

COONAMBLE

SHIRE COUNCIL

BUSINESS PAPER

Ordinary Council Meeting

Wednesday, 9 November 2022

Date: Wednesday, 9 November 2022

Time: 4.30 pm

**Location: Shire Chamber
Coonamble**

**Ross Earl
Acting General Manager**

Notice is hereby given that an Ordinary Meeting of Council will be held in the Shire Chamber, Coonamble on Wednesday, 9 November 2022 at 4.30 pm.

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1 OPENING MEETING

The meeting is being livestreamed and/or recorded for on-demand viewing via Council's website and a person's image and/or voice may be broadcast;

- Attendance at the meeting is to be taken as consent by a person to their image and /or voice being webcast (time will be allowed by the Chairperson for people to leave the meeting before it starts);
- All speakers should refrain from making any defamatory comments or releasing any personal information about another individual without their consent;
- Council accepts no liability for any damage that may result from defamatory comments made by persons attending the meetings – all liability will rest with the individual who made the comments;
- The recording will be available on Council's website for a minimum of 12 months and retained as a Council record;
- Individuals acting in a disorderly manner can be asked by the Chairperson to leave the meeting under the Council's Code of Meeting Practice;
- The meeting must not be recorded by others without the prior written consent of the Council in accordance with the Council's Code of Meeting Practice.

2 ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional custodians of this land on which we meet today, the Wailwan people and the Gamilaroi people and recognise their continuing connection to land, water and culture. We pay our respects to Elders past, present and emerging.

3 COMMUNITY CONSULTATION

4 APOLOGIES/APPLICATIONS FOR LEAVE OF ABSENCE BY COUNCILLORS

5 DEPUTATION/DELEGATIONS

6 CONFIRMATION OF MINUTES

RECOMMENDATION

That the minutes of the Ordinary Meeting of the Coonamble Shire Council held on Wednesday, 12 October 2022 be confirmed as a correct record of the proceedings of the meeting.



MINUTES

**Ordinary Council Meeting
Wednesday, 12 October 2022**

**MINUTES OF COONAMBLE SHIRE COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE SHIRE CHAMBER, COONAMBLE
ON WEDNESDAY, 12 OCTOBER 2022 AT 10.00 AM**

PRESENT: Mayor Tim Horan, Deputy Mayor Karen Churchill, Cr Adam Cohen, Cr Pat Cullen, Cr Barbara Deans, Cr Bill Fisher, Cr Ahmad Karanouh, Cr Terence Lees, Cr Brian Sommerville

IN ATTENDANCE: Ross Earl (General Manager), Bruce Quarmby (Executive Leader Corporate & Sustainability), Daniel Noble (Executive Leader Infrastructure), David Levick (Acting Manager Economic Development & Growth), Marina Colwell (Executive Support Officer)

1 OPENING MEETING

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MOTION

RESOLUTION 2022/242

Moved: Mayor Tim Horan

Seconded: Cr Bill Fisher

That Council suspends Standing Orders at 10.05 am to be offered a presentation from representatives from St Vincent de Paul.

CARRIED

MOTION

RESOLUTION 2022/243

Moved: Mayor Tim Horan

Seconded: Cr Bill Fisher

That Council returns Standing Orders at 10.22 am .

CARRIED

3 COMMUNITY CONSULTATION

Nil

4 APOLOGIES/APPLICATIONS FOR LEAVE OF ABSENCE BY COUNCILLORS

Nil

5 DEPUTATION/DELEGATIONS

Nil

6 CONFIRMATION OF MINUTES

RESOLUTION 2022/244

Moved: Cr Ahmad Karanouh

Seconded: Cr Adam Cohen

That the minutes of the Ordinary Meeting of the Coonamble Shire Council held on Wednesday, 14 September 2022 be confirmed as a correct records of the proceedings of the meetings.

CARRIED

7 DISCLOSURES OF CONFLICTS OF INTEREST

Cr Barbara Deans declared a conflict of interest with item 10.15 Tooraweenah Road Upgrade – Monthly Status Update, as her property and place of residence is on that road. She indicated that she will remain in the room and participate in the discussion on the item.

Cr Adam Cohen declared a non pecuniary interest with item 12.1 in closed session as he rents a house from one of the business owners.

Cr Brian Sommerville declared a non pecuniary conflict of interest with item 12.2 in closed session as his employee has a pecuniary interest in the Coonamble Waste Management Facility.

8 MAYORAL MINUTE

MAYORAL MINUTE

RESOLUTION 2022/245

Moved: Cr Bill Fisher

Seconded: Cr Barbara Deans

1. That the Mayoral Minute be received and noted.
2. That the Interim General Manager progress the recommendations in relation to the Fire and Rescue Facilities in Coonamble.

CARRIED

SUPPLEMENTARY BUSINESS - MAYORAL MINUTE -

RECOMMENDATION

That Council accepts the following item, 8.2 - Mayoral Minute -, as Supplementary Business.

RESOLUTION 2022/246

Moved: Mayor Tim Horan

Seconded: Cr Pat Cullen

That Council contact the bureau of Meteorology requesting urgent action to have the official rain gauge at Coonamble Aerodrome repaired so that during times of heavy rainfall and subsequent flooding Council and the emergency services can make informed decisions regarding the safety of residents and property.

CARRIED

SECTION A - MATTERS FOR CONSIDERATION BY COUNCIL

SECTION B - MATTERS FOR INFORMATION ONLY

9 COMMITTEE REPORTS

Nil

10 REPORTS TO COUNCIL

10.1 CORRESPONDENCE

RESOLUTION 2022/247

Moved: Cr Bill Fisher

Seconded: Cr Barbara Deans

That the correspondence listed in the body of the report be noted.

CARRIED

10.2 COUNCIL RESOLUTIONS UPDATE

RESOLUTION 2022/248

Moved: Deputy Mayor Karen Churchill

Seconded: Cr Barbara Deans

That Council notes the contents of Annexure 1 attached to the report on the status of Council resolutions.

CARRIED

10.3 RATES AND CHARGES COLLECTIONS - SEPTEMBER 2022

RESOLUTION 2022/249

Moved: Cr Bill Fisher

Seconded: Cr Ahmad Karanouh

That Council notes the information provided in the report.

CARRIED

10.4 STATUS OF INVESTMENTS - 30 SEPTEMBER 2022**RESOLUTION 2022/250**

Moved: Cr Pat Cullen

Seconded: Cr Barbara Deans

That Council notes the list of investments as at 30 September 2022 and that these investments comply with section 625(2) of the *Local Government Act 1993*, Clause 212 of the *Local Government (General) Regulation 2005* and Council's Investment Policy.

CARRIED**10.5 SALEYARDS REPORT- 30 SEPTEMBER 2022****RESOLUTION 2022/251**

Moved: Cr Pat Cullen

Seconded: Cr Bill Fisher

That Council notes the information provided in this report.

CARRIED**10.6 ECONOMIC DEVELOPMENT & GROWTH - PROGRESS REPORT****RESOLUTION 2022/252**

Moved: Cr Barbara Deans

Seconded: Cr Bill Fisher

- 1. That Council note the contents of this report.**
- 2. That Council prepare a submission to the Public Library Infrastructure Grants program for improved lighting, triple glazing and improved air conditioning at the Coonamble Library.**

CARRIED

At 11.33 am Council breaks for morning tea.

At 11.56 am Council resumes the meeting.

10.7 ADOPTION OF THE REVISED CODE OF CONDUCT FOR COUNCILS**RESOLUTION 2022/253**

Moved: Cr Pat Cullen

Seconded: Cr Adam Cohen

That Council adopts the Model Code of Conduct as published by the Office of Local Government.

CARRIED

10.8 ADOPTION OF DRAFT COUNCILLOR AND STAFF INTERACTION POLICY**RESOLUTION 2022/254**

Moved: Cr Ahmad Karanouh

Seconded: Cr Bill Fisher

1. That the following be inserted in the into the respective sections of the new policy:

Part 1 1.2 Coonamble Shire Council

Part 4 4.6 Nine (9) Councillors

Part 5 5.3 The Executive Assistant to the Mayor and General Manager

5.4 (d) request that a staff member be present at a meeting (other than a meeting of the council) for the purpose of providing advice the meeting.

5.7 three (3) days

5.8 three (3) days

5.18 six (6) days monthly

Part 6 6.5 Executive Assistant to the Mayor and General Manager.

Schedule 1 All Executive Leaders Names.

Part 5 Executive Assistant to the Mayor and General Manager.

2. That Council adopts the Draft Model Councillor and Staff Interaction Policy with the amendments detailed in the report.

3. That Council provides all Councillors and Staff with a copy of the new policy.

The recommendation was accepted as presented however the motion was not adopted at this time.

In Favour: Nil

Against: Crs Tim Horan, Karen Churchill, Adam Cohen, Pat Cullen, Barbara Deans, Bill Fisher, Ahmad Karanouh, Terence Lees and Brian

Sommerville

LOST 0/9

10.9 AMENDMENT TO COUNCILLORS EXPENCES AND FACILITIES POLICY**RESOLUTION 2022/255**

Moved: Cr Ahmad Karanouh

Seconded: Cr Terence Lees

- 1. That each Councillor be provided with:**
 - (a) Two (2) shirts and a tie or scarf all of which have the Coonamble Shire Logo, with the value of the clothing be capped at \$200.00 per councillor.**
 - (b) That the Council's Policy relating to the payment of expenses and the provision of facilities be amended accordingly,**
 - (c) That Council note the provision of the corporate attire as detailed is not deemed to be a substantial change to the policy as such that Council does not need to give public notice of the proposed amendment to the policy.**

CARRIED**10.10 PROPOSED CLOSURE OF OFFICE - CHRISTMAS/NEW YEAR****RESOLUTION 2022/256**

Moved: Cr Ahmad Karanouh

Seconded: Cr Pat Cullen

- 1. That Council closes its administrative office, libraries, Service NSW agency, the Visitor Information & Exhibition Centre, Council depots and quarry from close of business on Friday 23 December 2022 and re-open on Tuesday, 3 January 2023.**
- 2. That Council staff avail themselves of accumulated leave provisions for the annual festive period closedown on days not covered by public holiday provisions, namely the Wednesday, Thursday and Friday – 28, 29 and 30 December 2022.**

CARRIED

10.11 COMMUNITY SERVICE PROGRESS REPORT**RESOLUTION 2022/257**

Moved: Cr Ahmad Karanouh

Seconded: Cr Terence Lees

That Council notes the information contained in the Community Services Progress Report.

CARRIED

10.12 ENVIRONMENT AND STRATEGIC PLANNING PROGRESS REPORT**RESOLUTION 2022/258**

Moved: Cr Terence Lees

Seconded: Cr Barbara Deans

That Council notes the information contained within the Environmental and Strategic Planning Progress Report.

CARRIED

10.13 COONAMBLE RESOURCING STRATEGY DOCUMENTS**RESOLUTION 2022/259**

Moved: Cr Ahmad Karanouh

Seconded: Cr Pat Cullen

- 1. That Council notes the information contained in this report.**
- 2. That Council notes no submissions were received from the public in relation to these documents.**
- 3. That Council adopts the Resourcing Strategy documents attached to the report.**

CARRIED

10.14 INFRASTRUCTURE SERVICES - WORKS IN PROGRESS**RESOLUTION 2022/260**

Moved: Deputy Mayor Karen Churchill

Seconded: Cr Terence Lees

- 1. That Council notes the information in this report.**
- 2. That Council investigate options to undertake improvements to the water outlets and pump facilities into the river from within the town to ensure they work effectively.**

CARRIED

10.15 TOORAWEEAH ROAD UPGRADE - MONTHLY STATUS UPDATE**RESOLUTION 2022/261**

Moved: Cr Pat Cullen

Seconded: Cr Bill Fisher

That the information be received and noted.

CARRIED

11 NOTICES OF MOTIONS/QUESTIONS WITH NOTICE/RESCISSION MOTIONS

Nil

12 CONFIDENTIAL MATTERS**RESOLUTION 2022/262**

Moved: Cr Ahmad Karanouh

Seconded: Cr Bill Fisher

At 2.58 pm Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

12.1 Closed (Public Excluded) Council Meeting of the Coonamble Shire Council - 14 September 2022

12.2 SPT292223COO - Plumbing & Electrical Services

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the

commercial position of the person who supplied it.

12.3 Coonamble Waste Management Facility Long Term Plan of Management (LTPOM)

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

12.4 TEN220914 - Euronne Gully Culvert Upgrade

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

12.5 Proposed trial of mobile crushing and screening at Mt Magometon Quarry

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

12.6 SPT572122COO - Construction Plant Hire Price adjustment for rise in diesel costs

This matter is considered to be confidential under Section 10A(2) - c and d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business and commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

12.7 Write off of Council Debts

This matter is considered to be confidential under Section 10A(2) - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors).

12.9 Expression of interest to Purchase Council-owned land

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

12.8 Review of Organisational Structure

This matter is considered to be confidential under Section 10A(2) - a and f of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors) and

details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property.

CARRIED

RESOLUTION 2022/63

Moved: Cr Bill Fisher

Seconded: Cr Terence Lees

That Council moves out of Closed Council into Open Council.

CARRIED

Cr Karanough left the meeting at 3.02 pm.

The General Manager on the request of the Mayor detailed the motions passed whilst in Closed session.

12.1 SPT292223COO - PLUMBING & ELECTRICAL SERVICES

RESOLUTION 2022/264

Moved: Cr Ahmad Karanouh

Seconded: Cr Pat Cullen

- 1. That all tenders as submitted be accepted.**
- 2. That all tenderers be included on the panel of the listing of preferred suppliers to Coonamble Shire Council for the period of 1 October 2022 to 30 September 2024 specifically:**
 - a. 360 Engineering Pty Ltd - Electrical**
 - b. HJ & A Wiatkowski Pty Ltd - Electrical**
 - c. Moe Jacobs Plumbing - Plumbing**
 - d. QA Electrical NSW Pty Ltd – Electrical**
- 3. That in accordance with the tender specification a provision be allowed for a 12-month extension based on satisfactory supplier performance, which may take this contract through to 30 September 2025.**

CARRIED

12.2 COONAMBLE WASTE MANAGEMENT FACILITY LONG TERM PLAN OF MANAGEMENT (LTPOM)**RESOLUTION 2022/265**

Moved: Cr Barbara Deans
Seconded: Cr Ahmad Karanouh

That the draft Long Term Plan of Management for the Coonamble Waste Management Facility be adopted as presented, or suggested minor amendments to be received by Councillors within seven (7) days to the General Manager.

CARRIED

12.3 TEN220914 - EURONNE GULLY CULVERT UPGRADE**RESOLUTION 2022/266**

Moved: Deputy Mayor Karen Churchill
Seconded: Cr Ahmad Karanouh

That the tender TEN220914 for the Euronne Gully Culvert Upgrade be awarded to the Conex Group Pty Ltd for \$833,380.90 including GST.

CARRIED

12.4 PROPOSED TRIAL OF MOBILE CRUSHING AND SCREENING AT MT MAGOMETON QUARRY**RESOLUTION 2022/267**

Moved: Cr Bill Fisher
Seconded: Cr Pat Cullen

- 1. That Council call for tenders for the provision of mobile crushing and screening services at the Mt Magometon Quarry for a 12 month period with a review at the end of the 12 month term on the continuing operations of the quarry.**
- 2. That the contract proposed meets the current and anticipated demands of Coonamble Shire Council over the next two (2) years.**

CARRIED

12.5 SPT572122COO - CONSTRUCTION PLANT HIRE PRICE ADJUSTMENT FOR RISE IN DIESEL COSTS

RESOLUTION 2022/268

Moved: Cr Ahmad Karanouh

Seconded: Cr Barbara Deans

That Council accepts the adjusted plant hire rates for its approved suppliers contracted under SPT572122COO Plant Hire, to offset the rise in fuel and diesel costs.

CARRIED

12.6 WRITE OFF OF COUNCIL DEBTS

RESOLUTION 2022/269

Moved: Cr Ahmad Karanouh

Seconded: Cr Bill Fisher

- 1. That Council notes the information contained within this report.**
- 2. That in accordance with the Regulation 213 of the NSW Local Government Regulations 2021 that Council resolves to write off the following list of debts owed to Council.**

Account Type	Amount
Sundry Debtor Account	\$690.00
Sundry Debtor Account	\$3,056.00
Sundry Debtor Account	\$9,216.92
Sundry Debtor Account	\$2,120.60
Sundry Debtor Account	\$69.56
Sundry Debtor Account	\$334.20
Sundry Debtor Account	\$368.00
Sundry Debtor Account	\$1,793.80
Sundry Debtor Account	\$1,612.00
Sundry Debtor Account	\$1,323.78
Sundry Debtor Account	\$3,138.00

- 3. Further, that in accordance with the requirements of Local Government Regulation 213 (4c) that the particulars of the debts to be written off be recorded in Council's register of write off of bad debts.**

CARRIED

MOTION**RESOLUTION 2022/270**

Moved: Cr Pat Cullen

Seconded: Cr Terence Lees

That Council investigate the disposal of the steel structure of the old sheep yards with a report brought back to the November Council Meeting including future potential use of the land.

In Favour: Crs Tim Horan, Karen Churchill, Adam Cohen, Pat Cullen, Barbara Deans, Bill Fisher, Terence Lees and Brian Sommerville

Against: Cr Ahmad Karanouh

CARRIED 8/1

12.7 REVIEW OF ORGANISATIONAL STRUCTURE**RESOLUTION 2022/271**

Moved: Cr Ahmad Karanouh

Seconded: Cr Pat Cullen

- 1. That the Report on the Organisational Structure prepared by Local Government Management Solutions be received and noted.**
- 2. That Council adopt a structure with three departments each led by a Director, who reports to the General Manager.**
- 3. That the Manager of Economic Development will now fall under the Director Community, Planning and Development.**
- 4. The Human Resources and Risk Manager continues to report to the General Manager.**
- 5. That the newly created Governance Officer reports directly to the General Manager.**
- 6. That the General Manager finalise the balance of the structure based on the recommendations contained within the report.**
- 7. That the new structure be presented to Council at the November Meeting.**
- 8. That the newly created position of Quarry Manager reports directly to the Director Infrastructure.**

CARRIED

13 CONCLUSION OF THE MEETING

The Meeting closed at 3.09 pm.

The minutes of this meeting were confirmed at the Council held on 9 November 2022.

.....
CHAIRPERSON

7 DISCLOSURES OF CONFLICTS OF INTEREST

8 MAYORAL MINUTE

MAYORAL MINUTE

File Number: M3
Author: Tim Horan-Mayor
Authoriser: Tim Horan, Mayor
Annexures: Nil

MAYORAL MINUTE

Councillors

I submit below my Mayoral Report for the month of October 2022:

1. Reduction of Banking Services in Regional New South Wales

On 12 October I forwarded the link to update Councillors and management on the closure of the Commonwealth Bank at Gilgandra under the heading *More Banks Fall as Taskforce Flops*.

Following on was information that Westpac will be closing its Moree branch shortly and will also remove the automated teller machine. This was announced as part of a company re-organization; however, the Agribusiness side will remain operational. Moree Council is lobbying to have the local Westpac branch retained and offering full banking services to support the local community, especially older customers and vulnerable members who use these services.

Bank closures in regional areas was the topic of a late motion for debate brought forward by Junee Shire Council at the recent LGNSW Conference. It requested that LGNSW lobby the Federal Government to place a moratorium on the closing of bank branches in rural towns.

In support of the motion, Junee Council reported that the CBA has indicated that it will close its local branch on 9 December 2022, leaving no bank in town. It was brought to notice the effect of bank branch closures in rural areas, especially on small businesses who handle cash, the elderly and the disabled. Unfortunately, the conference did not support this view, pushing for the establishment of banking services within the local Post Offices.

I am not sure whether any conference attendees have visited their local post office to take out a home loan! The General Manager has suggested that we meet with our regional bank managers to seek their commitment to continue the provision of full banking services, without any further reduction. If this commitment cannot be achieved, I suggest that Council strengthens its case and, if required, seek alternate banking arrangements.

2. Coonamble Integrated Water Cycle Management (IWCM) Stakeholder Issues Workshop – 18 October 2022

I want to report on this workshop, which I found most interesting and informative, and which reviewed the draft 2018 Issues Paper and Background Information prepared by Hydrosphere Consulting but not finalized with DPE.

Issues raised in the Community Strategic Plan 2022 – 2032:

- Issue of managing aging water and sewer assets was noted
- Perceptions of water quality
 - Drinking water quality requires improvement
- Improvements to water pressure issues
- Sewerage networks on public and private land need improvement
- Issues with lack of stormwater drainage.

Outcomes of the Community Strategic Plan:

- Strengthen strategic approach to management of water, sewer and urban drainage infrastructure and services.
- Measured by:
 - Increased community satisfaction levels
 - Infrastructure renewal ratio achieved
 - Infrastructure backlog ratio achieved
 - Specific numerical % targets

In the Summary and Context provided at the workshop, the following information was provided:

The IWCM Strategy was developed in accordance with NSW Government's *Best Practice Management of Water Supply and Sewerage Guidelines* and the *2019 IWCM Strategic Checklist*. It ensures that all water security, water quality and sewage management needs and risks in the LWUs town water supply and sewerage systems are addressed for future planning. It also sets levels of service and associated investment priorities, including a 30-year total asset management plan, an associated financial management plan, a drought contingency and emergency response plan.

The strategy takes into account that LWUs plan and operate their town water systems and infrastructure in compliance with regulatory requirements, such as drinking water quality, access to water, wastewater management, relevant land use planning considerations and general council regulation.

It is essential for the provision of safe, secure and sustainable water services that are provided in an efficient and customer-focused manner, to meet community needs and protect public health and the environment and ensures that any necessary capital works projects are affordable, cost-effective and appropriately sized.

I consider this to be an issue of paramount importance, as it affects Council's short to medium term planning and carries a huge financial responsibility, as well as significant loss of income.

I will ask the General Manager and the Director of Engineering speak further to this matter at the meeting.

3. Cemetery Maintenance

I have raised this matter several times in the past and in February 2022 Council was advised that a staff member had been allocated two days per week to carry out maintenance at the Coonamble cemetery and, as a result, there was a significant improvement and community satisfaction.

Unfortunately, it appears that this staff member has since left Council, leading to a downturn in the overall appearance of the area, which has been noted by community members. Over past weeks I have received numerous phone calls regarding the unkept state of the area.

Recommendation:

That a plan of Management be developed for the ongoing maintenance and future improvement of cemeteries within Coonamble Shire.

4. Review of Traffic Stops – Coonamble CBD

Since the installation of the traffic stops in Castlereagh Street in 2015, the community has been divided in its opinion as to whether or not they are required. However, in recent times there has been more representation from residents and some business owners to have them removed due, in part, to their deteriorated and dangerous condition.

The stops have caused some people to have bad falls causing injury especially when older residents become victims. Some of the incidents have, no doubt, been reported to Council, but many go unreported so it would be impossible to estimate a number. At the recent funeral of Michael Webb, I personally witnessed a lady attending the service take a heavy fall after tripping over a stopper.

I would also like to raise the issue of our streetsweeper not being able to access the street for thorough cleaning. On a recent inspection with a business owner, I observed the amount of mud and debris that spans out at least one metre from the gutter into the roadway. This situation exacerbates the risk of injury for pedestrians as they endeavour to straddle the mud or walk through it!

It also appears that some of these stoppers are so damaged that, if not removed, they will have to be replaced.

In July 2018 a previous Councillor moved to have the traffic stops removed, however the motion was not supported. A further motion was moved and carried to undertake a community awareness campaign and seek feedback, with a report forthcoming, to enable Council to make a decision on whether or

not to remove the stops. It would appear that this has not been followed through.

Recommendation:

- 1. That Council undertake community consultation and seek seeking feedback in relation to the retention or removal of the traffic stops in the Coonamble CBD to enable Council to make a decision as to their future.***
- 2. That Council allow a period of 28 days for the receipt of submissions.***

5. Upgrade of Wastewater Services

It is good news that the NSW Government has agreed to work with Council to fund the concept design for a major upgrade and expansion of the wastewater treatment plant, which was built in 1963 and due to its age, is prone to failure – which comes at a significant cost to Council.

The new plant will meet modern standards and support an increase in demand and the concept design is the first crucial step towards getting the ball rolling on this project. The scoping of the project is being jointly funded with \$225,000 from the NSW Government's Safe and Secure Water Program and \$25,000 from Council and the concept design is expected to be complete by the end of June 2023.

6. Operation of Council Swimming Pools

With summer fast approaching Council needs to review the current operation of both the Coonamble and Gulargambone pools to ensure they remain operational for the 2022/23 swimming season.

It is anticipated that Council will receive a report on the operation of the pools as part of the business paper

7. Recruitment of General Manager

I recently updated Councillors on the recruitment of a permanent General Manager for Coonamble Shire. A formal resolution of Council should be passed to commence the proposed recruitment process for the position of General Manager with Local Government Solutions again being appointed to undertake the recruitment process.

Recommendation:

- 1) ***That Council commence recruitment for the appointment of a General Manager, with Mr Peter Evans of Local Government Management Solutions (LGMS) will again facilitate the recruitment process which will begin within the next two (2) weeks and applications closing in early January.***
- 2) ***That all Councillors participate on the Selection Panel and that the Mayor be the single point of contact during the recruitment process as previously resolved.***

8. Housing Strategy

Given Council's intent to adopt a local housing strategy and following discussions between the General Manager and myself, I would suggest Council invite expressions of interest from parties who may have land for sale suitable land for the development of both residential and industrial buildings.

Recommendation:

That Council seeks expressions of interest from persons who have land available for sale which would be suitable for residential, commercial or industrial development.

9. Activities:

Since the October meeting I have represented Council at various events and meetings, and I provide details below for Councillors' information.

i) Local Government NSW – Annual Conference

- i) Mr Mick Fuller, former Commissioner for Police and now the NSW Flood Inquiry Report co-author, was a guest speaker at the Conference. He pointed out that local councils need to be given extra funding from state and federal governments to help prepare for and limit damage from natural disasters such as the recent flooding in the state's north.

He said that access to federal and state grant money will be essential in building community resilience and pointed out that local government plays a crucial role in emergency management. Mr Fuller said it should be accepted that local councils cannot fund major mitigation projects and will need to work closely with the federal government's new agency for national recovery and resilience.

The President of the Australian Local Government Association, Linda Scott, said billions of dollars in damage could have been

avoided if a 2014 Productivity Commission recommendation to give councils \$200m in funding every year had been acted upon. She said that local councils had projects ready to go in mitigating against disasters, the likes of which are now occurring.

At the Conference, the State Government announced a \$50 million regional pothole repair grant for regional councils. I will speak further at the meeting to provide an overview of the Conference.

ii) Community Information Session – Tooraweenah Road

This session was held on Thursday 27 October 2022 and was well attended with others participating on-line. The question time was well received and provided updated information. Council will continue to provide regular updates on its website as the work progresses and further community meetings will be convened.

I was pleased to learn that an ex-resident of Coonamble, Phillip Happ, is employed by the Project Management Team as the Surveillance Officer for the work.

iii) Saleyards Management Committee

Following the Committee meeting held on 28 October 2022, an on-site inspection was carried out at the yards on 2 November and resulted in the following outcomes:

During the drought and the COVID pandemic there were no sales for an extended period and maintenance on the yards was reduced and as a result there are some sections of the facility, including the canteen that need attention.

The yards are a significant economic facility in our area and, although sales have been irregular, with improved seasonal conditions and rising prices of beef, regular fortnightly sales are returning with around \$3m turnover per sale. As a significant asset, Council needs to ensure that the facility, which was known as Coonamble Livestock Marketing Complex, remains in a satisfactory operational standard and continues to meet all relevant licensing requirements.

After the inspection it would appear that at least \$100,000 is required in the short term to address issues and, however, in the longer term, additional expenditure will need to be budgeted annually to allow for ongoing capital upgrades and routine maintenance.

Coonamble is fortunate to have such a facility and Council should maximise its economic potential and vote it a priority. In future more regular meetings will be held with representatives of the Coonamble Associated Agents - whose members are reinvigorated to work with Council in the joint management of the facility.

At the meeting, it was agreed that the former Saleyards Manager, Greg Robinson, be invited to have input into the ongoing operation of the complex. Greg attended the onsite inspection and had a great deal of knowledge to share – his participation in an advisory role will be an enormous benefit and I thank Greg for his involvement.

At the Saleyards meeting, it was a unanimous decision that the Agents supported the move by Council to dismantle the old sheep yards which are no longer required, subject to a smaller sheep handling facility being made available. A suggestion that a few pens at the saleyards could be adjusted to allow for the sheep handling if required, however, this will be referred to the committee for further discussion design and implementation.

Currently Council engages contractors to carry out maintenance which was previously done by a dedicated saleyards manager and had an obvious cost saving with work being performed 'in-house'. However, this position was removed from the structure during the drought and, no doubt, has had impact on the scheduling of maintenance in some aspects of the yards and facilities and the cost of carrying out this work.

Recommendations:

That Council:

- 1) Allocate the proceeds of the sale of land to GrainCorp to the Saleyards Reserve for expenditure on the immediate issues to be addressed.**
- 2) That a Charter be established for the operation of the Saleyards Advisory Committee including the composition of the committee and the roles and responsibilities of the Committee**
- 3) That Council prepare a Plan of Management for the Coonamble Livestock Marketing Complex including options available for the maintenance and supervision of the facility**

iv) Fishers Ghost

On Friday 4 November 2022 I travelled to Campbelltown to attend the Fisher's Ghost Festival and meet with our 'Sister City' colleagues. Given restrictions in place during the COVID pandemic our relationship has been in hibernation, however it is the intention of both parties to re-connect.

v) **Annual General Meeting – Warrena Weir Committee**

The Deputy Mayor and I have been invited to attend the annual general meeting of the Weir Committee on Thursday 3 November to provide an update on the proposed Plan of Management for the Warrena Weir Recreation Reserve, which was completed in October and will be presented to Council for information at the November meeting prior to being put on public exhibition.

RECOMMENDATION

That the Mayoral Minute be received and noted.

SECTION A - MATTERS FOR CONSIDERATION BY COUNCIL

SECTION B - MATTERS FOR INFORMATION ONLY

9 COMMITTEE REPORTS

Nil

10 REPORTS TO COUNCIL

10.1 CORRESPONDENCE

File Number: C20

Author: Marina Colwell-Executive Support Officer

Authoriser: Ross Earl, General Manager

Annexures:

1. Letter to the General Manager & Mayor
2. IPART Report
3. \$50 Million - Boost Potholes on Regional Roads
4. Pothole Guidelines
5. Winners for the 2022 National Awards for Local Government
6. OLG - Message from Minister Tuckerman
7. Circular 22-31
8. Circular 22-33

CORRESPONDENCE

1. Rate Capping

- 1.1 Letter to the General Manager & Mayor – Rate Capping Report
- 1.2 IPART Rate Capping Report for USU

2. Roads

- 2.1 Sam Faraway – Minister for Regional Transport and Roads
Media Release \$50 Million Boost – Potholes on Regional Roads
- 2.2 Potholes on Regional Roads – Guidelines

3. Office of Local Government (OLG)

- 3.1 OLG - Winners for the 2022 National Awards for Local Government
- 3.2 OLG – Message from Minister Tuckerman
- 3.3 OLG - Circular 22-31 Commencement of the *Public Spaces (Unattended Property) Act 2021*.
- 3.4 OLG - Circular 22-33 Misuse of Council Resources

RECOMMENDATION

That the correspondence listed in the body of the report be noted.

Our Ref 171022 SH.MB

17 October 2022

The General Manager
And The Mayor
Coonamble Shire Council
PO Box 249
COONAMBLE NSW 2829

By your side



By email council@coonambleshire.nsw.gov.au

Dear Sir/Madam

Re RATE CAPPING REPORT & RECOMMENDATIONS AS PREPARED BY PROFESSOR BRIAN DOLLERY

The United Services Union (USU) is pleased to provide you with a report regarding the important issue of the current IPART Review of Rate Peg Methodology.

This is an independent report that the USU commissioned and the USU supports as we believe that the crucial matter of NSW Local Government Financial Sustainability must be addressed.

We ask that General Managers and Mayors read and consider this report and indicate in writing if they support the report and which of the two proposed solutions they prefer and would support.

A copy of this report has also been provided to the other Industry Stakeholders including LGNSW, the Local Government Engineers Association and DEPA.

We believe that if a significant and preferably a majority level of support can be submitted to IPART and the NSW Government by 4 November 2022 that we may finally achieve a better outcome for the financial sustainability of Councils no matter their size or where they are located or if their population is increasing, remaining static or declining.

NSW residents and ratepayers deserve fair and reasonable access to the services that Local Government provides.

We ask you to join with us in seeking industry consensus in rectifying this matter in a timely manner.

Yours faithfully

A handwritten signature in black ink, appearing to read "Graeme Kelly".

Graeme Kelly OAM
General Secretary

UNITED SERVICES UNION

**NSW LOCAL GOVERNMENT, CLERICAL,
ADMINISTRATIVE, ENERGY, AIRLINES
AND UTILITIES UNION**

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Tamworth, Wagga Wagga

To be copied and pasted onto letterhead or returned via email

To Mr Graeme Kelly OAM
General Secretary of the United Services Union

Dear Graeme

I, *(insert name and title)*.....

of*(Insert Council)* wish to confirm that I have read the report and recommendations on Rate Capping in NSW Local Government and support the report from Professor Brian Dollery .

I do not believe that the current system and methodology for rate revenue is fair or is financially sustainable. **YES or NO** *(please circle one of the options).*

I support recommendation number 1..... or 2 *(please circle one of the options).*

I also would support the other option if my first choice is not achieved
Yes or No *(please indicate).*

Please return your response to the USU by either email to:
united@usu.org.au
or by written correspondence to:
United Services Union
Attn: Daniel Papps
Level 7, 321 Pitt Street
SYDNEY NSW 2000

by no later than Tuesday November 1, 2022

UNITED SERVICES UNION

**NSW LOCAL GOVERNMENT, CLERICAL,
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Tamworth, Wagga Wagga

**RATE CAPPING IN NEW SOUTH
WALES LOCAL GOVERNMENT:
ADDRESSING THE QUESTIONS
RAISED IN THE IPART (2022)
*REVIEW OF RATE PEG
METHODOLOGY: ISSUES PAPER*
AND FURTHER
RECOMMENDATIONS FOR
IMPROVEMENT**

Contacts

Emeritus Professor Brian Dollery

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Disclaimer

This Report was prepared by Brian Dollery on behalf of New England Education and Research Proprietary Limited for the United Services Union (USU). The author is grateful for the assistance of Professor Joseph Drew. This Report was produced for the USU as a strictly independent Report. The opinions expressed in the Report are thus exclusively the views of its author and do not necessarily coincide with the views of the USU or any other body. The information provided in this Report may be reproduced in whole or in part for media review, quotation in literature, or non-commercial purposes, subject to the inclusion of acknowledgement of the source and provided no commercial use or sale of the material occurs.

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1. Introduction

Under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, the NSW Minister for Local Government Wendy Tuckerman asked the Independent Pricing and Regulatory Tribunal (IPART) to investigate and report on the current NSW rate peg methodology. In particular, the Minister for Local Government sought IPART to investigate and make recommendations on the following six matters:

1. 'Possible approaches to set the rate peg methodology to ensure it is reflective of inflation and costs of providing local government goods and services';
2. 'Possible approaches to stabilizing volatility in the rate peg, and options for better capturing more timely changes in both councils' costs and inflation movements';
3. 'Alternate data sources to measure changes in councils' costs';
4. 'Options for capturing external changes, outside of councils' control, which are reflected in councils' costs';
5. 'The effectiveness of the current LGCI approach'; and
6. 'Whether the population growth factor is achieving its intended purpose'.

In reviewing these matters, the Minister for Local Government required IPART to have regard for the following factors:

- (a) 'The Government's commitment to protect ratepayers from excessive rate increases and to independently set a rate peg that is reflective of inflation and cost and enabling financial sustainability for councils.
- (b) The differing needs and circumstances of councils and communities in metropolitan, regional and rural areas of the State.
- (c) Ensuring the rate peg is simple to understand and administer'.

Following this request, IPART (2022) published its *Review of Rate Peg Methodology: Issues Paper* on 29 September 2022. In the *Issues Paper*, IPART (2022) identified twenty matters on which it sought input from both the NSW local government sector and the broader general public by 4 November 2022:

1. To what extent does the Local Government Cost Index reflect changes in councils' costs and inflation? Is there a better approach?
2. What is the best way to measure changes in councils' costs and inflation, and how can this be done in a timely way?
3. What alternate data sources could be used to measure the changes in council costs?
4. Last year we included a population factor in our rate peg methodology. Do you have any feedback on how it is operating? What improvements could be made?
5. How can the rate peg methodology best reflect improvements in productivity and the efficient delivery of services by councils?
6. What other external factors should the rate peg methodology make adjustments for? How should this be done?
7. Has the rate peg protected ratepayers from unnecessary rate increases?
8. Has the rate peg provided councils with sufficient income to deliver services to their communities?
9. How has the rate peg impacted the financial performance and sustainability of councils?
10. In what ways could the rate peg methodology better reflect how councils differ from each other?
11. What are the benefits of introducing different cost indexes for different council types?
12. Is volatility in the rate peg a problem? How could it be stabilised?
13. Would councils prefer more certainty about the future rate peg, or better alignment with changes in costs?
14. Are there benefits in setting a longer term rate peg, say over multiple years?
15. Should the rate peg be released later in the year if this reduced the lag?
16. How should we account for the change in efficient labour costs?
17. Should external costs be reflected in the rate peg methodology and if so, how?
18. Are council-specific adjustments for external costs needed, and if so, how could this be achieved?
19. What types of costs which are outside councils' control should be included in the rate peg methodology?
20. How can we simplify the rate peg calculation and ensure it reflects, as far as possible, inflation and changes in costs of providing services?

The present Report was prepared in response to the IPART request for comment on its *Review of Rate Peg Methodology: Issues Paper*. By way of background, the Report presents existing international and Australian conceptual and empirical work on municipal property tax limitations, as well as the findings of a number of recent official inquiries and reports into rate-capping in NSW. Drawing on this material, the Report then addresses the twenty questions posed by IPART (2022) in its *Review of Rate Peg Methodology: Issues Paper*.

The Report consists of ten main parts:

- Section 2 briefly summarises the main arguments that have been employed in the debate over rate-pegging in NSW local government by way of institutional background.
- Section 3 provides a synoptic outline of the theoretical literature on property tax limitations, including rate-pegging.
- Section 4 offers a succinct account of the international empirical literature on property tax limitations.
- Section 5 summarizes the extant Australian empirical literature on rate-capping.
- Section 6 considers the findings of a number of recent official reports on the operation of rate-pegging on NSW local government.
- Section 7 briefly outlines the new IPART rate-pegging methodology.
- Section 8 describes the numerous problems with the IPART methodology.
- Section 9 addresses the twenty questions raised by IPART in its *Review of Rate Peg Methodology: Issues Paper*.
- Section 10 concludes the Report by offering two alternative generic recommendations for dealing with the manifold problems besetting the current NSW rate-pegging regime.

2. Genesis and Evolution of Rate Capping in NSW

Legally enforced constraints on increases in property taxes – colloquially known as ‘rate capping’ or ‘rate pegging’ in Australia – form part of a broader category of state government imposed limitations on the expenditure and taxation by local government, including property taxation (Dollery and Wijeweera, 2010). Under its longstanding rate capping regime, the NSW Government determines the maximum annual percentage amount by which a local council can increase its rates income for a given financial year. The rate peg does not apply to stormwater, waste collection, water and sewerage charges. Moreover, local authorities enjoy

discretion to determine how to allocate the stipulated rate peg rise between different categories of ratepayer in their respective local government areas.

A rate cap was first introduced in NSW local government in 1901 and it lasted until 1952 (Dollery, Crase and Johnson, 2006), when it was discontinued due to its ‘impracticality’ (NSW Local Government and Shires Association, 2008, p.16). The modern NSW rate-pegging regime began with the adoption of the 1977 *Local Government (Rating) Further Amendment Bill*, which was subsequently amended to its contemporary form in 1978. The initial motivation for the imposition of the rate peg legislation derived from the period of high inflation in the 1970s. For example, over the period 1973 to 1976, property taxes rose by an average of 188 per cent, while average weekly earnings over the same period increased by only 75 per cent, with the inflation rate at 56 per cent (Johnson, 2001, p.5).

Rate pegging has been controversial in NSW since its inception and it has generated considerable debate (Johnson, 2001). IPART (2008, p.55) has summarised four major arguments that have been proposed in support of the NSW rate-capping regime. Firstly, it has been claimed that municipal revenue regulation through rate pegging prevents the exploitation of monopoly power by local authorities in the provision of local services. Secondly, advocates of rate pegging have argued that it assists in preventing ‘cross-subsidisation’ and imposes restrictions on the ‘provision of non-core services and infrastructure that might prove unsustainable to ratepayers’. Thirdly, proponents contend that rate capping manages governance risk in the local government sector by constraining council income and thereby limiting council expenditure. Finally, it has been argued that rate pegging reduces the ability of local councils to divert funds from essential infrastructure to other projects as well as expenditure on ‘marginal services’ that are better provided by the private sector or the voluntary sector.

Opponents of rate pegging have contested all of these arguments (Dollery and Wijeweera, 2010). For instance, the claim that rate capping restrains monopoly power and thus increases the supply of municipal services is problematic since rate pegging curtails municipal output by restricting funding. Moreover, the rate peg does not apply to several sources of municipal income, such as water and sewage charges, where monopoly power could also be exploited. Along analogous lines, it is difficult to see how rate capping will dampen cross-subsidisation, given that municipal fees and charges are likely to rise to counteract the negative impact of

rate pegging on municipal revenue. Furthermore, rate pegging has not constrained the provision of 'non-core' local services.

In this regard, Dollery, Wallis and Allan (2006) have demonstrated that an ongoing shift in all Australian state and territory local government systems away from a traditional emphasis on 'services to property' towards 'services to people' has occurred, including in NSW local government. This finding also undermines the claim that rate pegging limits the ability of councils to divert funds from essential infrastructure to other projects as well as the argument that expenditure on local services is better delivered by the private sector and the voluntary sector.

IPART (2008, p.55) has also identified four main arguments against rate capping in the NSW debate. Firstly, it has been claimed that rate pegging constrains the ability of local authorities to provide local services by limiting their financial capacity. Secondly, opponents of rate capping have argued that it has generated a sizeable infrastructure backlog in NSW local government. Thirdly, it is claimed that rate pegging has obliged local councils to impose higher user pays charges to compensate for their loss of revenue from limitations on rate increases. Finally, foes of rate capping have claimed more broadly that the imposition of rate pegging is an attack on local autonomy and the accountability of local government.

Some of these arguments are convincing (Dollery and Wijeweera, 2010). For example, rate pegging clearly constrains the capacity of local councils to provide local services. If the net effect of rate pegging has been to constrain aggregate municipal income, then it must have limited local service provision to some degree. Similarly, the argument that rate capping has stimulated an increase in fees and charges is especially convincing. Indeed, the NSW Treasury (2008, p.14) has itself noted that 'constraints on general revenue distort revenue raising sources and result in higher user charges'.

However, the claim that rate pegging has spawned a local infrastructure backlog is less convincing because it seems that the problem is endemic to the entire country. In its National Financial Sustainability Study of Local Government, PriceWaterhouseCoopers (2006) established that not only was a large number of local councils in all Australian local government jurisdictions financially unsustainable in the long run, but that most local authorities faced a massive local infrastructure backlog, regardless of the rate setting regime in their state. Since this problem is endemic to all Australian jurisdictions and it does not

seem to be more acute in NSW, the NSW local infrastructure backlog cannot thus be solely ascribed to rate pegging.

In addition to these arguments against rate capping in NSW local government, the Local Government and Shires Associations of NSW (2008) proposed a more general argument against rate capping embedded in broader political terms. It claimed that rate pegging has a wider unintended ‘dampening’ effect on rates than simply the pegged limit. Along these lines, the Association (2008, p.14) contended that ‘one likely explanation for the dampening effect is that rate pegging provides a public framework and creates public expectations about maximum rate increases, placing political pressure on councils to stay within the limit and not seek special variations’.

A second element of this argument is that rate capping provides an avenue for local councils to engage in politically expedient ‘blame shifting’ onto the NSW state government. This phenomenon has also been described as ‘learned helplessness’ by Drew (2021). The Association (2008, p.15) argued that rate capping ‘provides an easy default option from both a political and managerial perspective’ since (a) all rate increases can be attributed to the state government; (b) the need for community consultation to justify rate increases is weakened; (c) adhering to the rate peg limit avoids the problems contingent on Special Rate Variation applications; (d) ‘councils can blame the state government for their financial deficiencies’; and (e) the existence of rate capping enables councils to avoid long-term planning. The net result of these factors has been the ‘under-provision of community infrastructure and services’, the emergence of a local infrastructure backlog and an ‘undermining’ of both the financial sustainability of councils and democratic accountability at the local level.

3. Conceptual Foundations of Rate Capping

A voluminous theoretical and empirical literature has examined central and state government limitations imposed on municipal expenditure and revenue-raising activities, including property taxation or rating (see, for instance, Florestano, 1981; Temple, 1996; Mullins and Wallin, 2004; Anderson, 2006; McCubbins and Moule, 2010). Although the majority of this scholarly effort has focused on American local government, where state-imposed constraints on local fees, charges and taxes are common (Figlio and O’Sullivan, 2001), researchers have also studied other local government systems, including European local government systems (Boadway and Shah, 2009; Blom-Hansen *et al.*, 2014) and Australian state and territory local

government systems (Dollery and Wijeweera, 2010; Drew and Dollery, 2015; Dollery and McQuestin, 2017; Yarram, Tran and Dollery, 2021).

The economic foundations for rate pegging derive from the normative prescriptions of standard neoclassical economic theory: local government enjoys a monopoly in essential local service provision. Consequently, in line with other monopoly suppliers, local government will offer these local services at excessive prices and/or in an inefficient manner. This provides the justification for regulation by higher tiers of government to ensure efficient and equitable outcomes (Bailey, 1999). However, in accordance with economic theory, regulation must be judiciously employed since badly designed and implemented regulation can generate worse outcomes than an absence of any regulation (Hillman, 2005).

To maximise economic efficiency, optimal regulation should seek to achieve (a) allocative efficiency, whereby the composition of local services delivered must correspond with local community preferences, and (b) productive efficiency, where local services must be produced at the lowest possible cost. In addition, optimal regulation should attempt to ensure that equity objectives are achieved. For example, essential local services should be delivered to low income households by local authorities at reasonable prices.

It should be stressed that the effective application of regulation is notoriously difficult in all spheres of economic activity, including in local government systems (Bos, 1994). Moreover, regulation is further complicated in local government since local councils enjoy the legal authority to tax, which is a monopoly power lacking in both the private sector and in most public utilities. In addition, in local municipal revenue regulation through rate pegging, regulatory agencies face additional problems since they cannot regulate the specific prices of particular local services but rather must regulate the 'tax-price' of a whole genre of municipal goods and services that are mostly unpriced.

In the theoretical literature, two conceptual models have attempted to explain property tax limitations, such as rate capping (Drew and Dollery, 2015). In the first place, agency theory (Jensen and Meckling, 1976) holds that local citizens (as principals) fear that 'agency failure' by local councils (as agents) can induce excessive local government outlays. Accordingly, local residents thus seek state government intervention through rate pegging to limit excessive expenditure by local authorities.

Municipal councillors are typically elected every four years in NSW local government and local residents can remove elected representatives who do not embody their best interests.

However, the effectiveness of local elections for minimising ‘agency failure’ is limited in at least three ways: (a) high information costs mean that local citizens are often ignorant of excessive and/or unwarranted municipal expenditure (hence the suggestion by Drew (2021) for compulsory short financial sustainability statements to be posted to voters prior to elections); (b) the long period between elections allows extensive ‘agency failure’ to develop; and (c) Cutler *et al.* (1999, p. 320) have argued that ‘candidates come as bundles, so that incumbents might be able to spend more and maintain their position if they satisfy people’s views along other dimensions’. Dollery *et al.* (2006) have gathered these arguments to develop a public choice approach to rate pegging based on voter scepticism over their ability to exercise control of municipal outlays, which gives rise to a desire for state government intervention.

Secondly, personal finance theory (Cutler *et al.*, 1999) holds that local citizens evaluate the value of the local services they receive from their local authorities relative to their municipal tax burden. Thus, the higher the perceived rate of property tax, the more likely it is that a local resident will support rate pegging. Furthermore, significant rises in property taxes predispose local citizens to support property tax limitations. This argument is especially relevant in NSW local government since municipal rates are highly visible as a result of regular rate bills being sent on a quarterly basis to local residents by local councils (Drew and Dollery, 2015).

4. International Empirical Evidence on Property Tax Limitations

Notwithstanding the substantial empirical literature on the impact of revenue and expenditure limitations on local government, a degree of uncertainty exists over their likely consequences (Dollery and McQuestin, 2017). However, extant empirical evidence has shown that important unanticipated and unintended effects frequently occur (Skidmore, 1999; Mullins and Wallin, 2004). For instance, Temple (1996) demonstrated that rate pegging reduced outlays on local services more than on local administration.

From an Australian local government perspective, the international empirical literature has illuminated two relevant aspects of rate pegging (Dollery and McQuestin, 2010; Yarram, Tran and Dollery, 2021). Firstly, limitations on property tax increases can encourage local authorities to raise income from revenue sources other than property taxes. For instance, in his study of 29 American states, Shadbeigian (1999) demonstrated that many local governments substituted foregone property tax income with monies raised under

'miscellaneous revenue'. Along analogous lines, Skidmore (1999) found similar outcomes for 49 American states. In a more recent study, Kousser *et al.* (2008) demonstrated that most US state local government systems increased fees and charges following the application of property tax limitations. Moreover, Mullins and Joyce (1996) examined 48 American states over the period 1970 to 1990 and established that while property tax limitations constrained local taxes, this foregone revenue was replaced by increases in fees and charges. In their study of 1,400 American local governments, Preston and Ichniowski (1991) showed that property tax limitations decreased tax revenue but boosted 'other revenue'.

Secondly, international empirical evidence has demonstrated that property tax limitations do not have a uniform impact across all local councils in a given local government system. By contrast, the impact of rate pegging hinges largely on the characteristics of local authorities. For instance, Brown (2000) showed that in the Colorado local government system the effects of property tax limitations depended on council size by population, with their impact more pronounced in small local authorities. In an analogous study, Mullins (2004) demonstrated that property tax limitations were more potent in poor local authorities.

5. Australian Empirical Evidence on Rate Capping

To date, five scholarly studies have examined the impact of rate pegging in Australian local government. Firstly, Dollery and Wijeweera (2010) investigated rate capping in NSW local government, the conceptual basis for rate capping and the controversy over its desirability, as well as its economic impact on NSW local government financial sustainability compared to other Australian local government systems. Dollery and Wijeweera (2010, p.74) drew two major conclusions from their empirical analysis. Firstly, 'rate-pegging has achieved its basic objective of slowing increases in NSW council rates over time relative to other Australian jurisdictions'. Secondly, 'rate-pegging has enjoyed ongoing and strong public support' that suggests 'the operation of an efficient "political market" in NSW' (Dollery, Crase and Byrnes 2006, p. 397).

Secondly, Drew and Dollery (2015) examined NSW local government with its rate peg compared with (then) uncapped Victorian local government to determine the probable impact of rate capping on Victorian local government. Three dimensions of municipal performance were considered. First, Drew and Dollery (2015) evaluated inter-municipal revenue effort equity by assessing residential tax effort. Residential tax effort measures the proportion of residential rates paid with respect to the total annual incomes accruing to local residents in a

given local government area. Drew and Dollery (2015) found that rate pegging in NSW had significantly *decreased* inter-municipal equity, possibly due to the compounding impact of a rate-cap where initial residential tax effort differed between local councils.

Second, Drew and Dollery (2015) considered the effects of rate capping on financial sustainability by considering local government liabilities per household for NSW and Victorian councils over the period 2009 to 2013. They found that NSW had much greater levels of council debt per household. They also considered the average infrastructure renewal ratio in NSW and Victoria as a measure of the infrastructure backlog and found that NSW had a much larger local infrastructure backlog.

Finally, Drew and Dollery (2015) investigated the claim that rate pegging forced local councils to become more efficient. Using data envelopment analysis (DEA) to study the relationship between inputs and outputs, Drew and Dollery (2015, p. 145) found empirical evidence indicating a 'slightly higher average municipal efficiency for Victorian councils' – a finding starkly at odds with the claims of rate cap proponents.

In a third study, following the approach used by Drew and Dollery (2015), Dollery and McQuestin (2017) empirically investigated the likely impact of the imposition of a rate cap in South Australian (SA) local government by comparing the performance of SA local government with its NSW counterpart using three separate performance indicators (revenue effort, financial sustainability and operational efficiency) for the period 2013 to 2016. Dollery and McQuestin (2017, p.84) found that for revenue effort 'the results from our stratified sample show that rate-capping in NSW has not served to reduce inter-municipal revenue effort inequities'. Furthermore, rate capping is thus 'most unlikely to minimise these inequities in SA local government'. Secondly, they established that the 'claims made by advocates of rate-pegging that it improves financial sustainability are rebutted by our findings'. Employing council debt per capita as a proxy for financial sustainability, Dollery and McQuestin (2017) showed that 'NSW local authorities have much higher debt than their SA counterparts despite the four decade long rate-pegging regime in NSW'. Dollery and McQuestin (2017, p.84) found that the operational efficiency of local councils did not increase under rate capping. Using council expenditure per capita as a measure of the operational efficiency of local authorities, Dollery and McQuestin (2017, p.84) showed that 'rate-pegging does not increase the efficiency of local councils: for each year in our sample, the efficiency of NSW councils falls well below SA councils'.

Dollery and McQuestin (2017, p.84) determined that ‘on all three dimensions of local government examined in our empirical analysis, we find SA councils performance better than NSW local government notwithstanding the latter’s longstanding rate-pegging policy’. Moreover, relative to NSW, ‘SA municipalities exhibit superior performance’. Given these findings, Dollery and McQuestin (2017, p.84) argued that ‘the empirical evidence presented in the paper demonstrates that rate-pegging should not be imposed on SA local government and instead other more promising policies [should be] considered’.

In the fourth study, Yarram, Tran and Dollery (2021) employed expenditure data covering the period 2014/15 to 2017/18 to empirically investigate the short-term effects of rate capping on municipal expenditure in the Victorian local government system to determine whether it had differential effects on expenditure by different categories of local council. Yarram, Tran and Dollery (2021, p.11) determined that ‘it is clear that the impact of rate capping varies between urban and rural councils’. Moreover, ‘rural councils that generally rely more on assessment rates are unsurprisingly unable to incur higher expenditure following a rate-capping’. This contrasts sharply with urban councils ‘that are able to increase total expenditure, perhaps through other sources of funding’. Moreover, with respect to the impact of rate capping on different kinds of municipal expenditure, Yarram, Tran and Dollery (2021, p.11) found that ‘rate-capping reduces outlays, especially on aged and disabled services, in both rural and urban councils’. Furthermore, they found that ‘there is a reduction in expenditure on family and community services in urban councils’.

Yarram, Tran and Dollery (2021, p.17) concluded their study by considering it in the context of the earlier empirical studies on the impact of rate capping on Australian local government. They noted that ‘the findings of this study are broadly consistent with previous results of Drew and Dollery (2015) who found that rate-capping in NSW made its local councils more constrained compared to councils in Victoria before the rate-capping’. They noted further that ‘our findings are also consistent with Dollery and McQuestin (2017) who established that NSW councils under a rate-capping regime suffered in terms of unsustainable financing and lower operational efficiency compared to councils in SA, which did not have any rate limitations’.

In terms of the international empirical literature on the impact of property tax limitations, Yarram, Tran and Dollery (2021, p.17) noted that ‘the findings of this study are also consistent with the findings of Skidmore (1999) and Kousser *et al.* (2008), who established

that limitations on tax and expenditure at the state level are often frustrated by increased user charges’.

Finally, Nahum (2021) considered the impact of the imposition of a rate cap on Victorian local government. Nahum (2021, p.5) argued that ‘far from “protecting” ratepayers (that is, residents), rate caps hurt them, in several different ways’, including ‘compromised service delivery’, lower employment levels and/or lower employee wages amongst those local residents employed in local government, higher fees and charges by local councils and ‘lower expenditures flowing back into the private sector’.

Nahum (2021) examined the empirical magnitude of some of these negative effects. He found that rate capping reduced aggregate Victorian employment by 7,425 jobs in the 2021/22 financial year. This comprised both local government jobs *per se* and indirect private sector positions. Moreover, rate pegging also reduced state gross income by \$890 million in 2021/22. Nahum (2021, p.5) concluded that ‘the costs of suppressed local government revenues, and corresponding austerity in the delivery of local government services, will continue to grow with each passing year if the policy is maintained’.

6. New South Wales Official Reports on Rate Pegging

Numerous official inquiries and reports have considered the impact of rate capping on local government in Australia. Given that NSW local government has had a rate cap continuously since 1977, unsurprisingly most of these official documents have focussed on rate capping in NSW local government. In section 6, we briefly consider recent important official reports and their findings on rate capping in NSW.

In May 2006, the Independent Inquiry into the Financial Sustainability of NSW Local Government published its *Are Councils Sustainable? Final Report: Findings and Recommendations* (sometimes known as the Allan Report) that was prepared for the (then) Local Government and Shires Associations of NSW (LGSA). The Allan Report (2006, p.29) adopted Recommendation 21: Rate Pegging which held that ‘the State Government free councils to determine their own income by removing statutory limitations on their rates (i.e. rate-pegging) and certain fees (e.g. development application processing fees) in return for councils adopting longer term strategic and financial planning with outcome targets’. The Allan Report (2006, p.29) argued that rate deregulation of this kind would ‘bring NSW into line with all other states and territories’ and make each local authority ‘answerable to its local constituency rather than the state for its taxation policy’.

In support of Recommendation 21, the Allan Report (2006, p.202) argued that ‘a sound local government rating system should ideally exhibit four traits; it should be financially adequate, administratively simple, vertically and horizontally equitable and economically efficient’. However, the Allan Report (2006, p.2007) argued that in NSW local government ‘rate-pegging had been a major constraint on councils’ revenue raising capacity causing it to fall behind other states, notwithstanding NSW’s relatively strong property market’. Consequently, in NSW the rating system did not deliver a financially adequate stream of income and hence numerous NSW local authorities could not sustainably finance service provision as well as local infrastructure maintenance and renewal.

In 2015, the NSW Government charged the Independent Pricing and Regulation Tribunal (IPART) with critically examining the municipal rating system in NSW and offering recommendations on how to improve the equity and efficiency of the rating system in order to enhance the financial sustainability of NSW local government in the long-run. IPART examined the valuation method used to calculate rates in NSW, exemptions and rating categories, the impact of population growth on council revenue, the distribution of rates across different ratepayers, as well as rate exemptions and concessions. IPART made various recommendations that sought to maintain average rates paid by current ratepayers, but make rate revenue collection more efficient and equitable.

In its 2016 *IPART Review of the Local Government Rating System: Final Report*, IPART offered various recommendations for improving the NSW local government rating system. These recommendations targeted six main aspects of the rating system. Firstly, IPART called for the adoption of the Capital Improved Value (CIV) valuation method to levy local council rates. Secondly, IPART recommended that the rate cap calculation methodology be modified to include population as part of its formula. Thirdly, IPART proposed that local authorities should be accorded greater flexibility in rate setting in their residential areas. Fourthly, IPART argued that rate exemption eligibility should be revised and based on land use rather than land ownership. Fifthly, IPART called for greater rate relief assistance for pensioners. Finally, IPART recommended that local councils enjoy a greater range of options with regard to setting rates within rating categories. These recommendations were designed to mesh with the existing *Local Government Act 1993 (NSW)*. Indeed, IPART specified in detail how changes to the Act should be framed to embody its recommendations.

In November 2020, the NSW Productivity Commission published its *Review of Infrastructure Contributions in New South Wales: Final Report*. The NSW Productivity Commission (2020, p.39) argued that in NSW ‘local government is constrained in its ability to service growing communities due to the long-standing practice of rate-pegging’, especially since the rate capping formula ‘does not allow councils to increase their rates revenue with population’. A consequence of this constraint has been ‘declining per capita revenue for high growth councils’ that has acted as a ‘disincentive for councils to accept development’. The NSW Productivity Commission (2020, p.39) argued that reform of the rate cap methodology was required to allow for the inclusion of population growth. It argued that rate cap reform along these lines would increase aggregate council revenue by \$18.5 billion over 20 years. This additional revenue could be employed to ‘fund local operating and maintenance costs of providing services to a growing population’, as well as ‘service debt to forward fund infrastructure’, thereby enabling local authorities ‘to better coordinate infrastructure with development’. It thus recommended that subject to review by IPART, the NSW Government should ‘reform the local government rate peg to allow councils’ general income to increase with population’.

In December 2020, the NSW Productivity Commission released its *Final Report: Evaluation of Infrastructure Contributions Reform in New South Wales* prepared by the Centre for International Economics. The *Final Report: Evaluation of Infrastructure Contributions Reform in New South Wales* (2020, p.2) held that there should be ‘reform of the local government rate peg to enable rates revenue to grow in line with population, removing the existing financial disincentive councils face with respect to growth’. The resultant growth in rates revenue would ‘enable councils to recoup the operating and maintenance costs associated with providing services to a larger population’. Moreover, ‘extra revenue can help service debt to forward fund infrastructure, improving the coordination of service delivery with development’.

The *Final Report: Evaluation of Infrastructure Contributions Reform in New South Wales* (2020, p.3) further argued that if this was done, then ‘we estimate that rates revenue would be around \$925 million per year higher’. This additional income could fund ‘the operating and maintenance costs of a growing population, to increase borrowing capacity and help finance debt’.

The *Final Report: Evaluation of Infrastructure Contributions Reform in New South Wales* (2020, p.51) argued that the impact of rate capping on NSW local government had been deleterious, particularly on local authorities with high population growth rates. This sub-category of council had experienced 'slower growth in revenue per capita', 'slower growth in expenses per capita' and 'less improvement in their net operating balance'.

Flowing from the earlier reports by IPART and the NSW Productivity Commission, the NSW Government asked IPART to investigate methods of improving the NSW rate cap regime, including explicit incorporation of population growth. On 25 March 2021, IPART released *Issues Paper - Review of the rate peg to include population growth*, followed by its *Draft Report - IPART Review of the rate peg to include population growth* on 29 June 2021 and its *Final Report - Review of the rate peg to include population growth* on 5 October. In these reports, IPART developed a new methodology to enable local councils to maintain per capita general income over time as their local populations grew. This was done on the assumption that maintaining per capita general income would assist local councils to maintain existing service levels, as well as provide those local services their growing local communities required.

On 9 October 2021, (then) Minister for Local Government Shelley Hancock announced that the NSW Government had accepted IPART's recommended rate peg methodology that incorporated population growth. She argued that the new methodology would generate at least \$250 million in additional municipal revenue (Hancock, 2021). The new rate peg calculation methodology would operate from July 2022 onwards.

7. IPART Rate Peg Methodology

In its *Review of the Rate Peg to include Population Growth: Final Report*, IPART (2021) outlined its new methodology and then applied it to each NSW local council for the 2022/23 financial year to determine the rate cap for each council. The new formula included a population factor that varied for each local council depending on its rate of population growth (IPART, 2021):

Rate peg = change in LGCI – productivity factor + other adjustments + population factor

The new formula employs four independent variables as the basis for calculating the annual rate cap for each council:

- (a) *Change in LGCI* comprises the annual change in the Local Government Cost Index (LGCI). The LGCI measures price changes over a given year for goods, materials and labour employed by an 'average council'. In particular, the LGCI computes the average change in prices of a fixed 'basket' of goods and services used by councils relative to the prices of the same basket in a base period. The LGCI has 26 cost components, containing *inter alia* employee benefits and on-costs, as well as building materials for bridges, footpaths and roads. These cost components embody the purchases made by an average council to pursue its 'typical activities'. IPART employs ABS price indexes for wage costs, producer prices and consumer prices. In calculating these price indexes, the ABS includes quality adjustments in its price measures to accommodate increases in capital and labour productivity.
- (b) *Productivity factor* is included in the formula since productivity increases offset changes in the LGCI. For example, if labour productivity rises, then this will decrease the net price of labour by the extent of the productivity increase. However, as we have seen, since the ABS price index data has already been adjusted for productivity, in practice IPART sets the productivity factor at zero in the formula.
- (c) *Other adjustments* is included in the formula to make provision any additional payments or transfers to local government that may have occurred. For instance, in its 2022/23 rate peg calculations IPART (2021, p.2) included a downward adjustment of 0.2% to remove the additional revenue that was included in the 2021-22 rate peg to meet the costs of the 2021 local government elections.
- (d) *Population factor* is calculated for each local council. The population factor is equal to the annual change in residential population adjusted for revenue derived from supplementary valuations. In particular, the population factor equals the maximum change in the residential population less the supplementary valuations percentage or zero. Local authorities with negative population growth receive a population factor of zero. This means that no local council accrues a smaller increase in general income, relative to a rate peg calculated using the LGCI, a productivity factor and any adjustments. Those local councils that accrued more from supplementary valuations than required to maintain per capita general income as their population grows will also have a population factor of zero. The population factor is computed employing the following formula: $Population\ factor = \max(0, change\ in\ population - supplementary\ valuations\ percentage)$

The change in population is calculated using the *Estimated Residential Population* (ERP; emphasis added) published by the ABS.

IPART calculated the rate peg for the financial year 2022/23 using the new formula embodying LGCI change, a population factor and an adjustment to remove the costs of the 2021 local government elections that were included in the 2021-22 rate peg. This generated a 2022/23 rate peg for each NSW local authority at between 0.7% and 5.0%, contingent on its population factor. The population factor ranged between 0% and 4.3% (IPART, 2021, p.1).

8. Problems with the IPART Rate Peg Methodology

In addition to the myriad of conceptual and empirical problems with property tax limitations, such as the NSW rate capping regime, identified in the scholarly literature that we considered in sections 2, 3, 4 and 5 of this Report, several analysts have found significant flaws in the new IPART rate peg methodology with its population factor approach. In particular, while acknowledging that the introduction of different rate caps for different local councils represented a significant improvement in NSW rate pegging, Drew (2021; 2022) recognized three major problems with the new IPART rate cap formula.

Firstly, the use of population size in the IPART rate peg methodology is highly problematic for at least three reasons (Drew (2021; 2022)). Firstly, given the composition and range of services provided by NSW local councils, which concentrate on ‘services to property’ rather than ‘services to people’ (Dollery, Wallis and Allan, 2006), the number of rateable assessments in a given local government area is a much more accurate proxy variable for municipal size than absolute population size (Drew and Dollery, 2014). Secondly, it is universally recognized that population estimates of intercensal years contain significant errors, ranging from 2.4% in large councils to 15.6% in small local authorities (Drew, 2022). Thirdly, given the potential magnitudes involved, annual population changes can generate significant changes in rates under the IPART methodology, which can be highly destabilising to municipal financial planning. It follows that *if*¹ we incorporate a population factor into the rate cap, then it is best to employ a five-year moving average to reduce volatility and partially mitigate the large intercensal errors (give that censuses only take place every five years).

Secondly, the LGCI is plagued by a number of problems that render it entirely inappropriate as a reliable index of municipal costs. Drew (2022) has identified six main problems with the

¹ As we will show, there are much more appropriate ways of compensating councils for growth rather than by using a population number known to be both inaccurate and irrelevant.

LGCI. Firstly, the LGCI contains too few items and thus cannot accurately represent the typical 'basket of goods and services' purchased by NSW local councils. Secondly, given the fact that the composition of municipal input consumption changes over time, the weightings embodied in the LGCI should be calculated as a three-year moving average rather than a fixed ratio recalculated every four years (IPART, 2021). The current approach of altering the weightings is too infrequent and accordingly exacerbates volatility. Thirdly, given that the LGCI data employed to calculate rate caps in the forthcoming financial year reflects the previous annual price data, it is 'rearward facing'. This is particularly problematic when cost inflation occurs, as it is at present with all the various supply shocks escalating prices. Fourthly, the LGCI represents a composite of cost indexes derived from different tiers of government - as IPART (2021) itself has conceded - rather than a cost index of NSW local government *per se*. Fifth, the LGCI has no regional weightings for NSW local government despite significant regional cost disparities across NSW (arising from the very disparate municipal service profile between various regions). Finally, the LGCI ignores the operating environment in which local authorities operate, even though this represents a major cost factor for local councils.

Finally, the IPART methodology for annual rate cap determination places two important categories of NSW local council at greater financial risk: rural local authorities and retirement community councils. For example, many rural councils have experienced ongoing population declines, together with an ageing population profile. This not only diminishes their rateable base, but also generates a higher proportion of pensioner rate rebates, which are not fully funded by NSW government grants (Dollery, Johnson and Byrnes, 2008). Similarly, for local councils with growing populations substantially comprised largely of retirees, like Port Stephens Council, a high proportion of older residents typically impose substantial additional service demands on local councils. A rate cap calculation formula that does not recognise the differential demands on different kinds of local council will thus place more councils at risk.

9. Twenty Questions in the IPART Review of Rate Peg Methodology: Issues Paper

Before embarking on the journey of answering IPART's twenty questions, it is apposite that we first pose a question of our own:

What is the goal of the NSW Rate Cap regime?

Until IPART and the NSW Government are able to clearly articulate the basic aim of their rate cap regime, it is hard to believe that they will ever experience any success in achieving its unstipulated aim.

Official documentation implies various objectives, including: (a) reduced rates, (b) maintain financial sustainability, (c) simplicity and (d) accuracy. However, most of these implied goals contradict with one another. For instance, it is difficult to see how reducing rates might be expected to result in financial sustainability (without additional measures being implemented). In similar vein, it is clear that a myopic pursuit of simplicity must result in concomitant loss of accuracy (and hence also financial sustainability).

Thus, the most important question that ought to have been posed at the outset has been sadly eschewed and this will likely prove to be the Achilles heel of any review of the rate cap.

1. To what extent does the Local Government Cost Index reflect changes in councils' costs and inflation? Is there a better approach?

As we have seen in section 8 of this Report, the Local Government Cost Index (LGCI) is highly problematic and it is entirely inappropriate as a reliable index of municipal costs in NSW local government. Drew (2022) pinpointed six major deficiencies the IPART LGCI. In the first place, the LGCI comprises too few items and thus does not accurately depict the typical 'basket of goods and services' purchased by NSW local councils. Secondly, given the fact that the composition of municipal input purchases evolves through time, the weightings embodied in the LGCI should be calculated as a three-year moving average rather than a fixed ratio recalculated every four years (IPART, 2021). The present method of changing the weightings is too infrequent and thereby exacerbates the volatility of the LGCI. Thirdly, since the LGCI data employed to calculate rate caps in the forthcoming financial year reflects the previous annual price data, it is 'rearward facing'. This is particularly problematical when cost inflation arises, as it presently has, with various supply shocks escalating prices. Fourthly, the LGCI represents a composite of cost indexes derived from different tiers of government - as IPART (2021) itself has conceded - rather than a cost index of NSW local government *per se*. Fifth, the LGCI has no regional weightings for NSW local government despite significant regional cost disparities across NSW. Finally, the LGCI disregards the operating environment in which local authorities operate, even though this represents a major cost factor for local councils. In other words, the local government taxes in each council area are the price for quite disparate baskets of goods and services: it thus follows that changes to

these prices should vary in response to the different goods and services that make up the particular baskets.

A much better approach can easily be identified. As we have seen, the current LGCI employed by IPART is awash with problems that render it unsuitable as a basis for determining cost increases in operation of NSW local government. Given the spatial variation in municipal costs and municipal resource use across NSW, especially between metropolitan councils and their regional, rural and remote counterparts, Drew (2021) has argued that different cost indexes should be employed for – at a minimum – the four main categories of council (i.e. metropolitan, regional, rural and remote councils). The construction of these indexes should include the use of three-year moving averages of the mix and weighting of the basket of items in the index, a price increase projection for the forthcoming financial year and consideration of the operating environment of the four different categories of council. In particular, the environmental cost factor could be calculated in a precise manner by using econometric techniques on a three-year panel of socio-demographic data along with publicly available financial information. Moreover, using moving averages as suggested would considerably reduce volatility and thereby partially mitigate the problem whereby some local councils find it difficult to predict future rate caps for budgeting purposes.

It is also important to take into account the macro-economic challenges and trends that might face councils in the forthcoming financial year in determining the final rate cap. Put differently, the rate cap cannot entirely comprise an empirical exercise, since judgement must be exercised on future inflationary pressures.

2. What is the best way to measure changes in councils' costs and inflation, and how can this be done in a timely way?

As we have noted under question 1 above, much better approach exists. Given the geographical variation in municipal costs and municipal resource employment across NSW, particularly between metropolitan councils and their regional, rural and remote counterparts, Drew (2021) contended that different cost indexes should be employed for metropolitan, regional, rural and remote councils. These indexes should be constructed on the basis of three-year moving averages of the mix and weighting of the basket of items in the index, a price increase projection for the forthcoming financial year and an assessment of the operating environment of the four different types of council. Moreover, the environmental cost factor could be computed with precision by using econometric techniques and a three-

year panel of socio-demographic data together with publicly available financial information. Furthermore, employing moving averages would substantially reduce volatility and thereby partially mitigate the problem whereby some local councils find it difficult to predict future rate caps for budgeting purposes.

Moreover, if we are truly interested in accuracy then a number of changes to extant practice must follow. First, the rate cap needs to be issued far more precisely – to at least three decimal places – which would be reasonable given that it is multiplied through to millions of dollars of revenue². It is simply not acceptable to have material and avoidable rounding errors given that much more precise figures could easily be generated from index numbers and the like. Second, we need to use far more inputs to mitigate extant extreme synecdoche. We also need to use more precise inputs, rather than relying on known inaccurate proxies (such as wage price indexes³, CPI, or population estimates that we can be certain do not reflect actual costs). Third, this considerably expanded basket of goods and services purchased by local councils need to be re-priced at least annually and at a time more proximate to the use of the LGCI.

In addition, as we noted under question 1 above, it critical to consider the main macro-economic trends that might face local authorities in the forthcoming financial year in determining the final rate cap. In essence, the rate cap cannot entirely consist of an empirical exercise; judgement must be exercised on future inflationary pressures.

3. What alternate data sources could be used to measure the changes in council costs?

There is a wide range of actual and accurate data that ought to be used in place of the proxies that are currently heavily relied upon. This includes: (i) actual wage increase data for local government employees, (ii) actual auditing costs, (iii) actual audit committee costs, (iv) number of assessment data (that is both more closely related to the cost of local government provision and also far more accurate and timely), (iv) actual remuneration rulings for councillors, (v) the actual costs for hundreds of major items used by local governments on a regular basis, (vi) precise operating environment factors generated econometrically, (vi)

² Moreover, it would seem a relatively straight-forward matter to ensure that any rounding error in a given year was mitigated in the next year.

³ The use of the WPI is particularly perplexing given both the ease of using actual local government wage cost data and the size of this component (about a third of most NSW local council costs).

revaluation adjustment data⁴, (vii) precise costs for holding elections and (viii) precise compliance costs.

4. Last year we included a population factor in our rate peg methodology. Do you have any feedback on how it is operating? What improvements could be made?

As we demonstrated in section 8 of this Report, the adoption of population size in the IPART rate peg methodology is highly problematical for three main reasons. In the first place, if we consider the mix of municipal services provided by NSW local authorities, which comprise mainly ‘services to property’ rather than ‘services to people’, the number of rateable assessments in a given local government area represents a much more accurate proxy variable for local government size than absolute population size, as demonstrated by Drew and Dollery (2014). Secondly, it is widely agreed that population estimates of intercensal years typically contain substantial errors, ranging from 2.4% in large councils to 15.6% in small local councils (Drew, 2022). Moreover, the ABS population data is often lagged by one or two years. Thus it is known to be inaccurate and irrelevant at the time of its use in the construction of the rate cap. Third, given the population magnitudes involved, annual population changes can produce significant changes in rates under the IPART methodology, which can be highly destabilising to local government financial planning. As we showed in section 8 of this Report, if we incorporate a population factor into the rate cap, then we should use a five-year moving average to reduce rate income volatility and partially alleviate the large intercensal errors (given that censuses only take place every five years).

The simplest and most effective way to compensate councils for growth in the local government area – consistent with one of the stated goals of the rate cap (to reduce pressure on the tax liability for the average ratepayer) – is to apply the cap to the average rate for each of the categories. As we have already described in previous submissions, this automatically adjusts for growth in a way that uses reliable and timely data (number of assessments⁵). It also has the benefit of discouraging the use of minimum and base rates that are clearly contrary to another purported goal of the rate cap (distributive justice (Drew (2021))).

⁴ The aggressive revaluation of assets by the Auditor-General is significantly affecting the income statements of Councils – if we want local governments to aspire to balanced budgets then these costs ought to be recognised (because it can’t be reliably assumed that previous rate caps recognised the costs of these long-lived assets in earlier periods of cost-allocation).

⁵ Notably organic growth (for instance births in an existing household) exert very limited cost pressures on councils compared to the subdivision of properties and establishment of new developments. Thus, responding to new assessments is likely to be much more important than responding to additional people.

However, the fact remains that a factor for growth disadvantages most rural and remote communities in a relative sense. These rural and remote councils are the most financially unsustainable category of local governments in NSW. Thus, a factor to compensate for operating environment (as we outlined earlier) is an absolutely essential element of any new rate cap methodology if we are to avoid further financial collapses in NSW local government.

5. How can the rate peg methodology best reflect improvements in productivity and the efficient delivery of services by councils?

If the NSW Government wishes to reflect improvements to efficiency and productivity, then it will be necessary to first accurately measure these constructs. Extant measures – such as operational expenditure per capita – are woefully inadequate as proxies for efficiency (Drew and Dollery, 2015). Instead, intertemporal data envelopment analysis (with appropriate adjustments) would need to be employed. Moreover, it would be essential to have an annual consistent survey of citizen satisfaction (or another reliable proxy for service quality) to ensure that supposed efficiencies were indeed the case (rather than merely reductions to service quality).

However, there is significant potential that policy adjustments to reflect efficiency would have serious, undesirable and unintended consequences. First, it would entirely remove the incentive for local councils to improve efficiency, because doing so would reduce their revenue. Accordingly, an efficiency dividend could well run contrary to the long-run interests of ratepayers. Second, it would further exacerbate the financial sustainability crisis that already grips around two-thirds of NSW local councils. At present, most councils actively seek out efficiencies as a way to partially-mitigate perceived inadequacies in rate cap dictates. If IPART or the NSW Government were to reduce the rate cap according to efficiencies achieved, then this would likely bring forward the time for a looming local government financial crises.

Most councils in NSW are active in pursuing efficiencies to try to maintain a semblance of financial sustainability. It would thus be a grave mistake to do anything to dissuade or punish them for these efforts (especially if we were to use inaccurate measures of efficiency as is currently the case).

6. What other external factors should the rate peg methodology make adjustments for? How should this be done?

As we have noted earlier, any rate peg calculation method must embody ‘forward facing’ elements, especially with respect to inflationary pressures. This means *inter alia* that the computation of the rate cap will embody forecasts of future cost increases and price rises that NSW local councils will experience. As we have suggested under section 10 of this Report, a rate cap setting panel should be established comprising *bona fide* experts on local government economics who can offer informed judgements on future cost increases and price rises in NSW local government.

Moreover, as the RBA (Lowe, 2021) has graphically illustrated in recent times, making predictions regarding likely inflation outcomes is thwart with danger. For this reason, it is essential that our recommendation for a rate cap range, made in earlier submissions, be adopted. Specifically, offering councils a rate cap range reflective of the uncertainty in both future predictions and past data⁶ allows local decision-makers to better tailor their tax increases to their local knowledge regarding the specific challenges emerging in their council area. It also improves democratic accountability and reduces the problem of learned helplessness that has been noted in the literature (Drew, 2021).

7. Has the rate peg protected ratepayers from unnecessary rate increases?

In the short-run a rate peg might protect ratepayers from increases to their tax liability. However, this protection currently comes at significant costs especially to the most vulnerable in the community.

What typically occurs is that councils delay required tax increases because of the expense and political controversy likely to be engendered by a Special Rate Variation (SRV). However, ultimately matters come to a crisis point and then ratepayers are confronted with an extraordinarily large rate increase. It is not hard to find evidence of hefty local rate increases in the IPART determinations, such as 94.787% for Balranald in 2018-19 and 53.5% for Cootamundra-Gundagai in 2021-22. Indeed, there are dozens of SRVs of thirty percent or more. It is hard to believe that residents in these areas would agree that the rate cap saved them from unnecessary rate increases! It is much more likely that they would contend that the rate cap merely spared them a little bit of pain over many years that metastasized into a great burden later because it had been left un-checked.

⁶ Able to be precisely quantified using relatively rudimentary statistical measures.

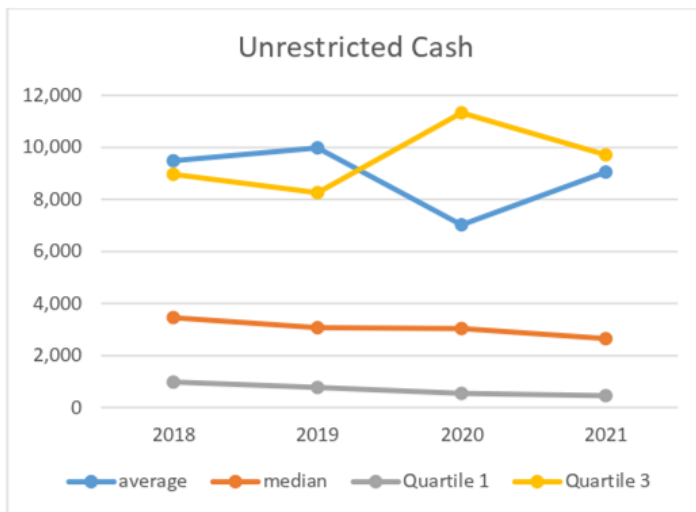
Moreover, deferral of needed rate increases, which is a prominent feature of the rate cap regime, also presents significant intergenerational equity risks. This occurs because existing residents may avoid needed rate increases for a decade or more which are ultimately forced onto contemporary ratepayers who may not have been beneficiaries of past expenditure (for instance if they only recently became homeowners in the local government area).

Furthermore, large and unexpected SRVs needed to mitigate inadequate rate caps over many years tend to disproportionately hurt the most disadvantaged in our communities. These people are the least likely to have savings to draw on to mitigate unexpected rate shocks that accompany SRVs. In addition, the services most likely to be cut by councils to cope with constraints on rate revenue tend to be discretionary projects such as programs tailored to the aged, unemployed, disabled or culturally diverse groups. This is the stark consequence of less-than-competent execution of seeking to reduce ‘unnecessary’ tax increases.

For all these reasons, in our previous work, we have strongly advocated for automatic triggers linked to a competent financial sustainability monitoring system (which sadly is not our current system). Automatic triggers would force councils to apply for a SRV when data demonstrated that financial sustainability had waned significantly, thus avoiding inappropriate delays to adjust rates which ultimately result in unacceptable large rate shocks.

8. Has the rate peg provided councils with sufficient income to deliver services to their communities?

Financial failures in NSW local government, together with dwindling cash reserves (that have now reached critical levels for median and quartile 1 councils) clearly demonstrate that the rate peg has not delivered sufficient income for councils and their communities. Indeed, frequent approvals of hefty SRVs to address ‘financial sustainability’ submissions to the IPART, also underline the inadequacy of current practice.



It is unlikely that a ‘one-size-fits-all’ rate cap will ever be able to provide the disparate NSW cohort of councils and communities with sufficient income to deliver needed services. In accordance with the decentralization theorem, each council provides a different set of goods and services tailored to the particular tastes and preferences of their citizens. This is the whole point of decentralized local government. Furthermore, each community faces different challenges, operating and economic environments. Thus, it follows that each local council needs the flexibility to set the particular rate of the increase to their specific basket of goods provided according to their superior local appreciation of local conditions. This can best be achieved by providing a short range of rate cap for each major category of local government and trusting the democratic accountability and high professionalism of local government decision-makers to make appropriate decisions about the precise price rise required for their specific councils.

9. How has the rate peg impacted the financial performance and sustainability of councils?

As we have seen in section 5 of this Report, Dollery and McQuestin (2017) empirically investigated the likely effects of a rate cap on South Australian (SA) local government by comparing the performance of SA local government with NSW local government employing three performance indicators (revenue effort, financial sustainability and operational efficiency) over the period 2013 to 2016. Dollery and McQuestin (2017, p.84) established that ‘rate-capping in NSW has not served to reduce inter-municipal revenue effort inequities’. Moreover, rate capping is thus ‘most unlikely to minimise these inequities in SA local government’. In addition, Dollery and McQuestin (2017) found that the ‘claims made by proponents of rate-pegging that it improved financial sustainability’ were falsified by their

findings. For example, comparing council debt per capita as a proxy for financial sustainability, Dollery and McQuestin (2017) found that ‘NSW local authorities have much higher debt than their SA counterparts despite the four decade long rate-pegging regime in NSW’. Furthermore, Dollery and McQuestin (2017, p.84) established that the operational efficiency of local councils did not increase under rate capping. Using council expenditure per capita as a measure of the operational efficiency of local councils, Dollery and McQuestin (2017, p.84) demonstrated that ‘rate-pegging does not increase the efficiency of local councils: for each year in our sample, the efficiency of NSW councils falls well below SA councils’.

In sum, Dollery and McQuestin (2017, p.84) found that ‘on all three dimensions of local government examined in our empirical analysis, we find SA councils performance better than NSW local government notwithstanding the latter’s longstanding rate-pegging policy’. Furthermore, compared to NSW, ‘SA municipalities exhibit superior performance’. In light of their findings, Dollery and McQuestin (2017, p.84) concluded that ‘the empirical evidence presented in the paper demonstrates that rate-pegging should not be imposed on SA local government and instead other more promising policies [should be] considered’.

10. In what ways could the rate peg methodology better reflect how councils differ from each other?

Following from our observations under question 1 above on regional variations in the LGCI, different rate caps should be calculated for councils falling in (at least) the four main municipal categories in NSW local government (metropolitan, regional, rural and remote councils). This will not only more accurately reflect the different operating environments facing these categories of council, but also facilitate comparisons between the performance of local councils in each category. As a consequence, there will be greater transparency for local residents and more accountability for local councillors.

As noted in this Report as well as in our earlier submission, the rate cap should also be provided as a range for these four main categories of councils. This will allow local government decision-makers to use their superior knowledge of local conditions to set a precise price increase for the basket of goods and services that best reflects their community’s specific needs and circumstances. It will also promote democratic accountability and combat learned helplessness.

People outside of Sydney rarely understand the importance of rural councils having the flexibility to tax at higher rates in good agricultural seasons to build up reserves against local economic shocks arising from poor agricultural seasons at other times. Rural economies are very dependent on weather conditions, as well as commodity prices, and a failure to provide the flexibility to properly respond to prevailing conditions has caused much harm to rural communities. Accordingly, a flexible range of rate caps is especially important in rural areas.

11. What are the benefits of introducing different cost indexes for different council types?

As we have observed, given the spatial variation in municipal costs and municipal resource use across NSW local government, especially between metropolitan councils and their regional, rural and remote counterparts, Drew (2021) and others have argued that different cost indexes should be employed for (at a minimum) four main categories of council (metropolitan, regional, rural and remote councils). The construction of these indexes should include the use of three-year moving averages of the mix and weighting of the basket of items in the index, a price increase projection for the forthcoming financial year and consideration of the operating environment of the four different categories of council. In essence, using moving averages as suggested would considerably reduce volatility and thereby partially mitigate the problem whereby some local governments find it difficult to predict future caps for budgeting purposes.

However, if we truly wished a rate cap to be responsive to the particular needs and circumstances of different communities then it would either be: (a) necessary to have a much more carefully assembled LGCI constructed for each individual council, or (b) a rate cap range provided to each category of local government so that relevant decision-makers might use their superior local knowledge of the precise circumstances faced by their communities to set an appropriate price increase.

12. Is volatility in the rate peg a problem? How could it be stabilized?

A certain degree of volatility in the rate cap is to be expected. However, what is problematic is when the volatility is *unanticipated* and out of line with official Australian Bureau of Statistics (ABS) CPI and PPI data. Put differently, it is the volatility between the expected rate cap and the actual rate cap proclaimed that is the real problem for local government. Indeed, current instructions for councils to assume a rate cap of 2.5% (which does not seem to have changed for well over a decade) should be reviewed far more regularly to avoid significant errors creeping into LTFP and thereby exposing communities to fiscal risk.

As we have already detailed, the rate cap can be stabilized by using moving averages. However, it is also important that far more up-to-date data is used in the calculation of the rate cap. Moreover, the gap between expected rate cap and actual rate cap can be redressed by also considering forward-looking indicators when determining the rate, as well as issuing a final cap at a time much closer to when councils might reasonably be expected to be incorporating it into their decision making (i.e. March-May each financial year). In this regard it would seem prudent to provide an indicative rate cap early on for the drafting of budgets, but only proclaim the final rate cap proximate to its final use.

13. Would councils prefer more certainty about the future rate peg, or better alignment with changes in costs?

It should go without saying that local councils and local communities alike would prefer a rate cap that was accurate and adequately met the demands of financial sustainability. Certainty that the rate cap would be appropriate and responsive to actual economic conditions is much preferred to certainty about it being a particular number. At present, there is little confidence in the NSW local government community that future rate caps will be appropriate for the economic conditions that actually prevail at the relevant time. This represents a substantial problem that IPART and the NSW government must respond to.

14. Are there benefits in setting a longer term rate peg, say over multiple years?

Given that the RBA informed us in November 2021 that inflation would be transitory (Lowe, 2021), it is hard to imagine how IPART might think that an accurate long-term rate cap could possibly be divined. As we have already stressed, it is not certainty in a particular number that is at stake here. Rather local councils simply need to be certain that the rate cap will be appropriate for the specific conditions that they face at the relevant time.

15. Should the rate peg be released later in the year if this reduced the lag?

As we have already outlined, an indicative rate cap should be released at around the same time as occurs at present to assist with forward budgeting. However, the final rate cap should certainly be proclaimed as late as practical (i.e. April-May each financial year) in order to ensure that it is sufficiently responsive to prevailing macro-economic conditions. This is particularly important in a high inflation environment where macro-economic forces are volatile and unpredictable. Indeed, had this practice been adopted in the past, local councils

and local communities would have been spared the unnecessary cost and time involved in the recent ASV.

16. How should we account for the change in efficient labour costs?

As we detailed in our response to question 5 it would be a grave mistake to penalize councils for efficiency improvements. First, it would be necessary to measure efficiency correctly (which is presently not done owing to methodological and data problems). Second, it would likely result in deleterious unanticipated consequences.

17. Should external costs be reflected in the rate peg methodology and if so, how?

It is not quite clear what IPART means by 'external costs'. However, certainly all costs must be considered as part of the compilation of a competent rate cap.

At present it appears that many important costs are not considered, such as new compliance costs (like the ARIC committees and the significantly higher audit costs after central auditing), cost-shifting and aggressive revaluations of existing assets pursued by auditors (that should have been reflected in past rate caps but certainly have a large bearing on current bottom lines).

Moreover, sensible adjustments need to be made to the permissible general income calculation to account for the portion of the pensioner rebates *not* refunded by the NSW Government (i.e. the notional general income should be increased by the amount of the rebates *not* received back as a subsidy). This simple change would mean that rural and fringe councils, which are often in the most precarious financial position, would no longer be penalised by the higher and increasing proportion of pensioners that choose to live in their areas.

In addition to calculating the rate cap so as to minimise uncertainty and reduce income volatility, it is also important to take into account the macro-economic challenges and trends that might face councils in the forthcoming financial year(s) under the stipulated rate cap. Put differently, the rate cap cannot be a purely empirical exercise; judgements must also be made about future inflationary pressures and other external forces that will impinge upon council costs.

18. Are council-specific adjustments for external costs needed, and if so, how could this be achieved? Please see our response to question 17.

19. What types of costs which are outside councils' control should be included in the rate peg methodology?

As detailed in our response to previous questions, adjustments must be made for a range of compliance, audit revaluation, cost-shifting and pensioner-discount costs. Indeed, adjustments should have been made for the substantial direct and indirect costs associated with COVID requirements and it would be appropriate to include a catch-up factor for this in the next rate cap.

Given the problem with sourcing appropriately trained staff, especially in rural and remote areas, it would also be appropriate to adjust rate caps for staff training and relocation expenses (or alternatively these costs could be reflected in the notional general income calculation).

In addition, it is absolutely essential that costs associated with local economic shocks are reflected in rates. This is particularly important in rural areas where climatic conditions and changes to commodity prices can have large effects on both 'capacity to pay' and 'need' for local government services (and hardship provisions).

As we have suggested a number of times, a rate cap range will often be the best way to reflect external costs that are specific to particular councils. Often it would not be possible for IPART to understand or quantify the myriad of specific external costs faced by various local communities at particular times. We need to trust to the superior local knowledge of local decision-makers to do so. Moreover, the democratic process has a built-in accountability mechanism to ensure that a rate cap range would not be exploited (although we note that simple reporting by IPART, along with pre-election fiscal statements long championed by scholars such as Drew (2021), could also act as an effective check on opportunistic behavior).

20. How can we simplify the rate peg calculation and ensure it reflects, as far as possible, inflation and changes in costs of providing services?

As we laid bare at the outset, a competent rate cap needs to have a clearly articulated purpose. We do not believe that simplicity ought to be the primary purpose of a rate cap. Indeed, most of the inaccuracy and subsequent fiscal damage caused by the rate cap has come about because of a desire to make things simple (often through the inappropriate use of indexes).

The costs of getting rate caps wrong are substantial, both in terms of financial sustainability as well as the broader social costs to the most vulnerable in our communities. We suspect that simplicity is a goal motivated in part by the desire to keep IPART/NSW government costs down. However, there is clearly a multiplier effect on the costs of inaccurate rate caps. Thus, it should be clear that the prudent course of action would be to invest more adequately in an accurate rate cap, better tailored to the needs of particular communities. To borrow a phrase from Bird et al. (2015): ‘to buy cheap methodology is to buy dear in the longer term’.

10. Recommendations

In this Report, we have (a) considered the major arguments in the ongoing debate in NSW local government over the impact of rate capping; (b) we examined the various theoretical considerations on the nature of property tax limitations and their regulation; (c) we surveyed the international empirical literature on the impact of property tax limitations; (d) we discussed the Australian empirical literature on the impact of rate pegging in local government; (e) we considered the findings of recent inquiries and official reports on rate capping in NSW local government; (f) we outlined the new IPART methodology for calculating the annual rate cap that includes a population growth factor; (g) we examined various problems inherent in the IPART methodology; and (h) we provided answers to the twenty questions provided by IPART (2022) in its *Issues Paper*. We now offer several recommendations for improving the municipal rating system in NSW local government.

As we have demonstrated in this Report, the longstanding rate cap regime in NSW local government has had a damaging impact on municipal performance, especially the continuing inadequacy of income from rates, related ongoing problems with the financial sustainability of NSW local government and associated inadequate infrastructure maintenance and renewal (Dollery, Johnson and Crase, 2006). Moreover, as we have shown in the Report, the new IPART rate cap methodology is seriously deficient and it will accordingly further damage the financial sustainability of NSW local government (Drew 2021; 2022).

Two alternative generic approaches of improving the NSW local government rating system exist:

RECOMMENDATION 1: ‘FIRST-BEST’ APPROACH ABOLISH RATE CAPPING

A ‘first-best’ approach would be for the NSW Government to simply abolish rate pegging and grant local councils the freedom to strike their own rates and be held accountable by their

own local residents. As we have demonstrated in this Report, this approach accords with both economic theory on optimal municipal property taxation and local democratic accountability, as well as the weight of international and Australian empirical evidence on property tax limitations.

However, this optimal approach involving the abolition of the rate cap in NSW local government faces the harsh political reality that it is politically extremely difficult to remove rate pegging from NSW local government. In this regard, Drew (2021, p.111) observed that 'no political party is likely to voluntarily remove existing tax limitation regimes because there is a considerable risk that taxes would be increased soon after, and the party facilitating this would be greeted with the displeasure of voters at the next higher tier election'. Moreover, 'because taxation limitations are a politically popular way of responding to cost of living pressures – at no immediate cost to the instigator – their incidence is only likely to increase in future'.

RECOMMENDATION 2: 'SECOND-BEST' APPROACH REDESIGN RATE CAPPING

A 'second-best' pragmatic approach must accept that rate capping will remain an unassailable feature of NSW local government, regardless of the political complexion of the state government. We thus contend that reform should instead focus on removing the worst features of the NSW local government rate pegging regime. Put differently, a 'second-best' approach should concentrate on improving the IPART rate cap methodology.

Drew (2021, pp.111-114; 2022) has advanced several recommendations for reforming rate caps which we have augmented with additional suggestions. Firstly, as noted earlier, we recommend different cost indexes be employed for metropolitan, regional, rural and remote councils. As we have seen, the current LGCI employed by IPART is awash with problems that render it unsuitable as a basis for determining cost increases in operation of NSW local government. Given the spatial variation in municipal costs and municipal resource use across NSW, especially between metropolitan councils and their regional, rural and remote counterparts, Drew (2021) argues that different cost indexes should be employed for – at a minimum – the four main categories of council (metropolitan, regional, rural and remote councils). The construction of these indexes should include the use of three-year moving averages of the mix and weighting of the basket of items in the index, a price increase projection for the forthcoming financial year and consideration of the operating environment

of the four different categories of council. In essence, using moving averages as suggested would considerably reduce volatility and thereby partially mitigate the problem whereby some local governments find it difficult to predict future caps for budgeting purposes.

It is also important to take into account the macro-economic challenges and trends that might face councils in the next year when determining the final cap. Put differently, the rate cap cannot be a purely empirical exercise; judgements must also be made about future inflationary pressures and the like.

Secondly – and following from our first recommendation - we contend that different rate caps be calculated for councils falling in the four main municipal categories in NSW local government (metropolitan, regional, rural and remote councils). This will not only more accurately reflect the different operating environments facing these categories of council, but it will also facilitate comparisons between local council outcomes in each category. Accordingly, there will be greater transparency for local residents and more accountability for local councillors.

Thirdly, we recommend that a rate cap setting panel, as well as the SRV assessment panel, should include at least one scholarly local government expert. Scholarly knowledge of rate cap theory and sophisticated empirical techniques are clearly important for the development of a sound cap. Moreover, scholars are perceived to have greater independence (thus strengthening perceptions for a range of rate cap stakeholders) and can bring new insights to deliberations. Many of the problems associated with the recent changes would have been avoided if a suitably credentialed person was on the deliberative panels. It is thus wise to address this gap to avoid problems in the future.

Fourthly, we recommend that the rate cap should be based on the average rate for each category of property. As we have seen, the IPART rate cap methodology calculates the annual rate cap for each council based on its total property tax revenue from the previous financial year. Changing to a calculation based on typical (mean) rate impost will have significant benefits for local authorities. For instance, it will mean that the construction of new dwellings and businesses in a given local government area will increase the total tax intake. This will better enable local councils to absorb the costs of growth, including the need for additional local infrastructure investment. It would also mean that the inaccurate and controversial population growth factor would be rendered redundant.

To calculate the cap, the average of each category (from the previous period) would need to be inflated by the specific cap for the particular type of council, then multiplied by the number of assessments in the given category as at the most recent record date. The total tax take would then be equal to the sum of the various category calculations.

A rate cap based on the averages for each category will also encourage more prudent use of minimum rates and base rates. This implies that it will thus contribute to greater distributive justice. Furthermore, an approach based on averages is more consistent with the objectives of a rate cap; that is, to avoid rate shock for the typical resident. By setting rate caps on the foundation of the typical rate imposed on each category of ratepayer we are much more likely to avoid rate shock for the typical ratepayer.

Fifthly, we recommend that the rate cap should be provided within a small range rather than as a single set number. A rate cap should not be a single figure for each council, but instead encompass a small range of potential rate increases (thus, for instance, a rate cap can be expressed as 2.4 to 3.0% rather than simply 2.7%). This would have a number of advantages. Firstly, it would diminish much of the 'learned helplessness' and 'blame shifting' inherent in the current rate cap regime. Second, it would enable councillors to lessen any error in the calculation or calculation methodology. Third, it would allow for local councils to adjust to changes in conditions that occur in the long time-span between promulgation of the rate cap and the start of the new financial year. Fourth, it would empower regulators to explicitly include the statistical error term associated with any empirical calculation. Fifth, it would reassert democratic accountability and would give councillors greater opportunity to respond to community circumstances and community preferences. A rate cap incorporating a small range would still reduce the potential for monopolistic excesses, but it would do so in a manner that respects both the uncertainty of the rate cap construction as well as local democratic principles.

Sixthly, we recommend more sensible timelines should be established for SRV nominations and applications. The current timeline for SRVs in NSW could hardly be worse and contribute to a range of avoidable costs (see Table 1 below). In practice, it often means that local councils are breaking bad news to their local communities immediately prior to Christmas. In the most recent year of delayed elections, the early nomination date meant that

many councils delayed their SRV by an additional year which may well have caused serious financial sustainability problems. Moreover, it increases stress on council staff who often have to give up customary extended periods of leave typically taken over the festive season. In addition, it adds to consultant costs because companies are often forced to pay premiums to staff to work over the festive season.

In Victoria much more reasonable date are employed, as we can see from Table 1. Intent to apply is purely optional, as it should be. Moreover, the applications roll in over a long period which allows for much better assessment turnaround times. In addition, it also makes it much more likely that applications get assessed on their own merits rather than being sub-consciously compared to other applications.

Table 1: Special Rate Variation Key Dates for NSW and Victoria

Event	NSW Date	Victorian Date	Recommendation
Notification of Intent to apply for a SRV	26 November	31 January*	End of January (optional)
SRV application due date	7 February	1 February until 31 March	Should be submitted any time prior to mid-April
Determinations announced	May 2022	Within two months of receiving the application	Within six weeks of application

* Note this is only an option in Victoria. It is not mandatory to give notice of intent.

Our seventh recommendation suggests automatic triggers should be employed. One of the significant problems associated with a rate cap regime is that it is associated with steep political costs. This explains why many local councils are hesitant to indicate intent to apply for an SRV in election years. The problem with delaying SRVs is that a council may fail financially in the interim. Moreover, it also tends to mean that increases need to be higher to make up for foregone rate revenue for the year(s) deferred.

Political costs could be reduced substantially by making SRVs mandatory when certain triggers are met. This would indicate that the local community in question would perceive the SRV as an act required from fiscal prudence rather than political choice. It would also mean

that the rate cap regime would not add further to the already deplorable record of local government financial failures in the NSW local government system (Drew et al., 2021).

Triggers should include standard ratios already in use. However, they would require the NSW OLG to employ more reasonable benchmarks based on empirical evidence (rather than the current apparently arbitrary numbers). In particular, the following ratios represent excellent candidates:

- Operating ratio (over *three* years)
- Unrestricted Current ratio (with a more appropriate benchmark)
- Debt ratio (with more suitable benchmark)
- Cash expense ratio (using a more appropriate benchmark)
- Rates outstanding (currently there is no benchmark and it should be noted that a ceiling - rather than a floor - would be most appropriate here to protect ratepayers).

We have specifically excluded the asset maintenance ratios because they are typically too unreliable at present. Moreover, their use may exacerbate the already high levels of distortion to these numbers.

Regulators might also consider introducing a trigger whereby a certain turnover in councillors following elections would establish a presumption that a new rating policy should be constructed, where a new rating policy might result in a reduction to total tax take, different categories, changes to minimum and base rates and hence greater distributive justice (Drew, 2021). This would be consistent with calls for greater political accountability with respect to municipal finance.

In addition, given the extreme fiscal distress currently experienced by forcibly amalgamated councils as a result of the disastrous NSW local government *Fit for the Future Program* (Drew et al., 2021), it should be considered essential that all compulsorily consolidated councils submit an SRV application as a matter of urgency.

Our eighth and final recommendation prescribes that the burden of proof should rest with the assessing panel or those who object to the proposed rate cap to offer sound reasons for why it should be rejected or reduced. Given that SRV applications are publicly available, and should also be based on thorough and robust proof of need according to prescribed criteria, the burden of proof should rest with the SRV assessment panel or those who object to the proposal to provide compelling reasons for why the SRV should be rejected or reduced. This

is especially the case when local councils have availed themselves of suitably qualified experts to assist in the preparation of the SRV and where they have provided robust empirical evidence in support their claims. In essence, reversing the burden of proof along the lines we suggest would more appropriately respect the efforts of council staff and the deliberations of politically accountable councillors.

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Sam Faraway
Minister for Regional Transport and Roads

MEDIA RELEASE

Tuesday, 25 October 2022

**Images available to download [here](#)

\$50 MILLION BOOST TO TACKLE POTHOLES ON REGIONAL ROADS

The NSW Liberal and Nationals Government will invest \$50 million to help regional and rural councils fix the increasing number of potholes brought on by this year's extreme wet weather.

Minister for Regional Transport and Roads Sam Faraway said under the new Fixing Local Roads Pothole Repair Round, councils can apply for funding to help them address their highest priority pothole repairs.

"NSW has had more than its fair share of natural disasters and extreme weather and it's promising to see that more than 135,000 potholes have been repaired on State roads in regional NSW since February," Mr Faraway said.

"However, plenty more potholes still require attention, particularly on council-managed roads, which is why our Government is putting more money on the table for councils to repair potholes on the roads regional communities use every day.

"This funding is available to help every regional council across the state to carry out emergency repairs and would fix roughly more than 420,000 potholes on their roads.

"This additional support will help ease the pressure local councils are facing and boost the resources they can draw upon to repair their most damaged roads to improve safety and reduce wear and tear on vehicles."

The new funding builds on the \$500 million invested by the NSW Government through the Fixing Local Roads program to help regional councils repair, maintain and seal local roads across the state.

Funding under the Fixing Local Roads Pothole Repair Round is available to 95 regional councils and authorities to help repair potholes on regional and local roads. Work must be completed by 1 January 2024.

Applications for funding are open for two weeks from today with funding announced in November so councils can begin work as soon as possible.

MEDIA: Larissa Mallinson | 0422 044 061

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Transport
for NSW

Fixing Local Roads Pothole Repair Round

Program Guidelines

October 2022



transport.nsw.gov.au

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Message from the Minister

People living in regional NSW have been doing it tough over the past few years. Many are still rebuilding their lives, while also dealing with the ongoing impacts of drought, bushfires, floods and COVID-19.

In 2022, repeated flood events wreaked havoc across NSW and caused unimaginable devastation in our communities. Persistent rainfall and unprecedented wet weather conditions has significantly impacted the road network in regional NSW.

The Fixing Local Roads Pothole Repair Round (PRR) is funded by the NSW Government to assist councils in regional NSW increase their ongoing maintenance and repair of damaged local and regional roads under their care and responsibility.

This is the first time a dedicated program has been established by the NSW Government to assist councils with fixing potholes on the local and regional road network.

We have seen first-hand the impacts potholes are having on regional communities. We want to ensure that our roads are efficient, safe and reliable so that people can get around town, go to work, and visit their family and friends.

The PRR comes at a critical time for our state and is in addition to other funding programs local councils in regional NSW are eligible to apply for, including Round 4 of Fixing Local Roads, Round 6 of Fixing Country Roads and the \$312.5 million Regional Roads and Transport Recovery Package.

I understand local councils in regional areas are feeling overwhelmed by the amount of paperwork they have had to complete recently as they recover and rebuild. Please be reassured that we have simplified the application process so that funding can be released quickly to undertake urgent works on the local road network.

I encourage local councils to review the PRR Guidelines and to apply for the funding needed to repair, enhance and make their local road network safer to keep communities, families, and businesses connected.



Sam Faraway MLC

Minister for Regional Transport and Roads

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1. The Fixing Local Roads Pothole Repair Round

Overview of the round

The Fixing Local Roads Pothole Repair Round (PRR) is a Transport for NSW grant program under Fixing Local Roads providing funding to Local Government to assist councils with pothole repair work across their Local and Regional Roads.

The Pothole Repair Round provides support to councils by allowing them to focus on priority maintenance (patch) and repair of potholes on Local and Regional Roads.

Local and Regional Roads are council-controlled roads which provide for local circulation and access. They are two of the three administrative classifications used in NSW:

- Local Roads
- Regional Roads
- State Roads

The grant funding is made available to eligible regional councils and authorities to repair potholes on their regional and local roads up to an upper funding envelope, based on kilometres of road network managed in their Local Government Area (\$/km).

Works covered under the round

Works covered under the program include, routine corrective maintenance of potholes in rigid and flexible pavements, on sealed and unsealed roads.

“Corrective Maintenance” includes unplanned maintenance activities that are necessary to ensure continued access and the safe operation of the network.

Type of works not covered under the round

There are several works which are not covered under the program including:

- Reconstruction work
- Re-sheeting work
- Rehabilitation work
- Any bridge repairs or maintenance work

The NSW Road network is over 180,000 kilometres in length, with Local councils responsible for maintaining well over 85 per cent of this network. Recent weather events have increased the impact of potholes on the local and regional road network, increasing the workload and cost for councils as well as reduced road safety and ride quality for communities and industry.

How funding is determined for each council

The funding is determined by considering:

- The number of kilometres of Local Roads in each council area
- The number of kilometres of Regional Roads in each council area
- Program funding availability

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Funding will be determined using the below formula

*(Total funding / total regional and local road kilometres submitted) * total council area
regional and local road kilometers*

2.The Application Process

Applying for funding

Each council is entitled to apply for Pothole Repair Round Funding, provided that the following minimum criteria is met.

- Work must be completed between 1 December 2022 and 1 January 2024
- Work must be completed on Local Roads and Regional Roads only
- Council must be able to provide details of length of road network to Transport for NSW
- Council must be able to report on expenditure and work delivered to Transport for NSW

Councils can apply for funding by making a submission through SmartyGrants. The submission will be a simple form to capture key details including:

- Length (in Kms) of regional and local network within the LGA
- The benefits of the additional funding and how it will help repair potholes across the regional and local road network

Submissions can be lodged through SmartyGrants at the following link:

<https://transportfornewsw.smartygrants.com.au/potholerepairround> and councils only need to submit one application for all proposed work.

Submissions will be open for a period of two weeks between 25 October 2022 and 8 November 2022.



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3.Successful Applicants

Notification of funding allocations

Once the submission period has closed, each submission will be assessed to ensure the minimum criteria is met. Funding allocations will then be determined based on the number of applications received, road network details in each application and the program funding availability.

Councils will receive notification of successful funding via a letter and funding deed that will need to be signed and returned to Transport for NSW before work can commence.

Payment to successful councils

Council will receive a 100% upfront payment of the grant funding when the funding deed is signed and returned by council, and fully executed by Transport for NSW.

Any funding that is not expended by 1 January 2024 will be forfeited and recovered by Transport for NSW.

Reporting requirements

Council will be required to submit regular status updates of expenditure and work completed to Transport for NSW.

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4. Further information

Questions about Pothole Repair Program, including eligibility and the application process, can be emailed to potholegrantprogram@transport.nsw.gov.au

For additional information on the program please visit nswroads.work/potholerepair

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Appendix 1 – Eligible local government bodies

Albury City Council

Armidale Regional Council

Ballina Shire Council

Balranald Shire Council

Bathurst Regional Council

Bega Valley Shire Council

Bellingen Shire Council

Berrigan Shire Council

Bland Shire Council

Blayney Shire Council

Bogan Shire Council

Bourke Shire Council

Brewarrina Shire Council

Broken Hill City Council

Byron Shire Council

Cabonne Council

Carrathool Shire Council

Central Coast Council

Central Darling Shire Council

Cessnock City Council

Clarence Valley Council

Cobar Shire Council

Coffs Harbour City Council

Coolamon Shire Council

Coonamble Shire Council

Cootamundra-Gundagai Regional Council

Cowra Council

Dubbo Regional Council

Dungog Shire Council

Edward River Council

Eurobodalla Shire Council

Federation Council

Forbes Shire Council

Gilgandra Shire Council

Glen Innes Severn Council

Goulburn Mulwaree Council

Greater Hume Shire Council

Griffith City Council

Gunnedah Shire Council

Gwydir Shire Council

Hay Shire Council

Hilltops Council

Inverell Shire Council

Junee Shire Council

Kempsey Shire Council

Kiama Municipal Council

Kyogle Council

Lachlan Shire Council

Lake Macquarie City Council

Leeton Shire Council

Lismore City Council

Lithgow City Council

Liverpool Plains Shire Council

Lockhart Shire Council

Lord Howe Island Board

Maitland City Council

MidCoast Council

Mid-Western Regional Council

Moree Plains Shire Council

Murray River Council

Murrumbidgee Council

Muswellbrook Shire Council

Nambucca Shire Council

Narrabri Shire Council

Narrandera Shire Council

Narromine Shire Council

Oberon Council

Orange City Council

Parkes Shire Council

Port Macquarie-Hastings Council

Port Stephens Council

Queanbeyan-Palerang Regional Council

Richmond Valley Council

Shellharbour City Council

Shoalhaven City Council

Singleton Council

Snowy Monaro Regional Council

Snowy Valleys Council

Tamworth Regional Council

Temora Shire Council

Tenterfield Shire Council

Tweed Shire Council

Unincorporated Far West

Upper Hunter Shire Council

Upper Lachlan Shire Council

Uralla Shire Council

Wagga Wagga City Council

Walcha Council

Walgett Shire Council

Warren Shire Council

Warrumbungle Shire Council

Weddin Shire Council

Wentworth Shire Council

Wingecarribee Shire Council

Yass Valley Council

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Transport for New South Wales

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Marina Colwell

From: Coonamble Shire Council
Sent: Tuesday, 18 October 2022 1:16 PM
To: Whs; Bruce Quarmby; Daniel Noble; Ross Earl; Marina Colwell; Jill Moorhouse
Subject: FW: Winners of the 2022 National Awards for Local Government [SEC=OFFICIAL]
Attachments: Waste Management - City of Vincent.JPG; Women in Local Government - Broken Hill City Council.JPG; Addressing Violence Against Women and their Children - City of Belmont.JPG; All categories.JPG; Career Starter - Broken Hill City Council.JPG; Cohesive Communities - City of Canning.JPG; Creativity and Culture - Moorabool Shire Council.JPG; Disaster Preparedness - Ipswich City Council.JPG; Indigenous Recognition - Bathurst Regional Council.JPG; Productivity through Infrastructure - Sunshine Coast Council.JPG; Regional Growth - Moreton Bay Regional Council.JPG; Road Safety - Mitchell Shire Council.JPG; NALG 2022 Statistics Overview.pdf; NALG 2022 Social Media Pack.docx

COONAMBLE
SHIRE COUNCIL

Teliyah Tuhura
Customer Service Officer

Telephone: 02 6827 1900

Email: council@coonambleshire.nsw.gov.au

80 Castlereagh Street, Coonamble, NSW 2829

PO Box 249, Coonamble, NSW 2829

www.coonambleshire.nsw.gov.au

From: Awards <Awards@regional.gov.au>
Sent: Monday, 17 October 2022 6:36 PM
Subject: Winners of the 2022 National Awards for Local Government [SEC=OFFICIAL]

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The Hon Kristy McBain MP, Minister for Regional Development, Local Government and Territories, has announced the winners of the 2022 National Awards for Local Government (view [media release](#)).

There was a winner and an honourable mention in each of the eleven categories, selected by public vote from 140 eligible entries in 2022. The quality of entries in this year’s awards has been exceptional and all nominating local councils are to be commended for their outstanding projects and the positive outcomes achieved in their communities.

Category	Winner	Honourable Mention
Addressing Violence Against Women and their Children	<u>City of Belmont, WA</u> Belmont Safeguarding Families Advocacy	Bass Coast Shire Council, VIC Parental Leave Initiative
Career Starter	<u>Broken Hill City Council, NSW</u> Katelyn Schenk	Gwydir Shire council, NSW Gwydir Career Start Program
Cohesive Communities	<u>City of Canning, WA</u> Hillview Intercultural Community Centre	City of Gosnells, WA Fusion Food and Culture Festival
Creativity and Culture	<u>Moorabool Shire Council, VIC</u> Hide + Seek Music Festival	Circular Head Council, TAS The CHArts Festival
Disaster Preparedness	<u>Ipswich City Council, QLD</u> Ipswich Integrated Catchment Plan	Burwood Council, NSW Burwood Bounce Back
Indigenous Recognition	<u>Bathurst Regional Council, NSW</u> River Connections Program	Cassowary Coast Regional Council, QLD Ride Where our Ancestors Once Walked – Giramay Country
Productivity through Infrastructure	<u>Sunshine Coast Council, QLD</u> Sunshine Coast Mobility Map	Gannawarra Shire Council, VIC KerangLink – Victoria’s Renewable Energy Superhighway
Regional Growth	<u>Moreton Bay Regional Council, QLD</u> Moreton Bay City Reclassification	Scenic Rim Regional Council, QLD New Residents Packs
Road Safety	<u>Mitchell Shire Council, VIC</u> School Crossing SafetyCam Initiative	City of Kalamunda, WA Road Safety Awareness Campaign
Waste Management	<u>City of Vincent, WA</u> What the FOGO?	Campbelltown City Council, NSW Mattress Recycling
Women in Local Government	<u>Broken Hill City Council, NSW</u> Kathryn Graham	Ipswich City Council, QLD Ipswich – Leading by Example

More information on each of the 2022 Award Winners can be accessed at the National Awards for Local Government [website](#). We have packaged up some communication collateral that you might want to use in your social media, and include these as attachments in this email:

- A3 statistics overview poster
- Pictures of each of the winners
- Draft social media posts

We look forward to continuing the celebration of excellence in service delivery and community solutions across local government with you in 2023.

National Awards for Local Government

Local Government | Regional Intelligence and Local Government Branch
Regional Development, Local Government and Regional Recovery Division
awards@infrastructure.gov.au
GPO Box 594 Canberra, ACT 2601

Department of Infrastructure, Transport, Regional Development and Communications
CONNECTING AUSTRALIANS • ENRICHING COMMUNITIES • EMPOWERING REGIONS
infrastructure.gov.au

*I would like to acknowledge the traditional custodians of this land on which we meet, work and live,
I recognise and respect their continuing connection to the land, waters and communities.
I pay my respects to Elders past and present and to all Aboriginal and Torres Strait Islanders.*

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Office of Local Government



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27 October 2022

Message from Minister Tuckerman



I was delighted to attend the 2022 LGNSW Conference in the Hunter Valley this week and have the chance to update the sector on the Government's key priorities such as the introduction of the Public Spaces (Unattended Property) Act and the progress of the Misconduct Review.

The conference was a great opportunity to discuss the opportunities and challenges facing the local government sector and it was wonderful to see so many people from across the state in attendance.

Flooding continues to plague our state and unfortunately some councils were unable to attend the conference due to the current flood situation facing their communities.

This has been an incredibly challenging year for many of our councils and communities and I want to thank everyone who has been helping with the emergency efforts and recovery work.

I'd like to acknowledge the winners in this year's prestigious AR Bluett Memorial Awards, which were announced at the LGNSW conference. Congratulations to Northern Beaches

Council and Mid-Western Regional Council, which won the Metropolitan and Regional/Rural categories respectively. It's well-deserved recognition for these two councils for their outstanding achievements in local government.

During the conference I was also joined by Minister for Regional Transport and Roads, Sam Farraway, who announced a \$50 million investment from the Government for repairs to regional roads. There are more details about how councils can access this program below.

Wendy Tuckerman
Minister for Local Government

Rural Fire Service assets webinar

The Office of Local Government has invited council general managers, mayors and Joint Organisation executive officers to a webinar regarding financial arrangements for the recognition of Rural Fire Service assets.

During the webinar representatives from NSW Treasury and the NSW Rural Fire Service will discuss the arrangements for the recognition of the red fleet assets.

The webinar will be held on Monday 31 October and a recording will be available later on the [Office of Local Government website](#).

For further information, contact OLG's Policy Team on 4428 4100.

Showcase to help all councils get smart

Councils can learn about using smart technology in their community at a Smart Western Sydney Showcase next week.

Hosted by the NSW Smart Places team, the event is an opportunity to learn how connected technology and data solutions are being used across Western Sydney LGAs to improve liveability, economic prosperity and community outcomes.

Attendees will hear from leaders from the government and business, project leaders and thought leaders.

The event will be held on 2 November and registration is complimentary. Register now to attend either in person at Accor Stadium (limited places available) or online.

Funding to repair potholes

Rural and regional councils can apply for a share of \$50 million to repair potholes

caused by this year's extreme wet weather.

The funding is being made available under Transport for NSW's new Fixing Local Roads Pothole Repair Round and will allow councils to address their highest priority pothole repairs.

Applications close on 8 November and all works must be completed by 1 January 2024.

For more information and to apply go to:

<https://transportfornewsw.smartygrants.com.au/potholerepairround>



Guidelines for employing senior staff

The Office of Local Government has issued Guidelines on the recruitment of senior council executives under section 23A of the Local Government Act 1993.

The guidelines have been issued in response to corruption prevention recommendations from the Independent Commission Against Corruption, arising from its investigation of the former Canterbury City Council (Operation Dasha).

The investigation identified several corruption risks associated with the recruitment of senior council executives.

Guidance is provided on a range of employment topics, including merit, selection, staff development, recruitment policies, the involvement of subject matter experts, and consultation with councillors on senior staff recruitment. Read the guidelines [here](#).

2021/22 financial reporting due

Councils have just a few days to submit their 2021/22 financial statements and financial data returns. They must be sent electronically to OLG by 31 October 2022. More information is available on the [OLG website](#).

Spotlight on open space

Regional councils are asked to help identify what their residents love about the great outdoors by encouraging people to complete a NSW Regional Outdoor Survey, being conducted by the



Department of Planning and Environment.

The survey findings will be shared with local government to help respond to challenges in planning for open space.

Councils are encouraged to promote the survey and can access a communications pack containing information on the study, key messages, suggested text, images and social media tiles.

Questions can be directed to daniel.stace@planning.nsw.gov.au or bianca.simpson@dpie.nsw.gov.au

Have your say on climate change policy

There are just a few days left to provide feedback on the NSW Environment Protection Authority's (EPA's) draft Climate Change Policy and draft Climate Change Action Plan: 2022-2025.

The draft EPA Climate Change Policy and Action Plan, fact sheets, FAQs and a webinar recording are available [here](#).

Submissions close on 3 November and questions can be emailed to climatechange.review@epa.nsw.gov.au



Proposed expansion of Return and Earn

The EPA is seeking feedback on proposed changes to the NSW container deposit scheme Return and Earn.

The NSW Government is proposing to expand the range of beverage containers accepted to include beverage containers

between 150ml and 3L. A discussion paper, [Driving NSW's circular economy](#), provides detailed information about the expansion.

Planned information session locations and dates are:

- 3 November - Sydney
- 8 November - Hunter
- 10 November - Armidale
- 15 November - Griffith
- 17 November - Albury
- 22 November - Orange
- 24 November - Queanbeyan

Read the discussion paper, check information session times and provide feedback at <https://yoursay.epa.nsw.gov.au>. Submissions close on Friday, 2 December.

NSW Government grants

Check whether your council is eligible for any state government grants on the [NSW Government website](#).

Simply filter by “Local Government” to browse through the several initiatives, grants or funding programs available to councils across the state.

[Check available grants](#)

Want us to showcase your council?

This e-newsletter regularly features case studies of councillors and council staff working hard and innovating for their communities.

We'd love to hear about the great things your council is doing. Drop us a line and photo at media@olg.nsw.gov.au.

Please click here to [unsubscribe](#) from our mail list.



Circular Details	22-31 / 28 October 2022 / A836458
Previous Circulars	22-19 Consultation on regulatory proposals for a new Public Spaces (Unattended Property) (PSUP) Regulation 2022 and to commence the PSUP Act 21-39 The NSW Government's <i>Public Spaces (Unattended Property) Act 2021</i> 19-30 Review of the Impounding Act 1993 and Release of Discussion Paper
Who should read this	Councillors/General Managers/All council staff
Contact	Policy Team / 02 4428 4100 / olg@olg.nsw.gov.au
Action required	Information

Commencement of the *Public Spaces (Unattended Property) Act 2021*

What's new or changing

- The *Public Spaces (Unattended Property) Act 2021* (the PSUP Act) commences on 1 November 2022.
- The PSUP Act repeals the *Impounding Act 1993*.
- Also commencing on 1 November 2022 are the supporting *Public Spaces (Unattended Property) Regulation 2022* (the Regulation) and *Code of Practice for Sharing Services* (the Code) for operators of shopping trolleys and other sharing services.
- The new laws and supporting guidance materials were developed by the NSW Government through comprehensive consultation with the sector and other stakeholders.
- The new Act will better address the needs of communities, councils and other authorised officers across NSW when managing unattended animals and items in public places.
- The new laws will significantly reduce costs to councils and communities by an estimated \$10.1 million per year in dealing with unattended property.

What this will mean for your council

- Authorised officers will need to familiarise themselves with the new laws, regulations and guidelines for authorities.
- The *Public Spaces (Unattended Property) Guideline for Councils and Other Authorities*, issued under section 23A of the *Local Government Act 1993*, provides information to support councils and other public land managers to interpret and implement the new laws.
- The PSUP Act repeals the *Impounding Act 1993*. Appropriate transitional arrangements are in place to carry over important matters.
- A grace period will be applied until **1 May 2023** where warnings, rather than fines, may be issued for certain items to which new rules apply if they are left unattended in public places (e.g. personal items such as kayaks, and shopping trolleys). This provides time to enable the public and businesses to become familiar and comply with the new laws.
- Detailed guidance is under development to support the future commencement of Section 19 of the Act which sets out special arrangements for emergencies

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Strengthening local government

involving stock animals to balance public safety and biosecurity considerations. This section will be commenced by the Minister for Local Government by proclamation once the supporting guidance is in place.

Key points

- The Government is committed to keeping public places safe and accessible for all members of the community.
- The new Act is outcomes focused and puts the onus on those responsible to manage their items and animals within risk-based timeframes or face strong regulatory action.
The new laws:
 - require a broader range of people to take responsibility for leaving items or animals unattended;
 - provide clearer expectations and grounds for compliance action, including by enabling specific, risk-based timeframes for action;
 - provide for the efficient and effective management of different classes of items, including shared devices (such as share bikes and shopping trolleys), unattended motor vehicles (including boat trailers) and animals;
 - provide more flexible, modern arrangements for the storage of items and places of care of animals;
 - provide for stronger regulatory action to be taken, including through higher penalties for certain offences and bodies corporate;
 - provide more flexible, modern compliance and enforcement arrangements, including to enable better collaboration between councils and other authorities;
 - prescribe further duties, standards, and offences within the Regulation and a Code of Practice for sharing service items, and
 - include amendments to road transport laws in relation to unregistered vehicles parked on public roads.
- Feedback received from authorised officers and key stakeholders during the extensive consultation process was instrumental in shaping the new Act and Regulation.

Where to go for further information

- The *Public Spaces (Unattended Property) Act 2021* and *Public Spaces (Unattended Property) Regulation 2022* are available on the Legislation Register at <https://legislation.nsw.gov.au/>
- Further information about the *Public Spaces (Unattended Property) Act 2021* is available on the OLG website [here](#).

Melanie Hawyes

Deputy Secretary, Crown Lands and Local Government

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Circular Details	Circular No 22-33 / 2 November 2022 / A839741
Previous Circular	18/41 <i>Misuse of Council resources – 2019 State Election</i>
Who should read this	Councillors / General Managers / All council staff
Contact	Council Governance Team/ 02 4428 4201/ olg@olg.nsw.gov.au
Action required	Information / Council to Implement

Misuse of Council Resources – March 2023 State Election

What’s new or changing?

- In the lead up to the 25 March 2023 State election, councillors, council staff and other council officials need to be aware of their obligations under the *Model Code of Conduct for Local Councils in NSW* (the Model Code) in relation to the use of council resources.

What this will mean for your council

- It is important that the community has confidence that council property and resources are only used for official purposes.
- Councils are encouraged to ensure that councillors, council staff and other council officials are aware of their obligations regarding the use of council resources.

Key points

- The Model Code provides that council officials must not:
 - use council resources (including council staff), property or facilities for the purpose of assisting their election campaign or the election campaign of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for the use of the resources, property or facility
 - use council letterhead, council crests, council email or social media or other information that could give the appearance it is official council material for the purpose of assisting their election campaign or the election campaign of others.
- These obligations apply to all election campaigns including council, State and Federal election campaigns.
- Councils should also ensure that they exercise any regulatory powers in relation to election activities such as election signage in an impartial and even-handed way and in accordance with established procedures and practices.
- Failure to comply with these requirements may result in disciplinary action under the code of conduct.

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Where to go for further information

- For more information, contact OLG's Council Governance Team by telephone on 4428 4100, or by email to olg@olg.nsw.gov.au.

Melanie Hawyes
Deputy Secretary Crown Lands and Local Government

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10.2 COUNCIL RESOLUTIONS UPDATE

File Number: C17; C20

Author: Marina Colwell-Executive Support Officer

Authoriser: Ross Earl, General Manager

Annexures: 1. Resolutions Update Table - November 2022

PURPOSE

The purpose of this report is to enable Council to keep track of important Council resolutions.

BACKGROUND

Important and significant Council resolutions will be added to the list of items below, and a monthly update on the status will be provided by the responsible officer.

(a) Relevance to Integrated Planning and Reporting Framework

Adopted Council resolutions should ideally link in with Council’s suite of Integrated Planning and Reporting Framework documents.

(b) Financial Considerations

The financial considerations relating to each item mentioned below would have been considered by Council as part of the original report that dealt with the matter.

COMMENTARY

A table with information about outstanding Council resolutions is attached as Annexure 1 to the report, in the following format:

Item No.	Date	Resolution No.	Matter/Action Required/Update	Responsible Officer	Status

RECOMMENDATION

That Council notes the contents of Annexure 1 attached to the report on the status of Council resolutions.

Council Resolutions Update - Annexure 1

Date	Resolution No.	Matter Description	Action Required	Responsible Officer	Status/Update
11.1.22	2022/11	Priority Items to be Pursued	Additional training for Mayor – within 6 months	GM	Not yet addressed
11.1.22	2022/11	Priority Items to be Pursued	Review & Adoption of Approvals & Order Policies – within 12 months	Manex (Executive Management Team)	Progressing
11.1.22	2022/11	Priority Items to be Pursued	Review of Delegations – within 12 months	GM	Works to commence in the immediate future.
9.2.22	2022/21	Youth Services in LGA	Determine current services, coordination and possible duplication and gaps analysis	ELESPC	Ongoing.
9.2.22	2022/26	Coonamble Weir's accessibility to the public	Stakeholder consultation about the future operations and possibilities of the operations and management	New MED&G or revised position (Vacant)	Draft plan to be provided to Council by the 14/10/2022. Pending receipt of the draft plan, it will be tabbed for Council's consideration at its November 2022 meeting.
9.2.22	2022/29	LEP Amendments	Availability of suitable residential land – including small rural blocks, larger rural subdivisions, restrictions on acreage size in RU1 zoning	ELESPC	LEP Amendment for housekeeping amendments tabled at 13 May 2022 meeting
9.2.22	2022/30	CDEP-like community employment and training program	Discussions with Federal MP and other stakeholders	Mayor/GM	Redi.e are administrating similar funding and they have indicated that they are interested in applying for this funding for Coonamble – with a letter of support from Council

Date	Resolution No.	Matter Description	Action Required	Responsible Officer	Status/Update
9.2.22	2022/32	Improved maintenance at Gulargambone and Quambone cemeteries	Investigate improved maintenance – report to be prepared	MUS (Darren)	On public Exhibition for SAMP has closed with no submissions. To be adopted with other resourcing documents at the October 2022 Ordinary meeting.
9.2.22	2022/37	Membership of Country Mayors Assoc	Mayor to attend next two meetings, after which membership will be reconsidered	Mayor (Tim)	Planning to attend meeting 18 November 2022
9.2.22 14.8.22	2022/44 2022/225	Compulsory Acquisition of land – Bore Baths	Legal processes to be followed	Casual MED&G (David)	Acquisition is in progress
9.3.22	2022/53	report be prepared for Council’s consideration - available Council owned or controlled land as well as information on the Native Title status of the land adjoining the Coonamble Jockey Club.	Report be prepared for Council’s consideration, including the community feedback gathered, so that it can be used to inform the future direction and progress of the project	MEDG (David)	Ongoing
15.6.22	2022/116	Plan of Management – Sports Oval	Inclusion of ‘one off camping facility’ at the sports oval - plan	Bruce	Progressing – Draft plans to be provided to Council in time for tabling to the November 2022 Council meeting.
15.6.22	2022/121	Review of Social Media Policy	Review the policy, place on public exhibition for required time inviting submissions from the community before adoption	AMED (David)	Awaiting a suitable time for workshop with Councillors.

Date	Resolution No.	Matter Description	Action Required	Responsible Officer	Status/Update
15.6.22	2022/129	Draft Masterplan for the Coonamble Pool & McDonald Park Precinct	That Council places the Masterplan on public exhibition for required time inviting submissions from the community before adoption	Exec Inf (Daniel)	Report to be tabled at the November Ordinary Meeting.
15.6.22	2022/136	Notice of Motion (Cr Churchill): 1. Collection of information regarding 'slow down signs' at Gulargambone	Collection of required data	MR (Dirk)	Traffic Counter will be placed In Gulargambone during harvest period between late September to December / Jan (Weather dependant) to collect data on heavy vehicles movements - ongoing
		2. Fence – Tully Park & Preschool	Meet with representatives to discuss the possibility of a new fence, prepare a report to be bought back to Council with estimated costs	Bruce	On Hold – meeting to be arranged between Council and Committee
		3. Coonamble Men's Shed	Prepare a report to be bought back to Council with the estimated costs & likelihood of facilitating the following: *Improved security *Installation of Solar Panels	Bruce	Project suggested for Funding under SCCF5
15.6.22	2022/139	Waste Management Facility - Robbo's Earthworks – Contract renewal	*AGM to enter contract negotiations *Asbestos control	GM/Dan/Bruce/Tony	Negotiations ongoing
13.7.22	2022/153	Industrial Land Review	Council to research the possibility of acquiring land for industrial use	AMED (David)	Report back to Council with findings.

Date	Resolution No.	Matter Description	Action Required	Responsible Officer	Status/Update
	2022/157	Administration Centre – Costs	AGM to prepare are report on the costings of purchasing/demolition (if needed) and construction of a new Administration Building	GM/Bruce	Market Valuation and Quantity surveyor reports have been received. Information will be compiled for Council’s consideration.
	2022/173	EOI to Purchase Council Owned Land	GrainCorp – AGM to continue negotiations to establish a short-term lease of part Lot 2 DP 1254635	Bruce	Ongoing
10.8.22	2022/204	Substitute Area for local sporting clubs	Investigate alternative and appropriate area for substitute sports grounds	Daniel	Meetings being held with User Groups with preliminary findings indicating the issue is a scheduling challenge rather than a capacity issue.
14.8.22	2022/222	GM to write letter to NAB Manager & contact other Banking institute	GM to contact the Manager of the NAB branch to seek clarification of the opening hours. Also, he is to contact other prospective banking institutes with the possibility of opening in Coonamble	Ross	This is an issue across Councils in many regional areas and subject to motions at the LGNSW Conference.
	2022/233	Draft Street Tree Policy	Policy to be placed on Council’s website for 28 days inviting submissions	Daniel	If required, submissions to be presented to December Ordinary Meeting.

10.3 RATES AND CHARGES COLLECTIONS - SEPTEMBER 2022**File Number: Rates - General - R4****Author: Bruce Quarmby, Acting General Manager****Authoriser: Bruce Quarmby, Executive Leader Corporate and Sustainability****Annexures: Nil****PURPOSE**

The purpose of this report is for Council to be updated with the most recent information pertaining to its rates and charges collections – as applicable to the month of October 2022.

BACKGROUND**(a) Relevance to Integrated Planning and Reporting Framework**

The annual rate charges are set out within Council's 2022 / 23 Operational Plan.

(b) Financial Considerations

The annual rate charges are set out within Council's 2022 / 23 Operational Plan.

	31 October 2022	31 October 2021
Rates and Charges	\$5,192,778.00	\$5,036,967.50
Water & Sewer Consumption Charges	\$428,318.74	\$333,752.40
Total	\$5,621,096.74	\$5,370,719.90

COMMENTARY**Rates and Charges**

	31 October 2022	31 October 2021
Rates and charges in arrears as at 30 June 2022	1,020,037.33	\$905,674.57
Rates/charges levied & adjustments for 2022/23	7,522,323.32	\$7,140,732.92
Pension Concession	-104,406.58	-\$106,376.11
Amounts collected as at 31 October 2022	-3,245,176.07	-\$2,903,063.88
Total Rates and Charges to be Collected	\$5,192,778.00	\$5,036,967.50

The amount levied for rates and charges for 2022 / 23 includes the current year's annual rates and charges and any interest added since the date the rates notices were issued. The amount received as of 31 October 2022 includes receipts for both arrears and the current year's amounts outstanding.

It should be noted that the rates and charges 2022 / 23 levied amount is reduced by the pensioner concession of \$104,406.58; reducing the amount of income derived from these rates and charges. Of this concession, Council's contribution is 45%, which represents an amount of \$46,982.96.

The rates and charges as of 31 October 2022 represent 60.79% of the total annual rates and charges levied and outstanding (compared with 62.60% on 31 October 2021).

Water Consumption Charges

	31 October 2022	31 October 2021
Water & Sewer Consumption Charges and arrears as at 30 June 2022	329,760.33	\$401,325.23
Water & Sewer Consumption charges & adjustments 2022/23 year to date	219,634.92	\$142,066.21
Amounts collected as at 31 October 2022	-121,076.51	-\$209,639.04
Total Water & Sewer Consumption Charges to be Collected	\$428,318.74	\$333,752.40

The consumption charges as at 31 October 2022 represents 77.96% of the total water consumption charges outstanding (compared to 61.42% on 31 October 2021).

Debt Recovery Agency

In accordance with its adopted Debt Recovery Policy, Council continues to work with its Debt Recovery Agency to recover monies owed to Council. All actions undertaken by Council, or its Agency are done so in accordance with the provisions within the *Local Government Act 1993* and Council adopted Debt recovery policy.

(a) Governance/Policy Implications

Council staff comply with the directions provided by Council's suite of policies that govern this function of Council.

(b) Legal Implications

The collection of rates and water charges does impact on the community. For this reason, Council is always willing to negotiate payment terms with outstanding debtors. Debtors are afforded several opportunities to contact Council regarding these matters.

(c) Social Implications

The collection of rates and water charges does impact on the community. For this reason, Council is always willing to negotiate payment terms with outstanding debtors. Debtors are afforded several opportunities to contact Council regarding these matters.

(d) Environmental Implications

There are no direct environmental implications arising from this report. However, it needs to be acknowledged that Covid-19 along with the

additional increase in the cost of living could have an impact on Council's ability to collect its rates and charges.

(e) Economic/Asset Management Implications

If Council's rates and charges collection fall behind, it will have an impact on Council's ongoing ability to meet its operational costs and making adequate funding available for necessary asset maintenance and renewal projects.

(f) Risk Implications

As was stated above, Covid-19 and the increase in living expenses, has impacted on Council's ability to collect its rates and charges as demonstrated by the increase in Council rates, annual charges, interest, and extra charges outstanding percentage. Strategies have been put in place to mitigate the risk of the further deterioration of this ratio. Council has been working closely with its Debt Collection agency to reduce the amount of debt outstanding from rates and water charges.

CONCLUSION

The rates and charges as at 31 October represent 60.79% of the total annual rates and charges levied and outstanding from previous years by Council (compared with 62.60% on 31 October 2021). The water consumption charges as of 31 October 2022 represent 77.96% of the total water consumption charges outstanding from previous years (compared to 61.42% on 31 October 2022).

RECOMMENDATION

That Council notes the information provided in the report.

10.4 STATUS OF INVESTMENTS - 31 OCTOBER 2022

File Number: Investments General - I5

Author: Saiful Islam, Finance Assistant

Authoriser: Bruce Quarmby, Executive Leader Corporate and Sustainability

Annexures: Nil

PURPOSE

The purpose of the report is for Councillors to note the status of its investment portfolio.

BACKGROUND

(a) Relevance to Integrated Planning and Reporting Framework

L1.4.10 Maintain long term financial viability.

(b) Financial Considerations

Investment levels and interest rates are currently on par with the revised estimated calculations.

COMMENTARY

INVESTMENTS REPORT TO COUNCIL - 31 October 2022					
Financial Institution	Invest Rating S&Ps	Investment Type/Maturity Date	Current Rate	Term	Amount (\$)
Commonwealth Bank	A1+	Term Deposit -12/12/2022	2.30%	210 Days	3,000,000
Commonwealth Bank	A1+	Term Deposit - 20/02/2023	3.44%	182 Days	1,000,000
Commonwealth Bank	A1+	Term Deposit - 01/03/2023	3.54%	182 Days	500,000
Commonwealth Bank	A1+	Term Deposit - 7/11/2022	2.24%	182 Days	2,000,000
Commonwealth Bank	A1+	Term Deposit -25/01/2023	3.61%	90 Days	500,000
Commonwealth Bank	A1+	Term Deposit -05/04/2023	3.74%	210 Days	1,500,000
Commonwealth Bank	A1+	Term Deposit - 27/04/2023	4.11%	211 Days	1,000,000
IMB - VRD	A2	Term Deposit - 20/01/2023	3.50%	92 Days	1,000,000
IMB - VRD	A2	Term Deposit - 04/11/2022	2.68%	92 Days	1,000,000
IMB - VRD	A2	Term Deposit - 02/02/2023	3.39%	150 Days	1,000,000
Bank of Queensland	A2	Term Deposit - 28/11/2022	2.40%	192 Days	1,000,000
Bank of Queensland	A2	Term Deposit - 09/01/2023	3.10%	126 Days	1,000,000
Bank of Queensland	A2	Term Deposit - 20/02/2023	2.80%	276 Days	1,000,000
Bank of Queensland	A2	Term Deposit - 25/05/2023	4.24%	210 Days	1,500,000
National Australia Bank	A1+	Term Deposit - 24/11/2022	3.00%	120 Days	1,000,000
National Australia Bank	A1+	Term Deposit - 01/06/2023	4.19%	240 Days	1,500,000
National Australia Bank	A1+	Term Deposit - 12/12/2022	3.15%	68 Days	1,000,000
Westpac Banking Corporation	A1+	Term Deposit - 10/03/2023	1.08%	365 Days	1,500,000
Westpac Banking Corporation	A1+	Term Deposit - 21/03/2023	1.20%	365 Days	1,000,000
Westpac Banking Corporation	A1+	Term Deposit -03/05/2023	4.06%	211 Days	1,000,000
Westpac Banking Corporation	A1+	Term Deposit - 16/11/2022	2.15%	184 Days	2,000,000
Westpac Banking Corporation	A1+	Term Deposit - 19/12/2022	2.16%	216 Days	2,000,000
AMP	BBB+	Term Deposit - 17/04/2023	4.15%	210 Days	1,000,000
AMP	BBB+	Term Deposit - 21/06/2023	4.35%	271 Days	2,000,000
Reliance C/U	Unrated	Term Deposit -18/11/2022	0.40%	184 Days	250,000
TOTAL					31,250,000

Financial Institution	Invest Rating S&Ps	% of Investment	Max per Investment Policy	Amount (\$)
Commonwealth Bank	A1+	30%	40%	9,500,000
National Australia Bank	A1+	11%	40%	3,500,000
Westpac Banking Corp	A1+	24%	40%	7,500,000
IMB	A2	10%	15%	3,000,000
BOQ	A2	14%	15%	4,500,000
AMP	BBB+	10%	15%	3,000,000
Reliance C/U	Unrated	1%	10%	250,000
100%				\$ 31,250,000

Rating	% of Investment	Policy	Amount
A1+	66%	100%	20,500,000
A1	0%	80%	-
A2	24%	60%	7,500,000
BBB+	10%	35%	3,000,000
Unrated	1%	30%	250,000
100%			\$ 31,250,000
General Fund Investments			24,076,542.51
Water Investment Fund			2,843,357.01
Sewerage Investment Fund			4,330,100.48
			\$ 31,250,000

Interest earned on Investments for 2022-2023 as at 31 October 2022

\$ 132,331

AVAILABLE WORKING FUNDS

Restricted funds are set aside by Council and external parties for a particular purpose to meet future expenses. Unrestricted funds are available to be used to cover all other expenses of Council.

The available working funds balance (unrestricted funds) will be made available once the financial reports are finalised for the end of June 2023.

(a) Governance/Policy Implications

Monthly financial reporting ensures transparency of financial reporting to enable Councillors to make financially sustainable and accountable decisions.

(b) Legal Implications

All investments continue to be made in accordance with the requirements of the *Local Government Act 1993* and Council’s Investment Policy.

(c) Social Implications

Council funds are used to provide services and infrastructure to the community and, as a result, well managed funds maximise the level of financial resources available to support the community.

(d) Environmental Implications

There are no environmental implications arising from this report.

(e) Economic/Asset Management Implications

Sound economic management includes maximising Council's return on investment, and this is achieved by closely monitoring investments in line with Council's Investment Policy.

(f) Risk Implications

Sound economic management includes maximising Council's return on investment, and this is achieved by closely monitoring all investments in line with Council's Investment Policy.

CONCLUSION

Funds have been appropriately restricted to ensure all areas of Council can continue to operate in accordance with both the annual Operational Plan and the Long-Term Financial Plan. Further, all investments are continued to be made in accordance with the requirements of the *Local Government Act 1993* and Council's Investment Policy.

RECOMMENDATION

That Council notes the list of investments as at 31 October 2022 and that these investments comply with section 625(2) of the *Local Government Act 1993*, Clause 212 of the *Local Government (General) Regulation 2005* and Council's Investment Policy.

10.5 SALEYARDS REPORT- 31 OCTOBER 2022**File Number: S1****Author: Saiful Islam, Finance Assistant****Authoriser: Bruce Quarmby, Executive Leader Corporate and Sustainability****Annexures: 1. Saleyard Report Oct 22- BIS****PURPOSE**

The purpose of this report is to keep Council informed of monthly income and expenditure associated with the saleyards.

BACKGROUND

The following information details income and expenditure associated with the Coonamble saleyards for the month of October 2022

(a) Relevance to Integrated Planning and Reporting Framework

14.1 Ensure long term management and protection of our community assets.

(b) Financial Considerations

The Saleyards / Truck wash unit was originally set up as a business unit for Council.

Saleyards Activities

During the month of October one (1) sale was held at the Coonamble Saleyards, with the sale held on the 26 October 2022.

The following planned maintenance will be completed at the saleyards, during the month of November 2022

- General maintenance repairs to troughs, gates and the old crush as on list provided to staff at saleyards meeting held on the 28/10/2022.

SALES**CATTLE: From 01.10.2022 to 31.10.2022**

Date	Type	Scale	Amount (\$)	VA	Amount (\$)	Total Cattle/ Sheep	Total Amount (\$)
26/10/2022	Invoice	1,283	2,682.64			1,350	10,475.82

SALEYARDS ACCOUNT 01/07/2022 - 31/10/2022**Saleyard Operations:**

Income	40,309.98
Expenditure	40,285.90
Surplus	24.08

Truck wash:

Income	8,187.50
Expenditure	5,180.48
Surplus	3,007.02

Summary:

Income	48,497.48
Expenditure	45,466.38
Surplus	3,031.10

Truck Wash

The following planned maintenance will be completed at the Truck wash facility, during the month of November 2022.

- The scheduled resetting of the pumps.
- General maintenance as required.

(c) Governance/Policy Implications

Maintenance of Council's infrastructure assets is carried out in accordance with Council's adopted management plans.

(d) Legal Implications

There are no legal implications arising from this report.

(e) Social Implications

There are no social implications arising from this report.

(f) Environmental Implications

There are no environmental implications arising from this report.

(g) Economic/Asset Management Implications

Works are generally scheduled in accordance with Council's adopted Operational Plan and Budget to ensure Council's assets are maintained to an appropriate standard within budget limitations. This asset needs some major maintenance works but has been running at a financial deficit for years. More favourable seasonal conditions means that this asset is currently being used on a more frequent basis, but there are risks for Council involved with knowingly using an asset that does not comply with all legislative and other industry standards. Although a difficult situation to address, Council will have to objectively consider all facts surrounding the saleyards, and the most appropriate way forward with responsibly managing this facility into the future.

Council adopted the following resolution at its Ordinary Meeting held on 15 September 2021:

RESOLUTION 2021/217

Moved: Cr Bill Fisher Seconded: Cr Karen Churchill

That Council pursues the development of an upgrade plan for the Saleyards facility to comply with the Environmental Protection Authority (EPA) and other Government Agencies' requirements and that the Executive Leader Environment, Strategic Planning obtains quotes in this regard for Council's consideration.

CARRIED

(h) Risk Implications

Maintenance works are scheduled and carried out within budgetary constraints to reduce Council's overall risk exposure.

CONCLUSION

The saleyard operations are being closely monitored to ensure a more effective and sustainable strategy for the long term.

RECOMMENDATION

That Council notes the information provided in this report.

Ordinary Council Meeting Agenda

ScreenName: Saleyards - Council report

Data: General Ledger Data

Filter: All

Calendar: YTD for October 2022-23

2022 01:00 AM

Hide Zero: Off

Account No	Annual Amended Budget	Jul MTH Actuals	Aug MTH Actuals	Sep MTH Actuals	Oct MTH Actuals	YTD Actuals
5700-0002 - SALEYARDS						
05 - Revenue						
5700-1150 - Saleyards Fees & Charges - Casual	(3,000)	.00	0	0	0	.00
5700-1152 - Saleyards Fees & Charges - Sale	(76,500)	-9,804.37	-9,432	-10,408	-10,666	(40,309.98)
5700-1496 - Grants - Saleyards Safety Upgrade	0	.00	0	0	0	.00
05 - Revenue Total	(79,500)	-9,804.37	-9,432	-10,408	-10,666	(40,309.98)
06 - Expenditure						
5700-2245 - Saleyards Insurances	3,755	10,977.73	0	0	0	10,977.73
5700-2255 - Saleyards Electricity Charges	6,580	.00	465	432	1,397	2,294.21
5700-2260 - Saleyards Telephone Expenses	630	50.00	52	54	0	156.00
5700-2270 - Saleyards Rates & Charges	10,615	5,237.58	0	210	0	5,447.08
5700-2330 - Saleyards Operating Expenses	19,005	196.67	0	2,353	1,537	4,086.86
5700-2335 - Saleyards Operating Expenses No GST	7,650	.00	937	0	0	937.04
5700-2340 - Saleyards Maintenance Expenses	63,995	1,886.88	2,120	9,161	3,219	16,386.98
5700-2925 - Saleyards Buildings Depreciation	11,038	.00	0	0	0	.00
5700-2930 - Saleyards Facilities Depreciation	2,744	.00	0	0	0	.00
06 - Expenditure Total	126,012	18,348.86	3,574	12,210	6,153	40,285.90
5700-0002 - SALEYARDS Total	46,512	8,544.49	-5,858	1,802	-4,513	(24.08)
5750-0002 - TRUCKWASH						
05 - Revenue						
5750-1150 - Truck Wash User Fees	(29,000)	-5,846.40	0	-2,341	0	(8,187.50)
05 - Revenue Total	(29,000)	-5,846.40	0	-2,341	0	(8,187.50)
06 - Expenditure						
5750-2245 - Truckwash Insurance	100	72.02	0	0	0	72.02
5750-2255 - Truck Wash Electricity Charges	2,790	.00	85	107	686	877.19
5750-2260 - Truck Wash Telephone Expenses	0	.00	0	0	0	.00
5750-2270 - Truckwash Rates & User Charges	15,565	.00	7	0	0	7.37
5750-2340 - Truck Wash Mntce & Repairs	16,020	.00	399	1,853	1,972	4,223.90
5750-2930 - Depn - Other Structures	10,400	.00	0	0	0	.00
06 - Expenditure Total	44,875	72.02	491	1,960	2,658	5,180.48
5750-0002 - TRUCKWASH Total	15,875	-5,774.38	491	-381	2,658	(3,007.02)
Total	62,387	2,770.11	-5,367	1,421	-1,855	(3,031.10)

10.6 COUNCILLOR CODE OF CONDUCT TRAINING

File Number: C 13

Author: Marina Colwell-Executive Support Officer

Authoriser: Ross Earl, General Manager

Annexures: Nil

PURPOSE

The purpose of this report is to record the details of the attendees and content of the Councillor Code of Conduct Training, held on Monday 31 October 2022.

BACKGROUND

The Local Government Act 1993 Section 440 General Regulations 2005 states that Councils must adopt a Code of Conduct. The Code of Conduct sets the minimum standards of conduct for Council officials.

It is prescribed by regulation to assist Council officials to:

- ❖ Understand and comply with the standards of conduct that are expected of them, and
- ❖ Enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence, and
- ❖ Act in a way that enhances public confidence in local government,
- ❖ Promote transparency and accountability, and
- ❖ Promote community confidence in the integrity of decisions and functions carried out by Local Government.

(a) Relevance to Integrated Planning and Reporting Framework

L 1.4 Encourage and promote a high level of leadership in the community.

(b) Financial Considerations

Adequate provision has been made in the 2022 / 2023 Operational Plan and Budget to cover Councillor Training.

COMMENTARY

Ongoing professional development for mayors and councillors is mandatory in NSW. It is an investment which will enhance the effectiveness of councils' performance in achieving its goals. Mayors and councillors are ultimately accountable to the community that elects them for the performance of their functions. For this reason, council is required to publicly report each year in the Annual Report on the participation of the mayor and each councillor's professional development programs during that year.

On Monday 31 October 2022, Councillors undertook Code of Conduct training with Mr Graeme Fleming from 361° Graeme Fleming Consulting. Mr Fleming offered an informative session to the attending councillors.

Councillors in attendance:

Mayor Tim Horan	✓
Cr Karen Churchill	✓
Cr Adam Cohen	✓
Cr Pat Cullen	✓
Cr Barbara Deans	✓
Cr Bill Fisher	✓
Cr Ahmad Karanouh	✓
Cr Terry Lees	✓
Cr Brian Sommerville	✓

The purpose of Code of Conduct training for Councillors:

- 1) Sets out how Councillors and staff must conduct themselves,
- 2) Prescribes minimum ethical and behavioural standards,
- 3) Understand and comply with standards of conduct expected,
- 4) Fulfil statutory duty to act honestly and exercise reasonable degree of care and diligence,
- 5) Provide clear guidance to local communities on minimum ethical and behavioural standards,
- 6) Act in way that enhances public confidence in Local Government,
- 7) Promote transparency and accountability,
- 8) Promote community confidence in the integrity of decisions and functions carried out by Local Government.

(a) Governance/Policy Implications

Workshops / training sessions of this nature will provide Councillors with the necessary background and understanding of their responsibilities as elected representatives of the community, the importance of adhering to good governance principles, setting strategic and policy direction, and other ancillary responsibilities associated with the position of being a Councillor.

(b) Legal Implications

Clause 183 of the Regulation requires the General Manager to ensure that induction training is delivered to each Councillor who has been elected to

the Council for the first time and refresher training to each Councillor who is re-elected to the Council.

Workshops/training sessions of this nature will provide Councillors with a better understanding of the legal implications associated with their positions as Councillors.

(c) Social Implications

There are no social implications attached to this report.

(d) Environmental Implications

There are no environmental implications attached to this report.

(e) Economic/Asset Management Implications

There are no economic / asset management implications attached to this report.

(f) Risk Implications

There are no risk implications attached to this report.

CONCLUSION

The Code of Conduct recently undertaken by Councillors is part of the ongoing training offered to Councillor to assist them undertake their civil duties. It should also be noted that the Code of Conduct Training was also offered to all staff who have recently commenced employment with Coonamble Shire Council.

RECOMMENDATION

That council notes the attendance of all Councillors at the Code of Conduct Training held on 31 October 2022.

10.7 ECONOMIC DEVELOPMENT & GROWTH - PROGRESS REPORT**File Number:** D5**Author:** David Levick-Acting Manager Economic Development and Growth**Authoriser:** Bruce Quarmby, Executive Leader Corporate and Sustainability**Annexures:** Nil**PURPOSE**

The purpose of this report is to provide Council with an update on recent activities and the progress of projects which contribute to the economic development and growth of the Local Government Area (LGA).

BACKGROUND

The Economic Development and Growth function is tasked with providing effective and efficient delivery of a broader economic base for the LGA, enhancing business prospects, growth, and development. The function facilitates the development of programs and activities that will stimulate economic development by assisting growth and retention of businesses, as well as aiming to reduce barriers and attract diverse, sustainable, and responsible new industry development and improve the profile of the Coonamble LGA to attract investment, industry, new residents, and tourism.

(a) Relevance to Integrated Planning and Reporting Framework

ED1.2 Develop our economy, including the visitor economy.

I1.5 Adopt successful strategies which maximise our community's access to quality infrastructure and assets (I1.5.2 – Coonamble Livestock Regional Market).

(b) Financial Considerations

Activities undertaken as described by this report are within approved operational budget allocations for tourism and economic development activities and capital projects or are funded through grant monies.

COMMENTARY**Coonamble Livestock Regional Market**

With recent organisational adjustments, the Economic Development and Growth portfolio is now the responsibility of the Director of Community, Planning and Development. With this shift, responsibility for the ongoing development of the Coonamble Livestock Regional Market – the saleyards – has been moved into the Economic Development and Growth portfolio.

The Saleyards Management Committee has resumed meeting, and, in the interests of bringing the facilities to a standard more aligned with the increased usage, its membership has agreed to meet monthly for the short-term. A charter for the committee is being developed, which will also suggest a more diverse stakeholder representation.

Committee members met in early November at the Saleyards to inspect the facilities and prioritise a maintenance program to make the yards and their operation safer for agents, buyers, sellers and livestock handlers.

Coonamble Riverside Holiday Park

Holiday Park Managers, Elle and Johnno Hunter, have advised Council they have resigned from their role as managers of the Park with BelgraviaPRO after 18 months in Coonamble.

BelgraviaPRO manages the Holiday Park under a lease arrangement with Coonamble Shire Council, meaning ongoing responsibility for managing the Park and finding new managers remain with this organisation.

Council maintains regular communication with BelgraviaPRO and staff look forward to welcoming new managers.

Elle and Johnno have developed the Coonamble Riverside Holiday Park significantly since coming to Coonamble and their dedication has enhanced the experience of visitors. Their contribution to the building of a positive impression and experience of Coonamble by visitors is to be commended.

PBR coming to Coonamble in March 2023

Bulls, Bands and Bikes After Dark will be coming to Coonamble in early March 2023 thanks to Professional Bull Riders Australia and funding from the NSW Government.

PBR Australia has been working behind the scenes with Council staff and Coonamble Rodeo Committee representatives to organise the event at Coonamble Showground for 3 and 4 March, with activities starting at 3pm each afternoon.

Council will be organising other events for the Friday, Saturday and Sunday morning to boost social and economic activity within Coonamble during the event.

Council staff are in the process of organising more toilets and portable showers for camping at the showground to cater for the expected number of visitors.



Grants

Overview:

Status	This Month	Last Month	Year to Date
Grant-funded projects completed	0	4	20
Grants to be acquitted	3	3	
Grants in progress	16	15	
Grant submissions awaiting decision	8	7	
Successful grant applications	2	0	17

Detailed Status:

Grants completed & awaiting acquittal	Responsibility	Comment
Coonamble Community Recycling Centre	CPD	
Tooloon Street Pedestrian Crossing	INF	
Town Entrance Public Art (DSP)	CPD	

Grants in progress	Responsibility	Comment
Coonamble Sports Ground Upgrades	CS	Extension granted.
Quambone Park Toilet (LRCI Phase 2)	CS	Seeking contractor(s).
Gulargambone Youth Centre external upgrades	CPD	Final stages underway.
Restore Trooper Stables at Museum	CPD	Awaiting DA submission.
Riverside Caravan Park Development	CPD	Ongoing
Koori Knockout Participation	CPD	Taking expressions of interest from teams.
Volunteer Bus Driver Training	CPD	Taking expressions of interest.
Coonamble Transport Initiative	CPD	Allocated as required.
Coonamble Kids Transport Initiative	CPD	Allocated as required.
Youth Council re-establishment	CPD	Variation being drafted.
Women's Change Rooms at Sportsground	CPD	Detailed design stage.
Walking Loop around Sportsground	CPD	Preparing RFQ.
Coonamble Family and Youth Fest	CPD	Deed signed
Pedestrian and Mobility Plan revision	INF	Seeking consultants
Walkway and Cycleway Plan	INF	Seeking consultants
NSW Seniors Festival 2023	CPD	Budget prepared

Recent grant submissions:

1. Summer Holiday Break Program to fund a January School Holiday Fun program in association with local agencies, requesting \$15,000.
2. Public Library Infrastructure Grants program to upgrade lighting and air-conditioning in the library building, and to double-glaze windows, requesting \$191,800.
3. National Australia Day Council grant program to fund Australia Day activities for the Local Government Area, requesting \$20,000.

Communications

The most frequently visited web pages of the past month have been Road Conditions (2,644 visits, up 200% due to wet weather), Contact Council (519 visits), Employment (498 visits), Council meetings (326 visits), and Tenders and Requests for Quotations (258 visits).

Council continues to maintain its communication with the community through:

- 1 x weekly half-page advertisement, *Weekly Connect* in *The Coonamble Times*, with unique content – advertising Requests for Quotations, Tenders and Expressions of Interest, policies and other reports currently on public exhibition and upcoming events for the community.
- Paid classified advertising for current tenders, requests for quotations, expressions of interest and positions vacant.
- Posts in the News column on the homepage of Council’s website, on various topics as required.
- Posts in the Events Calendar hosted on Council’s website.
- Posts on Council’s Facebook page, on various topics as required.
- Council’s website – sharing all policies, plans and procedures, fees and charges, and documents for public exhibition, in the spirit of open and transparent governance.
- Media releases as required – on road conditions, water supply interruptions, etc.

The Facebook posts that achieved the greatest reach during October related to the closure of the Castlereagh Highway into Walgett due to flooding (with a reach to 25,292 people), with another 18 posts reaching 1000+ people. Most related to flooding and road closures.

Although an informal medium of communication from Council to the Community, the significance of Facebook as a medium by which to share information quickly and widely with the community cannot be overestimated.

With a current following of more than 2,500 people on Facebook and a lessening in the rate of new followers each month, this would suggest we have potentially saturated our reach within our social media audience of people 14+ years of age. In the past 15 months (since July 2021), the number of followers has grown by about 25%.

Social Media (Facebook) Summary

Measure	This Month	Last Month	Year to Date
Number of posts	28	33	423
Increase in number of followers	+159	+54	+754
Total number of followers	2,529	2,529	
Reach	32,556	14,971	

Tourism Promotion

@visitcoonamble social media pages continue to increase reach. Posts on the Visit Coonamble Facebook page reached over 10,320 people during the past month. Page likes and followers increased by 23 people.

The most popular post on Facebook was a Real Country campaign post with an image of the publican at the Sundowner Hotel in Quambone. This post reached 4,600 people and had 414 engagements, which means 414 people either liked, shared, commented, clicked to read the entire caption, or stayed on the post for longer than 10 seconds.

The audience on the Visit Coonamble Instagram page increased by 26 followers this month, with 786 content interactions (likes, comments, shares, and saves). A total number of 4,795 accounts were reached, with less than a quarter of that amount being followers – meaning that a much broader audience see our posts regardless of the number of direct followers we have. The number of people following the Visit Coonamble Instagram is 1040 people.

The most popular post on Instagram was a reel of an incredible bird's-eye view of the Macquarie Marshes, which was originally posted by @molly_deans_art. This post reached 2,576 people.

During September, @visitcoonamble social channels continued publishing stories which have experienced a steady increase in the number of engagements. An average of 125 people was reached per post over the last month (including content engagement such as polls). Along with stories there were several Reels posted on Instagram, which had a reach of over 2,000 people per post.

Three Regions – Real Country Campaign

The Tourism and Events Officer has been working closely with the Gilgandra Shire and Warrumbungle Shire on a collaborative marketing project – 'Real Country'.

After the successful social media campaign last month, the Real Country group are now looking to build on the momentum and are investigating TV advertising in the lead-up to Christmas.

A full report on statistics from the September-October campaign is being created and will be shared with Council when completed.

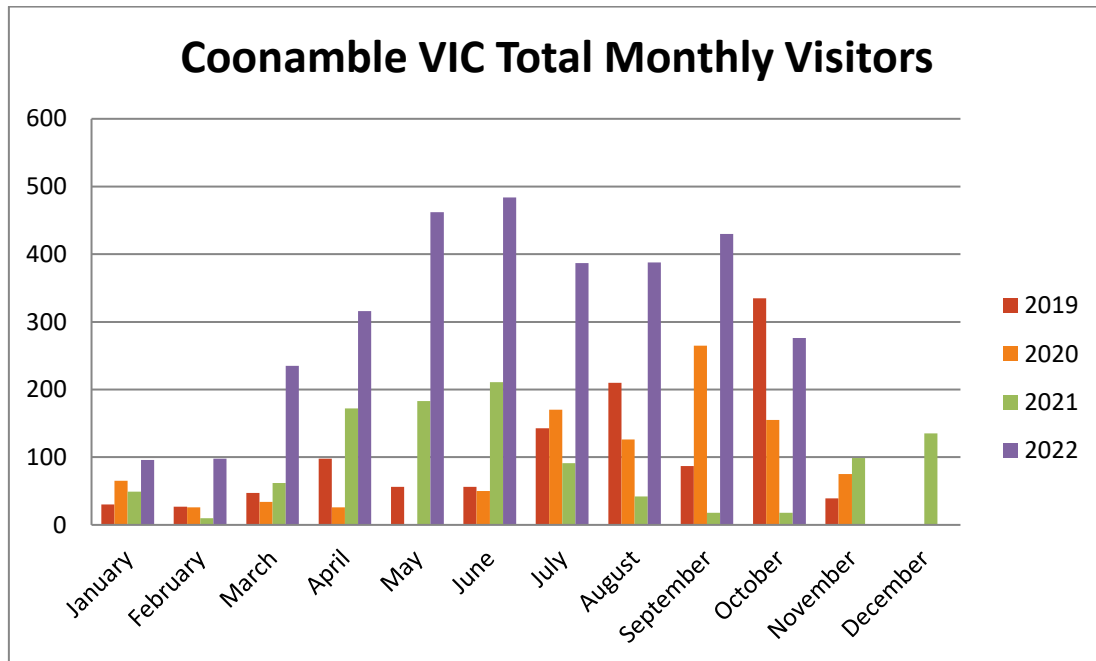
In the meantime, *Regional Lifestyle Magazine* has offered Council the opportunity to showcase Coonamble over 30 pages in the prestige, coffee-table magazine. This was taken up with Warrumbungle and Gilgandra Shire Councils who have also agreed to be part of the same issue of the magazine, as another medium through which to brand and promote our region as 'Real Country'. Taking up this offer represents 50% of the Tourism Promotion budget.

Tourism Statistics

During October 2022, visitor numbers to the Information and Exhibition Centre began to lessen, with a total of 276 visiting the centre, compared to 430 the previous month. This was due both to the general trend in visitation at this time and to unexpected regional flooding.

The District Store continues to sell products by local artists, with visitors being directed to the individual suppliers for a wider range of goods to purchase as souvenirs. Several local suppliers have approached the Information and Exhibition Centre over the past few months to inquire about showcasing their products at this location.

The ‘School Bus’ sculpture, by Brian Campbell, continues to prove a significant attraction, with many visitors coming into the centre and commenting on the craftsmanship involved.



Events

- **CHRISTMAS STREET PARTY**
 - The Tourism & Events Officer is in the initial stages of organising the Coonamble Christmas Street Party which will be held on Saturday 10 December, 9:00am – 12:00pm
- **AUSTRALIA DAY**
 - The Tourism & Events Officer has started planning the Australia Day Celebrations next year on 26 January. Nominations for awards have opened. We encourage all community members to get involved and vote for their local legend!

(a) Governance/Policy Implications

Policies relevant to activities reported here include the Community Consultation Policy.

(b) Legal Implications

There are no legal implications directly associated to this report.

(c) Social Implications

Projects and initiatives described in this report are undertaken with the objective of delivering social benefits to the Coonamble LGA.

(d) Environmental Implications

There are no environmental implications directly associated to this report.

(e) Economic/Asset Management Implications

Development of the projects proposed for funding through available grants are initiatives to meet objectives of the Community Strategic Plan 2022-32, Delivery Program 2022-2026, Coonamble Shire Masterplan 2020, the Economic Development Strategy 2021 and the Coonamble Destination Management Plan 2020.

(f) Risk Implications

Regular reporting to Council provides an opportunity to communicate and manage any ongoing or unexpected related risks that may emerge.

CONCLUSION

Economic Development and Growth activities and projects continue to progress according to the Economic Development Strategy 2021. Tourism activities and projects continue to progress according to the Economic Development Strategy 2021, and work towards achieving the goals of the Coonamble Destination Management Plan 2020.

RECOMMENDATIONS

- 1. That Council note the contents of this report.**
- 2. That Council commit to promoting the 'Real Country' campaign in the *Regional Lifestyle Magazine* at a cost of \$6,000 + GST.**

10.8 COMMUNITY SERVICE PROGRESS REPORT

File Number: C8
Author: Raquel Pickering-Librarian
Authoriser: Ross Earl, General Manager
Annexures: Nil

PURPOSE

The purpose of this report is to provide information on the activities within Council's Community Services section for the month of October 2022.

BACKGROUND

The Community Services section focuses on our community and our people and the support that Council offers in the delivery of positive outcomes. The following topics will be included into the Council Report where there is relevant information to report on. For the purposes of the new Council, a short description is provided for your reference for the key areas in the Community Services section:

- **Community Services**
Reports on the number of services, programs, and strategies to support the community. This includes Council's involvement with the interagency meetings and committee meetings, cultural events, and activities and some events for our community (Tourism and Events will also cover other events not managed by the Community Services team.).
- **Library Services**
Coonamble Shire Council is a member of the NorthWestern Library Service (NWLS). The Service covers four local government areas and encompasses the libraries therein, i.e: Bogan (Nyngan), Coonamble, Gilgandra and Warren (where the Manager is based). The Coonamble Library has two satellite branches located in the villages of Gulargambone and Quambone within the Coonamble Shire Local Government Area. The Librarian purchases stock that is rotated to all libraries and participates in book exchanges with Gulargambone and Quambone seven times per year. The Gulargambone Library is run under an agreement with the Gulargambone Rural Transaction Centre Committee. The Quambone Library is run by an employee of Council.
- **Children and Youth Services**
Council provides services in after school activities in Gulargambone and Quambone. Council also delivers school holiday programs and the Youth Week Program. Council also operates a Youth Forum/Council.
- **Integrated Planning and Reporting (IP&R) Framework**
Following the adoption of the Community Strategic Plan at the 15 June 2022 meeting, updates on the IP&R Framework will now be reported back in the Community Services Report.

(a) Relevance to Integrated Planning and Reporting Framework

The information contained in this report demonstrates the work carried out by staff in achieving the strategic objectives and delivery actions as outline in Council's recently adopted Community Strategic Plan 2032, Delivery Plan 2022-2026, and Operational Plan 2022 / 23.

(b) Financial Considerations

There are no financial considerations arising from this report.

COMMENTARY

In line with Council's 2022 / 23 Operational Plan, this report presents a summary of community service progress and activities for the period of October 2022.

COMMUNITY SERVICES

NIL

LIBRARY SERVICES**• Youth Services**

The Librarian worked with other services around Coonamble such as McKillop and Interrelate, to deliver a movie day to the community during school holidays. The Quambone and Gulargambone After School Care continues with invaluable help from RED.I.E in Gulargambone.

BACKGROUND

The Community Services section focuses on our community and our people and the support that Council offers in the delivery of positive outcomes. The following topics will be included into the Council Report where there is relevant information to report on. For the purposes of the new Council, a short description is provided for your reference for the key areas in the Community Services section:

• Community Services

Reports on the number of services, programs, and strategies to support the community. This includes Council's involvement with the interagency meetings and committee meetings, cultural events, and activities and some events for our community (Tourism and Events will also cover other events not managed by the Community Services team.).

• Library Services

Coonamble Shire Council is a member of the Northwestern Library Service (NWLS). The Service covers four local government areas and encompasses the libraries therein, i.e. Bogan (Nyngan), Coonamble, Gilgandra and Warren (where the Manager is based). The Coonamble Library has two satellite branches located in the villages of Gulargambone and Quambone within the Coonamble Shire Local Government Area. The Librarian purchases stock that is rotated to all libraries and participates in book exchanges with Gulargambone and Quambone seven times per year. The Gulargambone Library is run under an agreement with the Gulargambone Rural Transaction Centre Committee. The Quambone Library is run by an employee of Council.

- **Children and Youth Services**
Council provides services in after school activities in Gulargambone and Quambone. Council also delivers school holiday programs and the Youth Week Program. Council also operates a Youth Forum/Council.
- **Integrated Planning and Reporting (IP&R) Framework**
Following the adoption of the Community Strategic Plan at the 15 June 2022 meeting, updates on the IP&R Framework will now be reported back in the Community Services Report.

(c) Relevance to Integrated Planning and Reporting Framework

The information contained in this report demonstrates the work carried out by staff in achieving the strategic objectives and delivery actions as outline in Council's recently adopted Community Strategic Plan 2032, Delivery Plan 2022-2026, and Operational Plan 2022/23.

(d) Financial Considerations

There are no financial considerations arising from this report.

COMMENTARY

In line with Council's 2022/23 Operational Plan, this report presents a summary of community service progress and activities for the period of September 2022.

COMMUNITY SERVICES

NIL

LIBRARY SERVICES

- **Youth Services**

The Librarian worked with other services around Coonamble such as McKillop and Interrelate, to deliver a movie day to the community during school holidays. The Quambone and Gulargambone After School Care continues with invaluable help from REDI.E in Gulargambone.

- **Zone Meeting**

The Librarian attended the Central West Zone Biannual meeting in Orange. Attended by Library staff, Councillors and Council representatives, this meeting enables attendees to network with industry peers, establish and strengthen relationships and expand our learning opportunities. This meeting introduced a number of new and old initiatives by member Libraries that can benefit others throughout the region.

- **Library Statistics** (1 October – 26 October)

Service	Loans	New M/ships	Wi-Fi	Internet (hr)	Internet (ppl)	Kids Comp (children)	Junior Visits	Adult Visits
Coonamble	449	5	35	64.5	62	32	68	243
Gulargambone	27	0						

- **Manual Statistics** - Coonamble (numbers refer to people attending)

Library Visits	Reference Enquiries	Technology Enquiries	Local History	VIC Enquiries
311	3	47	0	8

- **Activity Statistics** - Coonamble (numbers refer to people attending)

Senior Craft	Pre-School Visits	Housebound	Meetings	Seniors Cinema	Other
18	52	4	6	8	12

CHILDREN AND YOUTH SERVICES

Council's Children and Youth Services have been impacted with staff shortages. We have been able to deliver the After School Care in Gulargambone and Quambone. Council's Casual Youth Workers have been instructed to partner with other service partners to deliver services.

(a) Governance/Policy Implications

The delivery of community development and integrated planning functions and activities are carried out in accordance with Council's Operational Plan and Integrated Planning and Reporting Framework.

(b) Legal Implications

There are no legal implications arising from this report.

(c) Social Implications

Council's community services section delivers a broad range of support services, activities, and opportunities to all age groups. These services assist in building social capital within the Shire.

(d) Environmental Implications

There are no environmental implications arising from this report.

(e) Economic/Asset Management Implications

The economic implications of community services are positive, in that these services provide employment opportunities, delivering a service to the community and support the local business sector.

(f) Risk Implications

There are no risk implications arising from this report.

CONCLUSION

The updates provided in this report deliver information to Council on the key activities undertaken in Council's Community Services section for the months of October 2022.

RECOMMENDATION

That Council notes the information contained in the Community Services Progress Report.

10.9 ENVIRONMENT AND STRATEGIC PLANNING PROGRESS REPORT

File Number: E5
Author: Bruce Quarmby, Acting General Manager
Authoriser: Ross Earl, General Manager
Annexures: Nil

PURPOSE

The purpose of this report is to provide information on the activities within Council's Environmental Services section and Strategic Planning information for the month. This progress report considers town planning and strategic land use planning, compliance and regulation, environmental management, public health, and waste management matters as they arise.

BACKGROUND

The Environment Services section focuses on all town and environmental planning requirements including regulation and compliance, public health requirements, waste management, and environmental management considerations. Strategic Land Use Planning refers to updates to Council's planning instruments and are also included. This report provides a summary of October 2022.

The following topics will be included into the Council Report where there is relevant information to report on. For the purposes of the new Council, a short description is provided for reference:

- Compliance and Regulation

The *Local Government Act 1993*, *Environmental Planning and Assessment Act 1979* ('EP&A Act') and *Protection of the Environment Operations Act 1997* are the main legislations providing provisions around environmental management. Compliance and regulation enforce individuals, organisations and businesses to comply with the relevant act or regulation. Environmental management can include, but is not limited to, atmosphere, built environment, heritage, land, and water.

- Development Application Information

Information on development applications lodged in the Coonamble local government area, however, the consent authority relates to another authority and not Council or its delegated staff/contractors. This can include the:

- Independent Planning Commission for state significant development,
- Regional planning panel for regionally significant development, or
- Public authority (other than council) depending on the type of development declared with an environmental planning instrument.

These types of development applications are rare.

- Strategic Land Use Planning

Matters relating to the potential amendments to Council's planning instruments such as the Coonamble Local Environmental Plan or Council's Development Control Plans. Council staff also attend forums, committees and workshops

around strategic land use planning, and this will be provided to Council for information.

- **Sustainability and Environmental Management**

Opportunities exist for Council to promote ecologically and environmentally sustainable land use and development, initiatives, and programs. Information under this topic will be reported when opportunities present itself and can come from government agencies, community groups and environmental champions.

- **Ranger's Monthly Report**

This report provides a summary of companion animals (cats and dogs) impounded and other animals. This includes information of how many animals were rehomed and euthanised. Information on dog attacks is also provided

(a) Relevance to Integrated Planning and Reporting Framework

P3.1.2. Inspection of Food Premises.

I3.3.1. Implementation Waste Management recommendations.

EN1.1.1. Enforcement of environmental regulations.

EN.1.1.2. Continue to review Local Environmental Plan.

EN.1.1.3. Ensure compliance with NSW Building Certification.

EN.1.1.4 Provide quality over counter, telephone, and email advice to customers.

EN.1.1.5 Approvals completed within timeframe required.

P2.2.4 Controlling straying animals.

(b) Financial Considerations

There are no direct financial considerations with this report.

COMMENTARY

Compliance and Regulation

Overgrown blocks

Inspections continue for overgrown properties in Coonamble, Gulargambone and Quambone since the commencement of a fulltime Regulatory Officer in November 2021. Since the last reporting period no new properties has been added to the register.

The total number of properties active on our Overgrown Block Register is 29

The split of the overgrown properties across the Shire is:

- Coonamble: 11
- Gulargambone: 10

- Quambone: 8

31 properties have complied with Council instructions and cleaned up their property, and Council has been in communication with the remaining property owners. Wet weather has hampered efforts to clean up blocks. Correspondence explains why owners must reduce excess vegetation because it causes concerns to surrounding residents and may become harbourage for vermin and other undesirable species and pose a fire risk. Depending on the block, pigeons may also cause a health hazard issue. The correspondence explains the process of how Council as the Local Authority has responsibility to ensure that all land or premises are in a safe or healthy condition and explains this regulatory process.

Blocks with unsafe levels of waste:

Council has a register for properties found to have levels of rubbish or waste causing or likely to cause threat to Public Health or the health of an individual. Since the last reporting period no additional properties have been added to this register. For the three properties on the register Council staff have contacted the owner(s) regarding the condition of their block at the time of our inspection.

Correspondence explains why owners must reduce excess waste and rubbish because it causes concerns to surrounding residents and may become harbourage for vermin and other undesirable species and pose a fire risk. The correspondence explains the process of how Council as the Local Authority has responsibility to ensure that all land or premises are in a safe or healthy condition and explains this regulatory process.

The split of the properties with unsafe levels of waste across the Shire is:

- Gulargambone: 1
- Quambone: 2

Development Control Orders, Public Health Orders and Infringements

Since the last reporting period no new Orders have been issued.

Development Application Under Delegated Authority

Information provided in this section of the report, provides Council information on what has been determined for the month and not subject to the Council's endorsement or approval.

Individual development applications that require the elected Council's approval will be under its own separate Council Business Paper Report with the recommendation to determine the application as approved or refused.

Under the *Government Information (Public Access) Act 2009* (GIPA Act), information in the form of Development Applications and its associated information is prescribed as 'open access information' by Clause 3 of Schedule 1 of the GIPA Act. This also

includes staff's development assessment report that is written prior to an application's determination. This provides a high level of transparency.

Under delegated authority, the following is a summary of applications approved in October 2022.

Application Number	Description of Works	Address of Proposed Works	Approved Date
OCTOBER 2022			
MOD DA024/2022	SES Building	Lot 244 DP 44910, 93 Aberford St, Coonamble	5/10/2022
DA023/2022	Consolidation of two lots and construction of transportable home	Lot 34 DP754234, 1184 Calga Rd Coonamble	12/10/2022
LA012/2022	Install transportable home	Lot 34 DP754234, 1184 Calga Rd Coonamble	12/10/2022
CC003/2022	Extensions to Childcare Centre	Lot 942 DP591335, 55 Wilga St Coonamble	13/10/2022
LA011/2022	Septic	Lot 1 DP 337166, 9325 Castlereagh Hwy Coonamble	14/10/2022
DA022/2022	Demolition and Remediation of fuel depot	Lot 1 DP 831655, 5-7 Quambone Rd Coonamble	18/10/2022
SC – 017296af	Pool Certificate	13 Castlereagh St, Coonamble	24/10/2022
SC – 3acda050	Pool Certificate	12 Park St, Coonamble	26/10/2022
DA019/2022	Sheep Feedlot	Lot 23 DP 754279, 1380 Quabathoo Rd Coonamble	26/10/2022
DA027/2022	Inground Swimming Pool	Lot 1 DP 754271, 2389 Pilliga Rd Gilgooma	26/10/2022
CC027/2020	Footings for portable office	Lot 82 DP 820705, 4948 Tooraweenah Rd, Mount Tenandra	26/10/2022

Ranger's Report

The Ranger's report is provided for October 2022. The follow is a summary of companion animal statistics.

<u>CORRESPONDENCE</u>	<u>October 2022</u>	<u>Year to Date 2022/2023 Total</u>
Infringements (Animals)	0	0
Infringements (Other)	0	0
Change of Details	0	46
Microchipped dogs	0	82
Registrations	0	8
Nuisance dog declaration	0	0
Dangerous dog declaration	0	0
Menace dog declaration	0	0

Impounded animals

In September there were a total of 16 dogs impounded and 5 cats were impounded. The following provides a breakdown:

October 2022	Dogs	Cats
Returned to owners	0	0
Rehomed	14	0
Euthanised	2	5
Impounded*	16	5

*Of the total impounded for both October, 11 dogs were impounded from Coonamble, 5 dogs from Gulargambone and 0 from Quambone.

Dog attacks

NIL

(a) Governance/Policy Implications

The report provides Council with opportunities to understand governance and policy implications in the environment and strategic land use planning. There may be risk implications depending on the nature of the enquiry.

(b) Legal Implications

Whilst not yet formally received by Council, the EPA has indicated its intention to serve Council both a Clean- up and Prevention Notice in accordance with the provisions contained within the Protection of the Environment Operations Act 1997.

(c) Social Implications

Providing information that is open and transparent to the community will provide positive social implications for the community to understand the work that Council does.

(d) Environmental Implications

The progress report allows for environmental management to be an area of focus for Council and subsequently providing positive environmental benefits. This specifically relates to the area of public health, environmental sustainability, and waste management.

(e) Economic/Asset Management Implications

There may be risk implications depending on the nature of the enquiry.

(f) Risk Implications

There may be risk implications depending on the nature of the enquiry.

CONCLUSION

The Environment and Strategic Planning Progress Report has considered town planning and strategic land use planning, waste management, compliance and regulation, and environmental management and health since the last meeting.

RECOMMENDATION

That Council notes the information contained within the Environmental and Strategic Planning Progress Report.

10.10 QUARTERLY BUDGET REVIEW - SEPTEMBER 2022

File Number: Financial Quarterly Review F2-2
Author: Bruce Quarmby-Executive Leader Corporate and Sustainability
Authoriser: Ross Earl, General Manager
Annexures: 1. Quarterly Budget Review - September 2023 (under separate cover)

PURPOSE

The purpose of this report is to provide Council with a quarterly budget review statement in accordance with Regulation 203 of the Local Government (General) Regulation 2005 (the Regulations). Please refer to the Annexure relating to this report.

BACKGROUND

Regulation 203 of the Regulations states that:

- (1) Not later than 2 months after the end of each quarter (except the June quarter), the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the operational plan for the relevant year, a revised estimate of the income and expenditure for that year.*
- (2) A budget review statement must include or be accompanied by:*
 - (a) a report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimate of income and expenditure, and*
 - (b) if that position is unsatisfactory, recommendations for remedial action.*
- (3) A budget review statement must also include any information required by the Code to be included in such a statement.*

The Code referred to above is the Code of Accounting Practice and Financial Reporting. While earlier versions of the Code had an appendix that listed minimum requirements, these were removed a few years ago as they are of no relevance to the financial statements (which is the main purpose of the Code). In the absence of any instructions in the Code, the Quarterly Budget Review Statement publication issued in 2010 by the then Division of Local Government, NSW Department of Premier and Cabinet, details the minimum requirements and these requirements have been met in the preparation of the Quarterly Budget Review Statements (QBRs). The quarterly review should act as a barometer of Council's financial health during the year, and it is also a means by which Councillors can ensure that Council remains on track to meet its objectives, targets and outcomes as set out in its Operational Plan.

(a) Relevance to Integrated Planning and Reporting Framework

L1.4.10 Maintain long term financial viability.

(b) Financial Considerations

The September budget review as tabled for Council's consideration has a substantial number of variations to the originally adopted 2022/23 Operational Budget. Most of these variations represent the necessary accounting treatment to carry forward and revote works from the 2021/22 financial year.

COMMENTARY

Appendix A contains further detailed information in regard to Cash and Investments, Contract and Consultancy Expenses and its progression towards achieving adopted Key Performance Indicators as of 30 June 2023.

Council commenced the 2022/23 financial year with the original operational budget surplus of \$105,170. At the completion of the September 2022 review Council's estimated budgeted result for the 2022/23 Financial Year has as expected weakened to anticipated operational deficit of \$3,436,170. Likewise, Council's position after non-operating expenditure has been considered has also deteriorated to a \$231,529 draw-down on Council's working funds.

Council should note that the main contributing factor to the deterioration in the anticipated Operational Budget result is the accounting treatment for the prepaid portion of the 2022/23 Financial Assistance Grant (FAG). As these grant funds were received in the 2021/2022 financial year, in accordance with the current relevant accounting standards, they are required to be recognised as income in that financial year, being 2021/2022. Should the Federal Government continue the current practise of pre-paying a portion of this grant then this prepayment will be recognised in the 2022/23 financial year.

As part of the process of preparing the September Budget Review for consideration by Council, management has included both the carry forwards and revotes from the 2021/22 financial year. These works are funded by a combination of Transfers from Council's Internal Reserves or Unspent Grant Funds and represent most of the budget adjustments carried out in this review.

As in the past with the preparation of budget reviews, where increases in expenditure have been identified, management has also identified potential savings in the budget to offset these increases. Some of these adjustments are as follows:

- General Purpose Revenue – (P.2) The income vote for the FAG - General Purpose Component, has been adjusted to reflect the level of anticipated income in accordance with the formal notification received by Council. Whilst the prepayment of the grant accounted for a reduction of \$2,366,942 this was offset in part by the additional allocation to Council of \$278,764.
- Rural Fire Services – (P.3) As per formal advice received from the Office of State Revenue, the budgeted allocation for the Zone contributions have been increased by \$131,082. This increase in costs, has been offset with by an increase of income anticipated to be received from Other Zone member contributions of \$100,096.

- RFFF Hazard reductions works – (P.5) Following formal advice being received from the NSW Rural Fire Services, both the planned income and expenditure votes for Hazard reduction works have been increased by \$227,190.
- Bulk Waste – Kerbside Collection – (P.7) In accordance with Council resolution 2022/139, the funding for the Kerbside collection, being \$60,000 has been re-directed to budgets associated with planned improvements at the Coonamble Waste Management facility.
- Contractors – Waste Depot Operations – (P.7) An additional allocation of \$164,195 has been budgeted towards costs associated with the contracted operations and management of the Gulargambone waste transfer station and the Coonamble Waste management facility. This increase in costs is aligned with the anticipated increase in costs to manage the facilities. For Council's information a portion of this increase in costs has been offset by a transfer from Council's Domestic Waste Management fund (P.19)
- Coonamble Water Operations – (P.11) the budgeted expenditure for Repairs and maintenance has been increased by the inclusion of an expenditure vote of \$115,000 to allow for the de-sludging of Lagoons at the Coonamble Water Treatment Plant. This increase in expenditure has been offset in part, with a reduction of \$75,000 in budgeted costs associated with water treatment expenses.
- Financial Assistance Grant – Roads - (P.15) The income vote for these grant funds have been adjusted to reflect the level of anticipated income in accordance with the formal notification received by Council. Whilst the prepayment of the grant accounted for a reduction of \$1,258,815 this was offset in part by the additional allocation to Council of \$106,409.
- Unsealed Rural Roads Local – (P.15) An additional allocation of \$106,400 has been allocated to the unsealed rural roads maintenance allocation.
- Regional Roads - (P.15) The budgeted income and expenditure votes for the have been adjusted to reflect the indicative funding allocations for the Regional Roads block grant funding agreement.
- Corporate Support Services – (P.19) Non-Operational income has been increased by the inclusion of Transfer from Internal Reserves - Financial Assistance Grant for \$2,366,942. This figure represents the General-Purpose Component of the 2022/23 pre-payment.
- Transport & Communication – (P.20) Non-Operational income has been increased by the inclusion of Transfer from Internal Reserves – Financial Assistance Grant for \$1,258,815. This figure represents the Roads Component of the 2022/2023 pre-payment.
- Water Supply Capital Works Program – (P.21) Following consultation with Council's Manager of Water and Sewer operations, the planned capital works program and its budgets have been adjusted to reflect the recommended capital works program for the 2022/23 financial year.
- Sewerage Capital Works Program – (P.21) Following consultation with Council's Manager of Water and Sewer operations, the planned capital works program and its budgets have been adjusted to reflect the recommended capital works program for the 2022/23 financial year.

(a) Governance/Policy Implications

There are no governance or policy implications arising from this report.

(b) Legal Implications

The September budget review has been prepared in accordance with the *Local Government Regulations 2005* – Regulation 203

(c) Social Implications

There are no social implications arising from this report.

(d) Environmental Implications

There are no environmental implications arising from this report.

(e) Economic/Asset Management Implications

During the 2022/23 financial year Council has programmed asset maintenance and capital renewals in order to satisfy required Key Performance Indicators.

(f) Risk Implications

There are no risk implications arising from this report.

CONCLUSION

It is my opinion that the Quarterly Budget Review Statement for Coonamble Shire Council for the Quarter ended 30 September 2022 indicates that Council's financial position at 30 June 2023 to be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

RECOMMENDATION

- 1. That Council approves the variations to votes as listed in the budget review documents distributed under separate cover.**
- 2. That Council notes, in the opinion of the Responsible Accounting Officer based on the information as presented in the September Budget review; that Council will be in a satisfactory financial position as at 30 June 2023.**
- 3. That Council notes the classification and position of Council's estimated restricted (reserve) funds as at 30 September 2022.**

10.11 WARRENA WEIR - DRAFT PLAN OF MANAGEMENT.

File Number: P-10-5-1 Crown Lands Plans of Management

Author: Bruce Quarmby, Director of Corporate and Urban Services

Authoriser: Ross Earl, General Manager

Annexures: 1. Warrena Weir - Draft Plan of Management (under separate cover)

PURPOSE

This purpose of this report is to provide Council with a status update on the development of plan of management for the Warrena Weir Crown Reserve.

BACKGROUND

With the commencement of the Crown Land Management Act (CLMA), Councils became known as Crown Reserve Managers and were tasked with the development of plans of management for all crown lands under their management.

To facilitate the development of these plans Council has utilised the services of consultants, with Currajong PTY LTD tasked with the development of the plan of management for the Warrena Weir Crown Reserve.

Michael Carter of Currajong PTY LTD, has visited Coonamble and had preliminary discussions with representatives from Council and the Coonamble Aquatic / Ski Club. Following these discussions an "initial draft plan of management" has been compiled. This initial or first draft is included for Council's information as annexure 1 to this report.

For Council's information a copy of this draft plan of management has been provided to the Coonamble Aquatic / Ski Club for their information and review.

(a) Relevance to Integrated Planning and Reporting Framework

L1.3.4.1 Continue to review, develop and adopt policies, strategies and plans which gives clear framework and leads to strategic decision making

L1.3.3.1 Develop more inclusive communication outreach to increase engagement and communication with target groups.

(b) Financial Considerations

The draft plan of management as attached to this report, contains several potential funding commitments that Council will need to consider moving forward. It is envisaged that once the plan of management is finalised it will form part of any grant application to further upgrade/renew the facilities at the weir.

COMMENTARY

The draft plan of management as attached to this report is the first draft of this document. Since receiving the draft document, Council staff have had a further follow up meeting with Michael Carter to work through the document and provide further input into the plan of management. This feedback will be incorporated into the draft document.

Once this feedback has been incorporated into the draft plan, it will be necessary for further consultation to occur with the various stakeholders to ensure that the plan is not only relevant for Council's needs, but the communities as well. To achieve this goal, it is proposed that a number of stakeholder meetings be held, and the feedback received from these meeting be incorporated into the draft document. For Council's information the hosting of these meetings will be run by the consultant, Michael Carter.

Once the document has been further amended it will be tabled once again for Council's consideration and adoption.

(a) Governance/Policy Implications

New or revised Plans of Management are to be completed by 30 June 2023, in accordance with the Crown Land Management Act 2016.

(b) Legal Implications

There are no direct legal implications directly attached to this report.

(c) Social Implications

Improved planning and management for reserves contributed to connectedness with open spaces and well-being within the community.

(d) Environmental Implications

Improved environmental outcomes can be seen from a coordinated approach to public reserve management.

(e) Economic/Asset Management Implications

Cross-referencing of the condition of structures on crown reserves can assist with asset management plan updates and forecasting.

(f) Risk Implications

There are no direct risk implications directly attached to this report.

CONCLUSION

The draft plan of management for the Warrena Weir Reserve as attached to this report is the first draft of the document. Further stakeholder engagement is planned to ensure that the plan of management, once finalised meets the requirements of all stakeholders of the facility.

RECOMMENDATION

That Council note the information contained within this report.

10.12 TOORAWEEENAH ROAD UPGRADE - MONTHLY STATUS UPDATE**File Number:** R-8-32-1**Author:** Daniel Noble-Executive Leader - Infrastructure**Authoriser:** Daniel Noble, Executive Leader - Infrastructure**Annexures:** Nil**PURPOSE**

The purpose of this report is to provide Councillors a status update on the Tooraweenah Road Upgrade Project.

EXECUTIVE SUMMARY

In the month of October 2022, a Community Information Session was held and was well attended by Councillors, adjoining landholders, local contractors and other interested parties.

Council's Project Manager (Western Project Services) were in attendance and gave an update on the projects progress. The 50% detailed design drawings have been received and will be reviewed by the project team. There were a number of aspects of the project discussed including drainage. The project managers attended the job site with members of the public to gather this local knowledge and to incorporate it into the detailed design.

BACKGROUND

Tooraweenah Road is the most direct route from the town of Coonamble to the Warrumbungles.

The section of road to be upgraded commences on the eastern outskirts of the Coonamble township and continues to the boundary with Gilgandra Shire Council.

The 56.8 km road currently consists of 30.1 km with a sealed pavement of varying width, followed by 26.7 km of unsealed earthen formation with an average width of 7m. The unsealed section includes two short-sealed sections that total 1.3km.

Most of the sealed length is in need of rehabilitation or heavy patching however some of the sections of sealed pavement are in a serviceable condition and will be retained. Unsealed sections of Tooraweenah Road will be upgraded and sealed.

The project aims to provide 56.8 km of road with a 9.9m wide pavement and 7.5m wide seal with guideposts, centreline and edge marking.

Council has resolved to complete the project in the shortest possible timeframe, preferably within a 12-month period from the time of project approval.

(a) Relevance to Integrated Planning and Reporting Framework

11.1.5 Complete the Tooraweenah Road upgrade project, on time and on budget.

(b) Financial Considerations

The capital cost of the project is fully funded by the Federal Government's Roads of Strategic Importance (ROSI) Program. The funded budget is \$22.96M.

COMMENTARY

The Community Information Session was well attended by Councillors, adjoining landholders, local contractors and other interested parties. Following the meeting it was determined to make as much as the project information public available by placing it on Council's website. This information was to include the indicative project program, the 50% detail design drawings and any other relevant information.

Several aspects of the project were discussed. The most topical of these including:

- Drainage
- Interface with the Inland Rail
- Material quantities and potential sources (Mt Magometon and Ralstons Quarry)
- Traffic Management

It is proposed to include a Frequently asked Questions (FAQ) section on Council's website to provide responses to the above-mentioned matters when they are fully considered. With reference to this, Western Project Service representatives met with several adjoining landholders to review these aspects and noted the drainage issues in particular would pose a challenge for the designers.

A milestone (#3) was claimed for pre-construction works that have occurred onsite including clearing and grubbing of the alignment.

RECOMMENDATION

That the information be received and noted.

10.13 INFRASTRUCTURE SERVICES - WORKS IN PROGRESS

File Number: R6
Author: Daniel Noble-Executive Leader - Infrastructure
Authoriser: Daniel Noble, Executive Leader - Infrastructure
Annexures: 1. Infrastructure Works in Progress Summary

PURPOSE

The purpose of this report is to provide Councillors with information on the works in progress within Council's Infrastructure Services Directorate.

EXECUTIVE SUMMARY

The purpose of this report is to provide Councillors with information on the works in progress within Council's Infrastructure Services Directorate.

BACKGROUND**(a) Relevance to Integrated Planning and Reporting Framework**

- I1.1 Employ a strategic approach to the management of our critical road network.
- I1.2 Strengthen our strategic approach to the management of our water infrastructure and services.
- I1.3 Improve our strategic approach to the management of our sewerage infrastructure and services.
- I1.4 Strengthen our strategic approach to the management of our urban drainage infrastructure and services.
- I1.5 Adopt successful strategies which maximises our community's access to quality infrastructure and assets.
- P3.1 Provide support to our sporting, recreation and community organisations which drives improved sporting and recreational opportunities for our community.
- P3.2 Improve the quality of our parks, open spaces, sporting and recreational facilities, including the MacDonald Park Masterplan Precinct.

(b) Financial Considerations

Provision is made within the 2022 / 2023 Operational Plan and Budget to fund the associated works and programs listed in this report.

COMMENTARY

This report aims to inform Councillors of the Works in Progress in the Infrastructure Services Directorate. Updates are provided for each Departmental area which includes Roads, Water and Sewer, Urban Services, Quarry and Workshop.

(a) Governance/Policy Implications

Maintenance of Council's infrastructure assets is carried out in accordance with Council's adopted management plans.

(b) Legal Implications

There are no legal implications arising from this report.

(c) Social Implications

Maintenance works are programmed where practical, to minimise social impacts.

(d) Environmental Implications

There are no environmental implications arising from this report.

(e) Economic/Asset Management Implications

Works are scheduled in accordance with Council's adopted 2022 / 23 Operational Plan and Budget.

(f) Risk Implications

Maintenance works are programmed to minimise the risk to Council and the public.

CONCLUSION

This report provides updated information on the projects and planned works within the Infrastructure Department for Council's information.

RECOMMENDATION

That Council notes the information in this report.

Roads – Operations and Maintenance						
Project	Budget	Expenditure to Date	Comment	Start Date	End Date	Progress (%)
Urban Roads Maintenance	\$150,000	\$57,155	Ongoing.	01/07/2022	30/06/2023	38%
Sealed Roads Maintenance	\$300,000	\$63,399	Routine Maintenance ongoing i.e. Potholing patching, guide posts, etc.	01/07/2022	30/06/2023	21%
Unsealed Rural Roads Maintenance	\$612,000	\$183,686.	Ongoing and being subsidised by flood damage restoration funding.	01/07/2022	30/06/2023	30%
Bridge Maintenance	\$50,000	\$499	Nil to date.	01/07/2022	30/06/2023	-
Regional Roads Maintenance	\$568,060	\$188,305	Expenditure corrected from last month.	01/07/2022	30/06/2023	33%
Roads – Capital Works						
Project	Budget	Expenditure to Date	Comment	Start Date	End Date	Progress (%)

Bertram Street Reconstruction	\$350,000	\$262,500 (estimated)	Works are substantially complete. Waiting for favourable conditions to clean out drain.	20/10/2022	28/10/2022	75%
Urban Renewal Program	\$200,000	\$3,403	Commenced.	01/11/2022	30/01/2023	2%
Unsealed Renewal Program (Resheeting)	\$350,00	\$78,731	Commenced.	01/05/2023	30/06/2023	23%
Sealed Road Heavy Patching	\$200,000	-	To commence.	05/09/2022	30/09/2022	0%
Regional Road Capital Renewal	\$100,000	-	To commence.	01/05/2023	30/06/2023	0%
Warren Road Upgrade	\$1,267,188	-	Finalising ROSI funding Deed of Agreement.	01/04/2023	30/06/2023	0%
Warren Road and Castlereagh Highway Intersection Upgrade	\$820,000	-	ON HOLD – Currently not fully funded. New application to be submitted to HVSP when designs complete.	06/02/2023	30/06/2023	0%
Shanklin Road Renewal	\$200,000	-	Currently being rescoped due to	01/04/2023	26/05/2023	0%

			budget reallocation to Euronne Gully Culverts			
Wingadee Road Renewal	\$150,000	-	RFQ for survey, design and hydrology assessment underway.	03/10/2022	24/02/2023	0%
Yalcogrin Street Renewal (Gular)	\$60,000	\$60,000	Completed	05/09/2022	28/10/2022	100%
Box Ridge Road Reconstruction	\$1,859,636	-	Civil designer has been appointed. Awaiting favourable weather conditions to complete survey.	09/01/2023	26/05/2023	0%
Carinda Road Heavy Patching and Culverts	\$2,265,840	\$194,026	Heavy patching has commenced but site conditions making it difficult to park plant.	15/05/2022	01/04/2023	3%
Stormwater Improvement Program	\$175,000	-	Projects to be nominated.	01/07/2022	30/06/2023	0%
Tooraweenah Road Upgrade	\$13,566,000	\$1,186,022	Refer specific report.	01/07/2022	30/06/2023	9%

Flood Restoration Works	\$2,950,226	\$256,603	Flood restoration works have commenced despite ongoing wet weather.	01/07/2022	30/06/2023	9%
Glenhaven Culverts	\$3,500,000	\$713,149	Revised Works Proposal has been approved. Awaiting favourable weather conditions to recommence.	01/07/2022	17/02/2023	20%
Pilliga Causeway Replacement	\$597,779	-	Tender Awarded to CONEX Services. Currently executing contracts.	01/07/2022	23/12/2022	0%
Euronne Gully Causeway	\$455,000	\$25,000	Awaiting confirmation from Department of Infrastructure... that an extension of time will be granted for LRCI Funding.	01/07/2022	23/12/2022	5%
Water – Capital Works						

Project	Budget	Expenditure to Date	Comment	Start Date	End Date	Progress (%)
Coonamble Mains Replacements	\$624,642	-	Maule Street complete. Sydney Street to commence at the end of the month. Mundooren Street to follow.	01/07/2022	30/06/2023	0%
Coonamble Chlorine Storage Relocation	\$20,000	\$20,000	Complete	01/07/2022	30/06/2023	100%
Coonamble Reservoir Improvements	\$24,000	\$20,094.34	Purchase Order placed. Expected completion end of November 2022.	01/07/2022	30/06/2023	84%
Quambone Mains Replacements	\$61,170	-	Tender documents being prepared.	01/07/2022	30/06/2023	0%
Quambone New Chlorine Storage	\$45,000	-	Fencing to commence, development application in development.	01/07/2022	30/06/2023	0%
Quambone Chlorine Residual Monitors	\$20,000	-	Quotations received and	01/07/2022	30/06/2023	0%

			currently being evaluated.			
Quambone Chlorine Scales and Auto Changeover	\$12,000	\$12,000	Complete	01/07/2022	30/06/2023	100%
Quambone Reservoir Improvements	\$15,000	-	RFQ documents being prepared.	01/07/2022	30/06/2023	0%
Gulargambone Mains Replacements	\$317,893	\$238,420	Kirban, Muraiman and Munnell Street complete.	01/07/2022	30/06/2023	75%
Gulargambone Chlorine Residual Monitors	\$40,000	-	Quotations received and currently being evaluated.	01/07/2022	30/06/2023	0%
Gulargambone Scales and Auto Changeover	\$24,000	\$24,000	Complete.	01/07/2022	30/06/2023	100%
Sewerage – Capital Works						
Project	Budget	Expenditure to Date	Comment	Start Date	End Date	Progress (%)
Coonamble Mains Relining	\$535,000	-	Cleaning and CCTV inspections scheduled for November 2022.	01/07/2022	30/06/2023	0%

Coonamble SPS1 Vent Stack	\$20,000	-	RFQ documents being prepared.	01/07/2022	30/06/2023	0%
Coonamble STP Upgrade – Concept Design	\$250,000	-	Funding Deed accepted.	01/07/2022	30/06/2023	0%
Gulargambone Mains Relining	\$235,000	-	Cleaning and CCTV inspections scheduled for November 2022.	01/07/2022	30/06/2023	0%
Gulargambone STP Maturation Pond Relining	\$60,000	\$60,000	Scope of works being developed by PWA but currently far exceeds budget allocation. Reviewing available grant funding and achievable cost savings.	01/07/2022	30/06/2023	100%
Gulargambone STP Tertiary Pond Renewal	\$200,000	-	Reviewing available grant funding in consultation with the EPA.	01/07/2022	30/06/2023	0%
Gulargambone STP SCADA Upgrade	\$100,000	-	Alliance Automotion to be	01/07/2022	30/06/2023	0%

			engaged (Service Agreement)			
Urban Services – Capital Works						
Project	Budget	Expenditure to Date	Comment	Start Date	End Date	Progress (%)
Cemetery Improvement Program	\$20,000	-	To commence.	01/07/2022	30/06/2023	0%
Quambone Toilet Block	\$70,380	-	Builder appointed and awaiting favourable conditions to commence.	01/07/2022	30/06/2023	0%
Coonamble Pool Upgrade Program	\$466,957	\$69,916	Concrete structural integrity test results received. Currently being interpreted by third party structural engineer.	01/07/2022	30/06/2023	15%
Coonamble Sportsground	\$119,450	-	To commence.	01/07/2022	30/06/2023	0%
Footpaths Reconstruction	\$45,000	-	To commence.	01/07/2022	30/06/2023	0%

Street Tree Replacement Program	\$100,000	-		Draft policy to September Ordinary Meeting 2022.	01/07/2022	30/06/2023	0%
Walking Loop Footpath Construction	\$327,083	-		To commence.	01/07/2022	30/06/2023	0%
Coonamble Showground Upgrades	\$25,000	-		To commence.	01/07/2022	30/06/2023	0%
Quarries, Pits & Crusher Operations							
Balance Sheet	Estimated	Actual Date	to	Comment	Start Date	End Date	Progress (%)
Expenditure	\$2,114,325	\$352,388		Production costs inc. staff, plant, equipment and operating costs.	01/07/2022	30/06/2023	17%
Income	\$2,625,550	\$526,522		40mm rockfill is accounting for approx..30% of all sales to date.	01/07/2022	30/06/2023	20%
Net Revenue	+\$511,225	\$174,134		On target.	01/07/2022	30/06/2023	34%
Workshop Operations							
Plant Serviced or Repaired	Estimated Downtime Actual to Date (Hrs)			Comment	Start Date	End Date	Progress (%)

**11 NOTICES OF MOTIONS/QUESTIONS WITH
NOTICE/RESCISSION MOTIONS**

Nil

12 CONFIDENTIAL MATTERS

RECOMMENDATION

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993:

12.1 Closed (Public Excluded) Council Meeting of the Coonamble Shire Council - 12 October 2022

12.2 Expression of interest to purchase Council-owned land - Industrial

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

12.3 Expression of interest to Purchase Council-owned land

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

12.4 Disaster Recovery Funding Arrangement (DRFA) Project Management

This matter is considered to be confidential under Section 10A(2) - d(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

12.5 SPT101617COO - Coonamble Waste Management Services - Proposed terms for continuation of contract

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

12.6 Preliminary Investigation into the Redevelopment of the Sons of the Soil Hotel Site.

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

13 CONCLUSION OF THE MEETING