg Increase at 5.00% vs 0.7%
Residential	6,603	\$ 40,456	\$ 144,485	\$ 231,177	\$ 288,971	\$ 6	\$ 22	\$ 35	\$ 44	\$ 16	\$ 29	\$ 38
Business	631	\$ 12,724	\$ 45,442	\$ 72,707	\$ 90,883	\$ 20	\$ 72	\$ 115	\$ 144	\$ 52	\$ 95	\$ 124
Farmland	474	\$ 10,404	\$ 37,156	\$ 59,449	\$ 74,311	\$ 22	\$ 78	\$ 125	\$ 157	\$ 56	\$ 103	\$ 135
Mining	9	\$ 74,690	\$ 266,751	\$ 426,801	\$ 533,502	\$ 8,299	\$ 29,639	\$ 47,422	\$ 59,278	\$ 21,340	\$ 39,123	\$ 50,979
Power Generation (Business)	2	\$ 1,924	\$ 6,871	\$ 10,994	\$ 13,742	\$ 962	\$ 3,436	\$ 5,497	\$ 6,871	\$ 2,474	\$ 4,535	\$ 5,909
Grand Total	7,719	\$ 140,197	\$ 500,705	\$ 801,128	\$ 1,001,409	\$ 18	\$ 65	\$ 104	\$ 130	\$ 47	\$ 86	\$ 112
Impact vs 0.7%			\$ 360,507	\$ 660,930	\$ 861,212							

- **What would be the overall revenue impact to apply an additional 1.8% in rates increases?**
  - 1.8% Increase to 2.5% → 360k
  - 1.
- **What would that mean to the average household/business?**
  - 1.8% Increase to 2.5% → \$16
  - 2.
- **How would that benefit the council over the medium term?**
  - 10-year cumulative additional revenue impact of around \$3.9m (@2.5% vs 0.7%; assuming 2% in subsequent years)
    - Without the increase, Council services would have to reduce (e.g. Reduced road maintenance and renewals, parks maintenance, etc)

Based on impacts to households and businesses being reasonable, it is proposed that Council endorse council officers to make an application to IPART for a permanent ASV.

## OPTIONS

1. Endorse Council Officers to apply to IPART for a permanent additional special variation (ASV) of, at a minimum, 1.8%, or
2. Leave the current rate increase as set by IPART at 0.7%.

## CONCLUSION

Council officers recommend council endorse an application to IPART for an ASV.

## SOCIAL IMPLICATIONS

As per the report.

## FINANCIAL IMPLICATIONS

As per the report.

## POLICY IMPLICATIONS

Nil

## STATUTORY IMPLICATIONS

Nil

## LEGAL IMPLICATIONS

Nil

## OPERATIONAL PLAN IMPLICATIONS

Nil

## RISK MANAGEMENT IMPLICATIONS

Nil

**WASTE MANAGEMENT IMPLICATIONS**

Nil

**COMMUNITY CONSULTATION/MEDIA IMPLICATIONS**

Nil



**The Hon. Wendy Tuckerman MP**  
Minister for Local Government

Ms Fiona Plesman  
General Manager  
Muswellbrook Shire Council  
PO Box 122  
MUSWELLBROOK NSW 2333

Clr Steve Reynolds  
Mayor  
Muswellbrook Shire Council

Via email: [council@muswellbrook.nsw.gov.au](mailto:council@muswellbrook.nsw.gov.au)

Dear Ms Plesman and Clr Reynolds,

I am writing to advise that I have arranged for a new, special rates variation opportunity for the 2022-23 financial year. This one-off opportunity will support councils that had budgeted for a larger income increase than received when IPART announced its annual rate peg in December 2021.

I have carefully listened to the concerns of councils and others about the impact of the 0.7 per cent general rate peg and have taken immediate steps to respond. This new special rates variation opportunity, coupled with IPART's review of the methodology used to determine the general component of the annual rate peg, demonstrates that the NSW Government is serious about ensuring that our councils are financially sustainable so they can continue to deliver the key services and infrastructure communities need.

For councils wishing to avail themselves of this new opportunity, the Office of Local Government (OLG) has issued Circular 22-03 outlining the process to be followed. As advised in the Circular, IPART will release streamlined application forms and further information shortly.

I am pleased to be able to make this opportunity available to you, and would encourage your council to consider the guidance provided by OLG in Circular 22-03 when making its decision about whether to take it up.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Wendy Tuckerman'.

**The Hon. Wendy Tuckerman MP**  
Minister for Local Government

# Additional special variations 2022-23

7 April 2022

This Information Paper explains the process for applying for an Additional Special Variation (ASV) for 2022-23 and the information that IPART will require to process a council's application, based on the Office of Local Government's updated ASV Guidelines (22-07).<sup>a</sup>

## What type of special variation can a council apply for?

A council can apply for either a temporary or permanent ASV which is capped at the lower of:

- 2.5% (including population factor), or
- the council's assumed 2022-23 rate peg in its 2021-22 Integrated Planning and Reporting (IP&R) documentation (including population factor).

If IPART gives an ASV instrument, the amount specified in that instrument will replace the 2022-23 rate peg. No additional population factor will be added.

## What will councils need to provide to IPART for all ASV applications?

Councils will need to provide their 2021-22 IP&R documentation which identifies a budgeted increase in general income above the percentage specified for the council for 2022-23 under section 506 of the Act.

Councils must provide a council resolution that states that the council has resolved to apply for the special variation under section 508(2) of the *Local Government Act 1993* (the Act), and:

- whether the resolution is for a temporary or permanent special variation under section 508(2) of the Act, and
- the additional income that the council will receive if the special variation is approved, and
- why the special variation is required, and
- that the council has considered the impact on ratepayers and the community in 2022-23 and, if permanent, in future years if the special variation is approved, and considers that it is reasonable.

<sup>a</sup> The updated ASV Guidelines set out in Circular 22-07 apply in place of, and supersede, the ASV Guidelines issued in Circular 22-03.

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.



## What will councils need to demonstrate to IPART for a permanent ASV?

Where a council is applying for a permanent special variation, in addition to providing the above information, the council must demonstrate that it has, in its 2021-22 IP&R documentation, forecast an average Operating Performance Ratio (OPR) of 2% or lower over 2022-23 to 2026-27.

If a council has forecast an average OPR of higher than 2% over the next 5-years it will need to provide other evidence of need.

## How can councils provide other evidence of need?

Councils applying for a permanent ASV that need to provide additional evidence of need can demonstrate that the 2% OPR benchmark is too low for that council's circumstances. For example, a council may demonstrate that it needs to maintain a higher OPR to meet its capital funding requirements.

Alternatively, or additionally, a council may submit justifications as to why specific revenue and/or expenses should be included/excluded in the calculation of the OPR. These adjustments can be items that were not included in the council's 2021-22 IP&R documentation due to unforeseen events or changes in circumstance since the adoption of the IP&R documentation.

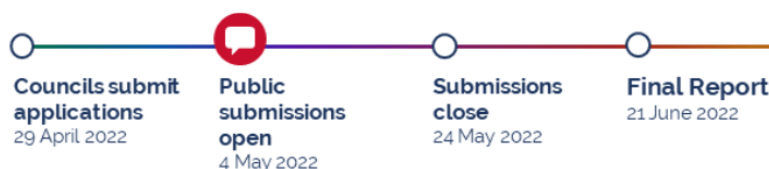
We will consider the evidence provided by councils that they need to maintain a higher OPR.

IPART has published an updated ASV application form to capture these adjustments. We will also accept applications using the original ASV application form. However, this form does not capture the information required to assess an application proposing that we use an adjusted OPR in our analysis. The original application form also asks for additional information that is no longer necessary. We recommend that applicants use the updated application form to ensure that all information needed to assess against the updated guidelines can be incorporated into IPART's analysis.

## How to apply for an ASV

Councils can complete the application form and submit via IPART's Local Government Portal ([here](#)). Councils will also be required to provide evidence, such as the LTFP and council resolution, to support their application.

### 1.1 Timing



Information Paper

Additional special variations 2022-23

## Contact person

If you have any questions about this process or the information required, please contact:

Edward Jenkins

[Edward\\_jenkins@ipart.nsw.gov.au](mailto:Edward_jenkins@ipart.nsw.gov.au)

(02) 9113 7774

### 8.3 ADAPT PROJECT

<b>Attachments:</b>	<b>A. Invitation from UHRM</b>
<b>Responsible Officer:</b>	<b>Fiona Plesman - General Manager</b>
<b>Author:</b>	<b>Matthew Lysaught - Manager - Works, Property &amp; Building Services</b> <b>Fiona Plesman - General Manager</b>
<b>Community Plan Issue:</b>	<b><i>Support Job Growth</i></b>
<b>Community Plan Goal:</b>	<b><i>Facilitate the expansion of and establishment of new industries and business.</i></b>
<b>Community Plan Strategy:</b>	<b><i>Provide advice in relation to strategic land use planning and development control and assessment to support the work of the Economic Development and Innovation function.</i></b>

#### PURPOSE

Council to review the ADAPT Project.

#### OFFICER'S RECOMMENDATION

1. Council formally endorses the ADAPT Project and nominates Cr. \_\_\_\_\_ to join the ADAPT project Stakeholder Advisory Committee.
2. Council does not endorse the ADAPT Project and does not participate in the ADAPT project Stakeholder Advisory Committee.
3. Council does not formally endorse the ADAPT Project and does participate in the ADAPT project Stakeholder Advisory Committee

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

#### BACKGROUND

In September 2021 Council's General Manager and Mayor met with Mr Wayne Toms representing Upper Hunter Tourism who gave a presentation on behalf of a new corporation recently formed, the Upper Hunter Regional Museum Corporation, who aims to develop a major tourist destination for the Upper Hunter located in the Muswellbrook shire.

#### CONSULTATION

Mayor Reynolds

#### REPORT

The Upper Hunter Regional Museum Corporation (UHRMC) has undertaken a business case and promotional video for the development of a tourist destination for Muswellbrook Shire known as the ADAPT Project. The Business Case for the ADAPT project is attached. The UHRMC has formed a Steering Committee to guide the development of the project which includes:

Upper Hunter Tourism (Wayne Toms); Muswellbrook Chamber of Commerce (Mike Kelly); Upper Hunter Economic Development Corporation (Shaelee Welchman); Destination Sydney and Surrounds North (Glenn Cladwell); Bengalla Mine (Cam Halfpenny); Wanaruah Land Council (Tim Miller); Wonnarua Corporation (Laurie Perry).

The UHRMC has attracted approximately \$800k in donations towards the development and commissioned SMA Tourist Consultants to develop a Business Case. The Business Case was released on 30<sup>th</sup> March. The UHRMC is now seeking funding from the Federal and State Governments to progress the development of this project which is estimated to cost approximately \$38 million.

Allocation of Government funds for this project will complete with funding to complete the Muswellbrook

Town Centre precinct.

**OPTIONS**

Council formally endorses the ADAPT Project.

Council does not formally endorse the ADAPT Project.

**CONCLUSION**

There is some confusion about council's formal position in terms of the ADAPT Project. The UHRMC has listed Council as a stakeholder and supporter of the project. Due to the size of the project and projected cost estimate it is important to have a formal position in relation to the ADAPT project.

**SOCIAL IMPLICATIONS**

The ADAPT project if successfully funded will have social implications for the Muswellbrook Shire.

**FINANCIAL IMPLICATIONS**

The ADAPT Project does not have any direct financial implications for Council. The project is expected to compete with council in relation to funding applications.

**POLICY IMPLICATIONS**

NIL

**STATUTORY IMPLICATIONS**

NIL

**LEGAL IMPLICATIONS**

NIL

**OPERATIONAL PLAN IMPLICATIONS**

NIL

**RISK MANAGEMENT IMPLICATIONS**

NIL

**WASTE MANAGEMENT IMPLICATIONS**

NIL

**COMMUNITY CONSULTATION/MEDIA IMPLICATIONS**

Council is not aware of Community Consultation undertaken in relation to this project.



12 April 2022

Ms Fiona Plesman  
General Manager  
Muswellbrook Shire Council

cc. Mayor Cr. Steve Reynolds

The Business Case Study for the proposed ADAPT – Upper Hunter Regional Museum has been completed.

With the Business Case Study now completed and confirming the projects feasibility, including financial viability, social and economic benefits, location, concept design, name, and attraction content, we would welcome the opportunity to give Councillors and staff, a briefing on its findings.

ADAPT will be a major drawcard attraction for the region and will provide the opportunity to showcase the rich history of the region and the great diversity of industries that operate within it.

Now that the Business Case Study has confirmed the projects feasibility, we can now commence the next stage of the project. This will include detailed planning and design through collaboration with relevant stakeholders. Part of this will see the formation of an ADAPT Stakeholder Advisory Committee, and we would like to invite Muswellbrook Shire Council to participate on the committee.

UHRM Inc recognises the importance of Council's input on a project such as this. Muswellbrook Shire Council's collaboration on the project, would be welcomed and very much valued.

ADAPT will be a significant asset to Muswellbrook and the Upper Hunter. Its potential as a major drawcard and feeder attraction to further drive the tourism economy in the region is substantial.

We look forward to hearing from you in respect to providing a briefing, and participation in the stakeholder committee. If you have any questions in the meantime, please do not hesitate to reach out.

Sincerely yours

A handwritten signature in dark ink, appearing to read 'Wayne Toms', on a light blue background.

Wayne Toms  
Chairman  
Upper Hunter Regional Museum Inc

p: 0438 517 311  
e: [info@muswellbrookchamber.com.au](mailto:info@muswellbrookchamber.com.au)

## 8.4 PUBLIC EXHIBITION - DRAFT 2022-2026 DELIVERY PROGRAM

<b>Attachments:</b>	<b>A. Draft 2022-2026 Delivery Program - Under Separate Cover</b>
<b>Responsible Officer:</b>	<b>Fiona Plesman - General Manager</b>
<b>Author:</b>	<b>Melissa Cleary - Manager - Governance</b>
<b>Community Plan Issue:</b>	<b><i>Genuine and well informed community participation in decision making</i></b>
<b>Community Plan Goal:</b>	<b><i>Utilise best practice models of community engagement to ensure decision making is meeting the expectations of the community.</i></b>
<b>Community Plan Strategy:</b>	<b><i>Undertake a comprehensive community consultation program as per the Community Engagement Strategy.</i></b>

### PURPOSE

To seek Council's endorsement for the public exhibition of the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* (DRAFT DP).

### OFFICER'S RECOMMENDATION

**Council endorses the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition from 27 April 2022 to 24 May 2022.**

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

### BACKGROUND

Pursuant to section 404 of the *NSW Local Government Act 1993*, Council is required to have a program (called its ***delivery program***) detailing the principal activities to be undertaken by Council to perform its functions (including implementing the strategies set out in the community strategic plan) within the resources available under the resourcing strategy.

Council must establish a new delivery program after each ordinary election of Councillors to cover the principal activities of Council for the 4-year period commencing on 1 July following the election.

### CONSULTATION

All Councillors

General Manager

Manex

### REPORT

Council's *DRAFT 2022-2026 Muswellbrook Shire Delivery Program*, which is attached under separate cover, has been developed in consultation with Councillors and Council's senior executive team.

Council's Integrated Planning and Reporting documents, including the DRAFT DP require public exhibition of at least 28 days to allow sufficient time for community engagement and for Council to consider the community's feedback on the DRAFT DP prior to adoption.

### OPTIONS

Council may determine to:

1. endorse the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition; or
2. propose amendments to the DRAFT DP prior to public exhibition.

**CONCLUSION**

It is recommended that Council endorses the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* for public exhibition over a period of 28 days.

**SOCIAL IMPLICATIONS**

As described in the DRAFT Delivery Program.

**FINANCIAL IMPLICATIONS**

As identified in the Resourcing Strategy and annual budgets

**POLICY IMPLICATIONS**

None identified

**STATUTORY IMPLICATIONS**

Pursuant to section 335 of the *NSW Local Government Act, 1993* the general manager is to prepare, in consultation with the mayor and the governing body, the council's Delivery Program.

Pursuant to section 404 of the *NSW Local Government Act, 1993*:

- a council must have a Delivery Program detailing the principal activities to be undertaken by the council to perform its functions within the limits of the resources available under the Resourcing Strategy; and

the council must establish a new Delivery Program after each ordinary election of councillors to cover the principal activities of the council for the 4-year period commencing on 1 July following the election.

**LEGAL IMPLICATIONS**

None identified

**OPERATIONAL PLAN IMPLICATIONS**

The 2022-2023 Operational Plan will be developed in alignment with the goals and strategies outlined in the endorsed *2022-2032 Muswellbrook Shire Community Strategic Plan*, the adopted *2022-2026 Muswellbrook Shire Delivery Program* and the adopted *Muswellbrook Shire Council Resourcing Strategy*.

**RISK MANAGEMENT IMPLICATIONS**

As described in the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program* and the *DRAFT Resourcing Strategy*.

**WASTE MANAGEMENT IMPLICATIONS**

As described in the *DRAFT 2022-2026 Muswellbrook Shire Delivery Program*.

**COMMUNITY CONSULTATION/MEDIA IMPLICATIONS**

Community consultation and media plans will align with the adopted Community Participation Plan and Council's adopted 2021/2022 Budget.