



**muswellbrook
shire council**

Community Benefit Fund Procedure

MSC052P

24 JUNE 2025

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1 Procedure Objective

This procedure defines the process to achieve the objectives of the Muswellbrook Shire Community Benefit Fund (CBF) Policy by establishing a structured framework for fund management, funding proposal assessment and project evaluation.

It seeks to ensure transparency, accountability, and effectiveness in the allocation and expenditure of planning agreement funds towards initiatives that diversify and grow the economy; improve wellbeing, liveability and education/training and employment opportunities; and support environmental conservation principles.

Through detailed investment logic management analysis and community engagement the CBF will facilitate the strategic use of planning agreement funds under the *Environmental Planning & Assessment Act 1979* to ensure that the CBF achieves the CBF policy objectives and goals of the Muswellbrook Shire Community Strategic Plan.

2 Definitions

Term	Definition
Act	<i>Environmental Planning and Assessment Act 1979</i>
Annual Report	An Annual Report is a detailed report on proposals, project status updates, financial statements, measures of success and outcomes, prepared by Council following the completion of the financial year.
CBF Advisory Committee	The committee established under Section 3 of this Procedure
CBF Internal Working Group	The working group established under Section 3 of this Procedure
Community or other organisations	Other organisations or individuals outside of Muswellbrook Shire Council funding proposals can be received from
Community representative	A member of the community who has met all criteria and been appointed by Council as a member of the Community Benefit Fund Advisory Committee
Community Strategic Plan	Muswellbrook Shire Council Community Strategic Plan 2025-2035 or the most recently adopted CSP.
Council	Muswellbrook Shire Council's Governing Body / Councillors
Development Proponents	All proponents in the Shire with a Planning Agreement with Council that relates to mining, quarrying, energy generation or other State Significant Development in the non-urban areas of the Shire.
Fund	A defined account into which identified monies from Planning Agreements are deposited and expended
Funding Proposal/s	Defined in Section 5 of this Procedure
Funding Proposal Criteria	Defined in Section 5 of this Procedure
MSC	Muswellbrook Shire Council
Voluntary Planning Agreement (VPA)	An agreement between Muswellbrook Shire Council and a development proponent created under the <i>Environmental Planning & Assessment Act 1979</i>

3 Governance Structure

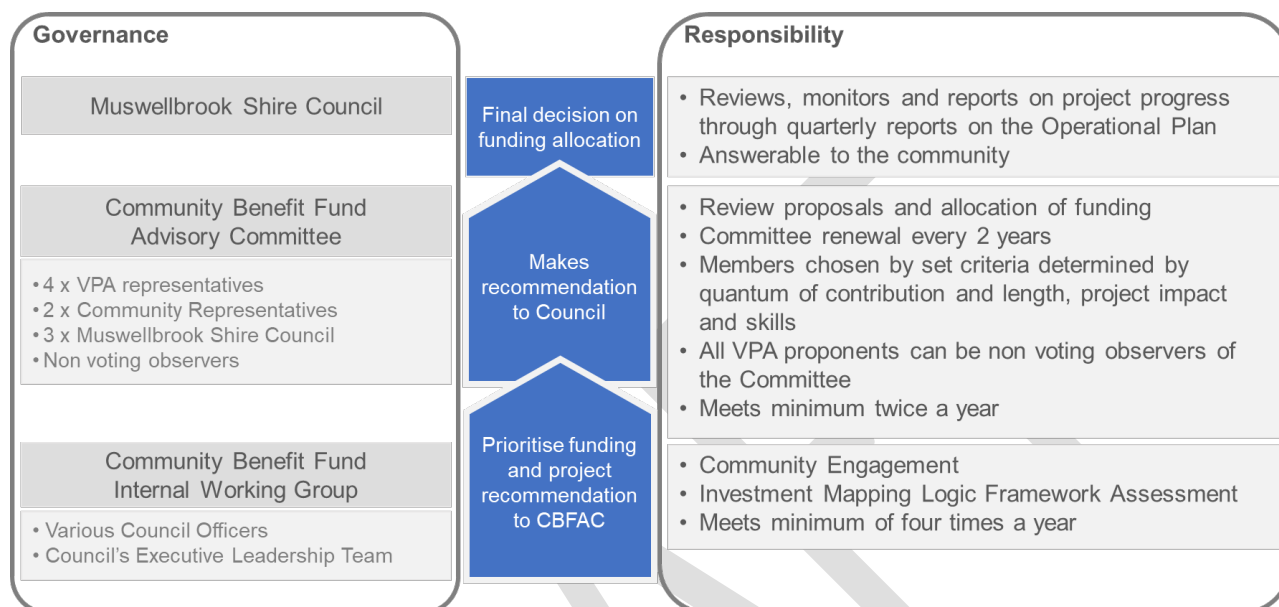
The governance structure consists of:

- a. **CBF Advisory Committee** whose roles and responsibilities are provided in the Terms of Reference of the Committee;
- b. **CBF Internal Working Group** whose roles and responsibilities are provided in the Terms of Reference for the Group; and

- c. **Muswellbrook Shire Council** elected body “the Council” who represents the interests of the community and is the final decision maker. The Council’s roles and responsibilities are governed by the *Local Government Act 1993*.

The following table summarises the governance framework decision making and responsibilities.

Table 1



3.1 Formation of Advisory Committee

- (a) Council as soon as practicable after the election of a new Council, must establish a CBF Advisory Committee to manage the funds in accordance with the policy.
- (b) Council will call for four (4) VPA Representatives from current VPA proponents with active agreements with Council through a written expression of interest process.
 - (i) The VPA representatives seeking appointment to the Committee will complete an application form and be assessed on the following criteria:
 - Quantum of annual agreement contribution;
 - Length of agreement;
 - Impact of project on the community over the short and long term;
 - Impact of closure and future land use opportunity;
 - Skills of the nominated representative to contribute to the success of the fund and interest of the community.
 - (ii) The Internal Working Group will shortlist applicants and present them to Council for approval.
- (c) Council will call for two (2) Community Representatives through a formal advertising campaign including newspaper, radio and digital media.
 - (i) The Community Representatives seeking appointment to the Committee will complete an application form and be assessed on the following criteria:

- Skills of the nominated representative to contribute to the success of the fund and interest of the community including community understanding, financial acumen, legal, governance and professional experience;
- Residential location with preference given to residents of the Shire;
- Statement of motivation for applying for the committee;
- Declaration of any actual or perceived Conflicts of Interest.

(ii) The Internal Working Group will shortlist applicants and present them to Council for approval.

(d) The Committee will meet twice per year.

(e) The Committee will be dissolved at the end of the Council term.

3.2 Formation of the Internal Working Group

- (a) The Internal Working Group members will be appointed by the General Manager based on role requirements, resourcing and skills.
- (b) The Internal Working Group will meet at least four times per year.
- (c) The Internal Working Group will report to the CBF Advisory Committee.
- (d) The General Manager will dissolve the Internal Working Group at their discretion.

4 Fund Management

4.1 Financial Management

- (a) Financial management of any funds under the Program will be undertaken in accordance with the Muswellbrook Shire Community Benefit Fund Policy (MSC052E).
- (b) Funds allocated to the Program will be:
 - (i) Separately managed to MSC's other sources of funding; and
 - (ii) All interest earned through the fund is retained by the fund for allocation.
- (c) The funds will be accounted for transparently and reported in an Annual Report to the Committee and VPA proponents.

4.2 Program Diversification

- (a) The Committee shall retain a minimum of 10% of the annually collected funding for future allocation.
- (b) The committee shall aim to allocate funds to a diverse range of projects which achieve a broad range of CSP objectives and the principles of the policy over the life of the Committee.

5 Funding Proposals

5.1 Submitting Funding Proposal

- (a) Funding proposals may be submitted from the community, other organisations, individuals, Council Officers and Development Proponent for consideration, if the Funding Proposal:

- (i) satisfies the Funding Proposal Criteria outlined in **Section 6**; and
 - (ii) has been submitted on the funding proposal form on Council's website.
- (b) Requests for funding proposals will be advertised annually on Council's website in October.

5.2 Consideration of Funding Proposal

- (a) Funding proposals will be assessed by the Working Group against the set criteria and an investment logic framework.
- (b) The Working Group will rank projects according to their ability to meet the criteria.
- (c) The Working Group will circulate all funding proposals to Development Proponents and Proponents will rank the recommended projects.
- (d) The recommended project list is presented to the Advisory Committee in March for review and allocation of funding in the subsequent year budget.
- (e) The Advisory Committee makes recommendations to Council for approval and allocation in the budget.

5.3 Approved Funding Proposal

- (a) Council may approve a recommended Funding Proposal within the timeframe and budget agreed by the CBF Advisory Committee in relation to that specific recommended Funding Proposal.
- (b) The timeframe to implement an approved Funding Proposal may vary depending on the nature and complexity of the approved Funding Proposal.

6 Funding Proposal Criteria

- (a) A Funding Proposal must have a demonstrated economic, social or environmental benefit for the community within the Muswellbrook Shire Local Government Area and must:
 - (i) Be for a public purpose as defined by Section 7.4(2) of the Act;
 - (ii) Meet the intent of the Fund and the policy;
 - (iii) Align with the values in Council's Community Strategic Plan;
 - (iv) Commence within the financial year or be milestone funded;
 - (v) Meet the requirements of the funding proposal;
- (b) Fund aim is to foster the long-term socio-economic and environmental prosperity of the Muswellbrook Shire, while promoting the health and wellbeing of the community by:
 - (i) Supporting job creation, supporting entrepreneurship, and diversifying our industry base.
 - (ii) Supporting education and training opportunities for school, TAFE, and University based students to maintain a prosperous economy as economic drivers evolve.
 - (iii) Supporting and promoting activities that provide fulfilment for residents through arts and culture, and by creating attractive outdoor spaces.
 - (iv) Undertaking community projects that enhance the social, cultural, and recreational wellbeing of local residents.
 - (v) Supporting and promoting sporting activities and events that attract visitors to the Shire.

- (vi) Undertaking projects that allow the community to successfully adapt to the impacts of climate change.
 - (vii) Minimising adverse impacts on housing affordability and social issues arising from changes to the housing market linked to major development.
 - (viii) Assisting with improvements to the physical and mental health outcomes and the physical and mental health services for the residents of the Shire.
 - (ix) Introducing Smart Place technology and initiatives in the Shire.
 - (x) Improving infrastructure in accordance with the Community Strategic Plan.
 - (xi) Promoting and supporting initiatives that preserve regional biodiversity and improve biodiversity corridors and connections.
 - (xii) Supporting initiatives that minimise waste and improve long-term community sustainability and environmental outcomes for future generations.
 - (xiii) Supporting initiatives to protect and maintain Aboriginal heritage, historic heritage, and cultural landscapes; and
 - (xiv) Supporting initiatives that manage other environmental contributors such as water resources, air quality, bushfire, climate, soil, and agriculture.
- (c) 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.

Policy Reference

Muswellbrook Shire Community Benefit Fund Policy - MSC052E

Associated Council Documentation

Muswellbrook Shire 2025-2035 Community Strategic Plan

Version History

Version No.	Date changed	Modified by	Amendments made /Previous adoption details
1	07/03/2024	Director Environmental and Planning Services	Draft procedure
2	25/11/2024	Env Planning Officer	Update following public exhibition of MSCBF Policy and Terms of Reference.
3	13/06/205	Director Community and Economy	Finalise draft procedure for pubic exhibition