



muswellbrook shire council

Muswellbrook Shire Community Benefit Fund Policy

MSC052E

Authorisation Details

Authorised by:	Council	Internal/External:	External
Date:	23 July 2024	Minute No:	10
Review timeframe:	4 years	Review due date:	July 2028
Department:	Environmental and Planning Services		
Document Owner:	Director Environment and Planning		
Community Strategic Plan Goal	All		
Community Strategic Plan Strategy	All		

This document is a controlled document. Before using this document, check it is the latest version by referring to Council's EDRMS and ensuring you are using the Last Approved Version. Printed or downloaded versions of this document are uncontrolled.

☎ (02) 6549 3700 @council@muswellbrook.nsw.gov.au 📍 Campbell's Corner 60–82 Bridge Street Muswellbrook NSW 2333

📮 PO Box 122 Muswellbrook 2333 🌐 muswellbrook.nsw.gov.au 📺 📷 📱 muswellbrook shire council ABN 86 864 180 944

Table of Contents

1. Policy Objective	3
2. Risks being addressed	3
3. Scope.....	3
4. Definitions	4
5. Policy Statement.....	4
6. Delegations.....	6
7. Code of Conduct.....	6
8. Dispute Resolution.....	6
9. Related Documents	7
Legislation and Guidelines.....	7
Policies and Procedures	7
Other Supporting Documents	7
10. Version History.....	7

1. Policy Objective

The objectives of this Policy are to:

- Govern the expenditure of funds allocated to the Muswellbrook Shire Community Benefit Fund (MSCBF).
- Assist in proactively managing the impacts of development (and ancillary activities) and the closure of mines and power stations.
- Use funds received from planning agreements under the *Environmental Planning and Assessment Act 1979* (EP&A Act) to diversify and grow the economy; improve wellbeing, liveability and education/training and employment opportunities; and support environmental conservation principles.
- Serve as a practical instrument to support realisation of the broader goals of the Muswellbrook Shire Community Strategic Plan; and
- Provide long-term financial assurance for the ongoing benefit of the community.

2. Risks being addressed

- Uncertainty in the coal and coal-fired energy industry, associated direct and indirect job losses, and impact more broadly upon the Shire's economic base.
- Decline in liveability and amenity - If the well-being, health, and quality of life of residents is supported physically, aesthetically, environmentally, and economically, Muswellbrook Shire will be a place where people want to live.
- Impacts of mining, renewable energy projects, and other major developments on the environment today and into the future.
- Impacts of human activity upon the local environment.
- Preservation of the Shire's history and heritage.
- Infrastructure to support Muswellbrook as a service center for the Upper Hunter.
- Establishment of clear guidelines and transparent procedures for the allocation of funds to prevent any misallocation and ensure alignment with the Policy's objectives.
- Implementation of stringent internal controls and audits to ensure all contributions are properly received, recorded, and utilised.

3. Scope

This Policy applies to the management of Muswellbrook Shire community benefit funds allocated from planning agreements in Muswellbrook Shire.

Planning Agreements may also cover other matters, such as road maintenance and engagement of Council staff to respond to the needs of the community and proponents of major development. These matters are covered in Council's Planning Agreement Policy (P10/1)

4. Definitions

For the purposes of this Policy: [OBJ]

Term	Definition
Muswellbrook Shire Community Benefit Fund (Fund)	An account into which identified monies from Planning Agreements are deposited and expended for Muswellbrook Shire community benefit
Capital Funds	Deposits to the Fund from Planning Agreements
Community Strategic Plan	Muswellbrook Shire Council Community Strategic Plan as adopted.
Fund Project	A proposal to spend Fund monies which satisfies the Funding Proposal Criteria.
Funding Proposal Criteria	As outlined in Schedule 1 of the Muswellbrook Shire Community Benefit Fund Procedure and defined in Section 7.4(2) the <i>EP&A Act</i> .
Interest	The interest generated on Funds held in the Muswellbrook Shire Community Benefit Fund Account.
Muswellbrook Shire Community Benefit Fund Advisory Committee	Established under Section 2 of the Muswellbrook Shire Community Benefit Fund Procedure.
Muswellbrook Shire Community Benefit Fund Working Group	Established under Section 3 of the Muswellbrook Shire Community Benefit Fund Procedure.

5. Policy Statement

The broad principles of the Fund aim to foster the long-term socio-economic and environmental prosperity of the Muswellbrook Shire, while promoting the health and wellbeing of the community by:

- Supporting job creation, supporting entrepreneurship, and diversifying our industry base.
- Supporting education and training opportunities for school, TAFE, and University based students to maintain a prosperous economy as economic drivers evolve.
- Supporting and promoting activities that provide fulfilment for residents through arts and culture, and by creating attractive outdoor spaces.
- Undertaking community projects that enhance the social, cultural, and recreational wellbeing of local residents.
- Supporting and promoting sporting activities and events that attract visitors to the Shire.
- Undertaking projects that allow the community to successfully adapt to the impacts of climate change.
- Minimising adverse impacts on housing affordability and social issues arising from changes to the housing market linked to major development.
- Assisting with improvements to the physical and mental health outcomes and the physical and mental health services for the residents of the Shire.
- Introducing Smart Place technology and initiatives in the Shire.
- Improving infrastructure in accordance with the Community Strategic Plan.

- Promoting and supporting initiatives that preserve regional biodiversity and improve biodiversity corridors and connections.
- Supporting initiatives that minimise waste and improve long-term community sustainability and environmental outcomes for future generations.
- Supporting initiatives to protect and maintain Aboriginal heritage, historic heritage, and cultural landscapes; and
- Supporting initiatives that manage other environmental contributors such as water resources, air quality, bushfire, climate, soil, and agriculture.

The Fund will be used to deliver projects, activities, and events that result in a demonstrated environmental, economic, or social benefit for the Muswellbrook Shire community.

Management principles that apply to the Fund are as follows:

1. Where a Planning Agreement (PA) is proposed, Council will negotiate with the proponent regarding the proportion of the PA contributions to be allocated:
 - (a) as local contributions (the Fund) or neighbourhood contributions, as defined in the NSW Government's Energy Policy Framework (DPHI, 2023); and
 - (b) as other expenditure set out in Council's Planning Agreement Policy (P10/1), e.g., road maintenance.
2. Once agreement is reached, funds will be deposited in the Fund Account. A record will be maintained of the contributions of each party to the Fund.
3. Interest accrued in the Fund Account will remain within the account for use on Fund Projects.
4. The Muswellbrook Shire Community Benefit Fund Advisory Committee will be responsible for assessing the suitability of proposals and initiatives and the allocation of funding in accordance with the Muswellbrook Shire Community Benefit Fund Procedure.
5. The Muswellbrook Shire Community Benefit Fund Advisory Committee makes recommendations on projects and funding to Council.
6. Each proponent with a PA will have the opportunity to nominate projects to support. Funded Projects are intended for the community, with Council ultimately paying for ongoing operational costs of a project.
7. It is the intention of the fund that an increasing percentage of PA contributions are retained for investment to provide longevity of the Fund. The expectation is that interest from investment will be the source of funds for projects in the long-term. To ensure these projects serve a public purpose, the following guidelines will apply:
 - a) Projects must demonstrate clear public benefits aligned with CSP strategic objectives.
 - b) All funded projects must meet criteria for public purpose as outlined in the MSCBF Procedure;
 - c) Proponents cannot direct funds toward commercial projects for private gain;
 - d) Expenditure timing will be planned and communicated; and
 - e) Regular reviews and community consultation will ensure the Fund's investments and projects remain responsive to the community's evolving needs.
8. Funds may be used to provide supplementary funding for new or existing projects that have secured grant or sponsorship funding, capital, or operational funding, provided that the projects align with the broad principles of the Fund.

9. Discretionary recommendations and fund allocation:

- a) The Advisory Committee and Council have the flexibility to make discretionary recommendations and allocate funds as they see fit. This includes the ability to address new, emerging, or urgent community needs.
- b) In the event of an emergency or unforeseen circumstance, the Committee and Council can expedite fund allocation to provide immediate relief and support.
- c) All discretionary fund allocations must be documented and justified, with a clear outline of the decision-making process and criteria used for allocation.

General provisions for the management of the Fund are as follows:

- **Investment:** Amount invested in the Fund will be managed in accordance with Muswellbrook Shire Council's Investment (Financial Securities) Policy (MSC14E).
- **Reinvestment:** All interest accrued on the Fund account is to be reinvested in the same account.
- **Reporting:** Detailed reporting provisions on the Fund will be undertaken in accordance with the requirements of the:
 - a) Part 3 of the *Local Government Act 1993*.
 - b) The requirements for managing and reporting Planning Contributions as set out in the *Environmental Planning and Assessment Act 1979* and regulations i.e. the following will be published on the NSW Planning Portal and Council's public website:
 - i. PA, PA Register and Explanatory Note; and
 - ii. Monetary amounts received and the value of works contributed including assets provided to, or held by, the planning authority in relation to the works.
- **Expenditure:** Any expenditure of monies invested in the Fund will be undertaken in accordance with the principles of this Policy and the requirements of Council's Procurement Policy (MSC01E).
- **Auditing:** Accounts will be audited in accordance with Council's general audit procedures, the requirements of the *Local Government Act 1993*, *Local Government (General) Regulation 2021*, and the Local Government Code of Accounting Practice and Financial Reporting.
- **Account Closure:** The Fund described in this Policy is designed to operate in perpetuity. However, should an account no longer be required, or all funds are expended, the closure of the account will be undertaken by resolution of Council.

6. Delegations

The General Manager is the interpreter of this policy.

7. Code of Conduct

All members of the Advisory Committee and Working Group, including Staff and Councillors, will adhere to the Model Code of Conduct (MSC34E) to ensure ethical behavior and the proper management of conflicts of interest.

8. Dispute Resolution

- a) The elected Council has the final decision on Funding Proposals.
- b) Dispute resolution provisions in any Planning Agreement will align with dispute resolution

provisions in the MSCBF Policy.

9. Related Documents

Legislation and Guidelines

- *Environmental Planning and Assessment Act 1979*;
- *Local Government Act 1993*;
- *Local Government (General) Regulation 2021*;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Draft Energy Policy Framework (DPHI, 2023).

Policies and Procedures

- Investment (Financial Securities) Policy - MSC14E
- Procurement Policy - MSC01E
- Community, Sport and Recreation Policy
- Muswellbrook Shire Community Development Fund Procedure – TBC
- Planning Agreement Policy (P10/1)

Other Supporting Documents

- Muswellbrook Shire Community Strategic Plan as adopted.

10. Version History

This section identifies authors who reviewed the Policy and the date that it became effective.

Version No.	Date changed	Modified by	Amendments/Previous adoption details
1	14/07/2023	Director Environmental and Planning Services	Draft policy
2	07/04/2024	Environmental Planning Officer	Incorporate preliminary feedback from industry, staff and legal advice. Public exhibition of draft policy 03/05/24 - 31/05/24.
3	27/06/2024	Environmental Planning Officer	Incorporate feedback following public exhibition. Adopted by Council 23/07/2024, minute number 10.