

Future Fund Committee

Business Paper

10 April 2025



MUSWELLBROOK SHIRE COUNCIL

P.O Box 122
MUSWELLBROOK

4 April, 2025

Cr R. Scholes (Chair)
Cr M. Morris (Deputy Chair)
Cr C. Bailey
Cr A. Barry
Cr D. Douglas
Cr J. Drayton
Cr L. Dunn
Cr D. Hartley
Cr G. McNeill
Cr R. Mahajan
Cr D. Marshall
Cr S. Ward
Mr D. Finnigan
Mr J. Hogan
Mr M. Lysaught
Ms S. Welchman
Ms S. Pope
Ms A. Hathway

You are hereby requested to attend the Future Fund Committee to be held in the Meeting Room / Teams, Muswellbrook Library, 126 Bridge Street, Muswellbrook on **10 April 2025** commencing at **5:30 pm**.

Josh Hogan
CHIEF FINANCIAL OFFICER



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1 Acknowledgement of Country

Acknowledgement of Country

Council would like to respectfully acknowledge the local Aboriginal people who are the Traditional Owners and custodians of the land on which this meeting takes place

2 Apologies

3 Confirmation of Minutes of Previous Meeting

Not applicable



4 Disclosure of Any Pecuniary and Non-Pecuniary Interests

5 Business Arising

Nil



6 Business

6.1 Future Fund Committee - Draft Terms of Reference

Responsible Officer:	General Manager
Author:	Governance Officer
Community Strategic Plan:	6 - Community Leadership Collaborative and responsive leadership that meets the expectations and anticipates the needs of the community
Delivery Program Goal:	6.2.1 - Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.
Operational Plan Action:	Not applicable
Attachments:	1. Future Fund Committee - Draft Terms of Reference [6.1.1 - 5 pages]

PURPOSE

To consider the Terms of Reference for the Future Fund Committee.

OFFICER'S RECOMMENDATION

The Future Fund Committee endorses the Draft Terms of Reference for submission to Council.

Moved: _____ **Seconded:** _____

REPORT

A review of the Committee Structure was undertaken in conjunction with the Councillors' induction program in 2024. Those changes included the creation of the Future Fund Committee.

- Membership being all Councillors
- Staff Appointments (non-voting)
 - General Manager
 - Chief Financial Officer
 - Director – Infrastructure & Property (Liaison Officer)
 - Director – Community & Economy
 - Director – Environment & Planning
 - Legal Counsel
 - Manager Property & Building Services

This has also required the Terms of Reference to be reviewed which has now been completed and is submitted to the Committee for consideration.

Future Fund Committee

Terms of Reference

April, 2025

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1. Objective

The objectives of the Future Fund Committee (the Committee) are to:

- *Provide independent advice and recommendations on matters relevant to the Future Fund.*
- *Make recommendations as to the acquisition, development, demolition or disposal of assets.*

In fulfilling its objectives, the ability of the Committee to maintain strategic and objective judgement is vital.

2. Scope

The Committee will report to Council and provide advice and recommendations on matters relevant to the Future Fund. Muswellbrook Shire Council authorises the Committee, within the scope of its role and responsibilities to:

- Review the budget and assets in the Future Fund to ensure consistency with the Future Fund purpose and Policy.
- Make recommendation as to the acquisition, development, demolition or disposal of (whether in whole or in part) any asset (whether set out in The Schedule or not)—or anything properly incidental to those activities—to Council as it thinks fit.
- Ensure that all properties are to be maintained to an appropriate standard as determined by Council, taking into consideration equal access, health & safety, energy efficiency and environmental sustainability.

3. Authority

Muswellbrook Shire Council authorises the Committee, within the scope of its role and responsibilities to:

- Use delegated authority to make decisions on the acquisition, development, demolition or disposal of (whether in whole or in part) any asset (whether set out in the Schedule or not)—or anything properly incidental to those activities—to Council as it thinks fit.
- Use delegated authority to make decisions on maintenance to the appropriate standard as determined by Council, taking into consideration equal access, health & safety, energy efficiency & environmental sustainability.
- Request information required to inform decision making (subject to their legal obligations to protect information and with prior consultation with the General Manager);
- Request information from employees (with approval of the General Manager) or Councillors.
- The Committee may request these persons to present information at Committee meetings to assist in understanding any matter under consideration;
- Obtain external legal or other professional advice, as considered necessary, to meet its responsibilities (in accordance with Council Budget and procurement arrangements and subject to prior consultation with the General Manager);

4. Composition and Tenure

The members of the Committee shall be all Councillors.

Members (voting)

All members of the Committee (Councillors) are entitled to one vote.

Attendees (non-voting)

The following Council officers will act as liaison officers to the Committee:

- General Manager
- Chief Financial Officer
- Director - Infrastructure & Property
- Director - Community and Economy
- Director – Planning & Environment
- Legal Counsel
- Manager Property & Building Services

Invitees (non-voting) for specific Agenda items

Other officers may attend by invitation as requested by the Committee or the General Manager.

5. Responsibilities of Members

Members of the Committee are expected to:

- Agree that they are bound by Council's Code of Conduct;
- Understand the relevant legislative and regulatory requirements appropriate to Muswellbrook Shire Council;
- Contribute the time needed to study and understand the papers provided;
- Apply sound analytical skills, objectivity and judgement;
- Express opinions frankly, ask questions that go to the fundamental core of the issues, and pursue independent lines of enquiry;
- Act, and be seen to act, properly and in accordance with the requirements of the law and the terms of Council's Code of Conduct;
- Act in good faith and fidelity in the interests of Council and the community;

6. Reporting

Following each meeting, the minutes will be reported to the next Council Meeting and the Chair will be required to provide a brief summary.

7. Meetings

- The Committee will meet quarterly at 5.30pm on the second Thursday of the Month (i.e. April, August, December).
- Meetings of the Committee must be advertised, recorded and published to Council's website.
- The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members or Council Staff may make requests to the Chair for additional meetings.

- The Committee shall comply with Council's adopted Code of Meeting Practice and Code of Conduct.
- Meetings of the Committee are open to the public to attend.

8. Attendance at Meetings and Quorums

A quorum will consist of four (7) Committee members. Meetings will be held in person. Councillors may attend and participate in meetings of the committee by audio-visual link with the approval of the committee.

9. Voting

The Committee is expected to make decisions by consensus, however, if voting becomes necessary, then the details of the vote are to be recorded in the minutes. Each member of the Committee shall be entitled to one vote only with the Chair having a casting vote in the event of a tied vote.

10. Secretariat

The General Manager will ensure that appropriate secretariat support is provided to the Committee. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated at least 5 days before the meeting and will ensure minutes of the meeting are prepared and maintained.

Minutes shall be approved by the Chair and circulated to all Committee members within one week of the meeting and filed in accordance with Council's Records Management Policy.

11. Conflicts of Interest

Members of Council committees must comply with the applicable provisions of Council's Code of Conduct in carrying out their functions as Council officials. It is the personal responsibility of Council officials to comply with the standards in the Code of Conduct and regularly review their personal circumstances with this in mind.

Committee members must declare any conflict of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflict of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist.

12. Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

13. Review of Committee Terms of Reference

At least once every two years the Committee will review this Committee's Terms of Reference and make recommendations on any changes to Council for its determination.

Any changes to the Committee Terms of Reference must be approved by Council.



6.2 Future Fund Property Schedule and Financials

Responsible Officer:	General Manager
Author:	Co-Ordinator - Commercial Property
Community Strategic Plan:	6 - <i>Community Leadership</i> Collaborative and responsive leadership that meets the expectations and anticipates the needs of the community
Delivery Program Goal:	6.2.1 - Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.
Operational Plan Action:	Not applicable
Attachments:	1. Future Fund Property Schedule - Amended 20240701 Redacted [6.2.1 - 1 page]

PURPOSE

To provide a summary of the status of the Future Fund property schedule and financials.

OFFICER'S RECOMMENDATION

The Committee:

1. Notes the financials presented on the Future Fund Property Schedule;
2. Adjusts Council's budget for 2025/26 to remove 63 Palace Street, Denman; and
3. Amends The Schedule to include Lot 42 DP 771226 Turner Street, Denman.

Moved: _____ **Seconded:** _____

EXECUTIVE SUMMARY

The term of the previous Council focused on consolidating properties held by the Future Fund to include assets only held primarily for either investment or commercial development purposes. This report notes the financials presented on the amended Future Fund Property Schedule and makes recommendations for minor changes to the Future Fund Property Schedule.

PREVIOUS RESOLUTIONS

At the 7 December 2023 Future Fund Committee , the Committee resolved as follows:

6.1 Future Fund Strategy - Financial Implications

Mr M. Lysaught made a presentation to the Committee and a general discussion was held.

RECOMMENDED on the motion of Cr R. Scholes and Cr R. Mahajan that:

The Committee recommends Council removes the identified assets from the Future Fund.

At the 19 December 2023 Ordinary Council Meeting, Council resolved as follows:

**11.4. Future Fund Committee - 7 December, 2023**

- 245 RESOLVED on the motion of Cr B. Woodruff and Cr R. Mahajan that:
The minutes for the Future Fund Committee meeting held on 7 December 2023 be ADOPTED.
- In Favour: Cr S. Reynolds, Cr J. Lecky, Cr A. Barry, Cr M. Bowditch, Cr D. Douglas, Cr J. Drayton, Cr L. Dunn, Cr G. McNeill, Cr R. Mahajan, Cr D. Marshall, Cr R. Scholes and Cr B. Woodruff.
- Against: Nil.

At the 13 June 2024 Future Fund Committee meeting, the Committee resolved as follows:

6.1 Future Fund Property Schedule and Financials

RECOMMENDED on the motion of Cr D. Douglas and Cr R. Mahajan that:
The Committee recommends adoption of the amended Future Fund Schedule.

At the 27 August 2023 Ordinary Council Meeting, Council resolved as follows:

11.1. Future Fund Committee - 13 June, 2024

- 63 RESOLVED on the motion of Cr J. Lecky and Cr R. Scholes that:
Council NOTES the minutes of the meeting of the Future Fund Committee held on 13 June 2024.
- In Favour Cr J. Lecky, Cr A. Barry, Cr M. Bowditch, Cr J. Drayton, Cr L. Dunn, Cr G. McNeill, Cr R. Mahajan, Cr D. Marshall, Cr R. Scholes and Cr B. Woodruff
- Against: Nil

BACKGROUND

The term of the previous Council focused on consolidating properties held by the Future Fund to include assets only held primarily for either investment or commercial development purposes. The goal was to develop properties held for commercial development purposes to investment properties to deliver Council an ongoing return or to sell for a return on capital.

While Council's ownership of the Marketplace offers community benefits, such as enhancing retail and commercial connections to the main street and improving public access, the primary goal is to develop the Marketplace into a high-performing property investment.

In contrast, Campbells Corner is where Council's Administration Centre is now located and the first-floor home to the Upper Hunter Conservatorium of Music. It still has a commercial and retail purpose, but is now held for operational and community use.

The 2024/25 budgets were prepared to match the attached amended Future Property Schedule. A property has been redacted from The Schedule because it is currently rented to staff.

CONSULTATION

Future Fund Committee

Manager Property & Building Services

General Manager

Chief Financial Officer



Director Infrastructure & Property

REPORT

The Committee has been presented with a copy of the Future Fund Property Schedule Financials.

In the 2024/25 budget the property of 63 Palace Street, Denman was left in the Future Fund. This property is now vacant, and it is recommended that it is refurbished for staff housing and transferred out of the Future Fund to the General Fund.

Further, most recently, Council approved a storage complex on Council owned land at Turner Street, Denman Lot 42 DP 771226 and it is recommended that this asset is transferred to the Future Fund.

FINANCIAL CONSIDERATIONS

Marginal impact to both the Future Fund and General Fund in the transfer of the proposed assets to be considered in the adoption of the 2025/26 Council budget.

POLICY IMPLICATIONS

Future Fund Policy – MSC03E to be revised.

STATUTORY / LEGISLATIVE IMPLICATIONS

Nil known.

RISK MANAGEMENT IMPLICATIONS

The Future Fund supports Council's revenue with an alternative source of revenue.

COMMUNITY CONSULTATION / COMMUNICATIONS

Nil known.

The Schedule

No.	Common Name of Asset	Lot and Deposited Plan No.
1	84 Bridge Street, Muswellbrook	LOT: 50 DP: 707846
2	93A Hill Street, Muswellbrook	LOT: 1 DP: 1183406
3	5 Stanton Road, Seven Hills	LOT: 16 DP: 209284
4	Brook Street Plaza, 30 Brook Street Muswellbrook	LOT: 1 DP: 76058 & LOT 6 DP: 219503
5	Glen Munro Road, Muswellbrook	LOT: 9 DP: 1131270
6	HACC Building, 155 Maitland Street, Muswellbrook	LOT: 2 DP: 118310
7	Market House, 2-4 Market Street, Muswellbrook	LOT: 1 DP: 229730
8	Marketplace, 72-78 Brook Street, Muswellbrook	LOT: 11 DP: 1046939
9	Sam Adams College, 63 Maitland Street, Muswellbrook	LOT: 2 DP: 857936
10	Upper Hunter Tertiary Education Centre, 87 Hill St, Muswellbrook	LOT: 3 DP: 11221
11	Wollombi Future Residential, 35-53 Wollombi Road, Muswellbrook	LOT: 48 DP: 261812
12	Wollombi Future Residential, 149-151 Wollombi Road, Muswellbrook	LOT: 70 DP: 261812
13	Wonderschool (Throsby) 54 Kunapalari Street, Throsby ACT	Title identifier 2433:18, Section 17, Block 4
14	111 Brook Street, Muswellbrook	LOT: 1 DP: 1069572
15	8637 New England Hwy, Muswellbrook	LOT: 161 DP: 597534
16		



6.3 Future Fund Projects - Committee Recommendations

Responsible Officer:	General Manager
Author:	Co-Ordinator - Commercial Property
Community Strategic Plan:	6 - <i>Community Leadership</i> Collaborative and responsive leadership that meets the expectations and anticipates the needs of the community
Delivery Program Goal:	6.2.1 - Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.
Operational Plan Action:	Not applicable
Attachments:	Nil

PURPOSE

To seek guidance from the Committee on Future Fund Projects.

OFFICER'S RECOMMENDATION

The Committee endorses continuing to proceed with the listed projects.

Moved: _____ **Seconded:** _____

EXECUTIVE SUMMARY

At the 13 June 2024, Future Fund Committee meeting the Committee considered Future Fund projects and provided recommendations that were Noted at the 27 August 2024 Ordinary Council meeting.

PREVIOUS RESOLUTIONS

The recommendations included from the 13 June 2024 Future Fund Committee included: The recommendations included from the 13 June 2024 Future Fund Committee meeting included:

6.2 Future Fund Projects

RECOMMENDED on the motion of Cr D. Douglas and Cr R. Mahajan that:

1. The Future Committee recommends proceeding with the Future Fund projects as described in the report; and
2. Proceed with single dwelling option for 35-53 Wollombi Road and include consideration for duplex on corner.

6.3 Future Fund - Seven Hills - Sale Recommendations

RECOMMENDED on the motion of Cr R. Mahajan and Cr D. Douglas that:

1. The Committee recommends that Council retains 5 Stanton Road, Seven Hills; and
2. Property identified by the Committee be prepared for sale.



The Minute from the 27 August 2024 Ordinary Council meeting:

11.1. Future Fund Committee - 13 June, 2024

63	RESOLVED on the motion of Cr J. Lecky and Cr R. Scholes that: Council NOTES the minutes of the meeting of the Future Fund Committee held on 13 June 2024.
<u>In Favour</u>	Cr J. Lecky, Cr A. Barry, Cr M. Bowditch, Cr J. Drayton, Cr L. Dunn, Cr G. McNeill, Cr R. Mahajan, Cr D. Marshall, Cr R. Scholes and Cr B. Woodruff
<u>Against:</u>	Nil

BACKGROUND

The Future Fund Operational Budget makes an allocation for development work under Future Fund Development Applications #0370.0625.500. This year's allocation is \$95,097. In previous years, much of the expenditure has been on progressing the Denman Storage Centre Complex.

CONSULTATION

Future Fund Committee

General Manager

Director Infrastructure & Property

Manager Property & Building Services

REPORT

The current Future Fund projects include:

- 60 Palace Street, Denman – Townhouse Development,
- 35-53 Wollombi Road, Muswellbrook – Potential residential subdivision,
- 149 – 151 Wollombi Road, Muswellbrook – Potential residential subdivision,
- Turner/Bell St, Denman - Storage Sheds,
- Muswellbrook Gateway Development, and
- 111 Brook Street, Muswellbrook - Housing Development

The other two items considered at this meeting were the interest in purchasing the Seven Hills property received, which was declined, and preparing another property for sale.

The Committee's guidance is sought on continuing to proceed with the various projects.

FINANCIAL CONSIDERATIONS

Each year an allocation of approximately \$100,000 is made towards progressing concepts and development applications. Capital investments in projects are assessed on respective business cases.

POLICY IMPLICATIONS

Future Fund Policy – MSC03E to be revised.

STATUTORY / LEGISLATIVE IMPLICATIONS

Nil known.

RISK MANAGEMENT IMPLICATIONS

The Future Fund supports Council's revenue with an alternative source of revenue.



COMMUNITY CONSULTATION / COMMUNICATIONS

Nil known.



6.4 Future Fund Policy Review

Responsible Officer:	General Manager
Author:	Co-Ordinator - Commercial Property
Community Strategic Plan:	6 - <i>Community Leadership</i> Collaborative and responsive leadership that meets the expectations and anticipates the needs of the community
Delivery Program Goal:	6.2.1 - Maintain a strong focus on financial discipline to enable Council to properly respond to the needs of the communities it serves.
Operational Plan Action:	Not applicable
Attachments:	1. MSC03E Future Fund Policy [6.4.1 - 11 pages]

PURPOSE

To recommend a review of Council's Future Fund Policy.

OFFICER'S RECOMMENDATION

The Committee endorses:

1. Reviewing the Future Fund Policy as outlined in the report, and
2. Seeking a panel of independent advisors to be engaged on a schedule of rates.

Moved: _____ **Seconded:** _____

EXECUTIVE SUMMARY

The term of the previous Council focused on consolidating properties held by the Future Fund to include assets only held primarily for either investment or commercial development purposes. Council has now established a new Future Fund Committee as membership being all Councillors.

The Committee has changed together with The Schedule of Future Fund properties. It is recommended that the Future Fund Policy is reviewed to reflect the purposes of the Future Fund, the Committee Structure, and The Schedule of Future Fund properties.

BACKGROUND

Attached is the published version of the Future Fund Policy, which is overdue for review. The purposes of this Policy were separated between primary and secondary purposes, however, the list of purposes was wide ranging.

The work the previous Council did to refine the focus of the Future Fund and assets requires a significant review of this Policy. The Policy also includes a Committee Structure established under s355 of the Local Government Act, 1993 where now the Committee Structure membership comprises all Councillors.

CONSULTATION



Councillors

General Manager

Chief Financial Officer

Director Infrastructure & Property

REPORT

The proposed changes to the Future Fund Policy include:

- Updating the purpose(s) of the Future Fund Policy to reflect investment and commercial development;
- Updating the Committee Structure removing the Committee Structure established under s355 of the Local Government Act, 1993; and
- Updating the Future Fund Property Schedule.

The original intent of the Committee Structure established under s355 of the Local Government Act, 1993 was to have a skills-based board to advise the Future Fund. The need for independent advice, though, is needed and it is proposed that through a Request for Quote (RFQ) process Council seeks a small panel of advisors to be engaged on a schedule of rates to provide independent advice to Council on fund management, property acquisition and disposal, and risk management.

FINANCIAL CONSIDERATIONS

Nil known.

POLICY IMPLICATIONS

Future Fund Policy – MSC03E to be revised.

STATUTORY / LEGISLATIVE IMPLICATIONS

Nil known.

RISK MANAGEMENT IMPLICATIONS

The Future Fund supports Council's revenue with an alternative source of revenue.

COMMUNITY CONSULTATION / COMMUNICATIONS

Nil known.



muswellbrook shire council

Future Fund Policy MSC03E

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1. Policy Background (Preamble)

For almost 150 years, coal mining in the Muswellbrook Shire Council area has been a key local industry and employer. Coal mining, and particularly thermal coal mining, has increased substantially from the turn of the millennium and, together with thermal coal power generation, accounts for a significant proportion of the Shire's employment.

Council acknowledges:

- the employment benefits derived from local coal mining;
- the importance of sustaining local employment and economic activity in the long-term after the period of intensive local coal mining finishes;
- the impact of intensive coal mining on local liveability; and
- the long-term sterilisation of land and the compromising of agricultural productivity following soil, vegetation and water disturbance associated with coal mining.

As thermal coal mining and thermal coal power generation become less significant as a local industry and employer, Council wishes to ensure that future generations enjoy some of the benefits of mining that occurred within the Shire. This will be achieved by investing revenues associated with coal mining to generate a permanent dividend and, more particularly, to ensure that Council is able to:

- offset the mining rates category with dividends derived from investments associated with coal mining revenues;
- support local industry and facilitate new and emerging services and industries;
- improve landscape native vegetation connectivity and agricultural productivity.

To more transparently document how Council proposes to achieve these objectives, appropriately manage investments and to ensure the proper and orderly expenditure of such dividends, Council has resolved to create this Policy.

2. Policy Objective

The objective of this Policy is to:

- establish a Future Fund from;
 - certain assets held in Council's Commercial Fund as at the date of the first adoption of this Policy,
 - certain other buildings held in the General Fund as determined by Council, and
 - such revenues as Council may from time to time determine to allocate to the Future Fund;
- set out the purposes & scope of the Future Fund and its committee; and
- set out the provisions for ensuring the good governance of the Future Fund.

3. Policy Statement & Scope

Constitution of the Future Fund

- There is to be a Muswellbrook Shire Council Future Fund (the **Future Fund**).
- The Future Fund is to comprise the assets set out in the Schedule of this Policy as amended from time to time in accordance with this Policy and considering operational imperatives.
- The schedule is to be maintained and updated within 30-days of an asset being acquired, disposed or moved out of the Fund.

4. Asset Classes & Sub-Categories

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

- land;
- improvements to land; or
- cash investments made in accordance with the Local Government Act, 1993 (the Act).

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

- **Type A:** Assets that meet the Primary Purposes of the fund. That is, commercial assets designed to provide the fund a consistent and market-based income stream or will provide an increase in value over the life of the asset.
- **Type B:** Assets that meet the Secondary Purposes of the fund.
- **Type C:** Assets that are held to provide a greater level of access to loans to continue sustainable growth. Type C Assets are provided to either staff or for social justice purposes. They can generate an income below market-value and are to be held in the fund at the discretion of Council on the recommendation of the General Manager. Type C properties cannot be sold, interfered or otherwise modified by the Future Fund Committee.

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

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

5. Administration of the Future Fund

5.1 Primary purposes of the Future Fund

The primary purpose of Future Fund is to:

- generate a commercial dividend to Council's General Fund;
- grow the Future Fund; and
- maintain a diversified portfolio of assets including, but not limited to, the diversification of assets by purpose and geography.

5.2 Secondary purposes

The Future Fund is to have the following secondary purposes:

- the improvement of the quality of commercial and residential buildings in the Shire having regard to, without limitation;
 - principles of equal access,
 - principles of health and safety (including fire safety), and
 - energy efficiency & environmental sustainability.
- the maintenance of an appropriate number of carparks in the commercial precincts of the Shire;
- the reduction of the public subsidisation of car-parking provided to commercial activities in the Shire by the consolidation of publicly provided car-parking with adjoining privately provided car-parking;
- the preservation and maintenance of significant heritage items;
- the construction of planned public infrastructure, drainage, liveability or environmental facilities or embellishments (as the case may be);
- the development or provision of;
 - the aged care industry in the Shire,
 - liveability infrastructure and businesses in the Shire,
 - the tourism and, particularly, the eco-tourism industry in the Shire,
 - the intensive agricultural industry in the Shire,
 - the renewable energy industry in the Shire,
 - social justice facilities or community services in the Shire,
 - innovative and growth industries, and
 - a town square in Muswellbrook's central business precinct;
- any matter set out in Council's Integrated Planning and Reporting Framework; and
- the furtherance of a function of Council set out in the Act.

5.3 Future Fund to have a Committee

There is to be a Future Fund Committee (the **Committee**) established under s355 of the *Local Government Act, 1993*.

The Committee shall be constituted by not less than three persons with an appropriate mix of the professional skills set out in this section (s5.3) of this Policy.

A Committee member must have relevant qualifications and substantial experience in any of the following professions:

- Strategic or development assessment planning, or;
- Accounting or finance, or;
- The law, or
- Property management or real estate;

When no independent members are available, Councillors or, at the recommendation of the General Manager, qualified Staff members will fill the vacant positions on the Committee.

A Councillor or staff member who is serving as a Committee member must not be remunerated except for the reasonable expenses relating to the work of the Committee.

A Committee member must agree that it is a condition of the appointment that they are bound by Council's Code of Conduct in the same way that a Councillor would be bound.

5.4 Acquisition, maintenance, development and disposal of assets in the Future Fund

The Committee shall review, not less than quarterly, the budget and assets in the Future Fund to ensure consistency with s5.1 and the purposes set out in s5.2 of this Policy.

The Committee may, after considering the matters set out in s5.1 and s5.2 and subject to the matters set out in s4 of this Policy, make such recommendation as to the acquisition, development, demolition or disposal of (whether or whole or in part) any asset (whether set out in the Schedule or not)—or anything properly incidental to those activities—to Council as it thinks fit.

The Committee shall ensure that all properties are to be maintained to an appropriate standard as determined by Council, taking into consideration equal access, health & safety, energy efficiency & environmental sustainability. Council will assign each property in the fund a Minimum Condition Rating ("MCR") that each building is required to maintain (Refer Appendix A). As such, the operational budgets for each asset within the Future Fund are to be largely based on the advice of the Council Officer charged with managing and maintaining those assets held in the Fund.

Nothing in this policy prevents the Committee from recommending the use of loans to finance the activities of the Fund, however, debt is to not exceed 50% of the value of assets held by the fund.

Council may choose to adopt, vary or reject the Committee's recommendation relating to all aspects of s5.4.

6. Reporting

In August each year, the Committee shall provide a report to Council and Council shall provide a report to the community which sets out the performance of the Future Fund against its purposes.

Reporting shall include, but is not limited to:

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

7. Protocols

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

8. Review

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

The Schedule

No.	Common Name of Asset	Lot and Deposited Plan No.	Asset Type	MCR
1	88 Bridge Street, Muswellbrook	LOT: 3 DP: 219503	B	5
2	93A Hill Street, Muswellbrook	LOT: 1 DP: 1183406	B	5
3	98 Bridge Street, Muswellbrook	LOT: 11 DP: 511889	B	5
4	106 Bridge Street, Muswellbrook	LOT: 30 DP: 591020	B	5
5	108 Bridge Street, Muswellbrook	LOT: 8 DP: 161185	B	5
6	140 Bridge Street, Muswellbrook	LOT: 2 DP: 11221	B	5
7	63 Palace Street, Denman	LOT: 55 DP: 869289	B	3
8	5 Stanton Road, Seven Hills	LOT: 16 DP: 209284	A	2
9	Brook Street Plaza, 30 Brook Street Muswellbrook	LOT: 1 DP: 76058 & LOT 6 DP: 219503	B	3
10	Campbell's Corner, Ground Floor, 60 Bridge Street, Muswellbrook	LOT: 101 DP: 606303	A	1
11	Upper Hunter Conservatorium of Music, Campbell's Corner, First Floor, 60 Bridge Street, Muswellbrook	LOT: 101 DP: 606303	B	1
12	Glen Munro Road, Muswellbrook	LOT: 9 DP: 1131270	A	5
13	Glen Munro Road, Muswellbrook	LOT: 15 DP: 1131270	A	5
14	Glen Munro Road, Muswellbrook	LOT: 16 DP: 1131270	A	5
15	Glen Munro Road, Muswellbrook	LOT: 18 DP: 1131270	A	5
16	HACC Building, 155 Maitland Street, Muswellbrook	LOT: 2 DP: 118310	A	2
17	Industrial Land Bank, 24 Caramere Road, Muswellbrook	LOT: 22 DP: 1131270	A	5
18	Loxton House, 142 Bridge Street Muswellbrook	LOT: 1 DP: 11221	B	1
19	Land Development – Queen Street, Muswellbrook	LOT: 589 DP: 835738	A	5
20	Land Development – Adams Street, Muswellbrook	LOT: 319 DP: 1131731	A	5
21	Land Development – Turner Street, Denman	LOT: 42 DP: 771226	A	5
22	Market House, 2-4 Market Street, Muswellbrook	LOT: 1 DP: 229730	A	2
23	Marketplace, 72-78 Brook Street, Muswellbrook	LOT: 11 DP: 1046939	B	2
24	Sam Adams College, 63 Maitland Street, Muswellbrook	LOT: 2 DP: 857936	B	2
25	Upper Hunter Tertiary Education Centre, 87 Hill St, Muswellbrook	LOT: 3 DP: 11221	B	2
26	Wollombi Future Residential, 35-53 Wollombi Road, Muswellbrook	LOT: 48 DP: 261812	B	5
27	Wollombi Future Residential, 149-151 Wollombi Road, Muswellbrook	LOT: 70 DP: 261812	B	5
28	Weidmann Cottage, 132-134 Bridge St, Muswellbrook	PT: 8 ALT: B SEC: 6 DP: 758740	B	1
29	Wonderschool (Throsby) 54 Kunapalari Street, Throsby ACT	Title identifier 2433:18, Section 17, Block 4	A	2

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

Appendix A

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

Authorisation Details

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Department:	Planning & Building Services
Document Owner:	Manager, Planning & Building Services

Details History

Version No.	Date changed	Policy type	Modified by	Amendments made
1	2021	External	David Walsh	Included asset category & MCR Included limitations to asset management Updated Schedule Added Appendix A



7 Closed Committee

Nil

8 Date of Next Meeting

14 August, 2025

9 Closure