



Vincent Street  
CESSNOCK

12 February 2024

## ORDINARY MEETING OF COUNCIL

WEDNESDAY, 21 FEBRUARY 2024

### ENCLOSURES

PAGE NO.

#### MAYORAL MINUTES

**MM1/2024 Cost Shifting To Local Councils**

**Enclosure1:** Annual Cost Shifting Report \_ LGNSW .....3

**Enclosure2:** Annual Cost Shifting Report Highlights \_ LGNSW.....40

#### PLANNING AND ENVIRONMENT

**PE1/2024 174 - 178 Lang Street, Kurri Kurri - Draft Planning Agreement**

**Enclosure1:** Draft Planning Agreement 178 Lang St, Kurri Kurri .....44

**Enclosure2:** Letter of Offer 178 Lang Street, Kurri Kurri.....97

#### CORPORATE AND COMMUNITY

**CC2/2024 Annual Financial Statements for the Year Ended 30 June 2023**

**Enclosure:** Financial Statements for the year ended 30 June 2023,  
incorporating "Understanding the Financial Statements"  
document.....102

**CC4/2024 December 2023 Review of the 2022-26 Delivery Program**

**Enclosure1:** 2023-24 Operational Plan Review - Quarter 2.....213

**CC5/2024 Quarterly Budget Review Statement - December 2023**

**Enclosure1:** December 2023 Quarterly Budget Review Statements .....284

**CC6/2024 Australian Local Government Association 2024 National  
General Assembly - Request for Attendance and  
Motions**

**Enclosure1:** Councillor Request to Attend Conference Form ..... 304

**Enclosure2:** 2024 NGA Motions - Discussion Paper ..... 305

**CC10/2024 Resolutions Tracking Report**

**Enclosure1:** Completed Actions..... 329

**Enclosure2:** Outstanding Actions..... 344

**WORKS AND INFRASTRUCTURE**

**WI1/2024 T2024-01 - Branxton to Greta Shared Pathway Stage 3**

**Enclosure2:** T2024-01 - Tender Evaluation Report Attachment ..... 364



## LGNSW Cost Shifting Report –

## How State Costs Eat Council Rates



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## Contents

Contents	i
Tables	i
Figures	ii
1 Executive Summary	1
2 Background	3
2.1 What is cost shifting?	3
2.2 Cost shifting and the rate peg	4
2.3 This report	4
3 Findings	5
3.1 Emergency service contributions and obligations	8
3.2 Waste levy	16
3.3 Rate exemptions	19
3.4 Regulatory functions	22
3.5 Funding programs	24
3.6 Pensioner rebates	26
3.7 Service gaps	28
3.8 Other cost shifts	29
3.9 Future survey considerations	30
4 About the survey	32
4.1 Development of the survey	32
4.2 Conducting the survey	32
4.3 Responses to the survey	32
4.4 Data validation and analysis	32

## Tables

Table 1 Cost for rate exemptions	22
Table 2 Cost for increased regulatory functions that cannot be recovered through fees and charges	24
Table 3 Cost for services provided by Council as a result of a State or Federal service gap or market failure	29



## Figures

Figure 1 2021–22 cost shifting components	2
Figure 2 2021–22 cost shifting components	6
Figure 3 Total cost shift by council classification	7
Figure 4 Cost shift per ratepayer by council classification	7
Figure 5 Emergency services contributions and obligations by council classification	9
Figure 6 Respondent councils with the highest emergency services contributions and obligations burden	9
Figure 7 Respondent councils with the highest emergency services contributions and obligations burden as a proportion of total operating expenditure	10
Figure 8 Respondent metropolitan and fringe councils with the largest ESL bill for 2021–22	11
Figure 9 Respondent regional and rural councils with the largest ESL bill for 2021–22	11
Figure 10 Respondent councils with the largest ESL bill as a proportion of total operating expenditure	12
Figure 11 Top 10 councils with the highest ESL bill in 2023–24	12
Figure 12 Top 10 councils with the highest 2023–24 ESL increase as a percentage of the rate revenue increase	13
Figure 13 Additional RFS contributions by council classification	14
Figure 14 RFS Depreciation Expense by council classification	15
Figure 15 Waste levy by council classification	17
Figure 16 Respondent councils with the highest waste levy	17
Figure 17 Waste levy area map	18
Figure 18 Rate exemptions by category	20
Figure 19 Rate exemptions by council classification	20
Figure 20 Average rate exemption for respondent councils as a proportion of rates revenue by council classification	21
Figure 21 Respondent councils with the highest rate exemptions as a proportion of rates revenue	21
Figure 22 Unfunded regulatory costs by category	22
Figure 23 Unfunded regulatory costs by council classification	23
Figure 24 Respondent councils with the largest regulatory cost as a proportion of total operating expenditure	23
Figure 25 Funding program costs shifted by category	25
Figure 26 Funding program costs shifted by council classification	25
Figure 27 Respondent councils with the largest funding program costs shifted as a proportion of total operating expenditure	26
<b>Figure 28 Average total pensioner rebates as a proportion of total rates revenue by council classification</b>	<b>27</b>
Figure 29 Service gap costs by council classification	28
Figure 30 Respondent councils with the highest service gap cost as a proportion of total operating expenditure	28
Figure 31 Other cost shifts by category	29



## 1 Executive Summary

Cost shifting remains one of the most significant challenges facing the NSW local government sector. As the peak organisation representing the interests of all 128 general purpose councils in NSW, as well as special purpose councils and related entities, Local Government NSW (LGNSW) regularly monitors the extent of cost shifting onto local government via its Cost Shifting Survey.

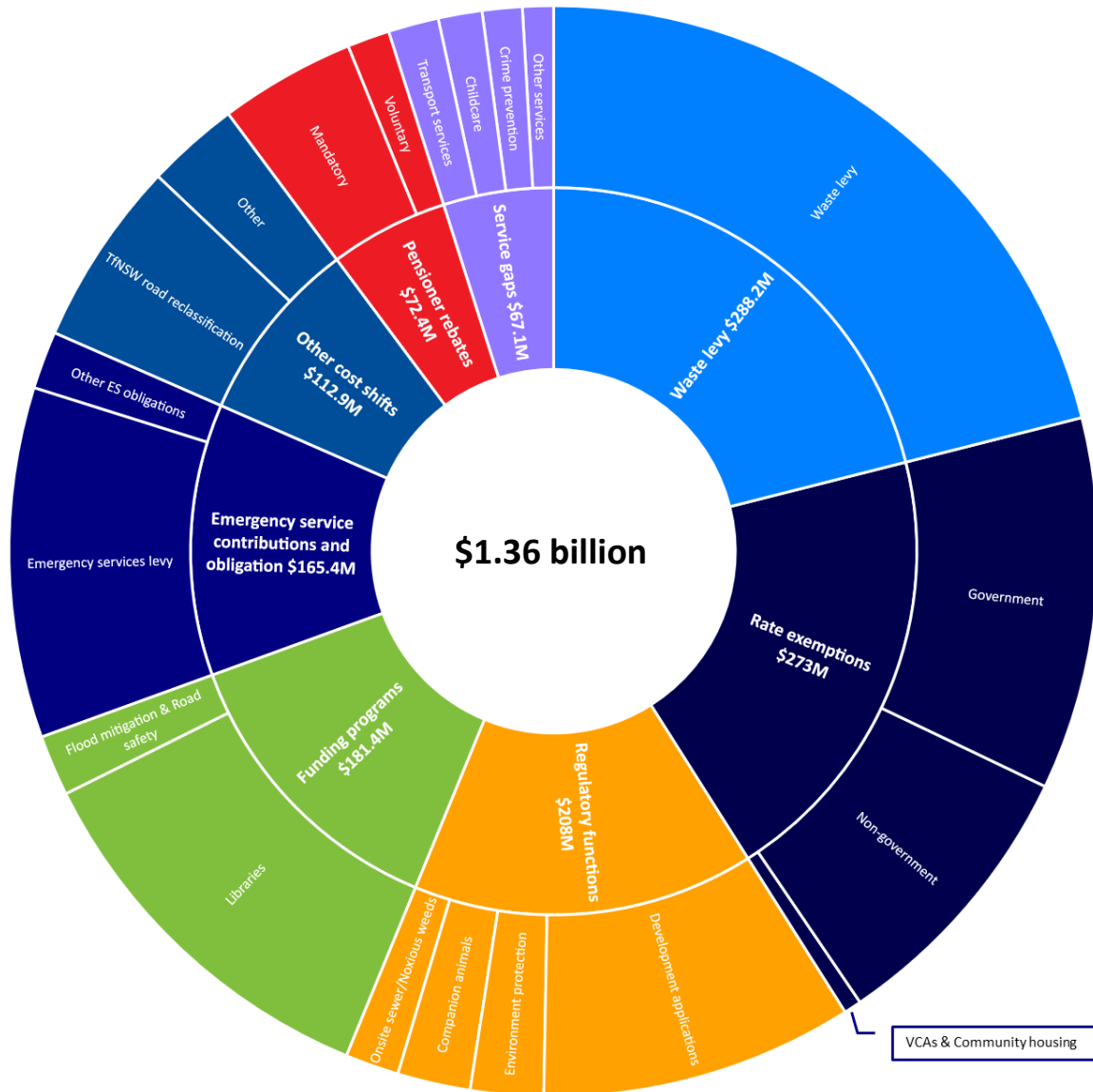
The 2021–22 Cost Shifting Survey has revealed that cost shifting totalled **\$1.36 billion** in 2021–22 (see figure on the next page), far exceeding historical records and representing an increase of \$540 million since the Cost Shifting Survey was last carried out in 2017–18. Alarming, the increase in cost shifting has been accelerated by various State Government policies, with the most significant examples of cost shifting in 2021–22 being:

- The **waste levy**, which remains the largest single contributor to cost shifting in NSW, totalling \$288.2 million, because the NSW Government did not fully reinvest the waste levy, paid by local councils, back into waste and circular economy infrastructure and programs.
- The **Emergency Services Levy** and associated **emergency service contributions**, which totalled \$165.4 million and represented the largest direct cost shift to local councils. In 2021–22, councils contributed \$142 million through the Emergency Services Levy, \$12.7 million through Rural Fire Service (RFS) obligations, and \$10.7 million in depreciation expenses on RFS assets.
- The NSW Government's failure to fully reimburse local councils for mandatory **pensioner rate rebates**, resulting in councils losing \$55.2 million.
- The NSW Government's failure to cover the originally committed 50 per cent of the cost of libraries operations, resulting in an additional \$156.7 million in costs to councils.

Local councils and their communities are facing unprecedented challenges. As they lead the recovery efforts from both the COVID pandemic and repeated natural disasters across much of NSW, local councils are also grappling with the same challenges affecting the State and Federal Governments, such as rising costs, increased economic uncertainty, and severe skills and labour shortages – all of which are impacting council budgets and affecting service and infrastructure delivery in local communities. The continual shifting of the obligations and costs for State and Federal functions and services onto local government coupled with a defective rate peg system, is only making the situation worse. In 2021-22, each ratepayer of NSW has approximately \$460.67 from councils' rates eaten by state government costs.



Figure 1 2021–22 cost shifting components







## 2 Background

### 2.1 What is cost shifting?

Cost shifting describes a situation where the responsibility for, or merely the costs of, providing a certain service, concession, asset, or regulatory function is imposed onto local government from a higher level of government (Commonwealth or State Government) without the provision of corresponding funding or the conferral of corresponding and adequate revenue raising capacity other than out of general rates.

As the council cannot raise or receive sufficient revenue to fund the imposed service concession asset or function, cost shifting forces councils to divert funding collected from ratepayers away from planned projects or services that the council has committed to the community to deliver in its Delivery Program.

In NSW, cost shifting has taken a number of forms including:

- **The Emergency Service contributions:** Councils are required to fund 11.7 per cent of the cost of Fire & Rescue NSW, Rural Fire Service (RFS) NSW and the NSW State Emergency Service (SES) through an Emergency Service Levy (ESL). 73.7 per cent of emergency services costs is funded through insurance premiums and the remaining 14.6 per cent from the NSW Government's treasuries. Councils provide additional financial contributions to emergency services agencies in addition to the ESL.
- **The waste levy:** The waste levy is not as much a cost shift to councils as an invisible tax levied on ratepayers through councils. The waste levy is a levy paid by all waste facilities to the NSW Government, the cost of this levy is recovered through the waste collection fees levied by councils, in effect shifting the burden of this tax on to ratepayers.
- **Forced rates exemptions:** Councils are required to exempt government and other organisations from paying rates in the local government area. These organisations utilise local government services and infrastructure. As they are exempt from paying rates, the burden of the costs they incur is shifted to the ratepayers to fund. Examples of exempt organisations include government departments, private schools, and non-government social housing providers.
- **Imposing additional regulatory functions:** State and Federal levels of government implement or increase regulatory requirements through legislation that is then administered by local government. The costs of this new or increased regulatory function is often not funded by the determining level of government and councils must fund this through their own revenue sources including rates.
- **Cutting or failing to adequately continue to fund programs for services that need to continue:** Many funding programs announced by State or Federal government are required to be delivered by local government but are either not fully funded from their initiation or, if an ongoing initiative, funding is reduced over time leaving councils with the decision to either continue the program and make up the burden of the cost or cease the program entirely. An example of this in Libraries, where the original commitment from State Government was to fund 50 per cent of libraries cost, it now covers approximately 8 per cent of the total costs, leaving councils to fund an additional \$156.7 million to make up the difference.



- **Pensioner rebates:** Councils are required to provide pensioner rebates on rates and other charges, for which the State government only subsidises 55 per cent of the cost, the remaining 45 per cent is funded by other ratepayers.
- **Councils absorbing the costs of service and market gaps that should have been provided by State or Federal governments:** This is particularly an issue in rural and regional NSW, where councils often must step in to provide or support a service that is traditionally delivered either directly or through subsidised private providers. This can be for a diverse range of services from aged, disability or childcare through to medical services, education, or public transport services.

## 2.2 Cost shifting and the rate peg

Cost shifting has been a term used for many years to describe the cost impact on local government of decisions made at the State and Federal level. It is particularly relevant in NSW where a rate pegging system is applied to restrict how local government can raise rates revenue.

The issue of State and Federal decisions having a direct financial impact on local government exists in all States and territories of Australia to some extent. In many cases, local government can be the best and most efficient partner for State and Federal government to deliver its programs or services.

Challenges arise with respect to how the State and Federal initiatives are, or continue to be, funded. In States where there is not a rate pegging system in place, local councils are able to better manage the financial impacts by adjusting rates or levying specific fees and charges to reflect the change in costs of providing the imposed service, concession, asset, or regulatory function.

The rate peg in NSW sets out the maximum amount that local councils can increase their rates by and is set by the Independent Pricing and Regulatory Tribunal (IPART) each year. In determining the rate peg, IPART does not adequately consider the cost shifting impacts on councils. As a result, increases in the costs shifted to councils identified here are not covered by a commensurate increase in rates revenue. This means that councils have to divert funding from other commitments agreed with their communities in their Community Strategic Plan and Delivery Program to fund the cost shift incurred. This has a direct impact on councils' ability to deliver services to the community and their overall financial sustainability.

## 2.3 This report

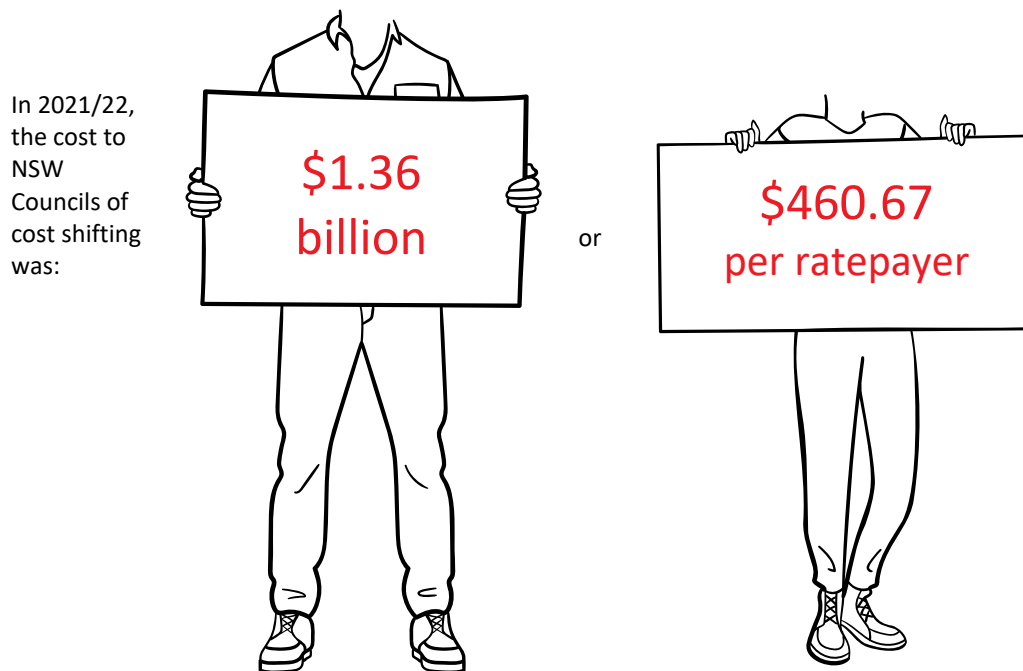
This report provides analysis and insights from the 2021–22 Cost Shifting Survey conducted in May 2023.

Section 3 of this report provides more detail on the findings from the survey, breaking down the findings into their key cost shifting areas, as identified in section 2.1 above, and Section 4 outlines the approach and methodology used in the survey and analysis..



### 3 Findings

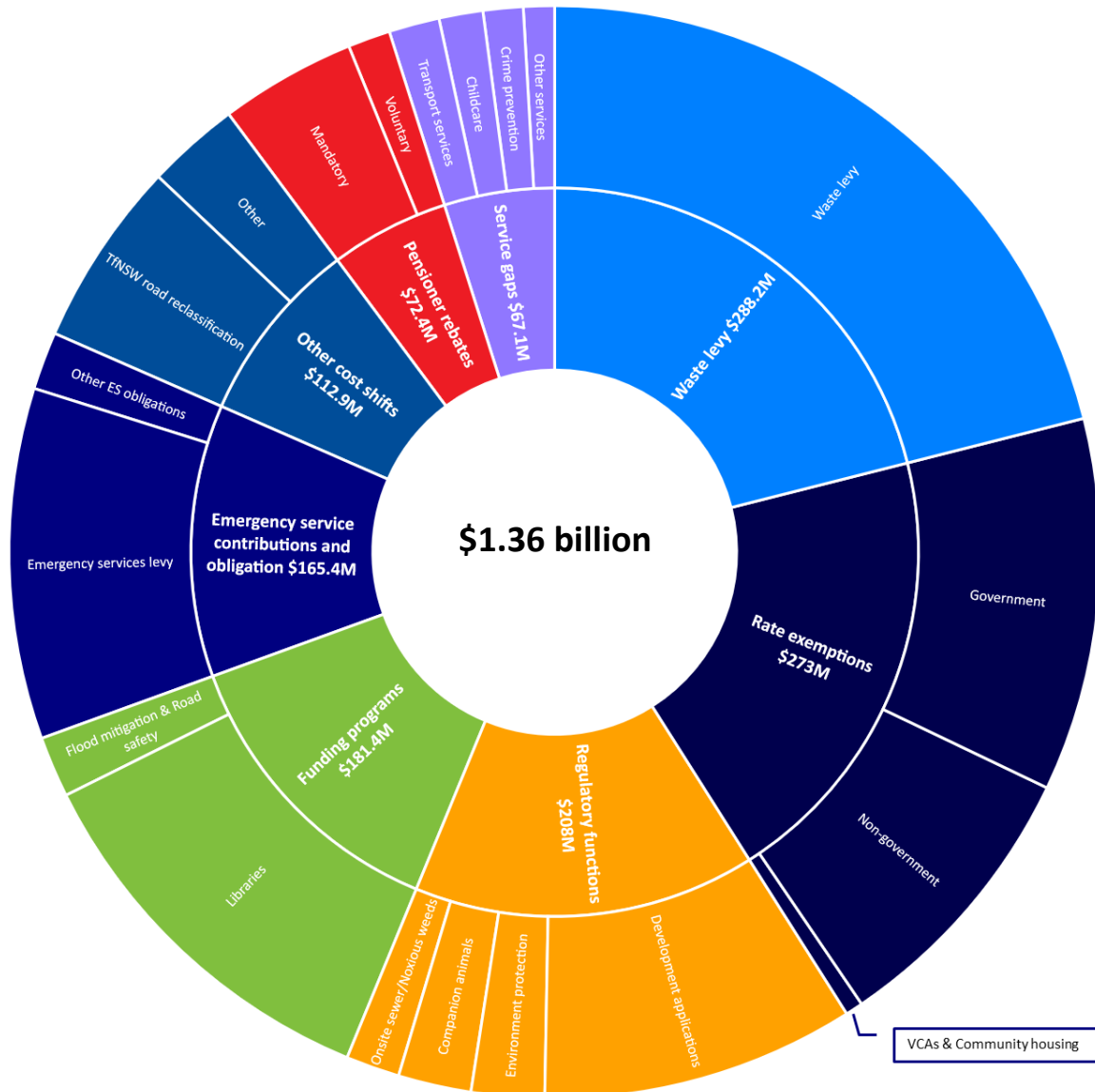
Our survey found that cost shifting cost NSW councils \$1.36 billion in 2021–22, which represents \$460.67 for each ratepayer. In effect, this is the average amount of rates that councils must divert from the services and infrastructure that council has committed to provide the community in order to fund the unrecoverable cost services, programs and functions that are imposed from the State or Federal governments.



Many services, programs, and functions that the State and Federal governments require local councils to deliver, in turn provide benefits to the local communities they serve. This report does not provide an assessment on the merit of these costs, only to bring them to light. Due to the nature of how the services, programs and functions are provided and funded, cost-shifting can be hidden from view. This analysis helps to quantify and highlight these costs for all tiers of government and the community.



Figure 2 2021–22 cost shifting components



The largest direct cost shift to councils is from emergency service contributions and other emergency service obligations, totalling \$165.4 million.

However, the cost of rate exemptions are higher still, representing a total of \$273.1 million of potential rates that are exempted and redistributed to other ratepayers to pay. An additional \$288.2 million in waste levies are passed onto the ratepayers through the waste collection fees in their rates bill. A further \$156.7 million



in costs for libraries has been covered by councils to make up the difference between the committed funding for councils' libraries and the subsidies received.

While in nominal terms the largest total cost shifts have been seen metropolitan councils, was on a per ratepayer basis rural and large rural councils have seen a greater impact, as the graphs below indicate.

Figure 3 Total cost shift by council classification

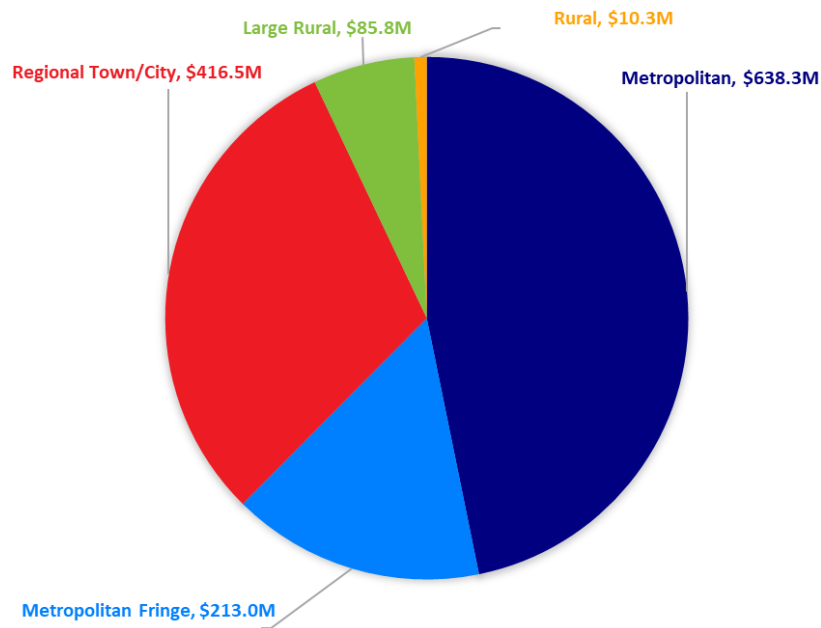


Figure 4 Cost shift per ratepayer by council classification





We will explore each component of rate shifting in the following sections.

### 3.1 Emergency service contributions and obligations

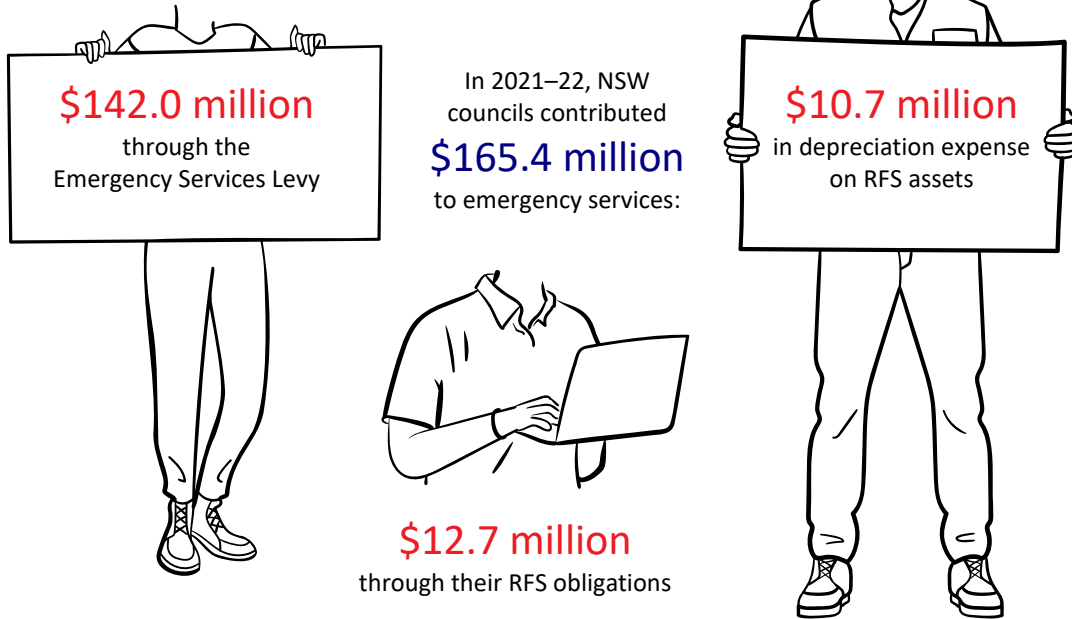




Figure 5 Emergency services contributions and obligations by council classification

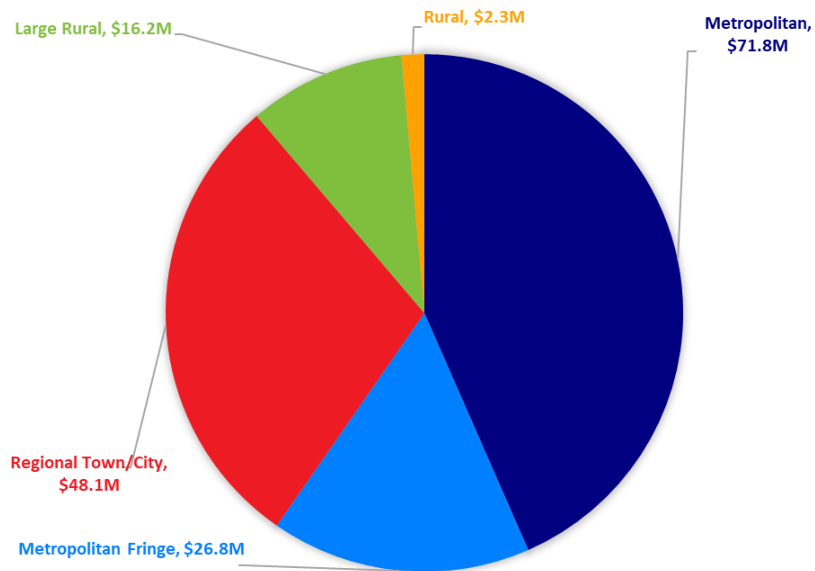
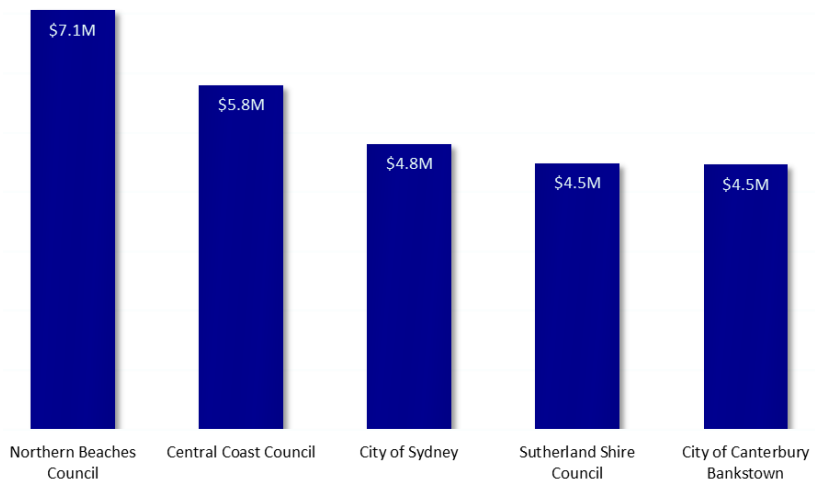
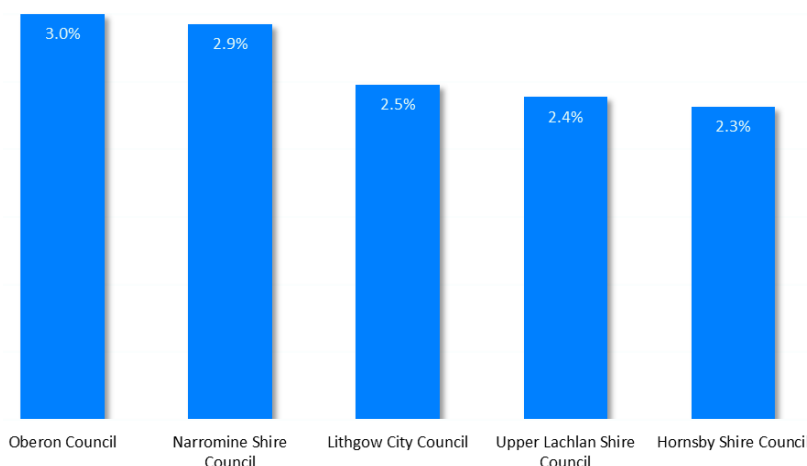


Figure 6 Respondent councils with the highest emergency services contributions and obligations burden





**Figure 7 Respondent councils with the highest emergency services contributions and obligations burden as a proportion of total operating expenditure**



NSW councils are required to fund 11.7 per cent of the NSW SES, NSW Fire and Rescue and NSW RFS budgets through a direct contribution levied each year by the State Revenue Office. This is funded directly from general revenue, primarily rates, as councils have no ability to raise revenue to fund this in any other way.

Councils also have no influence on the costs or budget setting of these organisations. This contribution of ratepayers’ funds is in addition to the Emergency Services Insurance Contribution that is extracted through insurance companies, who cover 73.7 per cent of the agencies’ budgets and results in higher insurance premiums for policy holders

The emergency service levy is estimated to have cost NSW councils overall \$142.0 million in 2021–22. That is a total of \$46.23 per ratepayer, which goes directly to the NSW Government as part of the emergency services contribution.





Figure 8 Respondent metropolitan and fringe councils with the largest ESL bill for 2021–22

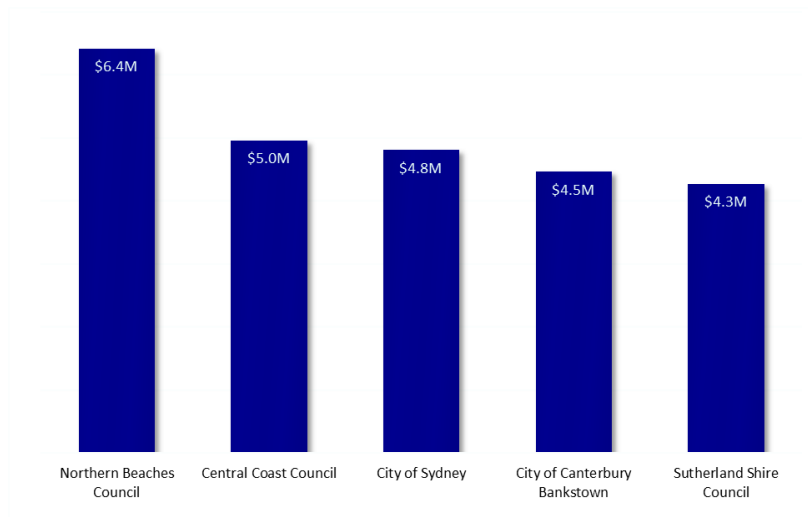
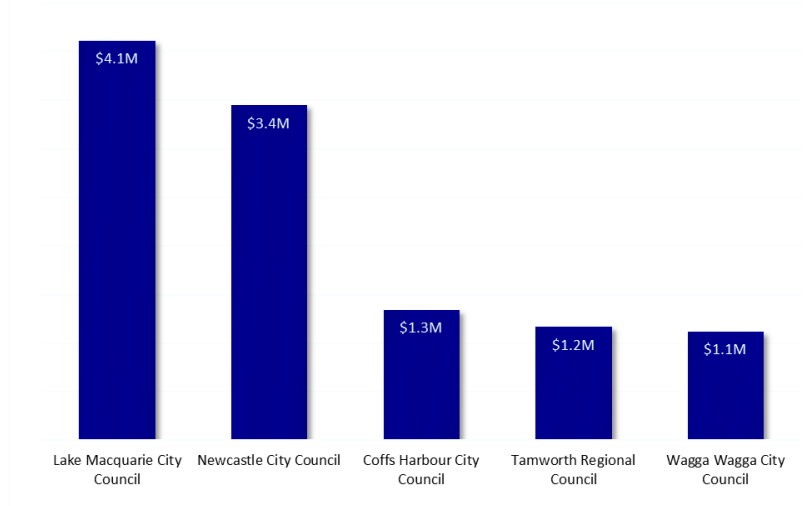
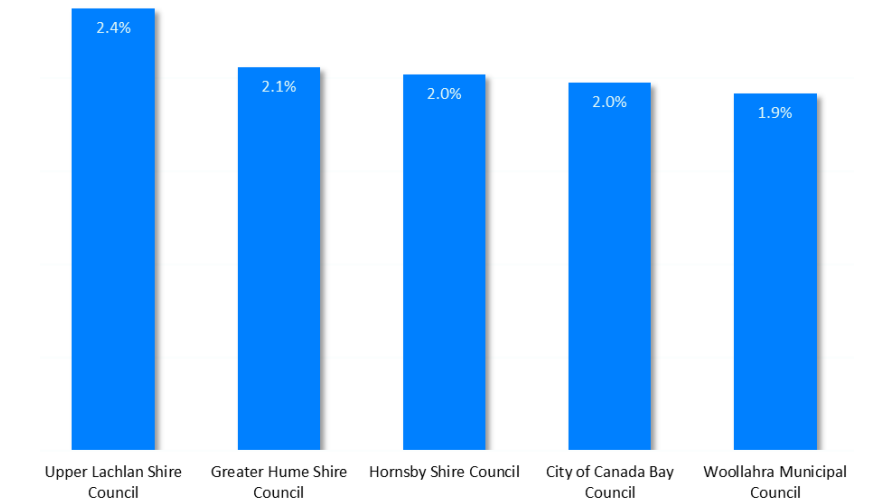


Figure 9 Respondent regional and rural councils with the largest ESL bill for 2021–22





**Figure 10 Respondent councils with the largest ESL bill as a proportion of total operating expenditure**



In 2019, the NSW Government subsidised councils for the increase in Emergency Service Contribution costs, because of a large increase in the ESL resulting from large increase in workers compensation costs followed by the Black Summer Bushfires and the unfolding COVID pandemic. From the 2023–24 financial year, the NSW Government increased the budgets and therefore costs for the three relevant agencies and removed the subsidy at the same time. Councils were not advised of this change until after they had developed and put their 2023–24 budget on public exhibition as they are required to do. The increase represented a \$41.2 million cost increase from the prior 2022–23 financial year.

With the rate peg set at 3.7 per cent for the 2023–24 rating year, the increase in emergency services contributions has put substantial pressure on the financial sustainability of local government.

**Figure 11 Top 10 councils with the highest ESL bill in 2023–24**

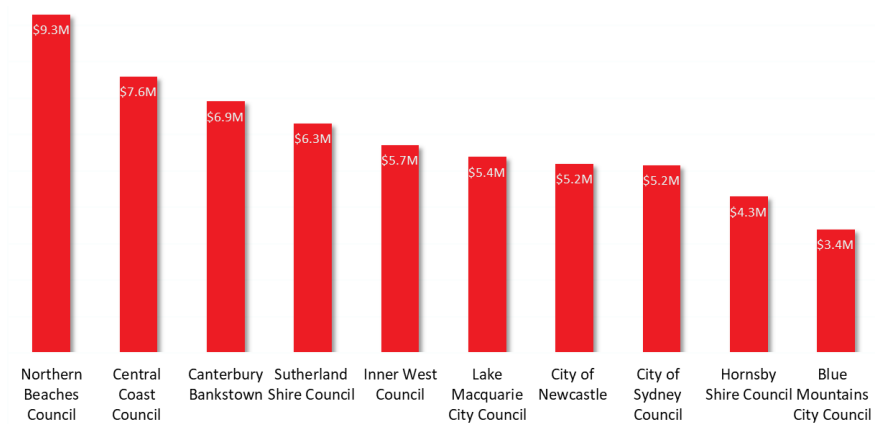
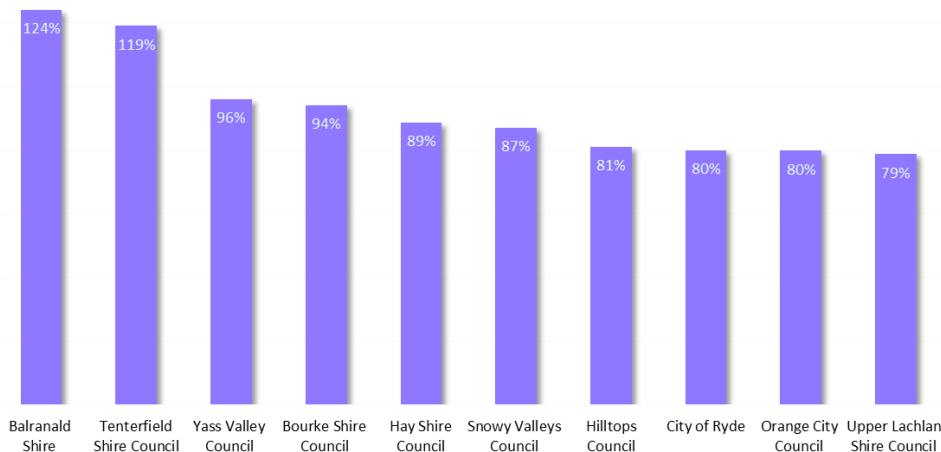




Figure 12 Top 10 councils with the highest 2023–24 ESL increase as a percentage of the rate revenue increase



The increases in emergency services contributions from councils have hit both the largest and smallest of councils.

“Two of the four biggest expense payments that Central Coast Council must make each year are for State government levies: the emergency services levy and the waste levy. They are in the millions each and are funded straight out of our rates and waste revenue.”

**David Farmer, CEO, Central Coast Council**

“Central Darling Shire is the largest shire in NSW covering an area of 53,000 square kilometres in Far Western NSW, but it has the smallest (and declining) population of less than 2000. CDS is not a typical shire as it consists of a series of isolated communities (Menindee, Ivanhoe, Wilcannia and White Cliffs) and large pastoral holdings. It borders the large unincorporated area of the Far West.

For Council, the Emergency Services Levy has increased by \$70,000 for 2023/24, bringing the total Council contribution to \$318,989. The increase is some \$70,000 which is more than double the increase in rates due to rate pegging.

For the 2023/2024 financial year the Council income from rates is budgeted to be \$913,000. This includes the rate peg increase of 3.7 per cent, which looks like being eaten up by the hike in the ESL.

For a Council like Central Darling this level of increase is simply unsustainable and will result in the further reduction of services to our residents.

There is a clear case for the NSW Government to fully fund this increase as part of its community service obligation as small rural councils with a limited rate base cannot afford to continue to pay.”

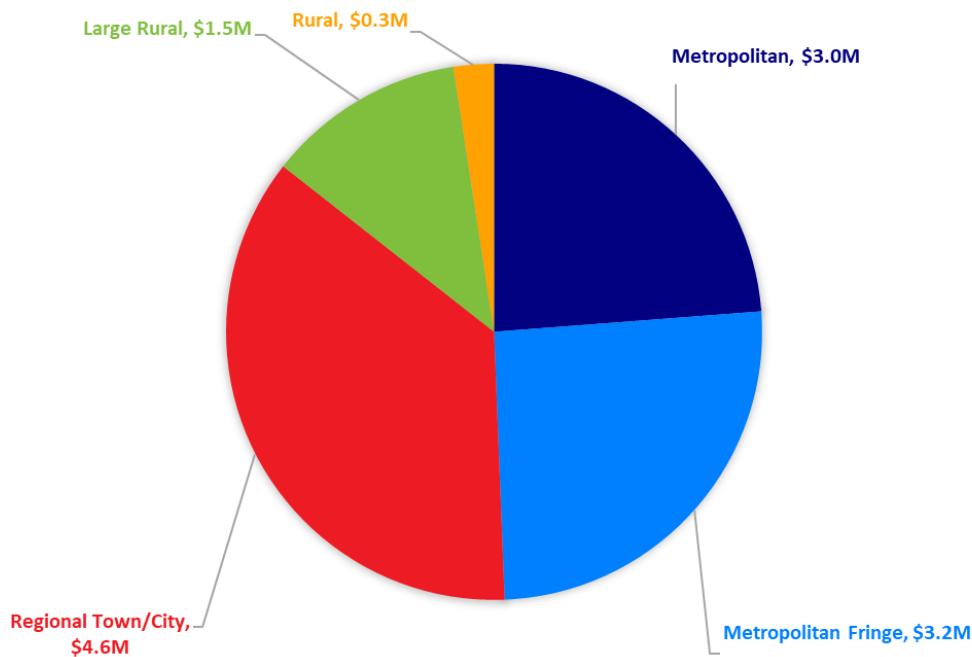
**Bob Stewart, Administrator, Central Darling Council<sup>1</sup>**

<sup>1</sup> Figure 11 does not include Central Darling’s actual result as it was not provided to LGNSW.



In addition to the emergency service levy, local councils are required to support the RFS and SES in other ways. This commitment seems to be different for different Councils. For example, for some councils, when the RFS annual budget is allocated back to the districts, some of these funds are vested in councils through the Rural Fire Fighting Fund (RFFF). These funds are then administered by councils to deliver repairs and maintenance of buildings and a small amount of plant and equipment. In some cases, Councils also fund other functions such as training and provision of office supplies. If the RFFF is insufficient to provide these in any one year, some councils will then provide further financial support directly to the districts to meet the difference. In 2021–22, the cost of this additional support has been estimated at \$12.7 million.

**Figure 13 Additional RFS contributions by council classification**



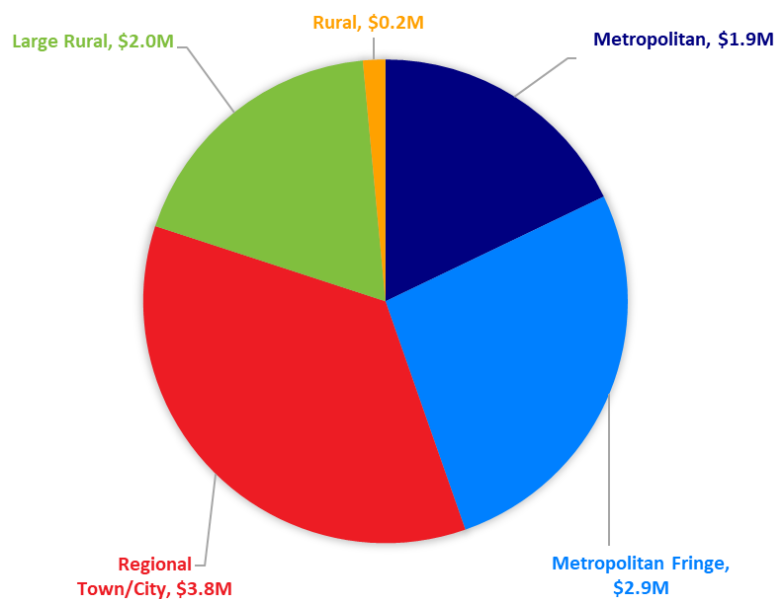
The RFS funding arrangements are the most complex of all the emergency services and creates challenges for both councils and the RFS. While councils are aware that their obligations to provide financial support to the RFS are generally over and above the RFFF, the costs at a district level are extremely volatile from one year to the next and dependent on whether there is a bushfire in the district (in which instance the district will fund some aspects of other districts' costs if they come to support the local bushfire response) or if the district comes to the aid of another district (in which instance they will receive additional funding which reduces the pressure on its own budget and therefore the financial support required from the local council).

What results is that councils have to bear the budget risk of the volatility of RFS costs and funding, while RFS districts don't have accountability for their own budgets and costs, and are not able to help to provide certainty because they don't know where the next emergency will be. Much of these volatility issues are resolved at a State level, when looking at the RFS services overall.



In addition to the direct repair and maintenance costs, councils are also required to recognise RFS red fleet assets and account for their depreciation expense in council financial reports. In 2021–22, this depreciation cost is estimated at \$10.7 million.

Figure 14 RFS Depreciation Expense by council classification



This has been a somewhat contentious issue in recent years and ultimately comes down to identifying where control of these assets lie. In summary, the NSW Government has concluded under the *Rural Fire Services Act 1997*, which states that these assets are vested to councils and therefore “on balance, councils control this equipment” under the Australian Accounting Standards<sup>2</sup>. The NSW Audit Office has accepted this position in undertaking their audit function of local government.

Many councils, with the support of LGNSW, have refused to accept this position, which has resulted in 43 NSW councils receiving a qualified audit opinion of their 2021–22 financial reports. Their position is that control of these assets sits with the RFS, and therefore the NSW Government, based on the Australian Accounting Standards Board Conceptual Framework, which does not necessarily define control as a legal ownership right, but rather:

*“... the present ability to direct the use of the economic resource and obtain the economic benefits that may flow from it. Control includes the present ability to prevent other parties from directing the use of the economic resource and from obtaining the economic benefits that may flow from it. It follows that, if one party controls an economic resource, no other party controls that resource.”<sup>3</sup>*

<sup>2</sup> Audit Office of New South Wales (2023) *Regulation and monitoring of local government*, NSW Government, 23 May 2023.

<sup>3</sup> Australian Accounting Standards Board (2022) *Conceptual Framework for Financial Reporting*, AASB, 7 April 2022.



This issue is ongoing, and while depreciation itself is not a cash expense, the accounting for depreciation in local government has two key financial implications. Firstly, the increase in depreciation expense will reduce a council's overall surplus or increase its deficit, which has implication for a council's measures of financial sustainability. Secondly, for most local government assets, depreciation is used as the estimate of required renewal expenditure for councils to maintain assets at their current condition. In other words, councils must fund depreciation with a similar level of capital cashflow to ensure assets are kept at required standards, this is not the case for firefighting equipment, which is funded through the State Government's budget allocation to the RFS. This remains an ongoing issue at the time of writing this report.

### 3.2 Waste levy

The waste levy is a tax on landfill facilities and only applies to 42 metropolitan and 19 regional levy areas shown in Figure 18. Although, not technically a "cost shift" – as the cost of the levy is recovered through waste charges – it represents a somewhat "invisible tax".

The purpose of the waste levy is to provide economic incentive to alternative waste management processes, such as recycling and resource recovery. The funds raised by the waste levy go directly to NSW Government general revenue. Some funds do come back to communities and councils through grants for a variety of projects, but this only represents 10 to 15 per cent of the funds raised through the tax.

The metropolitan levy at \$147.10 per tonne in 2021–22 is nearly twice the amount per tonne of the regional levy at \$84.70 per tonne in 2021–22. Some councils, such as Central Coast and Newcastle, operate their own landfill facilities and pay the levy directly to the NSW Government. Not all councils operate landfills directly, many councils have their waste managed through contracts with private providers. While these providers will incur the levy directly, councils in the levy areas will collect waste charges that include the waste levy as a component of the waste fees. Depending on how their waste management contracts are structured, some councils have been able to provide an estimate of this levy collected in the waste fees while others have not.

Of the 51 councils surveyed who are in the levy area, 36 provided an estimate of the amount paid, which totalled \$287.8 million in 2021–22. Based on this data, we have estimated the total amount of the waste levy paid through waste collection fees in 2021–22 at \$292.9 million.



Figure 15 Waste levy by council classification

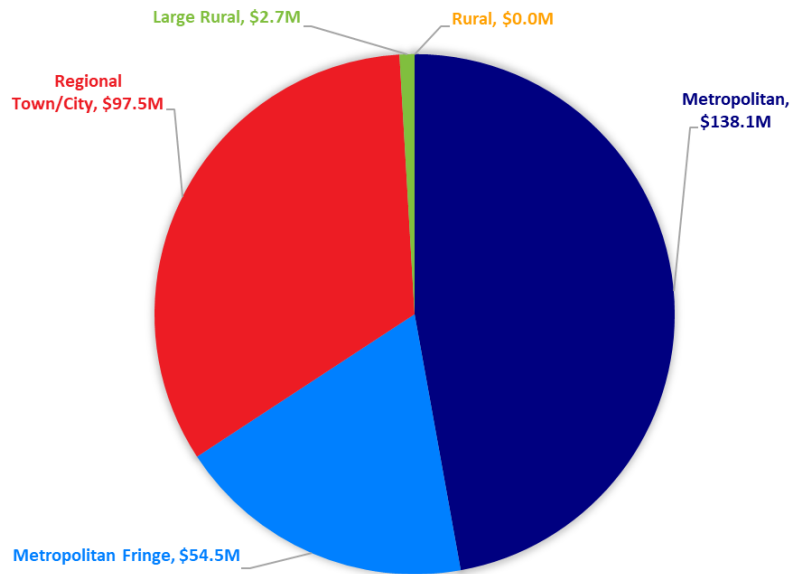


Figure 16 Respondent councils with the highest waste levy

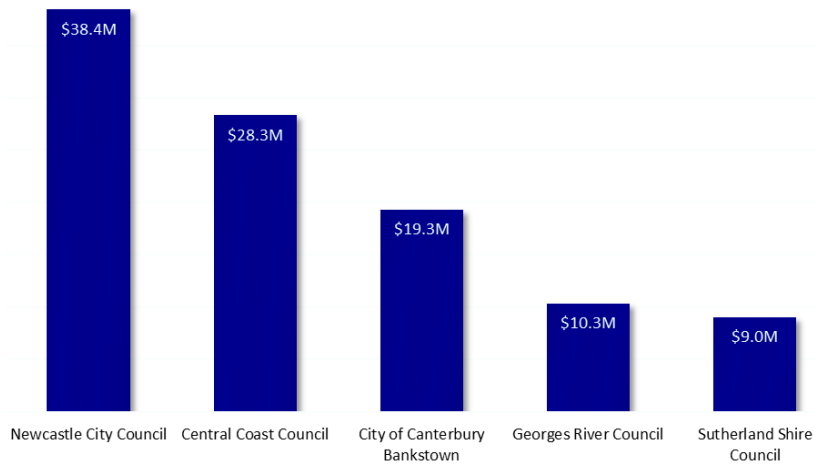
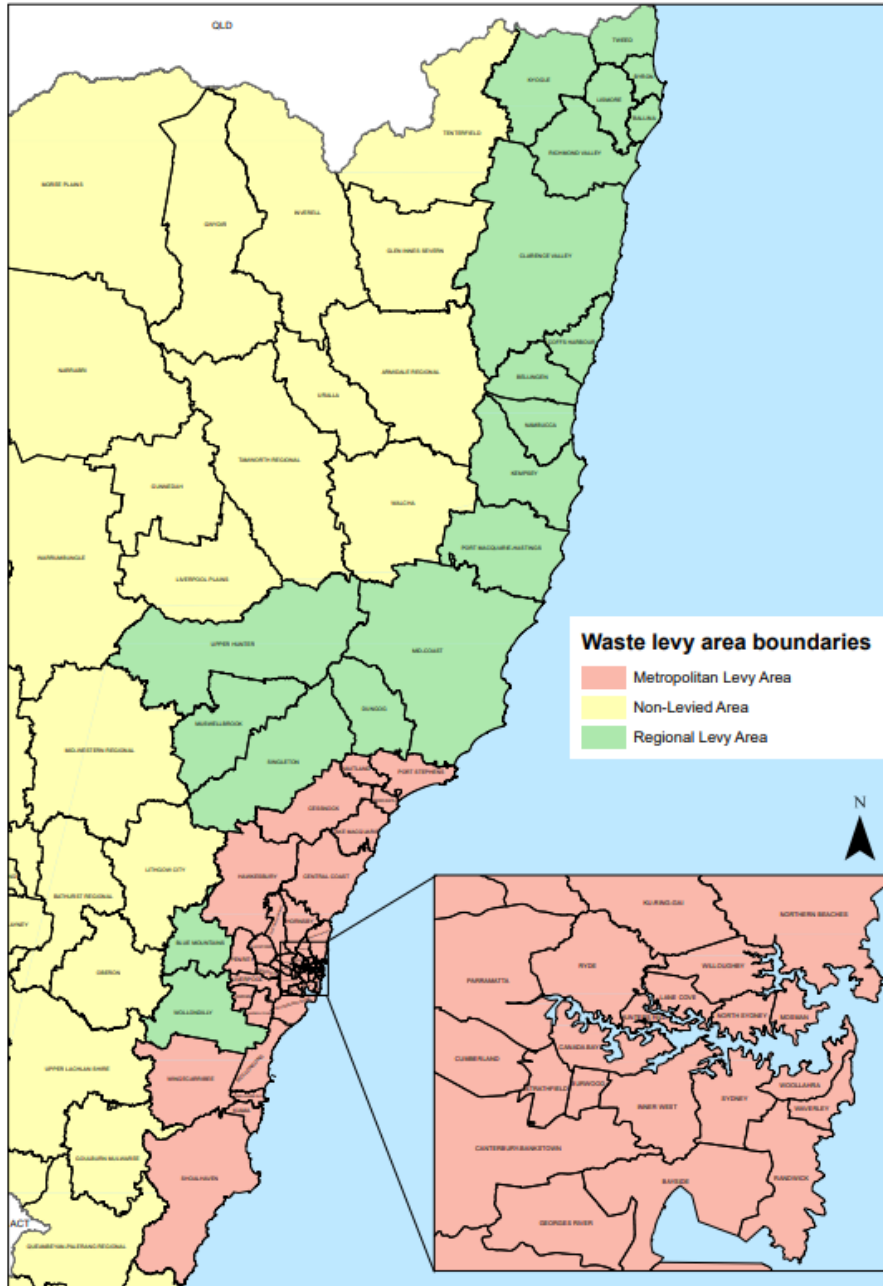




Figure 17 Waste levy area map<sup>4</sup>



<sup>4</sup> <https://www.epa.nsw.gov.au/-/media/epa/corporate-site/resources/wasteregulation/levy-area-map.pdf?la=en&hash=C00135E31055627BB8A41EAEB222864C2655B186>.





### 3.3 Rate exemptions

Many government and private property owners in a local government area are exempt from paying rates to councils. Due to the way rates are calculated, this doesn't usually affect the total amount of revenue that councils are able to raise through rates. It does mean that the distribution of the rates burden falls more heavily on the existing ratepayer base.

For government-owned properties, rate exemptions are a part of a complex set of arrangements for exemptions of some taxes between the different tiers of government. State Owned Corporations (SOCs and GTEs) pay tax on lands owned and used for commercial purposes. This is provided for under competitive neutrality policy/National Competition Policy (a notable exception to this arrangement is the Forestry Corporation). Councils are exempt from most State and Federal taxes (for example land tax, payroll tax, stamp duty, and income tax). Councils are also involved in delivering a wide range of services or regulatory functions under various State and Commonwealth Acts and they receive a large number of different grants from State and Federal governments, including the untied Financial Assistance Grants that the States administer and distribute to councils.

Additionally, there are many non-government organisations that are also exempt from paying rates, including private schools, hospitals and retirement villages, as well as not-for-profit organisations such as religious organisations. While these organisations are exempt from paying rates; all expect and receive services and infrastructure from councils, the cost of which is funded by ratepayers.

Community housing was an area that we asked councils about specifically as the NSW government has been in the process of transitioning the ownership and management of public and social housing to non-government Community Housing Providers. Under past practice, social and public housing provided by State Government agencies paid rate equivalents on all their properties. CHPs are exempt from rates and more and more social and public housing is moving into this category. As a result, the rates exempt status seems to be moving with the community housing property.

The total amount of rate exemptions represented \$273.1 million, shifting approximately \$89.04 to each NSW ratepayer.



Figure 18 Rate exemptions by category

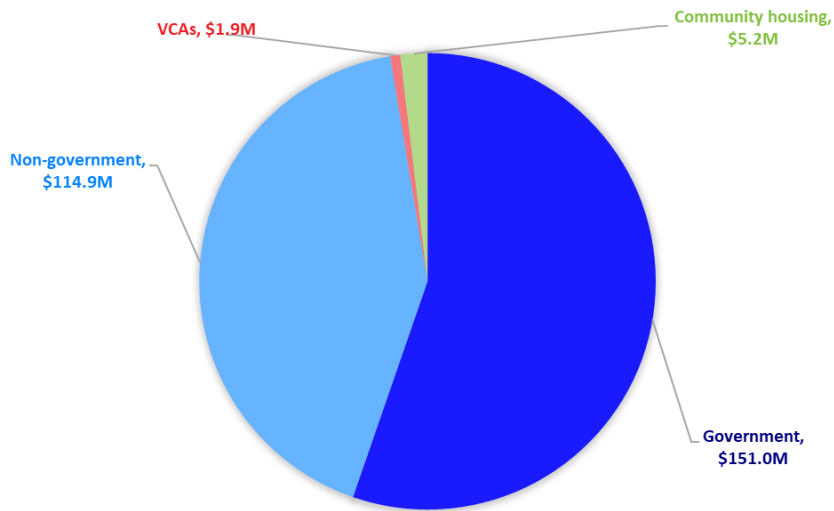
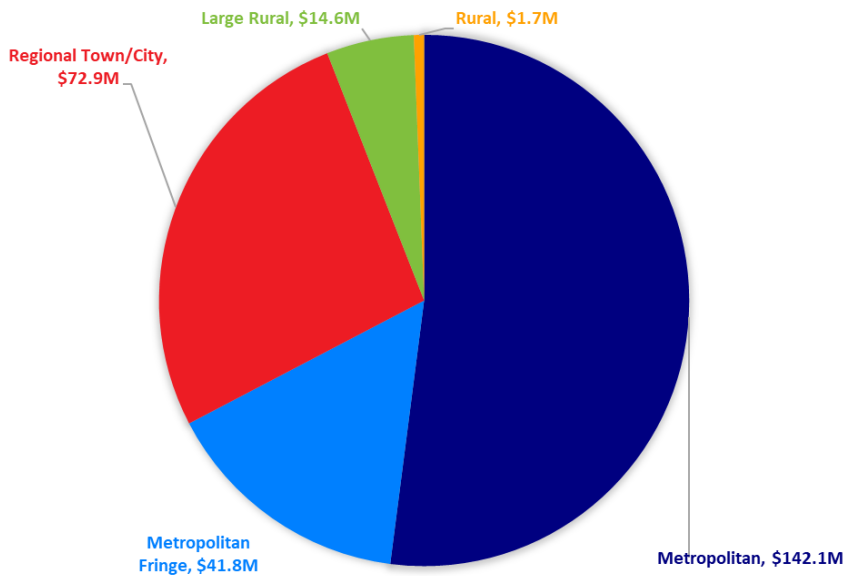
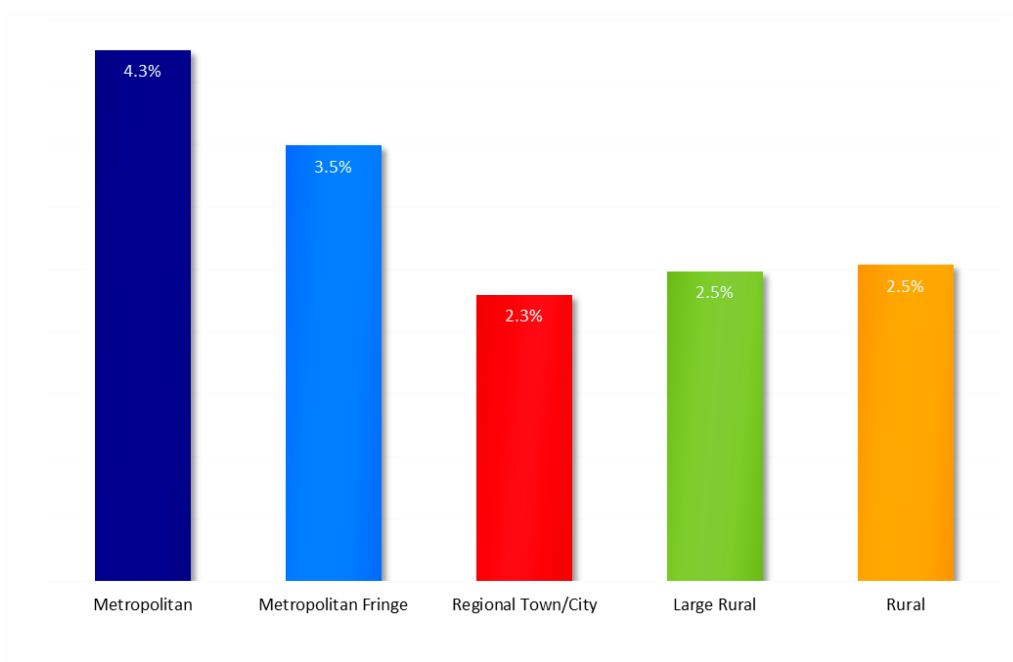


Figure 19 Rate exemptions by council classification





**Figure 20 Average rate exemption for respondent councils as a proportion of rates revenue by council classification**



**Figure 21 Respondent councils with the highest rate exemptions as a proportion of rates revenue**

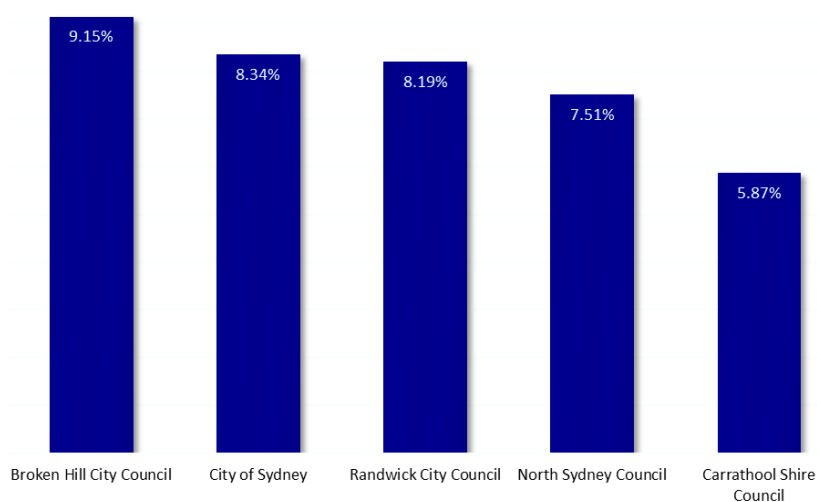




Table 1 Cost for rate exemptions

Rate exemption	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
Government-owned property	62 (from which two councils put a figure of 0)	\$95.5M	\$151M
Non-government-owned property	61 (from which one council put a figure of 0)	\$72M	\$115M
Voluntary conservation agreements	47 (from which ten councils put a figure of 0)	\$1.2M	\$1.9M
Community housing	53 (from which 11 councils put a figure of 0)	\$3.3M	\$5.2M

### 3.4 Regulatory functions

In addition to the obligations under the *Rural Fire Services Act 1997*, *Fire and Rescue NSW Act 1989* and the *State Emergency Service Act 1989*, councils incur additional costs of increased regulatory responsibilities. These are additional functions or requirements that are not fully funded by increases in fees and charges.

In 2021–22, the unfunded costs for regulatory functions represented \$208.0 million.

Figure 22 Unfunded regulatory costs by category

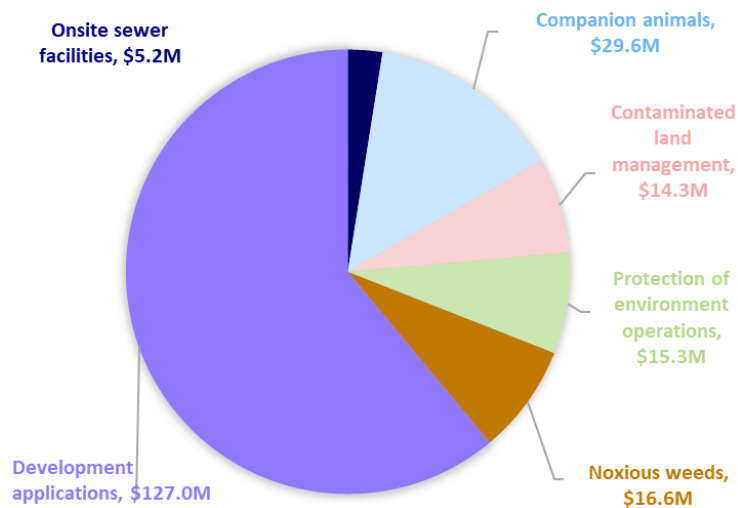




Figure 23 Unfunded regulatory costs by council classification

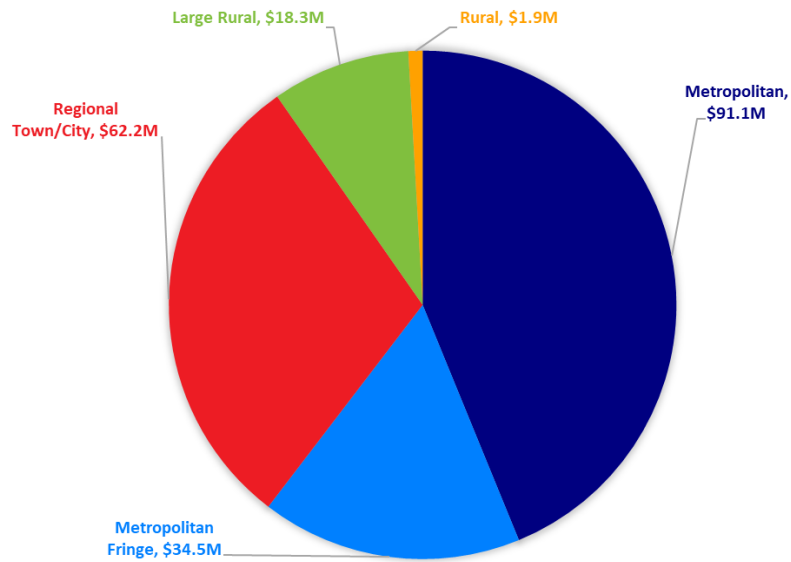
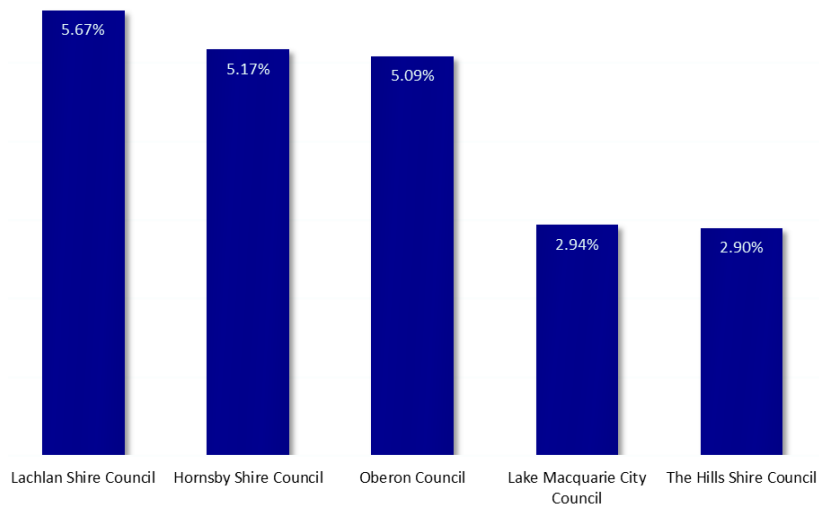


Figure 24 Respondent councils with the largest regulatory cost as a proportion of total operating expenditure



The function and total estimated costs from councils are outlined in the table below.



Table 2 Cost for increased regulatory functions that cannot be recovered through fees and charges

Regulatory function	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
Onsite sewer facilities	35 (from which 15 councils put a figure of 0)	\$3.4M	\$5.2M
Companion animals	69 (from which four councils put a figure of 0)	\$19.6M	\$29.6M
Contaminated land management	45 (from which nine councils put a figure of 0)	\$7.2M	\$14.3M
Protection of environment operations	48 (from which four councils put a figure of 0 and one a negative amount)	\$9.9M	\$15.3M
Noxious weeds	64 (from which eight councils put a figure of 0)	\$11.1M	\$16.6M
Development applications	64 (from which five councils put a figure of 0 and one a negative amount)	\$86.7M	\$127.0M

### 3.5 Funding programs

Councils are occasionally required to fund the continuation of several funding programs that were instigated by the NSW Government, but for which funding commitments have, over time, either been reduced or removed entirely. The three main funding programs councils currently continue to fund are:

- Library subsidies: the original library funding subsidy was 50 per cent of the library services costs, however this has reduced over time. In 2021–22, councils paid an estimated \$156.7 million on library services that would have been covered by the originally committed 50 per cent State government subsidy.
- Flood mitigation: the program was originally established with the State and Federal governments providing 80 per cent of the costs and councils funding 20 per cent, the shortfall of this funding is estimated to be costing councils \$18.2 million in 2021–22.
- Road safety program: funding for programs and ongoing staff for education, however councils were not able to reduce the costs with the removal of the funding program. In 2021–22, councils have an estimated cost burden of \$6.4 million as result.

The total cost to council to continue to meet the funding shortfall of these programs was \$181.3 million, the vast majority which was the shortfall in the library subsidy of \$156.7 million.



Figure 25 Funding program costs shifted by category

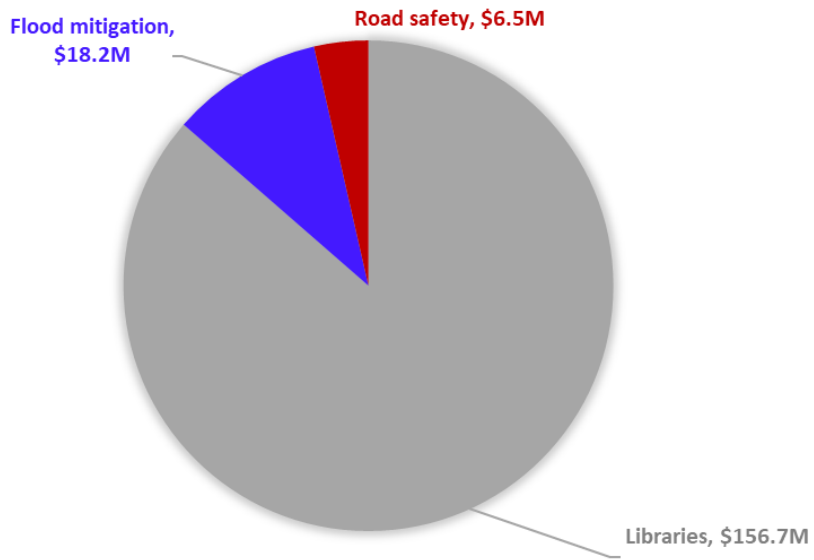
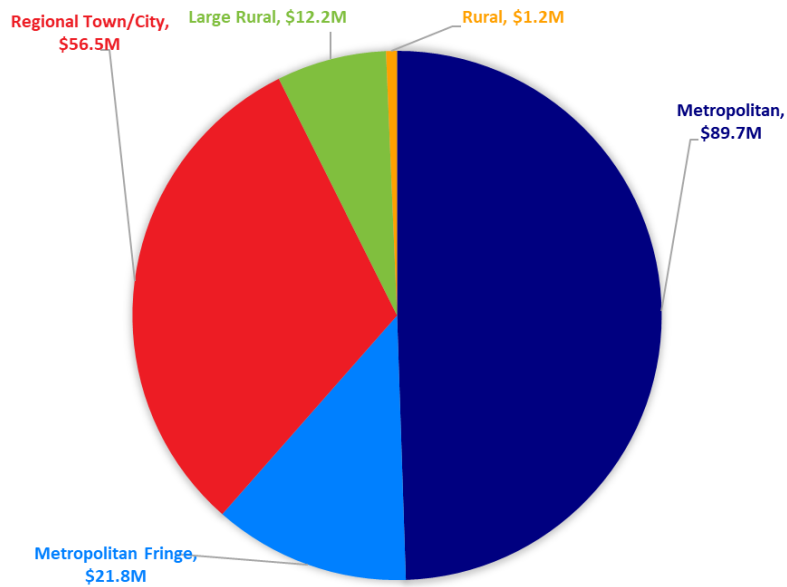
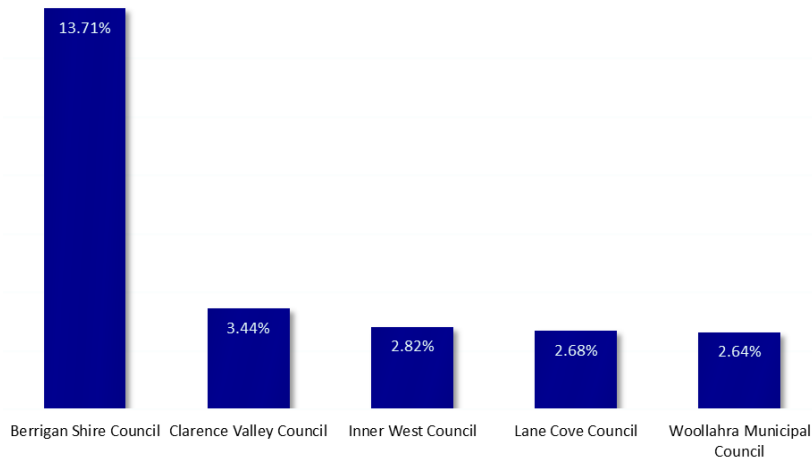


Figure 26 Funding program costs shifted by council classification





**Figure 27 Respondent councils with the largest funding program costs shifted as a proportion of total operating expenditure**



### 3.6 Pensioner rebates

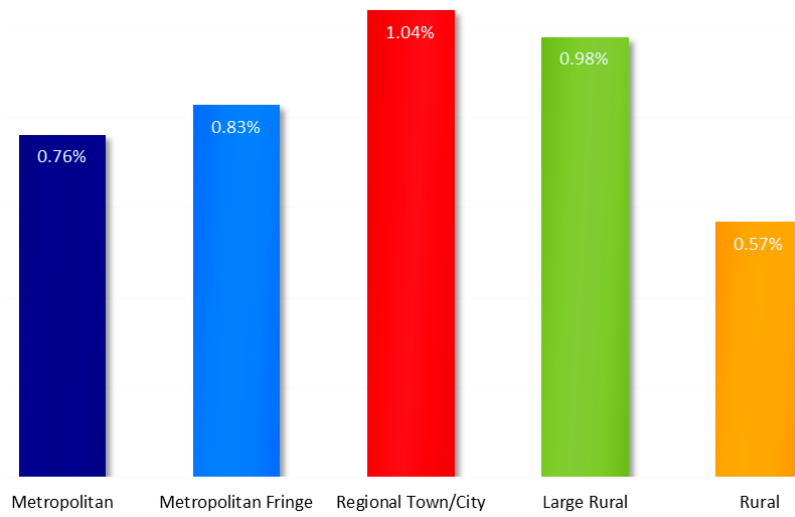
Councils are required to provide rates rebates to pensioners, which are partially subsidised by the NSW Government. This mandatory pensioner rebate is an estimated net cost to councils of \$55.2 million. This does not include the cost of administering the mandatory pensioner rebates, as each pensioner claim needs to be registered and their details checked by the council.

The level of mandatory rebate has not risen substantially over many years, and therefore has not kept pace with inflation. As a result, many councils have elected to apply further voluntary rebates to ease the financial burden on pensioners. NSW councils incur an additional \$17.2 million in voluntary pensioner rebates. The total cost of pensioner rebates is estimated to be \$72.4 million.





Figure 28 Average total pensioner rebates as a proportion of total rates revenue by council classification

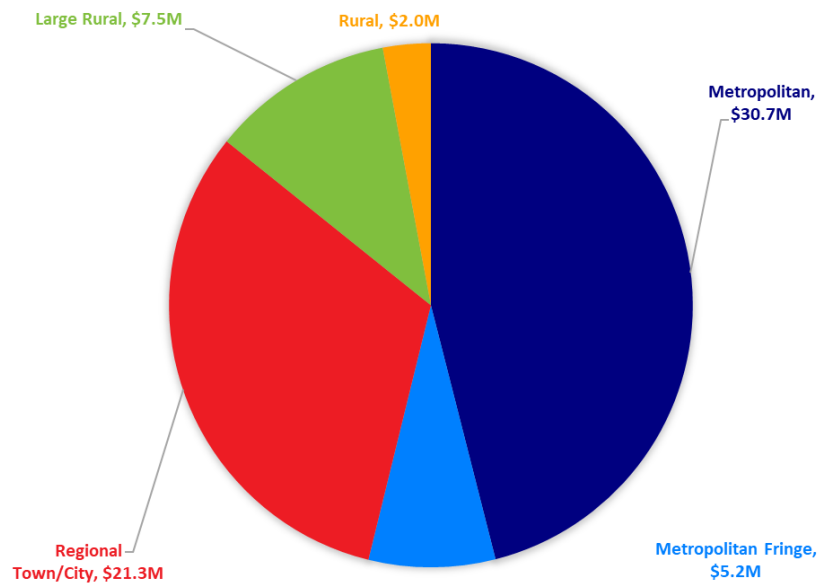




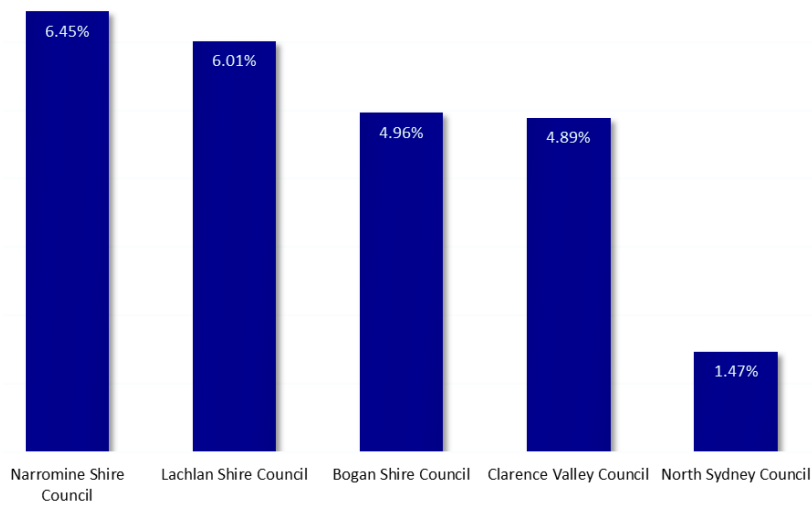
### 3.7 Service gaps

This section captures costs incurred by councils in providing services as a result of insufficient service provision by another level of government or a market failure of a subsidised or privatised public service. In 2021–22, it is estimated that councils spent \$66.6 million on filling these gaps.

**Figure 29 Service gap costs by council classification**



**Figure 30 Respondent councils with the highest service gap cost as a proportion of total operating expenditure**





The estimated costs are set out in Table 3, below.

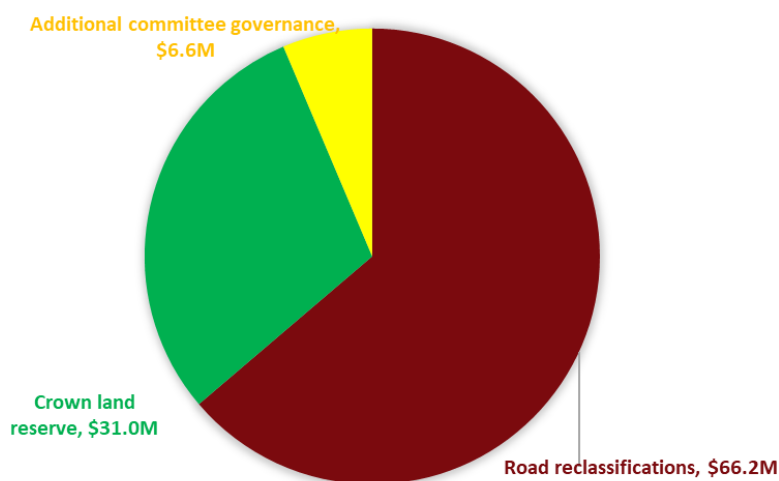
**Table 3 Cost for services provided by Council as a result of a State or Federal service gap or market failure**

Regulatory function	Number of councils who responded to this question in the survey with a figure	Total amount of cost shift provided	Estimated total cost shift for all NSW Councils (based on population)
Immigration and citizenship ceremonies	60 (from which ten councils put a figure of 0)	\$1.1M	\$1.6M
Crime prevention and policing	51 (from which 11 councils put a figure of 0)	\$10.2M	\$16.2M
Medical services	33 (from which 15 councils put a figure of 0)	\$2.2M	\$3.2M
Aged care services	36 (from which 19 councils put a figure of 0)	\$3.9M	\$5.6M
Disability care services	28 (from which 17 councils put a figure of 0)	\$1.4M	\$2.2M
Childcare services	49 (from which 19 councils put a figure of 0 and two councils a negative figure)	\$12.0M	\$17.8M
Transport services	37 (from which 20 councils put a figure of 0)	\$14.1M	\$20.5M

### 3.8 Other cost shifts

A number of other areas for cost shifting were identified and gathered in the survey and are outlined here.

**Figure 31 Other cost shifts by category**





Under the Transport for NSW (formerly RMS) road reclassification program in the 1990s, many roads were reclassified as local or regional road for councils to own and maintain. Of the 68 councils that responded to the survey, 32 were able to estimate the cost of this reclassification, 12 were not able to reliably estimate, and 24 stated that it was not applicable. The total estimate of costs provided by councils was \$26.7 million in 2021–22.

Under the Crown Lands Act 1989, councils have full responsibility to maintain crown reserves under council management and are expected to subsidise shortfalls in maintenance cost from general revenue. This is considered appropriate as the benefits from crown reserves under council management generally accrue to the local community. However, as a result, councils should also be entitled to any current or potential revenue from crown reserves that is required to cover maintenance and improvement cost (e.g., revenue from refreshment facilities, telecommunication facilities). The NSW Government will on occasion take over allowable revenue raising activities on council managed crown reserve land (not including national parks) or will require councils to transfer revenue from council managed crown reserve land to the State Government.

Of the 68 councils surveyed, 22 estimated the lost revenue at \$14.8 million in 2021–22. A further 27 councils were not able to reliably estimate the costs and 19 councils advised that this item didn't apply to them. This estimate does not represent the total net cost of managing (maintaining) crown lands. Nor does it include in transfers associated with the caravan park levy. Only any action by the State Government to limit revenue raising capacity or require the transfer revenue to the State Government has been considered cost shifting.

### 3.9 Future survey considerations

We asked councils what other areas that should be considered for future surveys. The key areas that respondents identified as costs to be captured in future surveys included:

- Monopoly services costs:
  - NSW Audit Office being the monopoly on local government external audits.
  - NSW Electoral Commission holding a near monopoly on council election administration.
- Cost of Joint Regional Planning Panels (JRPPs) requirement to access councils DAs as per mandated policy.
- Costs of mandatory On-Line Planning Portal – Implementation and ongoing operational costs.
- The Sydney Regional Development Fund Levy.
- Costs associated with Forestry NSW and impact of logging on council owned infrastructure. Rates foregone on State Forest land.
- Capturing the additional cost of Emergency Services administration staff.
- Heritage advisor costs, whilst there is some grant funding towards this it still needs to be administered by council who hand out the grant funds and do general administration.
- Cost involved in Special Variations applications given that councils have to undertake this process to recover costs shifted. This is a lengthy and resource intensive process, which is particularly challenging for smaller councils.
- Net cost of Street Lighting (Less subsidy from Transport for NSW).



- Cost of ongoing maintenance associated with the Community Water Bore program from early 2000s (the program was in conjunction with NSW Office of Water).
- Cost of management of overabundant native species doing damage to infrastructure. This is a NSW government function which is not being undertaken by the State and therefore some councils are doing it.
- Crown Land right to native title compensation (falling to Councils instead of the State).
- Any costs imposed by Service NSW (e.g., disability parking).
- Costs of sharing of facilities especially with Department of Education (schools, parks, playgrounds etc).
- Costs of maintaining State facilities that are located on Crown land.
- Provision of stormwater trunk drainage.

These additional items will need to be validated in terms of the details of what is entailed and whether they are indeed cost shifts before inclusion in any future survey.

We also recommend that some items in the current survey be considered for exclusion in future survey on the basis that they are onerous for councils to quantify and do not materially contribute to the total estimated cost shift for councils, nor are they expected to increase over time. The following items should be reviewed for exclusion:

- Road safety program (Q7) – (0.5% of total cost shift estimate).
- Onsite sewer facilities (Q10) – (0.4% of total cost shift estimate).
- Immigration and citizenship services (Q16) – (0.1% of total cost shift estimate).
- Waste management license fee (Q29) – (0.03% of total cost shift estimate).



## 4 About the survey

This section outlines the methodology employed to develop and administer the 2021–22 cost shifting survey.

### 4.1 Development of the survey

The last cost shifting survey of NSW councils was undertaken with 2015–16 financial data. We have used this last survey as the starting point for the 2021–22 Cost Shifting Survey questions. We undertook a review of the previous questionnaire guided by the following guiding principles:

- Ensure that questions are still relevant.
- Where possible maintain questions so that there can be direct year on year comparisons if required.
- Ensure that interpretation of questions is understood and consistent across all councils.
- Identify new areas of cost shifting where required.

An initial review of questions was undertaken by the project team, consisting of Morrison Low and LG NSW staff. We also established a working group that included representatives of senior leaders and financial staff of a cross section of rural, regional, and metropolitan councils. The working group undertook a review of the questions and provided their feedback through a facilitated workshop and feedback gathering tool. We also asked two leading local government academics to provide their feedback through email and one on one meetings on the questionnaire and our approach to understanding cost shifting in local government.

### 4.2 Conducting the survey

The final survey was provided in a Microsoft Excel format to councils on 17 April 2023 along with a request of councils' 2021–22 Financial Data Return (FDR), which contained council's audited financial Statement information. The FDR was used to gather a small amount of cost shifting information, but predominantly for data validation purposes.

### 4.3 Responses to the survey

Councils were asked to return their survey responses and FDRs by 8 May 2023. Some councils requested extensions to this date, which were granted up to 19 May 2023. A total of 75 out of 128 councils provided completed surveys (a 58.6% response rate), although not all answers were completed by all responding councils. Only 72 councils provided their FDRs, as three councils were still finalising their 2021–22 financial Statements at the time of survey completion date.

### 4.4 Data validation and analysis

Data validation included review of outliers both in total terms as well as a proportion of the council's proportion of total operating expenditure. Where possible, we also compared survey responses with councils FDR data returns to understand if there may have been discrepancies or misinterpretations of questions. This



required us to seek further information and validation with some councils on their responses to some questions.

We also utilised State Government financial reports for the Emergency Services agencies to validate to estimate of the ESL against the contributions that these agencies reported in their financial Statements.

For most questions, we have used population as the basis for estimating the total cost shift to all NSW councils for the survey data received. For some we were able to directly estimate through published reports. For example, we used the State Library's 2021–22 report on local council libraries with included operating costs and subsidies received. For other questions, such as the waste levy, where it is not relevant to all councils and there are different levels of the levy between metropolitan and regional councils, we used populations within the relevant and group councils as a basis for estimating the total cost of the waste levy.



**Cost Shifting 2023:  
How State Costs  
Eat Council Rates**  
Report Summary and Highlights



**ONE VOICE  
FOR COUNCILS**





# President's Foreword



It is with great concern that I present to you Local Government NSW's latest commissioned research on one of the most significant problems facing NSW councils today.

*Cost Shifting 2023: How State Costs Eat Council Rates*, by independent consultants Morrison Low, reveals the heavy financial burden carried by NSW councils and communities forced to assume ever-greater responsibility for state government services and infrastructure.

That burden is now valued at more than \$1.36 billion per year, up 78 per cent from \$820 million per year in just over five years.

It's fair to say that all levels of government – like families – are doing it tough.

But the difference is that with cost shifting, the financial pressure flows downhill – from the federal level to state governments, onwards to councils.

And of course ultimately to ratepayers, because councils must divert rate revenue away from existing services and infrastructure in order to fund the unrecoverable cost of the services, programs and functions imposed by the State Government.

This new report calculates that the total amount of cost-shifting to councils now represents an average of around \$460 per ratepayer, per year.

Councils are the closest level of government to the community and we see firsthand the very real impact of this endless financial squeeze.

We carry the can, as other levels of government wipe costs from their budgets by eating into ours. And we face the community to answer for rate increases, reduced services or degraded local infrastructure.

It is, quite simply, unsustainable and cannot continue.

After decades of advocacy by the local government sector, I welcomed the Minns' Government acknowledgement that the current funding system is broken. And I am more encouraged than I can say by their commitment to undertake a review of the financial modelling of councils.

LGNSW looks forward to contributing to this review, and to ensure that one of its key focuses will be to address this damaging practice, and drive a more financially sustainable future for the people of NSW.

**Cr Darriea Turley AM**  
LGNSW President

## What is Cost Shifting?

Cost shifting occurs when state and federal governments force councils to assume responsibility for infrastructure, services and regulatory functions without providing sufficient supporting funding.

NSW councils are currently being asked to absorb cost shifting worth more than \$1.36 billion each year, with the practice imposing an estimated cumulative burden of more than \$10.15 billion over the last decade.

This now amounts to an average \$460.67 paid by each NSW ratepayer, each and every year.

As councils work to rebuild their communities in the wake of the COVID pandemic and repeated natural disasters, they also find themselves grappling with the same economic challenges and headwinds impacting the State and Federal Governments. The difficult economic climate, rising costs and severe skills and labour shortages are impacting council budgets and affecting service and infrastructure delivery in local communities. The continual shifting of the obligations and costs for State (or Federal) functions and services onto local government, coupled with a defective rate peg system, is only making the situation worse.

Cost shifting onto local government remains one of the most significant challenges facing NSW councils today. The unrelenting growth of cost shifting to councils is increasingly eroding any possibility of financially sustainable local government and risking the capacity of councils to both deliver tailored, grassroots services to their communities and properly maintain vital local infrastructure.

Alarming, the latest research commissioned by LGNSW shows that the increase in cost shifting has been accelerated by various NSW Government policies.



Analysis by independent consultants Morrison Low calculated the total cost shifted onto councils in the 2021/22 financial year at \$1.36 billion.



This is a dramatic increase of 78 per cent since the 2015/16 financial year, when the total cost shift was estimated at \$820 million.



In 2021/22, each NSW ratepayer had the equivalent of \$460.67 of their paid rates eaten by state government costs.



The proportion of council rates subsumed by cost-shifted obligations ranged from \$420.90 for ratepayers on the metropolitan fringes to \$590.80 for rural ratepayers.

**\$1.36 Billion**  
Cost shift to councils per annum

**\$460.67**  
Per ratepayer per year

### What is eating council rates?

The largest direct cost shift to councils is from emergency service contributions and other emergency service obligations, totalling \$165.4 million. However, the cost of rate exemptions is higher still, representing a total of \$273.1 million of potential rates that are exempted and redistributed to other ratepayers to pay. An additional \$288.2 million in waste levies are passed onto the ratepayers through the waste collection fees in their rates bill.

A further \$156.7 million in costs for libraries is also being covered by councils to make up the difference between the committed funding for councils' libraries and the subsidies received.

### Top Five Cost Shifts onto NSW Councils

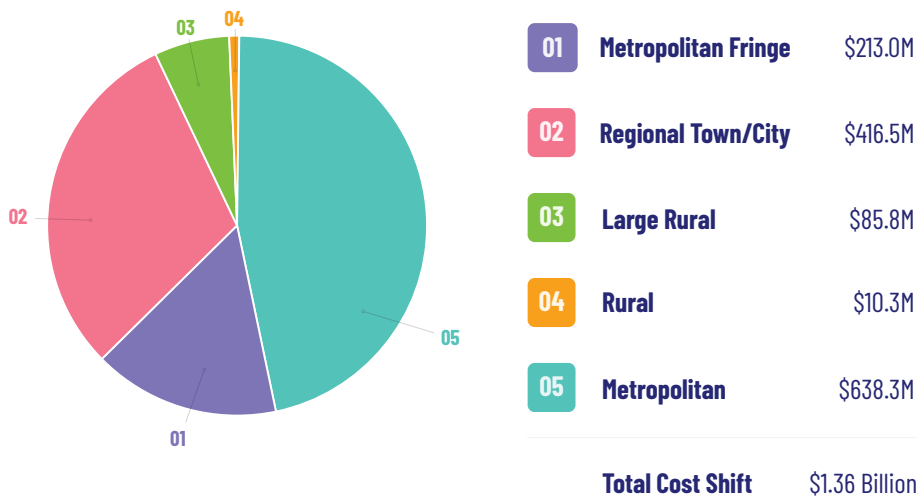




**Cost shift per ratepayer per year by council classification**



**Total cost shift per year by council classification**



**Local Government NSW**

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**Deed**

**Planning Agreement**

Under s7.4 of the *Environmental Planning and Assessment Act 1979*

**Cessnock City Council (Council)**

**Votraint No 124 Pty Ltd ACN 002 888 655 (Developer)**



Date:

**Planning Agreement**  
**Cessnock City Council (Council)**  
**Votrait No 124 Pty Limited (Developer)**

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## **Planning Agreement**

### **Table of Contents**

<b>Summary Sheet</b> .....	<b>5</b>
<b>Regulatory Compliance Tables</b> .....	<b>6</b>
<b>Parties</b> .....	<b>8</b>
<b>Background</b> .....	<b>8</b>
<b>Operative provisions</b> .....	<b>8</b>
Part 1 - Preliminary .....	8
1 Interpretation .....	8
2 Status of this Deed .....	15
3 Commencement .....	15
4 Application of this Deed .....	15
5 Warranties .....	15
6 Power of attorney .....	15
7 Parties' relationship .....	16
8 Deed not construction contract .....	16
9 Further agreements .....	16
10 Surrender of right of appeal .....	16
11 Application of s7.11, s7.12 and Division 7.1, Subdivision 4 of the Act to the Development .....	16
12 Provision of Development Contributions .....	16
Part 2 – Provisions relating to dedication of land .....	17
13 Dedication of the Dedication Land .....	17
14 Procedure for Dedication of Dedication Land .....	17
15 Acquisition of land required to be dedicated .....	18
Part 3 – Provisions relating to carrying out of Work .....	19
16 Approved persons .....	19
17 Principal Contractor .....	19
18 Carrying out of Work .....	19
19 Warranties relating to Developer Works .....	20
20 Cost of Developer Works .....	20
21 Ownership & Care of Developer Works .....	20
22 Work Health & Safety .....	20
23 Work Health & Safety Obligations .....	22
24 Accidents & dangerous occurrences .....	23
25 Approval of Developer Works .....	24
26 Variations to approved Developer Works .....	24

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

---

27	Entry onto Land .....	25
28	Protection of people, property & utilities .....	25
29	Damage to assets & property.....	25
30	Audit, inspection, testing of Developer Works .....	25
31	Access to information & records .....	26
32	Easements, covenants etc. relating to Developer Works .....	27
33	Practical Completion of Developer Works .....	27
34	Transfer of Ownership Notice .....	27
35	Rectification of defects .....	28
36	Works-As-Executed-Plan .....	28
37	Removal of Equipment.....	29
Part 4 – Transfer of Existing Public Laneway.....		29
38	Closure and transfer of the Existing Public Laneway .....	29
Part 5 – Dispute Resolution.....		29
39	Dispute resolution – expert determination .....	29
40	Dispute Resolution – mediation .....	30
41	Arbitration Excluded .....	30
Part 6 - Enforcement .....		30
42	Security for performance of obligations .....	30
43	Replacement Security .....	32
44	Restriction on the issue of certificates .....	32
45	Breach of obligations.....	33
46	Enforcement in a court of competent jurisdiction .....	34
Part 7 – Registration & Restriction on Dealings .....		34
47	Registration of this Deed .....	34
48	Restriction on dealings.....	34
Part 8 – Indemnities & Insurance .....		35
49	Risk .....	35
50	Release .....	35
51	Indemnity.....	35
52	Insurance.....	36
53	Subcontractors’ insurances.....	36
Part 9 – Other Provisions .....		37
54	Confidentiality.....	37
55	Ownership of Intellectual Property .....	38
56	Technical Data .....	38
57	Moral rights.....	38

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



58	Force Majeure .....	38
59	Annual report by Developer .....	39
60	Review of Deed .....	39
61	Notices .....	39
62	Approvals and Consent.....	40
63	Costs .....	40
64	Entire Deed .....	40
65	Further Acts.....	41
66	Notations on section 10.7(5) Planning Certificates .....	41
67	Governing Law and Jurisdiction .....	41
68	No Fetter .....	41
69	Illegality .....	41
70	Severability.....	41
71	Amendment.....	41
72	Waiver .....	42
73	Counterparts.....	42
74	GST .....	42
75	Explanatory Note.....	43
	<b>Schedule 1 .....</b>	<b>44</b>
	<b>Schedule 2 .....</b>	<b>46</b>
	<b>Schedule 3 .....</b>	<b>47</b>
	<b>Schedule 4 .....</b>	<b>48</b>
	<b>Appendix A .....</b>	<b>51</b>

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



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**Planning Agreement**

**Summary Sheet**

**Council:**

**Name:** Cessnock City Council

**Address:** 62-78 Vincent Street, CESSNOCK NSW 2325

**Telephone:** (02) 4993 4100

**Email:** contributions@cessnock.nsw.gov.au

**Representative:** Martin Johnson

**Developer:**

**Name:** Votrait No 124 Pty Limited ACN 002 888 655

**Address:** C/- Chris Burke & Company, 104 Cronulla Street, Cronulla NSW 2230

**Telephone:** (02) 9544 1111

**Email:** michaelchristian@chrisburke.com.au

**Representative:** Michael Christian

**Part Landowner:**

**Name:** [Redacted]

**Address:** [Redacted]

**Telephone:** (02) 9523 7444

**Email:** ggourlas@gglawyer.com.au

**Representative:** George Gourlas



Planning Agreement  
 Cessnock City Council (Council)  
 Votrait No 124 Pty Limited (Developer)

**Regulatory Compliance Tables**

**Table 1 – Provisions of Act**

Act Provision	Requirement	Compliance
S7.4 (1)	'Planning Authority'	Council
	'Developer'	Developer
	Development Contributions	See Schedule 2
S7.4 (1), (2)	Public Purpose	See column 2 of Schedule 2
S7.4 (3)(a)	Land	See Definition of 'Land' in clause 1.1
S7.4 (3)(b)(i)	Instrument Change	N/A
S7.4 (3)(b)(ii)	Development	See definition of 'Development' in clause 1.1
S7.4 (3)(c)	Details of Developer's Provision	See Schedule 2
S7.4 (3)(d)	Whether s7.11, s7.12 and s7.24 of the Act Apply to the Development	See clause 11
S7.4 (3)(e)	Whether Benefits are or are not to be Taken into Consideration in Determining a Development Contribution under s7.11	See clause 11
S7.4 (3)(f)	Mechanism for the Resolution of Disputes under the Agreement	See Part 5
S7.4 (3)(g)	Enforcement of the Agreement by a Suitable Means in the Event of Breach by the Developer	See clause 15 and Part 6
S7.4 (10)	Conformity of Agreement with Act, Environmental Planning Instruments, & Development Consents Applying to the Land	Yes
S7.5	Public Notice & Public Inspection of Draft Agreement	Yes
S6.15(1)(d)	If the Development involves the subdivision of land, does this Agreement impose requirements that are required to be complied with before a subdivision certificate is issued?	No

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**Table 2 – Provisions of Regulations**

Regulation Provision	Requirement	Compliance
Section 203(1) of the Regulation	Form & Subject-Matter	Yes
Section 203(7) of the Regulation	Secretary's Practice Note must be considered by Council	Yes
Section 204 of the Regulation	Public Notice of planning agreement	Yes
Section 205 of the Regulation	Explanatory Note	See Appendix A
Section 206 of the Regulation	Information about planning agreements	Yes
Section 21 of the Certification Regulation	If the Development involves building work or subdivision work, does the Agreement specify requirements that are required to be complied with before a construction certificate for the work is issued?	Yes – see clause 45 and Schedule 2
Section 48 of the Certification Regulation	If an occupation certificate is required in respect of the Development, does the Agreement impose requirements that are required to be complied with before such a certificate is issued?	Yes – see clause 45 and Schedule 2

**Table 3 – Ministerial Directions**

Direction	Requirement	Compliance
N/A		

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

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**Planning Agreement**

Under s7.4 of the *Environmental Planning and Assessment Act 1979*.

**Parties**

**Cessnock City Council** (ABN 60 919 148 928) of 62-78 Vincent Street, CESSNOCK NSW 2325 (Council)

and

**Votrait No 124 Pty Limited** (ACN 002 888 655) of C/- Chris Burke & Company, 104 Cronulla Street, Cronulla NSW 2230 (Developer)

and

[REDACTED]  
(Part Landowner)

**Background**

- A The Developer and the Part Landowner own the Land.
- B The Developer has lodged a Development Application to carry out the Development on the Land. The Developer requires the Existing Public Laneway that is currently vested in Council to carry out the Development.
- C The Developer has offered to make the Development Contributions to the Council on the terms set out in this Deed to facilitate the carrying out of the Development.
- D The Developer offers to carry out the Development Works and to dedicate the Dedication Land to Council.

**Operative provisions**

**Part 1 - Preliminary**

**1 Interpretation**

- 1.1 In this Deed the following definitions apply:

**Act** means the *Environmental Planning and Assessment Act 1979* (NSW).

**Approval** includes approval, consent, licence, permission or the like and includes, without limitation, a Development Consent and a Part 6 Certificate.

**Approved Person** means a person reasonably approved by the Council to undertake design, construction, supervision, inspection, testing or certification of a Work because of the suitability of their qualifications, skills and experience in the Council's reasonable opinion.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**Authority** means the Commonwealth or New South Wales government, a Minister of the Crown, a government department, a public authority established by or under any Act, a council or county council constituted under the *Local Government Act 1993*, or a person or body exercising functions under any Act including a commission, panel, court, tribunal and the like.

**Background Intellectual Property** means Intellectual Property that:

- (a) relates to the Developer Works,
- (b) exists at the date of this Deed or is later created but not as a result of performing this Deed,
- (c) does not belong to a third party.

**Bank Guarantee** means an irrevocable and unconditional undertaking without any expiry or end date in favour of the Council on terms acceptable to the Council to pay an amount or amounts of money to the Council on demand issued by:

- (a) one of the following trading banks:
  - (i) Australia and New Zealand Banking Group Limited,
  - (ii) Commonwealth Bank of Australia,
  - (iii) Macquarie Bank Limited,
  - (iv) National Australia Bank Limited,
  - (v) St George Bank Limited,
  - (vi) Westpac Banking Corporation, or
- (b) any other financial institution approved by the Council in its absolute discretion.

**Certification Regulation** means the *Environmental Planning and Assessment (Development Certification and Fire Safety) Regulation 2021*.

**Claim** includes a claim, demand, remedy, suit, injury, damage, loss, Cost, liability, action, proceeding or right of action.

**Clearance Certificate** means a clearance certificate issued by the Commissioner for Taxation under paragraph 14-220 of Schedule 1 of the *Taxation Administration Act 1953* (Cth).

**Commercial Centre** means the construction of one or more buildings on the Land for the purposes of a Commercial Premises that forms part of the Development in accordance with the Plans of the Proposed Development.

**Commercial Premises** has the same meaning as in the LEP.

**Confidential Information** means any information and all other knowledge at any time disclosed (whether in writing or orally) by the Parties to each other, or acquired by the Parties in relation to the other's activities or services which is not already in the public domain and which:

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- (a) is by its nature confidential;
- (b) is designated, or marked, or stipulated by either Party as confidential (whether in writing or otherwise);
- (c) any Party knows or ought to know is confidential; or
- (d) is information which may reasonably be considered to be of a confidential nature.

**Construction Certificate** has the same meaning as in the Act.

**Contribution Item** means an item of Development Contribution specified in Schedule 2.

**Cost** means a cost, charge, expense, outgoing, payment, fee and other expenditure of any nature.

**Council** means the Cessnock City Council

**CPI** means the Consumer Price Index (All-Groups Sydney) as provided by the Australian Bureau of Statistics.

**Deed** means this Deed and includes any schedules, annexures and appendices to this Deed.

**Dedication Land** means the part Lot 136 DP869710 that is to be dedicated to Council in accordance with Schedule 2 of this Deed and as shown on the Map.

**Defect** means anything that adversely affects, or is likely to adversely affect, the appearance, structural integrity, functionality or use or enjoyment of a Developer Work or any part of a Developer Work.

**Defects Liability Period** means the period specified in Item 11 of Schedule 1 in respect of the New Laneway Works.

**Defects Liability Security** means a Bank Guarantee in the amount specified in Item 16 of Schedule 1.

**Developer Works** means the following works, as specified or described in Schedule 2, including design, construction, supervision, testing and certification:

- (a) the New Laneway Works;
- (b) the Laneway Upgrade Works; and
- (c) the Public Domain Works.

**Development** means the development specified or described in Item 3 of Schedule 1.

**Development Application** has the same meaning as in the Act.

**Development Consent** has the same meaning as in the Act.

**Development Contribution** means a monetary contribution, the dedication of land free of cost, the carrying out of work, or the provision of any other material public benefit, or any combination of them, to be used for, or applied towards a public purpose, but does not include any Security or other benefit provided by a Party to the Council to secure

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

the enforcement of that Party's obligations under this Deed for the purposes of s7.4 (3)(g) of the Act.

**Dispute** means a dispute or difference between the Parties under or in relation to this Deed.

**ELNO** has the meaning given to that term in the Participation Rules.

**Equipment** means any equipment, apparatus, vehicle or other equipment or thing to be used by or on behalf of the Developer in connection with the performance of its obligations under this Deed.

**Existing Public Laneway** means the existing laneway located at Lot 132 and Lot 135 DP823720, being a public road that is vested in Council.

**Force Majeure Event** means any event or circumstance, or a combination of events or circumstances:

- (a) which arises from a cause beyond the reasonable control of a Party, including:
  - (i) an act of God,
  - (ii) strike, lockout, other industrial disturbance or labour difficulty,
  - (iii) war (declared or undeclared), act of public enemy, blockade, revolution, riot, insurrection, civil commotion,
  - (iv) lightning, storm, flood, fire, earthquake, explosion, epidemic, quarantine, or
  - (v) embargo, unavailability of any essential equipment or materials, unavoidable accident, lack of transportation;
- (b) which the Developer takes all reasonable precautions to protect itself against, and uses all reasonable endeavours to mitigate the consequences of (which does not require the Developer to settle a labour dispute if, in the Developer's opinion, that is not in its best interests); and
- (c) which the Developer notifies the Council of, as soon as practicable after becoming aware of the event or circumstance.

**Foreign Resident Capital Gains Withholding Amount** mean the amount a purchaser is required to pay to the Commissioner for Taxation under paragraph 14-200 of the *Taxation Administration Act 1953* (Cth).

**GST** has the same meaning as in the GST Law.

**GST Law** has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any other Act or regulation relating to the imposition or administration of the GST.

**Intellectual Property** means all copyright (including moral rights), patents, trademarks, designs, confidential information, circuit layouts, data and any other rights from intellectual activity in the industrial, scientific, literary and artistic fields recognised in domestic law anywhere in the world.

**Just Terms Act** means the *Land Acquisition (Just Terms Compensation) Act 1991*.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**Land** means the land specified or described in Item 1 of Schedule 1.

**Laneway Upgrade Works** means works to upgrade the existing unnamed Lane with entry via Victoria Street, in accordance with Schedule 2.

**LEP** means the *Cessnock Local Environmental Plan 2011*.

**Map** means the map in Schedule 4.

**New Laneway Works** means the construction of a new public laneway on the Dedication Land in accordance with Schedule 2.

**Occupation Certificate** has the same meaning as in the Act.

**Part 6 Certificate** means a certificate under Part 6 of the Act.

**Participation Rules** means the participation rules as determined by the *Electronic Conveyancing National Law (NSW)*.

**Party** means a party to this Deed.

**Plans of Proposed Development** means the plans set out in Schedule 3, and any subsequent plans for development for the Land approved by Council.

**Practical Completion**, in relation to the Developer Works or a specified part of the Developer Works, occurs when the Council has issued a Practical Completion Certificate for the Developer Works or the specified part.

**Practical Completion Certificate** means a certificate issued by the Council to the effect that, in the reasonable opinion of the Council, the Developer Works or any specified part are substantially complete, and any incomplete part or Defect is of a minor nature.

**Practical Completion Date** means the date when Practical Completion of the Developer Works occurs.

**Principal Contractor** means the Person defined in as the Principal Contractor under the *Work Health and Safety Act 2011 (NSW)* or *Work Health and Safety Regulation 2011 (NSW)* or an equivalent under Commonwealth work health and safety laws.

**Public Domain Works** means the public domain works along part of Barton Street to be completed in accordance with Schedule 2.

**Public Road** means a public road as defined by the Roads Act.

**Rectification Notice** means a notice in writing in respect of a Developer Work:

- (a) identifying the nature and extent of a Defect,
- (b) specifying the works or actions that are required to Rectify the Defect,
- (c) specifying the date by which or the period within which the Defect is to be rectified.

**Rectify** means rectify, remedy or correct.

**Regulation** means the *Environmental Planning and Assessment Regulation 2021*.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**Roads Act** means the *Roads Act 1993* (NSW)

**Technical Data** means all technical know-how and information in material form, including manuals, designs, standards, specifications, reports, models, plans, drawings, calculations, software, source code and test results.

**Third Party Intellectual Property** means Intellectual Property relating to the Developer Works that is owned by a person other than the Council or the Developer.

**Transfer of Ownership Notice** means a notice to the effect that the Developer Works are now vested in the Council.

**WHS Law** means the *Work Health and Safety Act 2011* (NSW) and *Work Health and Safety Regulation 2011* (NSW).

**Work** means the physical result of any building, engineering or construction work for any part of the Developer Work in, on, over or under the Land.

**Works-As-Executed Plan** means detailed plans and specifications of the Developer Works at the Practical Completion Date.

- 1.2 In the interpretation of this Deed, the following provisions apply unless the context otherwise requires:
- 1.2.1 Headings are inserted for convenience only and do not affect the interpretation of this Deed.
  - 1.2.2 A reference in this Deed to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Sydney.
  - 1.2.3 If the day on which any act, matter or thing is to be done under this Deed is not a business day, the act, matter or thing must be done on the next business day.
  - 1.2.4 A reference in this Deed to dollars or \$ means Australian dollars and all amounts payable under this Deed are payable in Australian dollars.
  - 1.2.5 A reference in this Deed to a \$ value relating to a Development Contribution is a reference to the value exclusive of GST.
  - 1.2.6 A reference in this Deed to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
  - 1.2.7 A reference in this Deed to any agreement, deed or document is to that agreement, deed or document as amended, novated, supplemented or replaced.
  - 1.2.8 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Deed.
  - 1.2.9 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
  - 1.2.10 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.



**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 1.2.11 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders.
- 1.2.12 References to the word *'include'* or *'including'* are to be construed without limitation.
- 1.2.13 A reference to this Deed includes the agreement recorded in this Deed.
- 1.2.14 A reference to a Party to this Deed includes a reference to the servants, agents and contractors of the Party, the Party's successors and assigns.
- 1.2.15 A reference to *'dedicate'* or *'dedication'* in relation to land is a reference to dedicate or dedication free of cost.
- 1.2.16 Any schedules, appendices and attachments form part of this Deed.
- 1.2.17 Notes appearing in this Deed are operative provisions of this Deed.
- 1.2.18 A requirement to do any thing includes a requirement to cause that thing to be done, and a requirement not to do any thing includes a requirement to prevent that thing being done. A reference to one or more things includes each part and all parts of that thing or group of things but nothing in this clause implies that part performance of an obligations constitutes performance of that obligations.
- 1.2.19 Neither this Deed nor any part of it is to be construed against a Party on the basis that the Party or its lawyers were responsible for its drafting.
- 1.2.20 A reference to a time or date in connection with the performance of an obligation by a Party is a reference to the time and date in Sydney, Australia, even if the obligations is to be performed elsewhere.
- 1.2.21 An agreement, representation, covenant, right or obligation:
- (a) in favour of two or more persons is for the benefit of them jointly and severally; and
  - (b) on the part of two or more persons, binds them jointly and severally.
- 1.2.22 A reference to a notice, consent, request, approval, or other communication under this Deed or an agreement between the parties means a written notice, request, consent, approval or agreement.
- 1.2.23 A reference to a body (including an institute, association or Authority) which ceases to exist or whose powers or functions are transferred to another body is a reference to the body which replaces it or which substantially succeeds to its power or functions.
- 1.2.24 A reference to a month is a reference to a calendar month.
- 1.2.25 A reference to a year is a reference to twelve consecutive calendar months.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**2 Status of this Deed**

2.1 This Deed (except Part 4) is a planning agreement within the meaning of s7.4(1) of the Act.

**3 Commencement**

3.1 This Deed commences and has force and effect on and from the date when the Parties have:

3.1.1 all executed the same copy of this Deed, or

3.1.2 each executed separate counterparts of this Deed and exchanged the counterparts.

3.2 The Parties are to insert the date when this Deed commences on the front page and on the execution page.

**4 Application of this Deed**

4.1 This Deed applies to the Land and to the Development.

**5 Warranties**

5.1 Each Party represents and warrants that:

5.1.1 it has full legal capacity and power to:

(a) own its property and carry on its business,

(b) enter into this Deed and carry out the transactions it covers,

5.1.2 it holds each authorisation necessary to:

(a) properly execute this document and carry out the transactions,

(b) make this document legal, valid, binding and admissible in evidence,

(c) properly carry on its business,

(d) and it is complying with any conditions of those authorisations,

5.1.3 it is not entering into this Deed as a trustee of any trust or settlement,

5.1.4 it has the full power to enter into and perform its obligations under this Deed and that, when executed, this Deed will constitute legal, valid and binding obligations according to its terms.

**6 Power of attorney**

6.1 Each person who executes this document under a power of attorney declares that he or she is not aware of any fact or circumstance that might affect his or her authority to do so.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**7 Parties' relationship**

- 7.1 Nothing in this Deed:
  - 7.1.1 makes the Developer or Part Landowner a partner, agent or legal representative of the Council,
  - 7.1.2 creates a partnership, agency or trust,
  - 7.1.3 confers on the Developer or Part Landowner any authority to bind the Council in any way.
- 7.2 The rights of the Parties do not merge once the Development Contributions obligations under this Deed are completed or this Deed is terminated.

**8 Deed not construction contract**

- 8.1 This Deed is not a construction contract or arrangement as defined in the *Building and Construction Industry Security of Payments Act 1999* (NSW), between the Council and the Developer and the Part Landowner.

**9 Further agreements**

- 9.1 The Parties may, at any time and from time to time, enter into agreements relating to the subject-matter of this Deed that are not inconsistent with this Deed for the purpose of implementing this Deed.

**10 Surrender of right of appeal**

- 10.1 The Developer and Part Landowner are not to commence or maintain, or to cause or procure the commencement or maintenance, of any proceedings in any court or tribunal or similar body appealing against, or questioning the validity of this Deed, or an Approval relating to the Development in so far as the subject-matter of the proceedings relates to this Deed.

**11 Application of s7.11, s7.12 and Division 7.1, Subdivision 4 of the Act to the Development**

- 11.1 This Deed excludes the application of s7.11, s7.12 and Division 7.1, Subdivision 4 of the Act to the Development to the extent provided for in Items 4, 5 and 6 in Schedule 1 respectively.
- 11.2 The benefits under this Deed are to be taken into consideration in determining a Development Contribution under s7.11 of the Act to the Development to the extent provided for in Item 7 in Schedule 1.

**12 Provision of Development Contributions**

- 12.1 The Developer is to make the Development Contributions to the Council in accordance with Schedule 2, any other provision of this Deed relating to the making of Development Contributions and otherwise to the satisfaction of the Council.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 12.2 The Council is to apply each Development Contribution made by the Developer under this Deed towards the public purpose for which it is made and otherwise in accordance with this Deed.
- 12.3 Despite clause 12.2, the Council may apply a Development Contribution made under this Deed towards a public purpose other than the public purpose specified in this Deed if the Council reasonably considers that the public interest would be better served by applying the Development Contribution towards that other purpose rather than the purpose so specified.

**Part 2 – Provisions relating to dedication of land**

**13 Dedication of the Dedication Land**

- 13.1 The Developer and Part Landowner are to dedicate the Dedication Land to the Council free of cost to the Council in the manner and at the time or times specified in Schedule 2.
- 13.2 Before any Dedication Land is dedicated to the Council, the Developer and the Part Landowner are to do all things reasonably necessary to enable the Council to enter upon the Dedication Land for the purposes of inspecting that land.
- 13.3 After the Dedication Land is dedicated to the Council, the Developer and the Part Landowner are to do all things reasonably necessary to enable the Council to gain access to the Dedication Land by passing through any adjoining or adjacent land owned, occupied or otherwise controlled by the Developer or Part Landowner.
- 13.4 The Developer's and Part Landowner's obligations under clause 13.2 and 13.3 are subject to the Council giving the Developer and Part Landowner reasonable prior notice of its intention to enter upon or gain access to the Dedication Land.

**14 Procedure for Dedication of Dedication Land**

- 14.1 Dedication Land is dedicated for the purposes of this Deed when:
- 14.1.1 a deposited plan is registered in the register of plans held with the Registrar-General that dedicates the Dedication Land as a public road (including a temporary public road) under the Roads Act , or
- 14.1.2 the Council is given a Clearance Certificate that is valid at the time of dedication of land or the Foreign Resident Capital Gains Withholding Amount in respect of the land to be dedicated, and:
- (a) an instrument in registrable form under the Real Property Act 1900 duly executed by the Developer and Part Landowner as transferors that is effective to transfer the title to the Dedication Land to the Council when executed by the Council as transferee and registered,
  - (b) the written consent to the registration of the transfer of any person whose consent is required to that registration, and
  - (c) a written undertaking from any person holding the certificate of title to the production of the certificate of title for the purposes of registration of the transfer, or

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

14.1.3 the Council is given a Clearance Certificate that is valid at the time of dedication of land or the Foreign Resident Capital Gains Withholding Amount in respect of the land to be dedicated, and evidence that a transfer has been effected by means of electronic lodgement through Property Exchange Australia Ltd or another ELNO.

14.2 The Developer and Part Landowner are to do all things reasonably necessary to enable registration of the instrument of transfer to occur.

14.3 The Developer and Part Landowner are to ensure that the Dedication Land is dedicated to the Council free of all encumbrances and affectations (whether registered or unregistered and including without limitation any charge or liability for rates, taxes and charges) except as otherwise agreed in writing by the Council.

14.4 If, having used all reasonable endeavours, the Developer and Part Landowner cannot ensure that the Dedication Land is dedicated to the Council free from all encumbrances and affectations, the Developer and Part Landowner may request that Council agree to accept the land subject to those encumbrances and affectations, but the Council may withhold its agreement in its absolute discretion.

**15 Acquisition of land required to be dedicated**

15.1 If the Developer and Part Landowner do not dedicate the Dedication Land at the time at which it is required to be dedicated, the Developer and Part Landowner consent to the Council compulsorily acquiring that land for compensation in the amount of \$1.00 without having to follow the pre-acquisition procedure under the Just Terms Act.

15.2 The Council is to only acquire the Dedication Land pursuant to clause 15.1 if it considers it reasonable to do so having regard to the circumstances surrounding the failure by the Developer to dedicate that land.

15.3 The Developer and Part Landowner agree that:

15.3.1 clause 15.1 is an agreement between the Council and the Developer and Part Landowner for the purposes of section 30 of the Just Terms Act; and

15.3.2 in clause 15.1, the Developer and Part Landowner have agreed on all relevant matters concerning the compulsory acquisition and the compensation to be paid for the acquisition.

15.4 If, as a result of the acquisition referred to in clause 15.1, the Council is required to pay compensation to any person other than the Developer and Part Landowner, the Developer and Part Landowner is to reimburse the Council that amount, upon a written request being made by the Council, or the Council can call on any Security provided under this Deed.

15.5 The Developer and Part Landowner indemnify and keep indemnified the Council against all Claims made against the Council as a result of any acquisition by the Council of the whole or any part of the land concerned except if, and to the extent that, the Claim arises because of the Council's negligence or default.

15.6 The Developer and Part Landowner are to promptly do all things necessary, and consents to the Council doing all things necessary, to give effect to this clause 15, including without limitation:

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 15.6.1 signing any documents or forms,
- 15.6.2 giving landowner's consent for lodgement of any Development Application,
- 15.6.3 producing certificates of title to the Registrar-General under the *Real Property Act 1900*, and
- 15.6.4 paying the Council's costs arising under this clause 15.

**Part 3 – Provisions relating to carrying out of Work**

**16 Approved persons**

- 16.1 The Developer is to design, construct, supervise, and test the Developer Works using Approved Persons.
- 16.2 The Developer is to supply to the Council, and keep current, a list of all Approved Persons who are engaged from time to time in relation to the Developer Works.
- 16.3 The Council may, in its reasonable discretion, notify the Developer that an Approved Person whose name appears on the list submitted by the Developer to the Council is not to be engaged in relation to the Developer Works, and the Developer must promptly take such action as is necessary to ensure that the Approved Person does not continue to be engaged in relation to the Developer Works.

**17 Principal Contractor**

- 17.1 The Developer is to notify the Council of the details of the Principal Contractor for the Developer Works before any construction of the Developer Works occurs.

**18 Carrying out of Work**

- 18.1 The Developer is to carry out and complete the Developer Works in the manner specified in Schedule 2.
- 18.2 Without limiting any other provision of this Deed, any Developer Work that is required to be carried out by the Developer under this Deed is to be carried out in a good and workmanlike manner having regard to the intended purpose of the Developer Works to the satisfaction of the Council and in accordance with:
  - 18.2.1 a Development Consent or other Approval authorising the carrying out of the Work as modified or varied from time to time,
  - 18.2.2 the lawful requirements of any Authority, and
  - 18.2.3 all applicable laws,
  - 18.2.4 to the extent not inconsistent with clauses 18.2.1 to 18.2.3:
    - (a) this Deed, and
    - (b) any further agreement that is entered into by the Parties under clause 6,

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



- (c) any location, design, specification, materials and finishes specified or approved by the Council,
- (d) any reasonable requirements and directions notified in writing by the Council to the Developer.

18.3 The Developer is to give the Council not less than 5 business days' written notice of its intention to commence construction of the Developer Works.

18.4 The Developer is to ensure that anything necessary for the proper performance of its obligations under this Deed is supplied or made available.

**19 Warranties relating to Developer Works**

19.1 The Developer warrants to the Council that:

19.1.1 it has obtained all Approvals and has complied with all laws and applicable industry standards in relation to the Developer Works,

19.1.2 it accepts that, if any aspect of the Developer Works do not comply with this Deed, the Council is entitled to require the Developer to cease the Developer Works and immediately pursue its legal and equitable rights and remedies relating to the non-compliance,

19.1.3 the Developer Works, when completed, are to be fit for purpose,

19.1.4 only Approved Persons are to be engaged in relation to the Developer Works.

19.2 The Developer is to procure in favour of the Council from the appropriate Approved Person engaged in relation to the Developer Works, any warranty reasonably required by the Council relating to the design, construction, supervision, inspection, testing or certification of the Developer Works.

**20 Cost of Developer Works**

20.1 The Developer is responsible for meeting all Costs of and incidental to the Developer Works.

**21 Ownership & Care of Developer Works**

21.1 The Developer owns, and is responsible for care of, the Developer Works, and bears all risk and liability in connection with the Developer Works, until the Developer Works vest in the Council.

**22 Work Health & Safety**

22.1 The Developer acknowledges that it is the Principal Contractor under WHS Law for the Developer Works unless and until such time that the Developer:

22.1.1 engages another person to construct the Developer Works; or

22.1.2 engages another person to be the Principal Contractor for the Developer Works; and

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 22.1.3 authorises that other person to have management or control of the workplace relating to the Developer Works and to discharge the duties of a Principal Contractor under WHS Law.
- 22.2 If the Developer at any time terminates the engagement of the person engaged to construct the Developer Works or to otherwise be the Principal Contractor for the Developer Works, the Developer becomes the Principal Contractor until such time as a new person is appointed to construct the Developer Works or to otherwise be the Principal Contractor for the Developer Works.
- 22.3 The Developer is to use its best endeavours to ensure that all persons involved in the Developer Works comply with relevant WHS Law and procedures, including but not limited to:
- 22.3.1 following published government and industry WHS guidelines,
  - 22.3.2 providing WHS induction training,
  - 22.3.3 keeping and regularly updating WHS records,
  - 22.3.4 preparing and maintaining an WHS management plan,
  - 22.3.5 preparing a Project Safety Plan that details safety strategies, including how persons must act to comply with WHS Law,
  - 22.3.6 providing safe work method statements for all tasks and ensuring they are complied with,
  - 22.3.7 directing staff to take corrective action or stop work if they are not complying with the method statements or WHS Law,
  - 22.3.8 identifying hazards and assessing risks using due diligence,
  - 22.3.9 eliminating or controlling risks in line with WorkCover requirements using due diligence,
  - 22.3.10 reviewing risk assessments and controlling measures,
  - 22.3.11 providing information to employers and contractors about WHS,
  - 22.3.12 documenting site-specific safety procedures.
- 22.4 The Developer is to use its best endeavours to ensure that:
- 22.4.1 the Council can audit, inspect and test the Developer Works without breaching WHS Law,
  - 22.4.2 the Council can access and use the Developer Works without breaching WHS Law.
- 22.5 The Developer is to promptly inform the Council of any incident occurring in relation to the Developer Works where a person is injured or otherwise exposed to a risk to his or her health or safety, including, but not limited to, an incident which is required to be reported to WorkCover.



**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**23 Work Health & Safety Obligations**

**Definitions**

23.1 In this clause:

**Designer** means a person referred to in s22(1) of the WHS Act.

**Principal Contractor** means a person with whom the Developer has entered into an agreement to construct, install or commission a Work required to be provided by the Developer under this Deed.

**Supplier** means a person referred to in s25(1) of the WHS Act.

**WHS Act** means the *Work Health & Safety Act 2011 (NSW)* and includes any regulations made under that Act.

**Work** means the Developer Works required to be provided by the Developer under this Deed.

**Workplace** has the same meaning as in the WHS Act.

**Relationship to WHS Act**

23.2 In the event of any inconsistency between an obligation imposed by or under the WHS Act and an obligation imposed by this clause 23, the obligation imposed by or under the WHS Act will prevail to the extent of the inconsistency.

**General obligation to comply with WHS Act**

23.3 The Developer must:

23.3.1 ensure compliance with the WHS Act relating to the design of a Work, and

23.3.2 ensure, and must procure that the Principal Contractor ensures, compliance with the WHS Act relating to the supply, construction, installation or commissioning of a Work.

23.4 Clauses 23.5 – 23.12 apply without limiting the generality of the obligation imposed by clause 23.3

**Management & control of workplace where Work is to be provided**

23.5 In so far as the Developer or the Principal Contractor has management or control of the Workplace where a Work is required to be provided, the Developer must ensure or procure that the Principal Contractor ensures, so far as is reasonably practicable, that the Workplace, and the means of entering and exiting the Workplace, and anything arising from the Workplace, are without risks to the health and safety of any person.

**Management & control of fixtures, fittings & plant where Works are carried out**

23.6 In so far as the Developer or the Principal Contractor has the management or control of fixtures, fittings or plant, in whole or in part, at a Workplace where a Work is required to be provided, the Developer is to ensure or procure that the Principal

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

Contractor ensures, so far as is reasonably practicable, that the fixtures, fittings and plant are without risks to the health and safety of any person.

**Design of Work**

- 23.7 The Developer must provide to the Council a copy of the final design of a Work, certified by the Designer, before the Work is constructed, installed or commissioned.
- 23.8 The Developer must ensure that the Designer of a Work ensures, so far as is reasonably practicable, that the Work is designed to be without risks to the health and safety of persons as required by the WHS Act.
- 23.9 Without limiting the obligation imposed by clause 23.8, the Developer must ensure that the Designer of a Work ensures that the Work is designed in accordance with the applicable provisions of the document titled '*Safe Design of Structures - Code of Practice*' dated October 2018 published by Safe Work Australia or any document which is substituted for or replaces that document.
- 23.10 The Developer's obligation under clause 23.8 applies irrespective of whether the design of the Work required the Council's approval or the Council was consulted in the preparation of the design.
- 23.11 The Developer must ensure that the Designer provides to the Council adequate, current and relevant information about the design of a Work as required by the WHS Act.

**Construction, Installation & supply of Work**

- 23.12 The Developer must ensure or procure that the Principal Contractor ensures, so far as is reasonably practicable, that the way a Work is supplied, installed, constructed or commissioned ensures that it is without risks to the health and safety of persons as required by the WHS Act.
- 23.13 The Developer must ensure or procure that the Principal Contractor ensures that the Supplier of any part of a Work provides to the Council adequate, current and relevant information about the Work as required by the WHS Act.

**24 Accidents & dangerous occurrences**

- 24.1 The Developer is to notify WorkCover, and the Council, as soon as it becomes aware of any serious accident or dangerous occurrence relating to the Developer Works.
- 24.2 Within a further 7 days, the Developer must formally notify or procure the notification of WorkCover of the accident or occurrence in accordance with the WHS Law, using any prescribed form.
- 24.3 The Developer must give to the Council a copy of all information and documents that have been provided to WorkCover relating to the accident or occurrence.
- 24.4 The Developer must also give to the Council, if requested by the Council, a written report relating to the accident or occurrence in the form specified by the Council.
- 24.5 The Developer must cooperate with WorkCover and the Council if the accident or occurrence is investigated by Work Cover or the Council.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 24.6 The Developer must immediately give the Council a copy of any improvement or prohibition notices that WorkCover issues in relation to the Developer Works.

**25 Approval of Developer Works**

- 25.1 The location, design, specifications, materials and finishes for the Developer Works are to be determined and approved in accordance with this clause 25.
- 25.2 Before commencing the design of the Developer Works, the Developer is to request the Council to provide the Developer with the Council's requirements for the location, design, specifications, materials and finishes for the Developer Works.
- 25.3 The Council may request the Developer to provide a written proposal concerning the location, design, specifications, materials and finishes for the Developer Works, including preliminary concept designs, to assist Council in determining and notifying the Developer of its requirements.
- 25.4 Once the Developer receives notification from the Council of the Council's requirements for the Developer Works, the Developer is to submit details of the location, design, specifications, materials and finishes for the Developer Works to the Council for Approval.
- 25.5 The Council may require the Developer to make any change to the location, design, specifications, materials and finishes for the Developer Works that it reasonably considers necessary or desirable as a precondition to approving the design of the Developer Works.
- 25.6 The Developer is to make any change to the location, design, specifications, materials, and finishes of the Developer Works as is reasonably required by the Council.
- 25.7 The Developer is not to make any application for any Approval for the Developer Works and is not to commence construction of the Developer Works unless the Council has first notified the Developer of its Approval of the location, design, specifications, materials and finishes of the Developer Works.

**26 Variations to approved Developer Works**

- 26.1 The location, design, specifications, materials, and finishes, and timing of delivery for the Developer Works, may be varied by agreement in writing between the Parties, acting reasonably, without the necessity for an amendment to this Deed.
- 26.2 The Council is not to unreasonably delay or withhold its Approval to any written request made by the Developer to vary, at the Developer's Cost, the Developer Works Completion Date, or the location, design, specifications, materials or finishes of the Developer Works in order to enable it to comply with the requirements of any Authority imposed in connection with any Approval relating to the carrying out of the Developer Works.
- 26.3 The Council may reasonably require the Developer, at the Council's Cost, to vary the timing for the Developer Works, or the location, design, specifications, materials or finishes of the Developer Works.
- 26.4 The Developer is to promptly comply with any such requirement of the Council.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**27 Entry onto Land**

- 27.1 Upon receiving reasonable prior notice from the Developer, the Council is to allow the Developer, to enter, occupy, and use specified Council owned or controlled land at any reasonable time if the occupation or use of the land by the Developer is reasonably necessary for the Developer Works.
- 27.2 Upon receiving reasonable prior notice from the Council, the Developer is to provide the Council with safe and unhindered access at any reasonable time to any land on which the Developer Works are being carried out.
- 27.3 The Council must comply with the Developer's reasonable safety requirements while on any land on which the Developer Works are being carried out.

**28 Protection of people, property & utilities**

- 28.1 The Developer is to ensure to the fullest extent reasonably practicable in relation to the performance of its obligations under this Deed that:
  - 28.1.1 all necessary measures are taken to protect people and property,
  - 28.1.2 unnecessary interference with the passage of people and vehicles is avoided, and
  - 28.1.3 nuisances and unreasonable noise and disturbances are prevented.
- 28.2 Without limiting clause 28.1, the Developer is not to obstruct, interfere with, impair or damage any public road, public footpath, public cycleway or other public thoroughfare, or any pipe, conduit, drain, watercourse or other public utility or service on any land except as authorised in writing by the Council or any relevant Authority.

**29 Damage to assets & property**

- 29.1 The Developer must replace or fix any Council asset the Developer loses or damages while performing the Developer Works.
- 29.2 If an audit, inspection or test of the Developer Works shows that:
  - 29.2.1 the Developer Works do not conform to the location, design, specifications, materials or finishes approved by the Council under this Deed, or
  - 29.2.2 damage has occurred to a Council asset or the property of another person in connection with the Developer Works,the Council may require the Developer to take corrective action to bring the Developer Works into conformity or repair the damage, as the case requires.
- 29.3 Without limiting any other remedies available to the Council under this Deed, if the Developer does not comply with the Council's requirements, the Council may take the action required of the Developer and recover the Council's costs of so doing from the Developer.

**30 Audit, inspection, testing of Developer Works**

**New Laneway Works – Inspection Schedule**

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 30.1 Prior to commencement of the New Laneway Works, the Developer must request from Council a proposed schedule of inspections to be undertaken by Council (**Inspection Schedule**) to occur at specified stages of the construction of the New Laneway Works (**Inspection Stage**). The Developer must not commence the New Laneway Works until Council has provided an Inspection Schedule.
- 30.2 Five Business Days prior to reaching an Inspection Stage as set out in the Inspection Schedule, the Developer must notify the Council of the Proposed inspection date (**Inspection Date**).
- 30.3 On the Inspection Date, or other agreed date, the Developer must ensure that any employees, contractors, agents or representatives of Council have access to and may enter the Land to inspect the Works.

**Audits, Inspections and testing generally**

- 30.4 In addition to carrying out inspections in accordance with the Inspection Schedule, the Council may undertake an audit, inspection or test of the Developer Works at any reasonable time for any purpose related to this Deed upon giving reasonable prior notice to the Developer.
- 30.5 The Developer is to provide the Council with any assistance that is reasonably required by the Council to enable the Council to undertake any audit, inspection or test of the Developer Works.
- 30.6 If an audit, inspection or test reasonably shows that particular action must be taken in relation to the Developer Works, the Developer is to:
- 30.6.1 take the action in the manner, and within the time, the Council reasonably requires, and
- 30.6.2 provide evidence to the Council that the action has been taken.
- 30.7 If an audit, inspection or test shows that the Developer Works have not been carried out in accordance with this Deed, the Developer is to pay any Costs incurred by the Council in connection with the audit, inspection or test.
- 30.8 If the Council reasonably decides that a further and more detailed audit, inspection or test of the Developer Works is required, the Council may determine an approved fee in that regard and the Developer is to pay to the Council the fee so approved.
- 30.9 For the avoidance of doubt, clauses 30.4 to 30.8 apply to any audit, inspection or test required under this Deed, including any inspection in accordance with the Inspection Schedule

**31 Access to information & records**

- 31.1 The Council may make a written request to the Developer:
- 31.1.1 to provide information to the Council concerning the Developer Works,
- 31.1.2 to allow the Council to inspect the Developer's records concerning the Developer Works, including by giving the Council access to premises owned, occupied or controlled by the Developer for that purpose.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 31.2 The Developer is to comply with any such request made by the Council not later than 14 days after the Council makes the request.

**32 Easements, covenants etc. relating to Developer Works**

- 32.1 The Developer and Part Landowner must create, or procure the creation of, any easement or covenant or any other instrument benefitting the Council that is reasonably required by the Council in relation to the Developer Works.
- 32.2 The Costs required to be incurred by the Developer and Part Landowner in doing so include, unless otherwise agreed in writing between the Parties, the payment of compensation to any person.

**33 Practical Completion of Developer Works**

- 33.1 The Parties agree and acknowledge that the Developer Works or a part of the Developer Works will be taken to have been completed when a Practical Completion Certificate for those works has been issued.
- 33.2 The Developer is to make a written request to the Council to issue a Practical Completion Certificate for the relevant Developer Works not less than 28 days before the Developer Works are anticipated to be finished in accordance with Schedule 2.
- 33.3 The Council is to inspect the relevant Developer Works in the presence of a representative of the Developer at a time reasonably agreed between the Parties that is not later than 14 days after the Council receives the request.
- 33.4 As a precondition to issuing a Practical Completion Certificate, the Council may direct the Developer in writing to complete, rectify or repair any specified part of the Developer Works within a period specified in the direction, in order to bring the Developer Works into conformity with any Approval.
- 33.5 The Developer is to promptly comply with any such direction given by the Council.
- 33.6 The Council may undertake more than one inspection and issue more than one direction to the Developer in order to be satisfied that a Practical Completion Certificate may be issued for the relevant Developer Works.
- 33.7 The Council is to promptly issue a Practical Completion Certificate for the Developer Works when it is reasonably satisfied that no aspect of the Developer Works reasonably requires completion, rectification or repair and the Developer has provided any Defects Liability Security in accordance with clause 35.

**34 Transfer of Ownership Notice**

- 34.1 The New Laneway Works will vest in the Council when the Dedication Land is dedicated to Council in accordance with this Deed.
- 34.2 The Laneway Upgrade Works and the Public Domain Works will vest in Council when a Practical Completion Certificate has been issued for those works.
- 34.3 Before the Developer Works vest in the Council, all of the following must have occurred:

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 34.3.1 the whole of the relevant Developer Works must be the subject of one or more Practical Completion Certificates,
- 34.3.2 any easement reasonably required by the Council to access the Developer Works has been registered on the title to the land on which the Developer Works are situated on terms reasonably satisfactory to the Council, and
- 34.3.3 the Developer has provided all of the following to the Council in respect of the Developer Works:
- (a) a full Works-As-Executed Plan, and
  - (b) any maintenance manuals and test results reasonably required by the Council.

**35 Rectification of defects**

- 35.1 The Council may give the Developer a Rectification Notice during the Defects Liability Period.
- 35.2 The Developer, at its own cost, is to comply with a Rectification Notice according to its terms and to the reasonable satisfaction of the Council.
- 35.3 The Council is to do such things as are reasonably necessary to enable the Developer to comply with a Rectification Notice that has been given to it under clause 35.1.
- 35.4 Prior to the issue of a Practical Completion Certificate for any part of the Developer Works, the Developer must deliver the Defects Liability Security for those works to Council.
- 35.5 If the Developer fails to comply with a Rectification Notice issued under this clause 35, the Council may enter the Land to carry out any works required under the Rectification Notice and may call on the Defects Liability Security to recover any costs it incurs in satisfying the Rectification Notice.
- 35.6 Within 10 business days after the expiration of the Defects Liability Period for the relevant Developer Works, Council must return the Defects Liability Security for those works, or the balance of the Defects Liability Security if it was called upon, to the Developer.
- 35.7 Notwithstanding clause 35.6, if Council issues a Rectification Notice during the Defects Liability Period for the Developer Works, and that Rectification Notice is not complied with, then the Council does not need to deliver the balance of the Defects Liability security to the Developer until that defect has been rectified.

**36 Works-As-Executed-Plan**

- 36.1 No later than 60 days after the Practical Completion for an item of Developer Works,, the Developer is to submit to the Council a full Works-As-Executed-plan in respect of the relevant Work, in a format agreed to by the Council.
- 36.2 The Developer, being the copyright owner in the plan referred to in clause 36.1, gives the Council a non-exclusive licence to use the copyright in the plans for the purposes of this Deed.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 36.3 If the Developer is not the copyright owner of the Work-As-Executed Plan, the Developer is to promptly procure the assignment of the copyright of the Works-As-Executed Plan to the Council free of cost to the Council.

**37 Removal of Equipment**

- 37.1 When Developer Work on any Council owned or controlled land is completed for the purposes of this Deed, the Developer, without delay, is to:
- 37.1.1 remove any Equipment from Land and make good any damage or disturbance to the land as a result of that removal, and
- 37.1.2 leave the land in a neat and tidy state, clean and free of rubbish.

**Part 4 – Transfer of Existing Public Laneway**

**38 Closure and transfer of the Existing Public Laneway**

- 38.1 The Parties agree and acknowledge that once the Dedication Land has been dedicated to Council, Council intends to close the Existing Public Laneway in accordance with the relevant provisions of the Roads Act and transfer the land within the Existing Public Laneway to the Developer.
- 38.2 The Parties agree and acknowledge that construction of the Commercial Centre will not commence until the Existing Public Laneway is closed and transferred to the Developer.
- 38.3 Noting in this clause is intended to fetter Council's discretion under Part 4 Division 3 of the Roads Act.

**Part 5 – Dispute Resolution**

**39 Dispute resolution – expert determination**

- 39.1 This clause applies to a Dispute between any of the Parties to this Deed concerning a matter arising in connection with this Deed that can be determined by an appropriately qualified expert if:
- 39.1.1 the Parties to the Dispute agree that it can be so determined, or
- 39.1.2 the Chief Executive Officer of the professional body that represents persons who appear to have the relevant expertise to determine the Dispute gives a written opinion that the Dispute can be determined by a member of that body.
- 39.2 A Dispute to which this clause applies is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 39.3 If a notice is given under clause 39.2, the Parties are to meet within 14 days of the notice in an attempt to resolve the Dispute.
- 39.4 If the Dispute is not resolved within a further 28 days, the Dispute is to be referred to the President of the NSW Law Society to appoint an expert for expert determination.



**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 39.5 The expert determination is binding on the Parties except in the case of fraud or misfeasance by the expert.
- 39.6 Each Party is to bear its own costs arising from or in connection with the appointment of the expert and the expert determination.
- 39.7 The Parties are to share equally the costs of the President, the expert, and the expert determination.

**40 Dispute Resolution – mediation**

- 40.1 This clause applies to any Dispute arising in connection with this Deed other than a Dispute to which clause 39 applies.
- 40.2 Such a Dispute is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 40.3 If a notice is given under clause 40.2, the Parties are to meet within 14 days of the notice in an attempt to resolve the Dispute.
- 40.4 If the Dispute is not resolved within a further 28 days, the Parties are to mediate the Dispute in accordance with the Mediation Rules of the Law Society of New South Wales published from time to time and are to request the President of the Law Society to select a mediator.
- 40.5 If the Dispute is not resolved by mediation within a further 28 days, or such longer period as may be necessary to allow any mediation process which has been commenced to be completed, then the Parties may exercise their legal rights in relation to the Dispute, including by the commencement of legal proceedings in a court of competent jurisdiction in New South Wales.
- 40.6 Each Party is to bear its own costs arising from or in connection with the appointment of a mediator and the mediation.
- 40.7 The Parties are to share equally the costs of the President, the mediator, and the mediation.

**41 Arbitration Excluded**

- 41.1 The arbitration of any Dispute between the Parties arising under, or in connection with, this Deed is expressly excluded.

**Part 6 - Enforcement**

**42 Security for performance of obligations**

- 42.1 The Developer is to provide the Council with Security in the amount specified in Item 12 of Schedule 1 to secure the performance of such of the obligations under this Deed as are specified or described in Item 13 of Schedule 1.
- 42.2 The Security is to be provided at the time specified in Item 14 of Schedule 1.
- 42.3 The amount of the Security is to be indexed from the date of this Deed in accordance with the index specified in Item 15 of Schedule 1.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 42.4 The Council may call-up the Security if it reasonably considers that the Developer and Landowner have not complied with their obligations under this Deed specified in Item 13 of Schedule 1.
- 42.5 However, the Council is not to call-up the Security unless:
- 42.5.1 it has given the Developer not less than 30 days' notice of its intention to do so and particulars of why it intends to do so, and
- 42.5.2 the Developer and Part Landowner have not rectified the non-compliance to the Council's reasonable satisfaction before that period has expired.
- 42.6 If the Council calls-up the Security, it may use the amount paid to it in satisfaction of any costs incurred by it in remedying the non-compliance including but not limited to:
- 42.6.1 the reasonable costs of the Council's servants, agents and contractors reasonably incurred for that purpose,
- 42.6.2 all fees and charges necessarily or reasonably incurred by the Council in order to have the Work carried out, completed or rectified, and
- 42.6.3 all legal costs and expenses reasonably incurred by the Council, by reason of the Developer's non-compliance.
- 42.7 If the Council calls-up the Security, it may, by notice in writing to the Developer, require the Developer to provide a further or replacement Security in an amount that, when added to any unused portion of any existing Security, does not exceed the amount of the Security the Council is entitled to hold under this Deed.
- 42.8 The Council is to release and return the Security or any unused part of it to the Developer within 14 days of compliance by the Developer and Part Landowner of its obligations under this Deed to the reasonable satisfaction of the Council.
- 42.9 The Developer may at any time provide the Council with a replacement Security.
- 42.10 On receipt of a replacement Security, the Council is to release and return to the Developer, as directed, the Security it holds that has been replaced.
- 42.11 The dispute resolution provisions of this Deed do not apply to any matter the subject of this clause.
- 42.12 Council must promptly return any Security at the request of the Developer if any of the following occurs:
- 42.12.1 the Developer or Part Landowner fulfills all obligations to deliver Development Contributions under this Deed; or
- 42.12.2 the relevant consent authority refuses to grant the Development Consent for the Development.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**43 Replacement Security**

43.1 Within 20 business days of each anniversary of any Security provided under this Deed, the Developer must provide Council with one or more replacement Securities (**Replacement Security**) in an amount calculated in accordance

with the following:  $A = \frac{B \times D}{C}$

Where:

A is the amount of the Replacement Security,

B is the amount of the Security to be replaced,

C is the CPI for the quarter ending immediately before the date of the Security to be replaced,

D is the CPI for the quarter ending immediately before the date of the Replacement Security,

provided A is greater than B.

43.2 On receipt of any Replacement Security, Council must immediately release and return to the Developer, as directed, the Securities it holds that have been replaced.

**44 Restriction on the issue of certificates**

44.1 In accordance with section 6.8 of the Act and section 21 of the Certification Regulation, the following obligations of the Developer must be satisfied prior to the issue of a Construction Certificate for the building of the Commercial Centre part of the Development:

44.1.1 the provision of a Security under clause 42;

44.1.2 the provision of Defects Liability Security for the Developer Works under clause 35;

44.1.3 completion of the New Laneway Works as specified in Schedule 2;

44.1.4 dedication of the Dedication Land in accordance with Part 2 off the Deed and Schedule 2; and

44.1.5 completion of the Laneway Upgrade Works as specified in Schedule 2.

44.2 In accordance with section 6.10(2) of the Act and section 48 of the Certification Regulation, the obligation to complete the Public Domain Works as specified in Schedule 2 must be satisfied prior to the issue of an Occupation Certificate for the Commercial Centre.

44.3 For the avoidance of doubt, a reference in this clause 44 to a Construction Certificate for the building of the Commercial Centre, does not include any

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

Construction Certificate or other construction Approval required to carry out demolition works or civil works on the Land.

**45 Breach of obligations**

- 45.1 If the Council reasonably considers that a Party is in breach of any obligation under this Deed, it may give a written notice to that Party:
- 45.1.1 specifying the nature and extent of the breach,
- 45.1.2 requiring the Party to:
- (a) rectify the breach if it reasonably considers it is capable of rectification, or
- (b) pay compensation to the reasonable satisfaction of the Council in lieu of rectifying the breach if it reasonably considers the breach is not capable of rectification,
- 45.1.3 specifying the period within which the breach is to be rectified or compensation paid, being a period that is reasonable in the circumstances.
- 45.2 If a Party fails to fully comply with a notice referred to in clause 45.1, the Council may, without further notice to any Party, call-up the Security provided under this Deed and apply it to remedy the breach.
- 45.3 If the Developer fails to comply with a notice given under clause 45.3 relating to the carrying out of Work under this Deed, the Council may step-in and remedy the breach and may enter, occupy and use any land owned or controlled by the Developer and any Equipment on such land for that purpose.
- 45.4 Any costs incurred by the Council in remedying a breach in accordance with clause 45.2 or clause 45.3 may be recovered by the Council by either or a combination of the following means:
- 45.4.1 by calling-up and applying the Security provided under this Deed, or
- 45.4.2 as a debt due in a court of competent jurisdiction.
- 45.5 For the purpose of clause 45.4, the Council's costs of remedying a breach the subject of a notice given under clause 45.1 include, but are not limited to:
- 45.5.1 the costs of the Council's servants, agents and contractors reasonably incurred for that purpose,
- 45.5.2 all fees and charges necessarily or reasonably incurred by the Council in remedying the breach, and
- 45.5.3 all legal costs and expenses reasonably incurred by the Council, by reason of the breach.
- 45.6 Nothing in this clause 43 prevents the Council from exercising any rights it may have at law or in equity in relation to a breach of this Deed by the Developer and Part Landowner, including but not limited to seeking relief in an appropriate court.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**46 Enforcement in a court of competent jurisdiction**

- 46.1 Subject only to clauses 39 and 40, the Parties may enforce this Deed in any court of competent jurisdiction.
- 46.2 For the avoidance of doubt, nothing in this Deed prevents:
  - 46.2.1 a Party from bringing proceedings in the Land and Environment Court to enforce any aspect of this Deed or any matter to which this Deed relates, or
  - 46.2.2 the Council from exercising any function under the Act or any other Act or law relating to the enforcement of any aspect of this Deed or any matter to which this Deed relates.

**Part 7 – Registration & Restriction on Dealings**

**47 Registration of this Deed**

- 47.1 The Developer agrees to procure registration of this Deed under the *Real Property Act 1900* (NSW) for the purposes of s7.6 (1) of the Act.
- 47.2 On commencement of this Deed, the Developer is to deliver to the Council in registrable form:
  - 47.2.1 an instrument requesting registration of this Deed on the title to the Land duly executed by the registered proprietor of the Land and any other person required by the Registrar-General to execute such instrument, and
  - 47.2.2 the written irrevocable consent of each person referred to in s7.6 (1) of the Act to that registration.
- 47.3 The Developer at its cost is to:
  - 47.3.1 do such other things as are reasonably necessary to enable registration of this Deed to occur as soon as practicable after the commencement of this Deed and, in any event, no later than 10 business days after that date, and
  - 47.3.2 provide the Council with evidence of registration within 5 days of being notified by the NSW Land Registry Services of such registration.
- 47.4 The Parties are to do such things as are reasonably necessary to remove any notation relating to this Deed from the title to the Land if:
  - 47.4.1 the Developer has completed its obligations under this Deed to the reasonable satisfaction of the Council; or
  - 47.4.2 this Deed is terminated or otherwise comes to an end for any other reason and the Developer is not otherwise in a material unremedied default of any of the obligations under this Deed.

**48 Restriction on dealings**

- 48.1 The Developer and Part Landowner shall not:

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 48.1.1 sell or transfer the Land, or
- 48.1.2 assign any rights or obligations under this Deed, or novate this Deed,
- to any person unless:
- 48.1.3 the Developer and Part Landowner have, at no cost to the Council, first procured the execution by the person to whom the Land or part of the Land is to be sold or transferred, or the Developer's and Part Landowner's rights or obligations under this Deed are to be assigned or novated, of a deed in favour of the Council on terms reasonably satisfactory to the Council, and
- 48.1.4 the Council has given written notice to the Developer and Part Landowner stating that it reasonably considers that the purchaser, transferee, assignee or novatee, is reasonably capable of performing its obligations under this Deed, and
- 48.1.5 the Developer is not in breach of this Deed, and
- 48.1.6 the Council otherwise consents to the transfer, assignment or novation, such consent not to be unreasonably withheld.
- 48.2 Subject to clause 48.3, the Developer acknowledges and agrees that it remains liable to fully perform its obligations under this Deed unless and until it has complied with its obligations under clause 48.1.
- 48.3 Clause 48.1 does not apply in relation to any sale or transfer of the Land if this Deed is registered on the title to the Land at the time of the sale.

**Part 8 – Indemnities & Insurance**

**49 Risk**

- 49.1 The Developer performs this Deed at its own risk and its own cost.

**50 Release**

- 50.1 The Developer and Part Landowner releases the Council from any Claim it may have against the Council arising in connection with the performance of the Developer's obligations under this Deed except if, and to the extent that, the Claim arises because of the Council's negligence or default.

**51 Indemnity**

- 51.1 The Developer and Part Landowner indemnifies the Council from and against all Claims that may be sustained, suffered, recovered or made against the Council arising in connection with the performance of the Developer's obligations under this Deed except if, and to the extent that, the Claim arises because of the Council's negligence, fraud or wilful misconduct or default.
- 51.2 This Developer's and Part Landowner's indemnity covers:
- 51.2.1 any loss, destruction or damage to any real or personal property because of the Developer Works,

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

- 51.2.2 any redress owed by the Council to any person under a contract or on any other legally enforceable basis,
- 51.2.3 death or injury to any person,
- 51.2.4 infringement or alleged infringement of any Intellectual Property, including moral rights,
- 51.2.5 a breach or alleged breach of any duty of confidentiality.

**52 Insurance**

- 52.1 The Developer is to take out and keep current to the satisfaction of the Council the following insurances in relation to Work required to be carried out by the Developer under this Deed up until the end of the Defects Liability Period:
  - 52.1.1 contract works insurance, noting the Council as an interested party, for the full replacement value of the Works (including the cost of demolition and removal of debris, consultants' fees and authorities' fees), to cover the Developer's liability in respect of damage to or destruction of the Works,
  - 52.1.2 public liability insurance for at least \$20,000,000.00 for a single occurrence, which covers the Council, the Developer and any subcontractor of the Developer, for liability to any third party,
  - 52.1.3 workers compensation insurance as required by law, and
  - 52.1.4 any other insurance required by law.
- 52.2 If the Developer fails to comply with clause 52.1, the Council may effect and keep in force such insurances and pay such premiums as may be necessary for that purpose and the amount so paid shall be a debt due from the Developer to the Council and may be recovered by the Council as it deems appropriate including:
  - 52.2.1 by calling upon the Security provided by the Developer to the Council under this Deed, or
  - 52.2.2 recovery as a debt due in a court of competent jurisdiction.
- 52.3 The Developer is not to commence to carry out any Work unless it has first provided to the Council satisfactory written evidence of all of the insurances specified in clause 52.1.

**53 Subcontractors' insurances**

- 53.1 Before construction of the Developer Works commences, the Developer must ensure that the Council is provided with evidence satisfactory to the Council that all subcontractors engaged in relation to the Developer Works, are:
  - 53.1.1 covered by the insurances the Developer is required to take out and maintain in relation to the Developer Works, or
  - 53.1.2 have effected and maintain insurance policies that are the same types and for the same amounts and periods as the Developer's insurances.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**Part 9 – Other Provisions**

**54 Confidentiality**

- 54.1 The terms of this Deed are not confidential and this Deed may be treated as a public document and exhibited or reported without restriction by any Party.
- 54.2 The Parties acknowledge that:
  - 54.2.1 Confidential Information may have been supplied to some or all of the Parties in the negotiations leading up to the making of this Deed, and
  - 54.2.2 the Parties may disclose to each other further Confidential Information in connection with the subject matter of this Deed.
- 54.3 Subject to clauses 54.5 and 54.6, each Party agrees:
  - 54.3.1 to not publicly announce or disclose any Confidential Information received before or after the commencement of this Deed to any person without the prior written consent of the Party who supplied the Confidential Information, and
  - 54.3.2 to take all reasonable steps to ensure all Confidential Information received before or after the commencement of this Deed is kept confidential and protected against unauthorised use and access,
  - 54.3.3 to promptly notify the other Parties if it becomes aware that the law might require the information to be disclosed,
  - 54.3.4 to ensure that only authorised persons have access to the information and that it is stored safely and securely.
- 54.4 The Parties must immediately notify each other if they become aware of a breach of confidentiality of Confidential Information relating to the Developer Works or this Deed.
- 54.5 A Party may disclose Confidential Information in the following circumstances:
  - 54.5.1 in order to comply with the Law, or
  - 54.5.2 in order to comply with the Listing Rules of the Australian Securities Exchange Limited,
  - 54.5.3 to any of their employees, consultants, advisers, financiers or contractors to whom it is considered necessary to disclose the information, if the employees, consultants, advisers, financiers or contractors undertake to keep the information confidential,
  - 54.5.4 as required under this Deed,but only if, before the Party discloses any Confidential Information, it notifies the other Party in writing of the information it proposes to disclose and explains why it proposes to do so.
- 54.6 The obligations of confidentiality under this clause do not extend to information which is public knowledge other than as a result of a breach of this clause.



**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**55 Ownership of Intellectual Property**

- 55.1 Nothing in this Deed affects the ownership of Background Intellectual Property or Third Party Intellectual Property unless expressly provided to the contrary in this Deed.
- 55.2 The Council owns all Intellectual Property relating to the Developer Works that does not belong to a person other than the Council or the Developer.
- 55.3 The Developer grants to the Council a royalty-free, irrevocable, worldwide, perpetual, non-exclusive licence for all Background Intellectual Property it owns, including the right to sub-licence it for the purpose of:
- 55.3.1 using, maintaining and disposing of the Developer Works or support systems,
- 55.3.2 modifying and developing the Developer Works and support systems, linked works or associated infrastructure,
- 55.3.3 completing the Developer Works on termination of this Deed,
- 55.3.4 rectifying Defects relating to the Developer Works.
- 55.4 The Developer is to use its best endeavours to ensure that the Council is granted a licence on the same terms from each subcontractor engaged in relation to the Developer Works.
- 55.5 The Developer is to use its best endeavours to ensure that the Council is granted a licence to use all Third Party Intellectual Property on the best commercial terms reasonably available.

**56 Technical Data**

- 56.1 The Developer is to give the Council any Technical Data that the Council considers reasonably necessary in relation to the Developer Works.
- 56.2 The Council may provide Technical Data to any person for a purpose relating to the Developer Works.

**57 Moral rights**

- 57.1 The Developer is not to enforce any moral rights against the Council relating to the Developer Works.
- 57.2 The Developer is to use its best endeavours to ensure that no other person enforces any moral rights against the Council relating to the Developer Works.

**58 Force Majeure**

- 58.1 If a Party is affected, or likely to be affected, by a Force Majeure Event, that Party must promptly notify the other Party, giving:
- 58.1.1 full details of the event,
- 58.1.2 an estimate of its duration,

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

58.1.3 the obligations under this Deed it affects and how much it will affect them,

58.1.4 the steps either taken or planned to manage its effects.

58.2 A Party's obligations under this Deed are suspended if those obligations are affected by a Force Majeure Event for as long as the event continues.

58.3 A Party affected by a Force Majeure Event must do all it reasonably can to remove, overcome or minimise the effects of the event as quickly as possible.

**59 Annual report by Developer**

59.1 The Developer is to provide to the Council by not later than each anniversary of the date on which this Deed is entered into a report detailing the performance of its obligations under this Deed.

59.2 The report referred is to be in such a form and to address such matters as required by the Council from time to time.

**60 Review of Deed**

60.1 The Parties agree to review this Deed if a Party is of the opinion that any change of circumstance has occurred, or is imminent, that materially affects the operation of this Deed.

60.2 For the purposes of clause 60.1, the relevant changes include (but are not limited to):

60.2.1 any change to a law that restricts or prohibits or enables the Council or any other planning authority to restrict or prohibit any aspect of the Development,

60.2.2 the lapsing of the Development Consent to the Development pursuant to section 4.53 of the Act,

60.2.3 a Party becoming unable by reason of Force Majeure Event to carry out wholly or in part its obligations under this Deed.

60.3 For the purposes of addressing any change of circumstance referred to in clause 60.1, the Parties are to use all reasonable endeavours to agree on and implement appropriate amendments to this Deed.

60.4 If this Deed becomes illegal, unenforceable or invalid as a result of any change to a law, the Parties agree to do all things necessary to ensure that an enforceable agreement of the same or similar effect to this Deed is entered into.

60.5 A failure by a Party to agree to take action requested by the other Party as a consequence of a review referred to in clause 60.1 (but not 60.4) is not a Dispute for the purposes of this Deed and is not a breach of this Deed.

**61 Notices**

61.1 Any notice, consent, information, application or request that is to or may be given or made to a Party under this Deed is only given or made if it is in writing and sent in one of the following ways:

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



61.1.1 delivered or posted to that Party at its address set out in the Summary Sheet, or

61.1.2 emailed to that Party at its email address set out in the Summary Sheet.

61.2 If a Party gives the other Party 3 business days' notice of a change of its address or email, any notice, consent, information, application or request is only given or made by that other Party if it is delivered, posted or emailed to the latest address.

61.3 Any notice, consent, information, application or request is to be treated as given or made if it is:

61.3.1 delivered, when it is left at the relevant address,

61.3.2 sent by post, 2 business days after it is posted, or

61.3.3 sent by email and the sender does not receive a delivery failure message from the sender's internet service provider within a period of 24 hours of the email being sent.

61.4 If any notice, consent, information, application or request is delivered, or an error free transmission report in relation to it is received, on a day that is not a business day, or if on a business day, after 5pm on that day in the place of the Party to whom it is sent, it is to be treated as having been given or made at the beginning of the next business day.

**62 Approvals and Consent**

62.1 Except as otherwise set out in this Deed, and subject to any statutory obligations, a Party may give or withhold an approval or consent to be given under this Deed in that Party's absolute discretion and subject to any conditions determined by the Party.

62.2 A Party is not obliged to give its reasons for giving or withholding consent or for giving consent subject to conditions.

**63 Costs**

63.1 The Developer is to pay to the Council the Council's reasonable costs associated with preparing, negotiating, executing and stamping this Deed, and any document related to this Deed within 7 days of a written demand by the Council for such payment.

63.2 The Developer is also to pay to the Council the Council's reasonable costs of implementing, monitoring and enforcing this Deed within 7 days of a written demand by the Council for such payment.

**64 Entire Deed**

64.1 This Deed contains everything to which the Parties have agreed in relation to the matters it deals with.

64.2 No Party can rely on an earlier document, or anything said or done by another Party, or by a director, officer, agent or employee of that Party, before this Deed was executed, except as permitted by law.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**65 Further Acts**

65.1 Each Party must promptly execute all documents and do all things that another Party from time-to-time reasonably requests to effect, perfect or complete this Deed and all transactions incidental to it.

**66 Notations on section 10.7(5) Planning Certificates**

66.1 The Developer acknowledges that the Council may, in its absolute discretion, make a notation under section 10.7(5) of the Act regarding this Agreement on any certificate issued under section 10.7(2) of the Act relating to the Land, and is not to raise an objection, make any claim or demand or bring any action in that regard.

**67 Governing Law and Jurisdiction**

67.1 This Deed is governed by the law of New South Wales.

67.2 The Parties submit to the non-exclusive jurisdiction of its courts and courts of appeal from them.

67.3 The Parties are not to object to the exercise of jurisdiction by those courts on any basis.

**68 No Fetter**

68.1 Nothing in this Deed shall be construed as requiring Council to do anything that would cause it to be in breach of any of its obligations at law, and without limitation, nothing shall be construed as limiting or fettering in any way the exercise of any statutory discretion or duty.

**69 Illegality**

69.1 If this Deed or any part of it becomes illegal, unenforceable or invalid as a result of any change to a law, the Parties are to co-operate and do all things necessary to ensure that an enforceable agreement of the same or similar effect to this Deed is entered into.

**70 Severability**

70.1 If a clause or part of a clause of this Deed can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way.

70.2 If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part is to be treated as removed from this Deed, but the rest of this Deed is not affected.

**71 Amendment**

71.1 No amendment of this Deed will be of any force or effect unless it is in writing and signed by the Parties to this Deed in accordance with section 203(5) of the Regulation.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**72 Waiver**

- 72.1 The fact that a Party fails to do, or delays in doing, something the Party is entitled to do under this Deed, does not amount to a waiver of any obligation of, or breach of obligation by, another Party.
- 72.2 A waiver by a Party is only effective if it:
  - 72.2.1 is in writing,
  - 72.2.2 is addressed to the Party whose obligation or breach of obligation is the subject of the waiver,
  - 72.2.3 specifies the obligation or breach of obligation the subject of the waiver and the conditions, if any, of the waiver,
  - 72.2.4 is signed and dated by the Party giving the waiver.
- 72.3 Without limitation, a waiver may be expressed to be conditional on the happening of an event, including the doing of a thing by the Party to whom the waiver is given.
- 72.4 A waiver by a Party is only effective in relation to the particular obligation or breach in respect of which it is given, and is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.
- 72.5 For the purposes of this Deed, an obligation or breach of obligation the subject of a waiver is taken not to have been imposed on, or required to be complied with by, the Party to whom the waiver is given.

**73 Counterparts**

- 73.1 This Deed may consist of a number of counterparts and, if so, the counterparts taken together constitute one document.

**74 GST**

- 74.1 In this clause:

**Adjustment Note, Consideration, GST, GST Group, Margin Scheme, Money, Supply and Tax Invoice** have the meaning given by the GST Law.

**GST Amount** means in relation to a Taxable Supply the amount of GST payable in respect of the Taxable Supply.

**GST Law** has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**Input Tax Credit** has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a party includes an Input Tax Credit for an acquisition made by that party but to which another member of the same GST Group is entitled under the GST Law.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**Taxable Supply** has the meaning given by the GST Law excluding (except where expressly agreed otherwise) a supply in respect of which the supplier chooses to apply the Margin Scheme in working out the amount of GST on that supply.

- 74.2 Subject to clause 74.2, if GST is payable on a Taxable Supply made under, by reference to or in connection with this Deed, the Party providing the Consideration for that Taxable Supply must also pay the GST Amount as additional Consideration.
- 74.3 Clause 74.2 does not apply to the extent that the Consideration for the Taxable Supply is expressly stated in this Deed to be GST inclusive.
- 74.4 No additional amount shall be payable by the Council under clause 74.2 unless, and only to the extent that, the Council (acting reasonably and in accordance with the GST Law) determines that it is entitled to an Input Tax Credit for its acquisition of the Taxable Supply giving rise to the liability to pay GST.
- 74.5 If there are Supplies for Consideration which is not Consideration expressed as an amount of Money under this Deed by one Party to the other Party that are not subject to Division 82 of the *A New Tax System (Goods and Services Tax) Act 1999*, the Parties agree:
- 74.5.1 to negotiate in good faith to agree the GST inclusive market value of those Supplies prior to issuing Tax Invoices in respect of those Supplies;
- 74.5.2 that any amounts payable by the Parties in accordance with clause 74.2 (as limited by clause 74.4) to each other in respect of those Supplies will be set off against each other to the extent that they are equivalent in amount.
- 74.6 No payment of any amount pursuant to this clause 74, and no payment of the GST Amount where the Consideration for the Taxable Supply is expressly agreed to be GST inclusive, is required until the supplier has provided a Tax Invoice or Adjustment Note as the case may be to the recipient.
- 74.7 Any reference in the calculation of Consideration or of any indemnity, reimbursement or similar amount to a cost, expense or other liability incurred by a party, must exclude the amount of any Input Tax Credit entitlement of that party in relation to the relevant cost, expense or other liability.
- 74.8 This clause continues to apply after expiration or termination of this Deed.

**75 Explanatory Note**

- 75.1 Appendix A contains the Explanatory Note relating to this Deed required by section 205 of the Regulation.
- 75.2 Pursuant to section 205(5) of the Regulation, the Parties agree that the Explanatory Note is not to be used to assist in construing this Deed.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

**Schedule 1**

(Clause 1.1)

<b>Item 1</b>	<b>Land</b>	Lot 136 in Deposited Plan 869710, known as 174-178 Lang Street, Kurri Kurri NSW, being the land identified as such on the Map.
<b>Item 2</b>	<b>Planning Proposal</b>	N/A
<b>Item 3</b>	<b>Development</b>	The proposed development of the Land for the purposes of a Commercial Premises, generally in accordance with the Plans of the Proposed Development.
<b>Item 4</b>	<b>Application of S7.11</b>	Section 7.11 of the Act is not excluded.
<b>Item 5</b>	<b>Application of S7.12</b>	Section 7.12 of the Act is not excluded.
<b>Item 6</b>	<b>Application of Division 7.1, Subdivision 4</b>	Division 7.1, Subdivision 4 is not excluded.
<b>Item 7</b>	<b>Whether the Benefits under this Deed are to be taken into consideration in determining a Development Contribution under s7.11</b>	The benefits under this Deed are not to be taken into consideration in determining a Development Contribution under s7.11 of the Act to the Development
<b>Item 8</b>	<b>Indexation of Contribution Values (other than monetary Development Contributions)</b>	N/A
<b>Item 9</b>	<b>Indexation of Monetary Development Contributions</b>	N/A
<b>Item 10</b>	<b>Access to Council owned or controlled land</b>	Yes – the Laneway Upgrade Works and Public Domain Works will be undertaken on Council-owned and -controlled land.
<b>Item 11</b>	<b>Defects Liability Period</b>	The period of 12 months from the date the relevant part of the Developer Works is vested in Council under clause 34.
<b>Item 12</b>	<b>Security</b>	10% of the cost of the Public Domain Works

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



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<b>Item 13</b>	<b>Obligations to which Security Relates</b>	To carry out the Public Domain Works in the manner and extent specified in Schedule 2.
<b>Item 14</b>	<b>Timing of Security</b>	Prior to the issue of a Construction Certificate.
<b>Item 15</b>	<b>Indexation of Security</b>	The Security will be indexed in accordance with increases in the CPI from the date this Deed commences until the date the Public Domain Works are completed.
<b>Item 16</b>	<b>Defects Liability Security</b>	5% of the cost of the construction of the relevant Developer Works.



**Planning Agreement**  
**Cessnock City Council (Council)**  
**Votrait No 124 Pty Limited (Developer)**



**Schedule 2**  
**Development Contributions**

**Table**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>
<b>Item</b>	<b>Public Purpose</b>	<b>Manner &amp; Extent</b>	<b>Timing</b>
1. New Laneway Works	The New Laneway Works, Laneway Upgrade Works and dedication of the Dedication Land will serve the public purpose of providing greater connectivity for the community and improvement of the existing public road network.	The Developer will complete the New Laneway Works at its cost, and in accordance with the Plans of Proposed Development and Council's Engineering Requirements for Development.	Prior to the issue of a Construction Certificate for the Commercial Centre.
2. Laneway Upgrade Works		The Developer will complete the Laneway Upgrade Works at its cost in accordance with section 138(1) of the Roads Act.	Prior to the issue of a Construction Certificate for the Commercial Centre.
3. Dedication of the Dedication Land		The Developer will dedicate the Dedication Land to Council in accordance with the procedure set out in clause 14.	Prior to the issue of a Construction Certificate for the Commercial Centre.
4. Public Domain Works.	The Public Domain Works will serve the public purpose by improving public amenity, particularly pedestrian amenity.	The Developer will complete the Public Domain Works at its cost and in accordance with the Plans of Proposed Development and Council's Engineering Requirements for Development. The Public Domain Works are to align with the Kurri Kurri Commercial Centre Masterplan.	Prior to the issue of an Occupation Certificate for the Commercial Centre.

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



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**Schedule 3**

**Plans of Proposed Development**

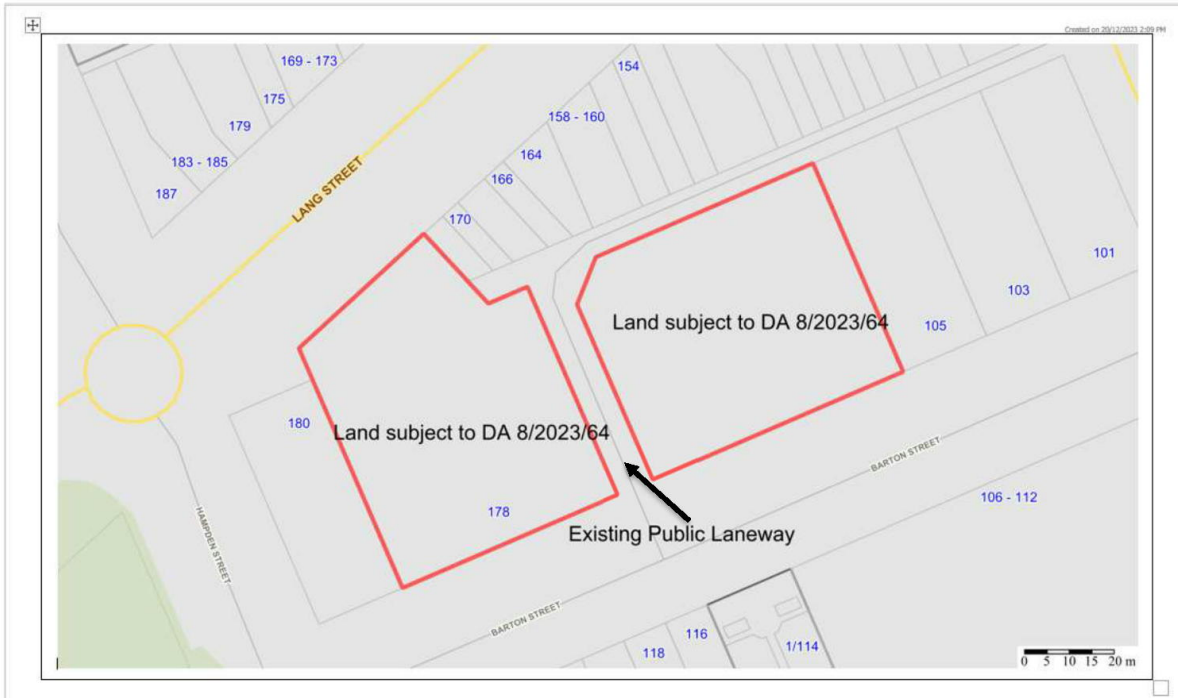
Site Plan (DA 02 Rev B) issued 21/08/2023  
Site Acquisition Plan (DA03 Rev B) issued 21/08/2023.  
Demolition Plan (DA04 Rev B) issued 21/08/2023  
Landscape plan DA05 Rev B issued 21/08/2023  
Site Staging Plan (DA 06 Rev B) issued 21/08/2023  
Public Domain Plan Part 1 (DA07 Rev B) issued 21/08/2023  
Public Domain Plan Part 2 (DA08 Rev B) issued 21/08/2023  
Lower Ground Floor Plan (DA10 Rev B) issued 21/08/23  
Upper Ground Floor Plan (DA11 Rev B) issued 21/08/23  
Mezzanine Floor Plan (DA13 Rev B) issued 21/08/23  
Roof Level Plan (DA10 Rev B) issued 21/08/23  
Elevations-South & East (DA20 Rev B) issued 21/08/23  
Elevations-North & West (DA21 Rev B) issued 21/08/23  
Concept Civil Engineering Plans (sheet numbers 1-9 Rev 2)  
QS report of Bob Richardson of Xmirus Pty Limited dated 4 September 2023

**Planning Agreement**  
**Cessnock City Council (Council)**  
**Votrait No 124 Pty Limited (Developer)**



**Schedule 4**

**Map**



**PROPOSED LANEWAY**



DOC2023

48

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



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**Execution**

Executed as a Deed

Dated: \_\_\_\_\_

**Executed for and on behalf of Cessnock City Council (ABN 60 919 148 928) by its authorised delegate in accordance with a resolution of the Council dated [insert]:**

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Authorised Delegate

\_\_\_\_\_  
Name of Witness (print)

\_\_\_\_\_  
Name and position of Authorised Delegate (print)

*In accordance with section 377 of the Local Government Act 1993*

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



**Executed by *Votrait No 124 Pty Ltd (ACN 008 888 655)* in accordance with section 127 of the *Corporations Act 2001 (Cth)*:**

\_\_\_\_\_  
Signature of Director / Secretary

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Name of Director / Secretary (print)

\_\_\_\_\_  
Name of Director (print)

**Executed by the Part Landowner in the presence of:** )  
)  
)

.....  
Signature of Witness

.....  
Signature of

.....  
Print name of Witness

.....  
Signature of

.....

.....  
Address of Witness

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**

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**Appendix A**

(Clause 75)

*Section 205 of the Environmental Planning and Assessment Regulation 2021*

**Explanatory Note**

**Parties**

**Cessnock City Council** ABN 60 919 148 928 of 62-78 Vincent Street, CESSNOCK NSW 2325  
(Council)

**Votrait No 124 Pty Limited** ACN 002 888 655 of C/- Chris Burke & Company, 104 Cronulla Street,  
Cronulla NSW 2230 (Developer)

[REDACTED] (Part  
Landowner)

**Draft Planning Agreement**

The Council, the Developer and the Part Landowner propose to enter into a Planning Agreement under s7.4 of the *Environmental Planning and Assessment Act 1979 (Act)*.

**Description of the Land to which the Planning Agreement Applies**

The Planning Agreement applies to Lot 136 in Deposited Plan 869710 known as 174-178 Lang Street, Kurri Kurri NSW, 2327 (Subject Land).

**Description of Proposed Development**

The Developer proposes to develop the Subject Land for the purposes of constructing a new commercial premises.

**Summary of Objectives, Nature and Effect of the Planning Agreement**

The objective of the Planning Agreement is to provide a mechanism by which contributions towards public purposes can be made in connection with the future development of the Subject Land to the benefit of the community.

The public benefits include the improvement of public amenities, improvements to part of an existing public road, construction of a new public road, and greater connectivity for the community.

**Effect of the Planning Agreement**

The Planning Agreement:

- enables the Developer to carry out the Proposed Development in a way that is practicable for the Developer, while still ensuring connectivity and the provision of the contributions for a public purpose,
- requires the Developer to provide the following contributions:
  - construction of a new laneway prior to the issue of a construction certificate;
  - dedication of the new laneway to Council prior to the issue of a construction certificate;

## Planning Agreement

Cessnock City Council (Council)

Votrait No 124 Pty Limited (Developer)

- upgrades to an existing public laneway prior to the issue of a construction certificate; and
- public domain works to part of Barton Street, Kurri Kurri prior to the issue of an occupation certificate.
- is enforceable against the Developer by suitable means if there is a breach by the Developer, and
- is to be registered on the title to the Subject Land.

Where it is relevant to a development application, a consent authority must take into consideration a planning agreement (or any draft planning agreement) that a developer has entered into (or offered to enter into).

A planning agreement cannot impose an obligation on a planning authority to actually grant a development consent. A merit assessment of the proposed development must still be carried out.

## Assessment of the Merits of the Draft Planning Agreement

### The Planning Purposes Served by the Planning Agreement

The Planning Agreement promotes the following objects of the Act:

- promotes and co-ordinates the orderly and economic use and development of the Subject Land,
- promotes the good design and amenity of the built environment, and
- provides the increased opportunity for public involvement and participation in environmental planning and assessment of the Development.

The Planning Agreement also facilitates the implementation of Council's strategic plans.

### How the Planning Agreement Promotes the Public Interest

The Planning Agreement will enable the utilisation of the development potential of the Subject Land, while requiring the Developer to make provision for public purposes. The Planning Agreement promotes the public interest because it will require the provision of public domain improvements, upgrades to an existing public laneway, and construction of a new laneway (to be dedicated to Council) that will benefit existing and future residents and workers in the area. These contributions will have a positive impact on the public and will provide for the social welfare of the community.

The contributions provided under the Planning Agreement are in addition to any monetary contribution that will ordinarily need to be made in relation to the Proposed Development under sections 7.11 or 7.12 of the Act.

The proposed contribution under the Planning Agreement is consistent with Council's strategic plans and policy documents.

### How the Planning Agreement Promotes the Principles for Local Government Contained in Chapter 3 of the Local Government Act 1993

The Draft Planning Agreement promotes the principles for local government by:

- keeping the local and wider community informed about its activities,
- providing strong and effective representation, leadership, planning and decision-making,
- carrying out functions in a way that provides the best possible value for residents and ratepayers,

**Planning Agreement**

**Cessnock City Council (Council)**

**Votrait No 124 Pty Limited (Developer)**



- working with others to secure appropriate services for local community needs, and
- acting fairly, ethically and without bias in the interests of the local community.

***Whether the Planning Agreement Conforms with the Authority's Capital Works Program***

Yes. The Planning Agreement provides for additional works to those identified in Council's current Capital Works Program, but those additional works relate to the development and will not affect Council's Capital Works Program.

***Whether the Planning Agreement specifies that certain requirements must be complied with before a construction certificate, occupation certificate or subdivision certificate is issued***

The Planning Agreement requires the construction and dedication of the new laneway, and upgrades to the existing public laneway to be completed prior to the issue of a construction certificate to build the commercial centre. Security for the public domain works in the form of a bank guarantee is also required to be provided to Council prior to the issue of a construction certificate.

The Planning Agreement also requires the public domain works to part of Barton Street to be completed prior to the issue of an occupation certificate for the Proposed Development.



Votrant No 124 Pty Limited (ACN 002 888 655)  
C/- 104 Cronulla Street  
Cronulla NSW 2230



Cessnock City Council (Council)  
and  
Votrant No 124 Pty Limited (ACN 002 888 655) (Developer/Landowner)  
and



**Voluntary Planning Agreement Offer**  
**Development Application No 8/2023/6411**

**29 September 2023**

### **Introduction**

The purpose of this offer is to provide (subject to the granting of Development Consent) an irrevocable offer to enter into the draft planning agreement (the **Planning Agreement**) prepared under Subdivision 2 of Division 7.1 of Part 7 of the *Environmental Planning and Assessment Act 1979* (the **Act**).

### **Parties to the Planning Agreement**

The proposed parties to the Planning Agreement will be the Cessnock City Council (Council) and Votrant No 124 Pty Limited (ACN 002 888 655) (Developer) and [REDACTED] (Landowner)

### **Description of the Subject Land**

The Planning Agreement applies to Lot 136 in Deposited Plan 869710 known as 174-178 Lang Street, Kurri Kurri NSW (**Subject Land**).

### **Description of the Proposed Development**

The Developer is a part Landowner of the Subject Land.

[REDACTED] are part Landowners of the Subject Land and have authorised the Developer to lodge a Development Application in relation to the Subject Land

The Council is the owner of Lots 132 & 135 in DP 823720, dedicated as public road that is vested in Council (existing public **laneway**). The existing public laneway bisects the Subject Land.

The Developer has lodged a Development Application No 8/2023/6411(DA) with the Council for the proposed redevelopment of an existing shopping centre, along with the demolition of existing structures and site works; part road closure, relocation, and extension of existing public laneway with associated subdivision; alterations and additions to the Lang Street existing pharmacy building, construction of a new commercial building with two specialty shops and a new Woolworths supermarket store usage and fit out, including, mezzanine offices, plant room and plant deck, car parking, "Direct to Boot" bays, signage and public art space, loading facilities, and landscaping (**Proposed Development**).

The Developer makes an offer to enter into the Planning Agreement in connection with the Proposed Development.

An indicative plan of the Proposed Development is at the end of this offer.

### Summary of Objectives, Nature and Effect of the Planning Agreement

1. The Developer proposes to construct at its cost a new laneway on the subject land which will extend the existing public laneway along the northern and western boundary of the subject land from Barton Street to Victoria Street (**new laneway**). The new laneway will be constructed in accordance with the site staging plan (DA 06 Rev B) and concept civil drawing plans (sheet numbers 1-9 Rev 2) of Metiri Engineers, Surveyors & Planners (attached).
2. The Developer proposes to upgrade the existing public laneway in accordance with the above mentioned concept civil drawings between Barton Street and Victoria Street, subject to retaining any existing structures or encroachments on the existing public laneway. The cost of the full laneway upgrade shall be borne by the Developer.
3. The Developer proposes to acquire the existing public laneway from the Council for no consideration as a set off for creation of the new laneway and upgrading of the existing public laneway. The Developer will dedicate the new laneway to the Council.
4. The Developer proposes to make an immediate application to Council to proceed with closure of the public road. The Council will as expeditiously as possible do and provide all things required to enable the closure of the public road once development consent is obtained.
5. The Developer undertakes to pay Council's reasonable legal fees in relation to Council's costs associated with the closure of the public road.
6. On completion of the new laneway the Developer proposes to create a new public laneway lot (**new laneway lot**) and to transfer all right, title and interest in the new laneway lot to the Council.
7. Upon acquisition of the existing public laneway from the Council the Developer will consolidate the Subject Land and existing public laneway to carry out the Proposed Development.
8. Subject to final survey, the Developer proposes that the area of the new laneway lot will be approximately 647 sqm as shown on the site acquisition plan (DA03 Rev B). The area of the existing public laneway that will be acquired by the Developer on the site acquisition plan is 454sqm.

9. As the area of the new laneway lot will exceed the area of the existing public laneway the Developer does not propose to pay any consideration to the council for the acquisition of the existing public laneway.
10. The proposed works to the new laneway will be carried out by staged construction in accordance with the site staging plan concept (DA06 Rev B), site acquisition plan (DA03 Rev B) and civil engineering plans (attached). A construction management plan will be provided to the Council on the appointment of a builder for the Development works following Development Consent.
11. The Developer proposes that new laneway will be operational prior to the closure of the existing public laneway so as to cause as little interference and disruption to the existing flow of traffic to the new laneway.
12. The council will as expeditiously as possible provide all relevant access permits and approvals and or rights to enable the proposed construction staging of both the new laneway and development works.
13. The Developer also proposes to carry our public domain works on Barton Street as set out in the [Public domain plan Part 1 (DA07 Rev B) & Public Domain Plan Part 2 (DA08 Rev B) (attached) ;
14. The cost of the public domain works on Barton Street have been quantified by Bob Richardson of Xmirus Pty Limited in his report dated 4 September 2023 (attached).
15. Whilst the Developer contends that the cost of the public domain works will constitute a material public benefit, the Developer does not propose that the cost of the public domain works be offered in lieu of the Section 7.12 Development Contributions.

### **Assessment of Merits of Planning Agreement**

#### **The Public Purpose of the Planning Agreement**

In accordance with section 7.4(2) of the Act, the Planning Agreement has the following public purpose:

- the provision of (or the recoupment of the cost of providing) public amenities or public services;

The Developer has assessed the Planning Agreement and holds the view that the provisions of the Planning Agreement provide a reasonable means of achieving the public purpose set out above. This is because it will ensure that the Developer makes an appropriate contribution towards the provision of infrastructure, facilities and services.

#### **How the Planning Agreement Promotes the Public Interest**

The Planning Agreement promotes the public interest by ensuring that an appropriate contribution is made towards the provision of infrastructure, facilities and services to satisfy needs that arise from development of the Subject Land.


#### **Requirements relating to Construction, Occupation and Subdivision Certificates**

The Planning Agreement does not specify requirements that must be complied with prior to the issue of a construction certificate or an occupation certificate.

**Indicative Plans of the Proposed Development**

Site Plan (DA 02 Rev B) issued 21/08/2023  
Site Acquisition Plan (DA03 Rev B) issued 21/08/2023.  
Demolition Plan (DA04 Rev B) issued 21/08/2023  
Landscape plan DA05 Rev B issued 21/08/2023  
Site Staging Plan (DA 06 Rev B) issued 21/08/2023  
Public Domain Plan Part 1 (DA07 Rev B) issued 21/08/2023  
Public Domain Plan Part 2 (DA08 Rev B) issued 21/08/2023)  
Lower Ground Floor Plan (DA10 Rev B) issued 21/08/23  
Upper Ground Floor Plan (DA11 Rev B) issued 21/08/23  
Mezzanine Floor Plan (DA13 Rev B) issued 21/08/23  
Roof Level Plan (DA10 Rev B) issued 21/08/23  
Elevations-South & East (DA20 Rev B) issued 21/08/23  
Elevations-North & West (DA21 Rev B) issued 21/08/23  
Concept Civil Engineering Plans (sheet numbers 1-9 Rev 2)  
QS report of Bob Richardson of Xmirus Pty Limited dated 4 September 2023  
DP869710

**EXECUTED** on behalf of the corporation named below by the authorised person(s) whose signature(s) appear(s) below pursuant to section 127 of the corporations Act 2001.

Corporation: <b>VOTRAINT NO 124 PTY LTD</b>	ACN <b>002 888 655</b> <i>A</i>
Signature of authorised person:	
Name of authorised person:	<b>Michael Christian</b>
Office held:	Sole Director/Secretary

EXECUTED

SIGNED By 

In the presence of:

 .....  .....

Witness name:  

SIGNED

By [REDACTED]

In the presence of:

[REDACTED]  
.....

[REDACTED]  
.....

Witness name: [REDACTED]

[REDACTED]



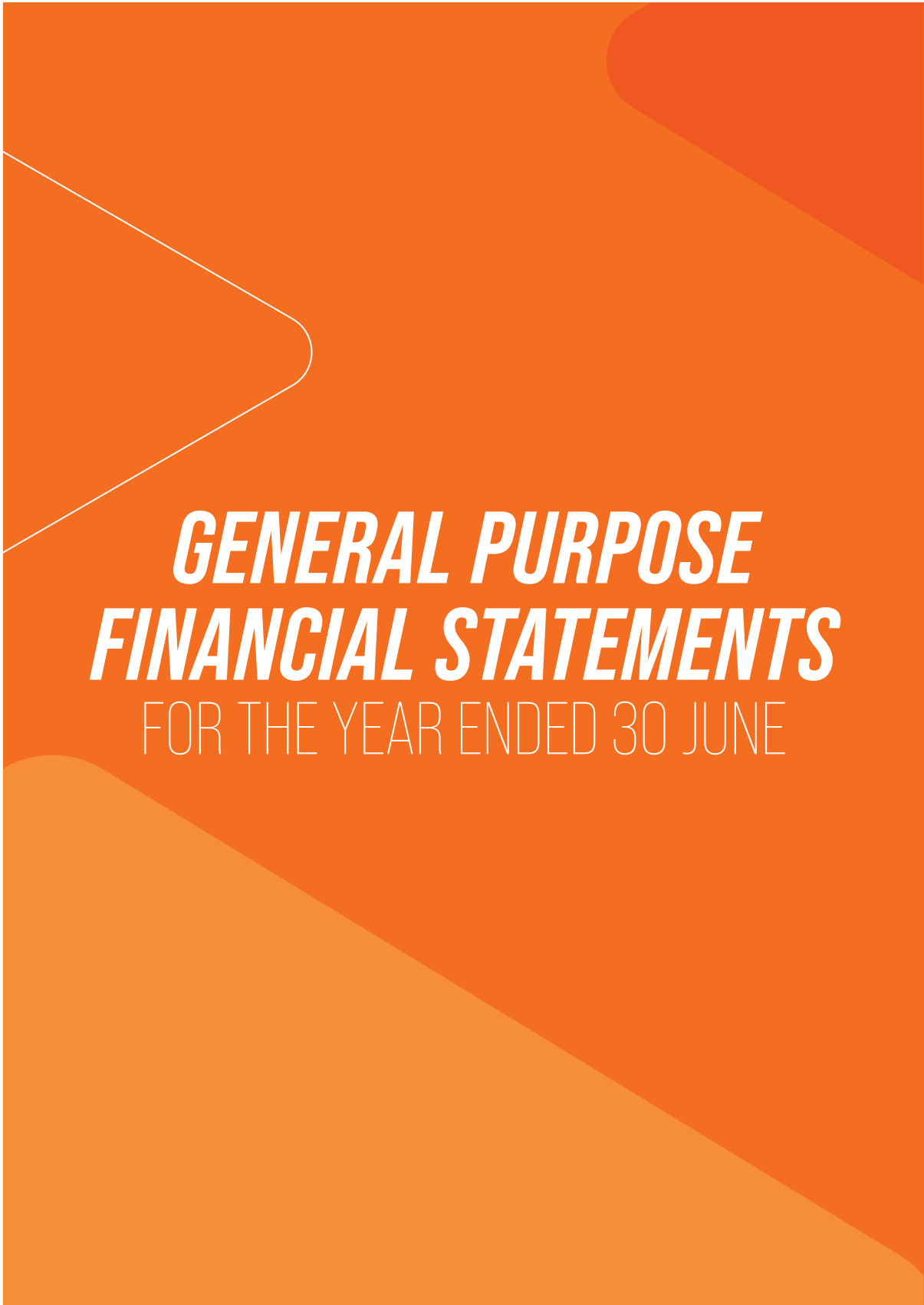
Corporate Planning



# ANNUAL FINANCIAL STATEMENTS



FOR THE YEAR ENDED 30 JUNE 2023



***GENERAL PURPOSE  
FINANCIAL STATEMENTS***  
FOR THE YEAR ENDED 30 JUNE

## Cessnock City Council

### General Purpose Financial Statements for the year ended 30 June 2023

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Contents	Page
<b>Understanding Council's Financial Statements</b>	<b>4</b>
<b>Statement by Councillors and Management</b>	<b>5</b>
<b>Primary Financial Statements:</b>	
Income Statement	6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
<b>Notes to the Financial Statements</b>	<b>11</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	84
On the Financial Statements (Sect 417 [3])	88

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#### Overview

Cessnock City Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

62 - 78 Vincent Street  
Cessnock NSW 2325

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website:  
[www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au).



## Cessnock City Council

### General Purpose Financial Statements

for the year ended 30 June 2023

### Understanding Council's Financial Statements

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#### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

#### About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

##### 2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

##### 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

##### 4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

##### 5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

#### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

#### About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

#### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Cessnock City Council

General Purpose Financial Statements  
for the year ended 30 June 2023

Statement by Councillors and Management

Statement by Councillors and Management made pursuant to Section 413 (2c) of the *Local Government Act 1993* (NSW)

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these statements:

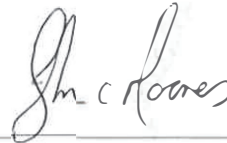
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 20 September 2023.



Jay Suvaal  
Mayor  
19 December 2023



John Moores  
Councillor  
19 December 2023



Ken Liddell  
General Manager  
19 December 2023



Matthew Plumridge  
Responsible Accounting Officer  
19 December 2023

Cessnock City Council | Income Statement | for the year ended 30 June 2023

Cessnock City Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Income from continuing operations</b>				
61,216		B2-1	<b>62,120</b>	59,210
9,782		B2-2	<b>12,069</b>	21,684
2,133		B2-3	<b>2,755</b>	1,525
11,751		B2-4	<b>19,451</b>	16,895
38,871		B2-4	<b>56,187</b>	49,760
475		B2-5	<b>2,288</b>	656
-		B2-6	<b>534</b>	384
570		B4-1	<b>-</b>	-
124,798			<b>155,404</b>	150,114
<b>Expenses from continuing operations</b>				
34,557		B3-1	<b>35,841</b>	33,271
21,814		B3-2	<b>46,653</b>	39,165
176		B3-3	<b>107</b>	188
15,599		B3-4	<b>18,902</b>	15,299
11,255		B3-5	<b>15,823</b>	9,739
2,500		B4-1	<b>11,676</b>	2,074
85,901			<b>129,002</b>	99,736
<b>38,897</b>			<b>26,402</b>	50,378
<b>38,897</b>			<b>26,402</b>	50,378
26			<b>(29,785)</b>	618

The above Income Statement should be read in conjunction with the accompanying notes.

Cessnock City Council | Statement of Comprehensive Income | for the year ended 30 June 2023

**Cessnock City Council**

**Statement of Comprehensive Income**  
for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Net operating result for the year – from Income Statement</b>		<b>26,402</b>	50,378
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of infrastructure, property, plant and equipment	C1-8	<b>80,596</b>	71,684
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>80,596</b>	71,684
<b>Total other comprehensive income for the year</b>		<b>80,596</b>	71,684
<b>Total comprehensive income for the year attributable to Council</b>		<b>106,998</b>	122,062

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Cessnock City Council | Statement of Financial Position | for the year ended 30 June 2023

Cessnock City Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	21,236	8,777
Investments	C1-2	51,890	65,167
Receivables	C1-4	14,804	15,510
Inventories	C1-5	501	559
Non-current assets classified as 'held for sale'	C1-7	975	–
Other	C1-9	3,084	2,779
<b>Total current assets</b>		<b>92,490</b>	<b>92,792</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-8	1,277,112	1,149,322
Right of use assets	C2-1	5	6
<b>Total non-current assets</b>		<b>1,277,117</b>	<b>1,149,328</b>
<b>Total assets</b>		<b>1,369,607</b>	<b>1,242,120</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	10,440	7,814
Contract liabilities	C3-2	8,877	10,869
Lease liabilities	C2-1	2	4
Borrowings	C3-3	1,192	1,192
Employee benefit provisions	C3-4	9,614	9,387
Provisions	C3-5	42	42
<b>Total current liabilities</b>		<b>30,167</b>	<b>29,308</b>
<b>Non-current liabilities</b>			
Payables	C3-1	4,130	3,611
Lease liabilities	C2-1	–	2
Borrowings	C3-3	7,109	3,938
Employee benefit provisions *	C3-4	350	292
Provisions	C3-5	33,899	18,015
<b>Total non-current liabilities</b>		<b>45,488</b>	<b>25,858</b>
<b>Total liabilities</b>		<b>75,655</b>	<b>55,166</b>
<b>Net assets</b>		<b>1,293,952</b>	<b>1,186,954</b>
<b>EQUITY</b>			
Accumulated surplus		621,430	594,472
IPPE revaluation reserve	C4-1	672,522	592,482
<b>Total equity</b>		<b>1,293,952</b>	<b>1,186,954</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Cessnock City Council | Statement of Changes in Equity | for the year ended 30 June 2023

**Cessnock City Council**  
**Statement of Changes in Equity**  
 for the year ended 30 June 2023

	2023			2022		
	Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July	594,472	592,482	1,186,954	544,094	520,798	1,064,892
<b>Opening balance</b>	<b>594,472</b>	<b>592,482</b>	<b>1,186,954</b>	<b>544,094</b>	<b>520,798</b>	<b>1,064,892</b>
Net operating result for the year	26,402	-	26,402	50,378	-	50,378
<b>Net operating result for the period</b>	<b>26,402</b>	<b>-</b>	<b>26,402</b>	<b>50,378</b>	<b>-</b>	<b>50,378</b>
<b>Other comprehensive income</b>						
Gain on revaluation of infrastructure, property, plant and equipment	-	80,596	80,596	-	71,684	71,684
Other reserves movements	556	(556)	-	-	-	-
<b>Other comprehensive income</b>	<b>556</b>	<b>80,040</b>	<b>80,596</b>	<b>-</b>	<b>71,684</b>	<b>71,684</b>
<b>Total comprehensive income</b>	<b>26,958</b>	<b>80,040</b>	<b>106,998</b>	<b>50,378</b>	<b>71,684</b>	<b>122,062</b>
<b>Closing balance at 30 June</b>	<b>621,430</b>	<b>672,522</b>	<b>1,293,952</b>	<b>594,472</b>	<b>592,482</b>	<b>1,186,954</b>

Notes

C1-8

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cessnock City Council | Statement of Cash Flows | for the year ended 30 June 2023

Cessnock City Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
61,287	Rates and annual charges		62,542	58,419
9,709	User charges and fees		13,895	18,635
476	Interest received		1,646	494
39,115	Grants and contributions		48,810	44,343
–	Bonds, deposits and retentions received		957	926
2,972	Other		6,149	1,909
<i>Payments:</i>				
(34,451)	Payments to employees		(36,173)	(34,679)
(21,923)	Payments for materials and services		(43,570)	(39,065)
(176)	Borrowing costs		(107)	(188)
(259)	Bonds, deposits and retentions refunded		(441)	(395)
(11,997)	Other		(2,072)	(6,547)
44,753	<b>Net cash flows from operating activities</b>	G1-1	<b>51,636</b>	<b>43,852</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investments		60,500	–
–	Redemption of term deposits		–	58,500
1,270	Sale of real estate assets		–	4,168
175	Proceeds from sale of IPPE		1,749	749
<i>Payments:</i>				
–	Purchase of investments		(60,547)	(4,090)
(18,200)	Acquisition of term deposits		13,500	(73,000)
(30,000)	Payments for IPPE		(57,546)	(27,591)
(46,755)	<b>Net cash flows from investing activities</b>		<b>(42,344)</b>	<b>(41,264)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
4,363	Proceeds from borrowings		4,363	–
<i>Payments:</i>				
(1,374)	Repayment of borrowings		(1,192)	(1,559)
–	Principal component of lease payments		(4)	(18)
2,989	<b>Net cash flows from financing activities</b>		<b>3,167</b>	<b>(1,577)</b>
987	<b>Net change in cash and cash equivalents</b>		<b>12,459</b>	<b>1,011</b>
5,162	Cash and cash equivalents at beginning of year		8,777	7,766
6,149	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>21,236</b>	<b>8,777</b>
63,000	plus: Investments on hand at end of year <sup>1</sup>	C1-2	51,890	65,167
69,149	<b>Total cash, cash equivalents and investments</b>		<b>73,126</b>	<b>73,944</b>

(1) Refer to Note G4-2 for details regarding restatement of prior year.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Cessnock City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

<b>A About Council and these financial statements</b>	<b>13</b>
A1-1 Basis of preparation	13
<b>B Financial Performance</b>	<b>16</b>
<b>B1 Functions or activities</b>	<b>16</b>
B1-1 Functions or activities – income, expenses and assets	16
B1-2 Components of functions or activities	17
<b>B2 Sources of income</b>	<b>18</b>
B2-1 Rates and annual charges	18
B2-2 User charges and fees	19
B2-3 Other revenues	20
B2-4 Grants and contributions	21
B2-5 Interest and investment income	24
B2-6 Other income	25
<b>B3 Costs of providing services</b>	<b>26</b>
B3-1 Employee benefits and on-costs	26
B3-2 Materials and services	27
B3-3 Borrowing costs	28
B3-4 Depreciation, amortisation and impairment of non-financial assets	29
B3-5 Other expenses	30
<b>B4 Gains or losses</b>	<b>31</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	31
<b>B5 Performance against budget</b>	<b>32</b>
B5-1 Material budget variations	32
<b>C Financial position</b>	<b>34</b>
<b>C1 Assets we manage</b>	<b>34</b>
C1-1 Cash and cash equivalents	34
C1-2 Financial investments	34
C1-3 Restricted and allocated cash, cash equivalents and investments	36
C1-4 Receivables	38
C1-5 Inventories	39
C1-6 Contract assets and Contract cost assets	39
C1-7 Non-current assets classified as held for sale	40
C1-8 Infrastructure, property, plant and equipment	41
C1-9 Other	45
<b>C2 Leasing activities</b>	<b>46</b>
C2-1 Council as a lessee	46
C2-2 Council as a lessor	48
<b>C3 Liabilities of Council</b>	<b>49</b>
C3-1 Payables	49
C3-2 Contract Liabilities	50
C3-3 Borrowings	51
C3-4 Employee benefit provisions	53



Cessnock City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

C3-5 Provisions	54
<b>C4 Reserves</b>	<b>55</b>
C4-1 Nature and purpose of reserves	55
<b>D Council structure</b>	<b>56</b>
<b>D1 Interests in other entities</b>	<b>56</b>
D1-1 Interests in joint arrangements	56
<b>E Risks and accounting uncertainties</b>	<b>57</b>
E1-1 Risks relating to financial instruments held	57
E2-1 Fair value measurement	60
E3-1 Contingencies	66
<b>F People and relationships</b>	<b>69</b>
<b>F1 Related party disclosures</b>	<b>69</b>
F1-1 Key management personnel (KMP)	69
F1-2 Councillor and Mayoral fees and associated expenses	71
<b>F2 Other relationships</b>	<b>72</b>
F2-1 Audit fees	72
<b>G Other matters</b>	<b>73</b>
G1-1 Statement of Cash Flows information	73
G2-1 Commitments	74
G3-1 Events occurring after the reporting date	75
<b>G4 Statement of developer contributions as at 30 June 2023</b>	<b>76</b>
G4-1 Summary of developer contributions	76
G4-2 S7.11 Contributions – under a plan	76
G4-3 S7.4 planning agreements	78
<b>G5 Statement of performance measures</b>	<b>79</b>
G5-1 Statement of performance measures – consolidated results	79
<b>H Additional Council disclosures (unaudited)</b>	<b>80</b>
H1-1 Statement of performance measures – consolidated results (graphs)	80
H1-2 Financial review	82
H1-3 Council information and contact details	83

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 18 December 2023.

Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the Office of Local Government (OLG) directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993* (Act) and *Local Government (General) Regulation 2021* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not-for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain infrastructure, property, plant and equipment and financial assets have been measured at fair value through the profit or loss.

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-8
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

#### **Monies and other assets received by Council**

##### **The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

The Consolidated Fund has been included in the financial statements of the Council.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations

continued on next page ...

Page 13 of 96

## A1-1 Basis of preparation (continued)

- Section 355 Committees

### The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge.

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

### Volunteer services

Volunteer services are used throughout a variety of Council functions. These include Section 355 Committees for community halls and tidy towns projects, library services and performing arts centre services. The value to Council of these services has not been recognised in the income statement as they cannot be readily measured.

### New accounting standards and interpretations issued but not yet effective

#### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2022.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

#### **AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities**

This Standard modifies AASB 13 Fair Value Measurement for application by not-for-profit public sector entities such as Council.

It includes authoritative implementation guidance when fair valuing non-financial assets, not held primarily for their ability to generate cash inflows and also provides guidance and clarification when valuing assets that are restricted (in their use) at Council.

This includes guidance and clarification regarding the determination of an assets highest and best use, the development and use of internal assumptions for unobservable inputs and allows for greater use of internal judgements when applying the cost approach in the measurement and determination of fair values.

**Although Council is yet to fully determine the impact of this standard, the changes will be evaluated in the future assessment of all property and infrastructure assets measured at fair value.**

The standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

#### **AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates**

This Standard amends a number of standards as follows:

- AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;

continued on next page ...

Page 14 of 96

## A1-1 Basis of preparation (continued)

- AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

**The standard may have significant impact on Council as it requires Council to consider the materiality of the accounting policy information to be included in the financial statements.**

*AASB 101 Presentation of Financial Statements* requires the disclosure of material accounting policy information rather than significant accounting policies.

*"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."*

Accounting policy information is likely to be considered material if that information relates to material transactions, other events or conditions and:

- the entity has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- the entity (or OLG) chose the accounting policy from one or more options permitted by Australian Accounting Standards.
- the accounting policy was developed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an Australian Accounting Standard that specifically applies.
- the accounting policy relate to an area for which an entity is required to make significant judgements or assumptions in applying an accounting policy, and the entity discloses those judgements or assumptions in the financial statements
- the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

Further AASB 101 notes that *'Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.'*

This standard has an effective date for the 30 June 2024 reporting period.

### **New accounting standards adopted during the year**

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2023.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed in Note G4-1.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

**B Financial Performance**  
**B1 Functions or activities**  
**B1-1 Functions or activities – income, expenses and assets**

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions or activities</b>										
Administration	10,328	10,731	18,874	34,336	(8,546)	(23,605)	8,856	9,931	166,713	163,494
Public order and safety	1,526	1,069	2,983	2,281	(1,457)	(1,212)	407	294	4,632	4,153
Health	859	843	1,006	746	(147)	97	121	92	254	255
Environment	20,794	28,336	29,291	16,815	(8,497)	11,521	1,141	8,647	125,080	115,575
Community services and education	70	83	928	495	(858)	(412)	70	83	8,003	7,640
Housing and community amenities	1,735	2,066	8,541	5,916	(6,806)	(3,850)	28	13	6,463	6,774
Recreation and culture	6,683	2,947	13,778	5,910	(7,095)	(2,963)	5,730	2,193	108,792	96,310
Mining, manufacturing and construction	1,336	1,578	1,892	1,390	(556)	188	100	–	210	232
Transport and communication	53,322	48,268	50,058	30,540	3,264	17,728	47,793	34,752	937,359	847,346
Economic affairs	945	630	1,651	1,307	(706)	(677)	635	557	357	341
General Purpose Income	57,806	53,563	–	–	57,806	53,563	10,757	10,093	–	–
Other	–	–	–	–	–	–	–	–	11,744	–
<b>Total functions and activities</b>	<b>155,404</b>	<b>150,114</b>	<b>129,002</b>	<b>99,736</b>	<b>26,402</b>	<b>50,378</b>	<b>75,638</b>	<b>66,655</b>	<b>1,369,607</b>	<b>1,242,120</b>

## B1-2 Components of functions or activities

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Details relating to the Council's functions or activities as reported in B1-1 are as follows:

### **Governance**

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy making committees, public disclosure (e.g. GIPA), and legislative compliance.

### **Administration**

Includes corporate support and other support services, engineering works, and any Council policy compliance.

### **Public Order and Safety**

Includes Council's fire protection, emergency services, enforcement of regulations and animal control.

### **Health**

Includes immunisation, food control, health centres etc.

### **Environment**

Includes noxious plants and insect/vermin control, other environmental protection, solid waste management, including domestic waste, other waste management, other sanitation, and garbage, street cleaning, drainage and stormwater management.

### **Community Services and Education**

Includes administration and education, social protection (welfare), Aboriginal and other community services and administration, youth services, aged and disabled persons services, and other family and children services.

### **Housing and Community Amenities**

Includes public cemeteries, public conveniences, street lighting, town planning, other community amenities.

### **Recreation and Culture**

Includes public libraries, museums, art galleries, community centres and halls, including public halls and performing arts venues, sporting grounds and venues, swimming pools, parks, gardens, and other sporting, recreational and cultural services.

### **Mining, Manufacturing and Construction**

Includes building control, quarries.

### **Transport and Communication**

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

### **Economic Affairs**

Includes tourism and area promotion, industrial development promotion, real estate development, and other business undertakings.

### **General Purpose Income**

Includes rates and fees and charges income which can be used for business undertaken by Council.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2023	2022
<b>Ordinary rates</b>		
Residential	34,803	33,091
Farmland	2,674	2,595
Mining	1,473	1,437
Business	6,115	6,041
Less: pensioner rebates (mandatory)	(791)	(786)
Less: pensioner rebates (Council policy)	(97)	(94)
<b>Rates levied to ratepayers</b>	<b>44,177</b>	<b>42,284</b>
Pensioner rate subsidies received	446	420
<b>Total ordinary rates</b>	<b>44,623</b>	<b>42,704</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	16,133	15,219
Stormwater management services	591	554
Waste management services (non-domestic)	979	934
Section 611 charges	18	28
Other	7	-
Less: pensioner rebates (mandatory)	(401)	(399)
Less: pensioner rebates (Council policy)	(48)	(46)
<b>Annual charges levied</b>	<b>17,279</b>	<b>16,290</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	218	216
<b>Total annual charges</b>	<b>17,497</b>	<b>16,506</b>
<b>Total rates and annual charges</b>	<b>62,120</b>	<b>59,210</b>

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

#### Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

## B2-2 User charges and fees

\$ '000	2023	2022
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>		
Inspection services	281	264
Private works – section 67	1	2
Regulatory/ statutory fees	246	235
Section 10.7 certificates (EP&A Act)	269	281
Section 603 certificates	150	198
Town planning	2,119	2,505
Building permits and fees	683	846
<b>Total fees and charges – statutory/regulatory</b>	<b>3,749</b>	<b>4,331</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>		
Aerodrome	63	143
Cemeteries	248	128
Transport for NSW works (state roads not controlled by Council)	5,077	12,827
Waste disposal tipping fees	1,578	2,782
Cessnock performing arts centre	477	273
Onsite sewerage management fees	520	547
Swimming pool fees	196	177
Other	161	476
<b>Total fees and charges – other</b>	<b>8,320</b>	<b>17,353</b>
<b>Total other user charges and fees</b>	<b>12,069</b>	<b>21,684</b>
<b>Total user charges and fees</b>	<b>12,069</b>	<b>21,684</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised at a point in time	9,950	19,179
User charges and fees recognised over time	2,119	2,505
<b>Total user charges and fees</b>	<b>12,069</b>	<b>21,684</b>

### Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.



**B2-3 Other revenues**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
Fines	882	532
Legal fees recovery – rates and charges (extra charges)	599	6
Legal fees recovery – other	5	–
Commissions and agency fees	33	33
Diesel rebate	39	39
Sales – general	547	321
Section 355 committees	153	239
Other	12	29
Metal Sales	485	326
<b>Total other revenue</b>	<b>2,755</b>	<b>1,525</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised at a point in time	2,755	1,525
<b>Total other revenue</b>	<b>2,755</b>	<b>1,525</b>

**Accounting policy for other revenue**

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

B2-4 Grants and contributions

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>General purpose grants and non-developer contributions (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	1,526	2,961	–	–
Financial assistance – local roads component	515	1,017	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	6,487	4,546	–	–
Financial assistance – local roads component	2,230	1,568	–	–
<b>Amount recognised as income during current year</b>	<b>10,758</b>	<b>10,092</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Bushfire and emergency services	477	405	181	–
Community centres	–	–	790	174
Economic development	299	325	228	12
Environmental programs	–	520	–	–
Heritage and cultural	–	–	1,611	143
Library – per capita	180	162	–	–
Library – special projects	79	86	–	–
LIRS subsidy	31	27	–	–
Noxious weeds	75	73	–	–
Recreation and culture	60	140	2,616	2,937
Drainage	25	65	233	14
Transport	–	74	–	71
Waste levy programs	–	94	233	–
Welfare services	58	70	–	–
Street lighting	113	111	–	–
Transport (roads to recovery)	1,065	1,065	–	–
Transport (flood works, other roads and bridges funding)	3,510	1,333	15,267	6,154
Airport Upgrades	–	–	3,626	3,038
Other	170	197	51	44
Transport for NSW contributions (regional roads, block grant)	1,723	1,418	614	316
General admin services	828	638	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>	<b>8,693</b>	<b>6,803</b>	<b>25,450</b>	<b>12,903</b>
<b>Non-cash contributions</b>				
Dedications – subdivisions (other than by s7.4 and s7.11 – EP&A Act, s64 of the LGA)	–	–	21,716	27,821
<b>Total other contributions – non-cash</b>	<b>–</b>	<b>–</b>	<b>21,716</b>	<b>27,821</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>8,693</b>	<b>6,803</b>	<b>47,166</b>	<b>40,724</b>
<b>Total grants and non-developer contributions</b>	<b>19,451</b>	<b>16,895</b>	<b>47,166</b>	<b>40,724</b>
<b>Comprising:</b>				
– Commonwealth funding	12,929	12,590	3,865	5,649
– State funding	5,186	2,857	21,215	7,053
– Other funding	1,336	1,448	22,086	28,022
	<b>19,451</b>	<b>16,895</b>	<b>47,166</b>	<b>40,724</b>

continued on next page ...

Page 21 of 96

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Developer contributions:</b>					
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.4 – contributions using planning agreements	G4	–	–	2,103	1,526
S 7.11 – contributions towards amenities/services		–	–	5,355	7,341
S 7.12 – fixed development consent levies		–	–	330	169
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>7,788</b>	<b>9,036</b>
<b>Non-cash contributions</b>					
S 7.11 – contributions towards amenities/services		–	–	1,233	–
<b>Total developer contributions non-cash</b>		<b>–</b>	<b>–</b>	<b>1,233</b>	<b>–</b>
<b>Total developer contributions</b>		<b>–</b>	<b>–</b>	<b>9,021</b>	<b>9,036</b>
<b>Total contributions</b>		<b>–</b>	<b>–</b>	<b>9,021</b>	<b>9,036</b>
<b>Total grants and contributions</b>		<b>19,451</b>	<b>16,895</b>	<b>56,187</b>	<b>49,760</b>
<b>Timing of revenue recognition for grants and contributions</b>					
Grants and contributions recognised over time		–	10,092	25,080	12,378
Grants and contributions recognised at a point in time		19,451	6,803	31,107	37,382
<b>Total grants and contributions</b>		<b>19,451</b>	<b>16,895</b>	<b>56,187</b>	<b>49,760</b>

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	2,436	1,429	9,869	6,733
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	2,758	1,886	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	–	–	6,163	7,018
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	(1,299)	(879)	–	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	(7,758)	(3,882)
<b>Unspent funds at 30 June</b>	<b>3,895</b>	<b>2,436</b>	<b>8,274</b>	<b>9,869</b>
<b>Contributions</b>				
Unspent funds at 1 July	27,057	20,996	–	–
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	7,928	9,145	–	–
	(3,183)	(3,084)	–	–

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Page 22 of 96

B2-4 Grants and contributions (continued)

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(3,183)	(3,084)	-	-
<b>Unspent contributions at 30 June</b>	<b>31,802</b>	<b>27,057</b>	<b>-</b>	<b>-</b>

**Accounting policy**

**Grants and contributions – enforceable agreement with sufficiently specific performance obligations**

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

**Capital grants**

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

**Non-cash contributions**

Dedications in the form of tangible assets found or received by Council, mostly from developers, are recognised as capital income measured by the fair value at the time of dedication, less any accumulated depreciation. The level of dedications correlates strongly with development activities and includes such assets as bridges, roads, stormwater pits and pipes, and kerb and gutter.

**Developer contributions**

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but Council may apply contributions according to the priorities established in work schedules for the contribution plan.

**Other grants and contributions**

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

**B2-5 Interest and investment income**

<b>\$ '000</b>	<b>2023</b>	<b>2022</b>
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	229	213
– Cash and investments	2,012	353
<b>Dividend income from investments at fair value through profit or loss</b>		
- Distributions from managed funds	47	90
<b>Total interest and investment income</b>	<b>2,288</b>	<b>656</b>

**Accounting policy**

Interest income is recognised using the effective interest rate at the date that interest is earned.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

B2-6 Other income

\$ '000	Notes	2023	2022
<b>Rental income</b>			
<b>Other lease income</b>			
Community Facilities	C2-2	358	384
<b>Total other lease income</b>		<b>358</b>	<b>384</b>
<b>Total rental income</b>	C2-2	<b>358</b>	<b>384</b>
<b>Fair value increment on investments</b>			
Fair value increment on investments through profit and loss		176	-
<b>Total Fair value increment on investments</b>		<b>176</b>	<b>-</b>
<b>Total other income</b>		<b>534</b>	<b>384</b>

**B3 Costs of providing services**

**B3-1 Employee benefits and on-costs**

\$ '000	2023	2022
Salaries and wages	30,103	28,176
Employee leave entitlements (ELE)	6,764	5,253
Superannuation	4,141	3,677
Workers' compensation insurance	1,597	1,268
Fringe benefit tax (FBT)	201	228
Other	34	35
<b>Total employee costs</b>	<b>42,840</b>	<b>38,637</b>
Less: capitalised costs	(6,999)	(5,366)
<b>Total employee costs expensed</b>	<b>35,841</b>	<b>33,271</b>

**Accounting policy**

Employee benefit expenses are recorded when the service has been provided by the employee.

**Retirement benefit obligations**

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

**Superannuation plans**

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		28,140	28,626
Contractor costs		4,601	3,956
Audit Fees	F2-1	106	58
Infringement notice contract costs (SEINS)		97	82
Councillor and Mayoral fees and associated expenses	F1-2	485	424
Advertising		105	121
Bank charges		159	29
Election expenses		–	400
Electricity and heating		518	408
Insurance		1,725	1,461
Street lighting LED upgrade		242	28
Street lighting		1,135	861
Telephone and communications		324	213
Valuation fees		256	214
Other expenses		1,134	960
Rate collection agency expenses		33	61
RSPCA contribution		244	279
Section 355 committees		123	116
Subsidies		34	36
<b>Legal expenses:</b>			
– Legal expenses: planning and development		(56)	578
– Legal expenses: debt recovery		584	–
– Legal expenses: legal settlement		6,641	215
Expenses from leases of low value assets		23	39
<b>Total materials and services</b>		<b>46,653</b>	<b>39,165</b>
<b>Total materials and services</b>		<b>46,653</b>	<b>39,165</b>

**Accounting policy**

Expenses are recorded on an accruals basis as the Council receives the goods or services.



Cessnock City Council | Notes to the Financial Statements 30 June 2023

B3-3 Borrowing costs

\$ '000	Notes	2023	2022
<b>(i) Interest bearing liability costs</b>			
Interest on leases		-	-
Interest on loans		107	176
<b>Total interest bearing liability costs</b>		<b>107</b>	<b>176</b>
<b>Total interest bearing liability costs expensed</b>		<b>107</b>	<b>176</b>
<b>(ii) Other borrowing costs</b>			
Remediation liabilities	C3-5	-	12
<b>Total borrowing costs expensed</b>		<b>107</b>	<b>188</b>

**Accounting policy**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

### B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2023	2022
<b>Depreciation and amortisation</b>			
Plant and equipment		2,312	2,080
Office equipment		385	316
Furniture and fittings		22	22
Library books		196	181
<b>Infrastructure:</b>	C1-8		
– Buildings		2,357	2,334
– Roads		7,837	7,215
– Bridges		672	619
– Footpaths		324	271
– Stormwater drainage		1,192	1,121
– Swimming pools		64	60
– Other open space/recreational assets		1,408	1,269
– Other infrastructure		45	29
Right of use assets	C2-1	1	23
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-8	2,087	(241)
<b>Total gross depreciation and amortisation costs</b>		<b>18,902</b>	<b>15,299</b>
<b>Total depreciation and amortisation costs</b>		<b>18,902</b>	<b>15,299</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>18,902</b>	<b>15,299</b>

#### Accounting policy

##### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-8 for IPPE assets and Note C2-1a for right of use assets.

##### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

B3-5 Other expenses

\$ '000	Notes	2023	2022
<b>Impairment of receivables</b>			
Other		(85)	314
<b>Total impairment of receivables</b>	C1-4	<b>(85)</b>	<b>314</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		-	423
<b>Total Fair value decrement on investments</b>	C1-2	<b>-</b>	<b>423</b>
<b>Impairment of investments</b>			
Investments other than at fair value through other comprehensive income	D1-1	-	383
<b>Impairment of investments</b>		<b>-</b>	<b>383</b>
<b>Other</b>			
Contributions/levies to other levels of government			
- Emergency services levy (includes FRNSW, SES, and RFS levies)		164	88
- NSW fire brigade levy		424	372
- NSW rural fire service levy		804	603
- Waste levy		4,361	5,268
Donations, contributions and assistance to other organisations (Section 356)		(109)	78
Adjustment for remediation provision estimates		10,264	2,210
<b>Total other</b>		<b>15,908</b>	<b>8,619</b>
<b>Total other expenses</b>		<b>15,823</b>	<b>9,739</b>

**Accounting policy**

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2023	2022
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Proceeds from disposal – property		608	–
Less: carrying amount of property assets sold/written off		<u>(626)</u>	<u>–</u>
<b>Gain (or loss) on disposal</b>		<u>(18)</u>	<u>–</u>
<b>Gain (or loss) on disposal of plant and equipment</b>			
Proceeds from disposal – plant and equipment	C1-8	1,141	749
Less: carrying amount of plant and equipment assets sold/written off		<u>(825)</u>	<u>(689)</u>
<b>Gain (or loss) on disposal</b>		<u>316</u>	<u>60</u>
<b>Gain (or loss) on disposal of infrastructure</b>			
Proceeds from disposal – infrastructure	C1-8	–	–
Less: carrying amount of infrastructure assets sold/written off		<u>(11,974)</u>	<u>(5,032)</u>
<b>Gain (or loss) on disposal</b>		<u>(11,974)</u>	<u>(5,032)</u>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>			
Proceeds from disposal – real estate assets	C1-5	–	4,168
Less: carrying amount of real estate assets sold/written off		<u>–</u>	<u>(1,270)</u>
<b>Gain (or loss) on disposal</b>		<u>–</u>	<u>2,898</u>
<b>Gain (or loss) on disposal of investments</b>			
Proceeds from disposal/redemptions/maturities – investments	C1-2	60,500	58,500
Less: carrying amount of investments sold/redeemed/matured		<u>(60,500)</u>	<u>(58,500)</u>
<b>Gain (or loss) on disposal</b>		<u>–</u>	<u>–</u>
<b>Net gain (or loss) from disposal of assets</b>		<u><b>(11,676)</b></u>	<u><b>(2,074)</b></u>

**Accounting policy**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 29 June 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----		
<b>Revenues</b>					
<b>Rates and annual charges</b>	61,216	62,120	904	1%	<b>F</b>
<b>User charges and fees</b>	9,782	12,069	2,287	23%	<b>F</b>
Additional income from Transport for NSW was received due to contracted work on State roads not controlled by Council being higher than expected. Related costs are recognised in the Materials and Services expenditure.					
<b>Other revenues</b>	2,133	2,755	622	29%	<b>F</b>
Recovery of legal fees has increased due to the re-commencement of enforcement activity after a hold during the COVID-19 pandemic.					
<b>Operating grants and contributions</b>	11,751	19,451	7,700	66%	<b>F</b>
Favourable variance due to Council's success in achieving additional grants under the Natural Disaster (floods) and other Roads repair programs as well as the prepayment in full of the Federal Assistance Grant for 2023-24 to Council in 2023					
<b>Capital grants and contributions</b>	38,871	56,187	17,316	45%	<b>F</b>
The original budget only includes confirmed grants known at the time the budget was set and during the year further specific grants were received including Local Roads & Community Infrastructure Program, grants for improvements to the Performing Arts Centre and Recreation & Culture.					
<b>Interest and investment revenue</b>	475	2,288	1,813	382%	<b>F</b>
Council's Term Deposits returned higher interests due to an increase in cash rates.					
<b>Net gains from disposal of assets</b>	570	-	(570)	(100)%	<b>U</b>
Any net gain on disposal of assets has been offset in the net losses on disposal					
<b>Other income</b>	-	534	534	∞	<b>F</b>
Other income for lease rental on Community Facilities was included in the budget under Other Revenues. The income statement and Notes B2-3 Other Revenues and B2-6 Other Income correctly records the current and prior year actuals under Other Income.					
<b>Expenses</b>					
<b>Employee benefits and on-costs</b>	34,557	35,841	(1,284)	(4)%	<b>U</b>
<b>Materials and services</b>	21,814	46,653	(24,839)	(114)%	<b>U</b>
Unfavourable variance due to expenses relating directly to natural disasters and increased spend on roads maintenance programs. Additional expense for Transport for NSW State Road works offset by additional income.					

continued on next page ...

Page 32 of 96

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
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The variance also includes the review and recognition of operational costs that were originally budgeted in the capital works program.

<b>Borrowing costs</b>	176	107	69	39% <b>F</b>
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<b>Depreciation, amortisation and impairment of non-financial assets</b>	15,599	18,902	(3,303)	(21)% <b>U</b>
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Depreciation has increased as a result of revaluation of assets from previous years reflecting depreciation cost over their effective life. Assets are required to be carried at their fair value primarily increasing in line with CPI or other appropriate factor. At the time of preparing the budget the forecast inflation rate was below the final value at 30 June 2023. Once fair values had been adjusted in line with the CPI this has had an additional effect on the depreciation of those assets.

<b>Other expenses</b>	11,255	15,823	(4,568)	(41)% <b>U</b>
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The primary unfavourable variance in Other expenses are increases to the provision for remediation related to landfill sites.

<b>Net losses from disposal of assets</b>	2,500	11,676	(9,176)	(367)% <b>U</b>
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Losses on disposal occurred due to infrastructure renewed prior to the end of its effective life. Budget differences arise due to work completed on existing assets has been to a more significant level to the point that they are now considered new assets. This requires the existing assets to have their uncharged depreciation written off as a loss on disposal.

Over 60% of these additional disposals was as a result of grant funded and developer contribution capital projects that have led to complete asset renewal particularly at Cessnock Airport and roadworks. Airport and roadwork projects saw significant renewals leading to a loss on disposal amounting to 85% of the total loss on disposal. This includes amounts relating to natural disaster renewals from the flood events of 2022.

**Statement of cash flows**

<b>Cash flows from operating activities</b>	44,753	51,636	6,883	15% <b>F</b>
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An additional \$20.4m in operating income was received over the financial year compared to budget, with the major increases coming in User Charges and Fees, Interest received and Grants and Contributions. This was offset by an increase of \$13.6m in operating expenditure primarily in materials and services.

Additional interest received as come from an increase in rates received on investments due to the continuing rise in interest rates over the year where rates had increased with each official interest rate rise over the year.

User Charges and Fees are addition activities for other council services including contracted roadworks on state roads and additional revenue from fines.

Grants and contributions are from an additional prepayment of the Financial Assistance Grant as well as other grants received for Natural Disaster remediation due the 2022 flood events.

The increase in the Materials and services includes an amount paid on a legal settlement that was unbudgeted and other increased costs to deliver increased capital works programs.

<b>Cash flows from investing activities</b>	(46,755)	(42,344)	4,411	(9)% <b>F</b>
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<b>Cash flows from financing activities</b>	2,989	3,167	178	6% <b>F</b>
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## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2023	2022
<b>Cash assets</b>		
Cash on hand and at bank	20,634	5,228
Deposits at call	602	3,549
<b>Total cash and cash equivalents</b>	<b>21,236</b>	<b>8,777</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	21,236	8,777
<b>Balance as per the Statement of Cash Flows</b>	<b>21,236</b>	<b>8,777</b>

#### Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

#### C1-2 Financial investments

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Managed funds	3,890	-	3,667	-
<b>Total</b>	<b>3,890</b>	<b>-</b>	<b>3,667</b>	<b>-</b>
<b>Debt securities at amortised cost</b>				
Term deposits	48,000	-	61,500	-
<b>Total</b>	<b>48,000</b>	<b>-</b>	<b>61,500</b>	<b>-</b>
<b>Total financial investments</b>	<b>51,890</b>	<b>-</b>	<b>65,167</b>	<b>-</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>73,126</b>	<b>-</b>	<b>73,944</b>	<b>-</b>

#### Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)

continued on next page ...

Page 34 of 96

## C1-2 Financial investments (continued)

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Financial assets are not reclassified subsequent to their initial recognition.

### **Amortised cost**

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in Treasury Corporation's TCorpIM Medium Term Growth Fund in the Statement of Financial Position.



C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>73,126</b>	73,944
Less: Externally restricted cash, cash equivalents and investments	<u>(38,985)</u>	<u>(35,642)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>34,141</b>	38,302
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>5,647</u>	7,332
<b>External restrictions – included in liabilities</b>	<b>5,647</b>	7,332
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	31,800	26,431
Transport for NSW contributions	182	624
Stormwater management	926	825
Domestic waste management	<u>430</u>	<u>430</u>
<b>External restrictions – other</b>	<b>33,338</b>	28,310
<b>Total external restrictions</b>	<b>38,985</b>	35,642

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2023	2022
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>34,141</b>	38,302
Less: Internally restricted cash, cash equivalents and investments	<u>(30,331)</u>	<u>(36,581)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>3,810</b>	1,721

**Internal allocations**

At 30 June, Council has internally allocated funds to the following:

Plant and vehicle replacement	2,794	3,714
Employees leave entitlement	2,519	2,446
Carry over works	385	2,267
Deposits, retentions and bonds	4,144	3,551
Bridge replacement	346	455
Energy efficiency	95	–
Financial assistance grant in advance	–	6,115
Insurance provisions	761	1,282
Miscellaneous and property	816	920
Operations and programs	473	318
Property investment fund	3,112	3,199
Civil Works	95	1,515
Waste depot and rehabilitation	12,448	9,454
Unexpended Loan Funds	2,129	–

continued on next page ...

Page 36 of 96

Cessnock City Council | Notes to the Financial Statements 30 June 2023

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2023	2022
Committed Projects (SRV)	214	1,345
<b>Total internal allocations</b>	<b>30,331</b>	<b>36,581</b>

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

#### C1-4 Receivables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Rates and annual charges	4,485	–	4,666	–
User charges and fees	22	–	24	–
Accrued revenues				
Interest on investments	887	–	245	–
Competitive building fees	181	–	139	–
Garbage tipping fees	21	–	36	–
Government grants and subsidies	6,627	–	4,823	–
Kerb and gutter	4	–	6	–
Net GST receivable	1,361	–	1,177	–
Premises inspections	108	–	97	–
Rental charges	38	–	31	–
Restoration charges	8	–	6	–
Transport for NSW	277	–	4,184	–
Other debtors	1,516	–	892	–
<b>Total</b>	<b>15,535</b>	<b>–</b>	<b>16,326</b>	<b>–</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(379)	–	(361)	–
Other debtors	(352)	–	(455)	–
<b>Total provision for impairment – receivables</b>	<b>(731)</b>	<b>–</b>	<b>(816)</b>	<b>–</b>
<b>Total net receivables</b>	<b>14,804</b>	<b>–</b>	<b>15,510</b>	<b>–</b>

#### Accounting policy

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

#### Impairment

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Credit losses are measured at the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

Council writes off a receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 120 days past due, whichever occurs first.

None of the receivables that have been written off are subject to enforcement activity.

Where Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

## C1-5 Inventories

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	484	–	548	–
Hunter Valley Visitor Information Centre stock on hand	17	–	11	–
<b>Total inventories at cost</b>	<b>501</b>	<b>–</b>	<b>559</b>	<b>–</b>
<b>Total inventories</b>	<b>501</b>	<b>–</b>	<b>559</b>	<b>–</b>

## (ii) Other disclosures

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Hunter Valley Visitor Information Centre consignment stock has been excluded from stock on hand.

## C1-6 Contract assets and Contract cost assets

### Accounting policy

#### Contract assets

Contract assets represent Council's right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Council does not have any contract assets or contract cost assets at 30 June 2023.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

C1-7 Non-current assets classified as held for sale

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Land and Buildings	975	-	-	-
<b>Total non-current assets held for sale</b>	<b>975</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total non-current assets classified as held for sale</b>	<b>975</b>	<b>-</b>	<b>-</b>	<b>-</b>

Surplus Operational Land parcels classified as held for sale as its carrying amount will be recovered through a sale transaction, rather than continuing use. This land was sold in the first quarter of financial year 2024.

**Accounting policy**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

C1-8 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period													
	At 1 July 2022					At 30 June 2023								
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>(1)</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers renewals	WIP transfers new assets	Tips from/ (to) 'held for sale' category	Revaluation increments/ (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	16,540	-	16,540	8,188	15,325	(430)	-	(5,113)	(3,150)	-	-	31,360	-	31,360
Plant and equipment	26,074	(19,274)	6,800	-	3,693	(825)	(2,312)	-	395	-	-	28,386	(20,635)	7,751
Office equipment	5,566	(4,315)	1,251	-	182	-	(385)	-	7	-	-	5,755	(4,700)	1,055
Furniture and fittings	1,496	(1,377)	119	-	-	-	(22)	-	-	-	-	1,496	(1,398)	98
<b>Land:</b>														
- Operational land	42,879	-	42,879	-	-	-	-	-	531	(1,586)	1,016	42,841	-	42,841
- Community land	41,146	-	41,146	-	1,391	-	-	-	(531)	-	11,743	53,749	-	53,749
- Land under roads (post 30/6/08)	1,101	-	1,101	-	422	-	-	-	-	-	516	2,039	-	2,039
<b>Infrastructure:</b>														
- Buildings	144,913	(77,679)	67,234	845	700	(475)	(2,357)	145	22	-	11,250	148,660	(71,297)	77,363
- Roads	882,596	(149,037)	733,559	6,788	22,568	(6,147)	(7,837)	1,141	400	-	41,805	953,518	(161,252)	792,266
- Bridges	69,497	(6,937)	62,560	530	1,012	(376)	(672)	-	610	-	3,591	75,079	(7,822)	67,257
- Footpaths	25,657	(3,705)	21,952	7	3,742	(253)	(324)	-	63	-	1,278	30,616	(4,149)	26,467
- Stormwater drainage	134,177	(21,102)	113,075	18	1,797	(110)	(1,192)	-	-	-	6,325	143,343	(23,430)	119,913
- Swimming pools	5,901	(2,821)	3,080	8	-	(5)	(64)	-	-	-	122	6,152	(3,012)	3,140
- Other open space/recreational assets	44,999	(14,915)	30,084	635	3,678	(590)	(1,408)	55	1,186	-	1,610	51,960	(16,710)	35,250
- Other infrastructure	6,960	(1,091)	5,869	-	3,442	(4,017)	(45)	3,772	467	-	1,340	10,895	(67)	10,828
<b>Other assets:</b>														
- Library books	6,440	(5,519)	921	-	146	-	(196)	-	-	-	-	6,586	(5,715)	871
<b>Reinstatement, rehabilitation and restoration assets (refer Note 1f):</b>														
- Tip assets	9,936	(8,784)	1,152	-	5,800	-	(2,087)	-	-	-	-	15,735	(10,871)	4,864
<b>Total infrastructure, property, plant and equipment</b>	<b>1,465,878</b>	<b>(316,556)</b>	<b>1,149,322</b>	<b>17,019</b>	<b>63,898</b>	<b>(13,228)</b>	<b>(18,901)</b>	<b>-</b>	<b>-</b>	<b>(1,586)</b>	<b>80,596</b>	<b>1,608,170</b>	<b>(331,068)</b>	<b>1,277,112</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

continued on next page ...

Page 41 of 96

Cessnock City Council | Notes to the Financial Statements 30 June 2023

C1-8 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	Asset movements during the reporting period										At 30 June 2022			
	At 1 July 2021		Additions		Carrying value of disposals		Depreciation expense		WIP transfers		Revaluation		At 30 June 2022	
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers renewals	WIP transfers new assets	Tfcs from/to 'held for sale' category	Revaluation increases/ (decrements)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	12,543	-	12,543	7,273	5,122	(1,383)	-	(4,464)	(2,551)	-	-	16,540	-	16,540
Plant and equipment	25,741	(17,757)	7,984	-	1,584	(688)	(2,080)	-	-	-	-	26,074	(19,274)	6,800
Office equipment	4,802	(3,998)	803	-	734	-	(316)	-	30	-	-	5,566	(4,315)	1,251
Furniture and fittings	1,490	(1,354)	136	-	5	-	(22)	-	-	-	-	1,496	(1,377)	119
<b>Land:</b>														
- Operational land	31,151	-	31,151	-	-	-	-	-	-	1,409	10,319	42,879	-	42,879
- Community land	31,677	-	31,677	-	-	-	-	-	-	-	9,469	41,146	-	41,146
- Land under roads (post 30/6/08)	742	-	742	-	137	-	-	-	222	-	-	1,101	-	1,101
<b>Infrastructure:</b>														
- Buildings	135,932	(71,741)	64,191	320	116	(250)	(2,334)	296	49	-	4,846	144,913	(77,679)	67,234
- Roads	807,313	(135,870)	671,443	5,333	20,395	(3,865)	(7,215)	3,440	591	-	43,437	882,596	(149,037)	733,559
- Bridges	65,627	(6,293)	59,334	296	1,448	(491)	(619)	337	475	-	1,780	69,497	(6,937)	62,560
- Footpaths	22,026	(3,392)	18,634	169	2,606	(138)	(271)	115	316	-	521	25,657	(3,705)	21,952
- Stormwater drainage	123,346	(19,605)	103,741	-	7,968	(88)	(1,121)	113	261	-	2,201	134,177	(21,102)	113,075
- Swimming pools	5,679	(2,665)	3,014	32	-	(21)	(80)	-	-	-	115	5,901	(2,821)	3,080
- Other open space/recreational assets	40,660	(13,194)	27,466	56	1,525	(179)	(1,269)	163	829	-	1,493	44,999	(14,915)	30,084
- Other infrastructure	6,485	(993)	5,492	-	-	-	(29)	-	-	-	406	6,960	(1,091)	5,869
<b>Other assets:</b>														
- Library books	6,301	(5,338)	963	-	139	-	(181)	-	-	-	-	6,440	(5,519)	921
<b>Reinstatement, rehabilitation and restoration assets (refer Note 11):</b>														
- Tip assets	11,525	(9,025)	2,500	-	1,536	-	241	-	-	-	(3,125)	9,936	(8,784)	1,152
<b>Total infrastructure, property, plant and equipment</b>	<b>1,333,040</b>	<b>(291,226)</b>	<b>1,041,814</b>	<b>13,479</b>	<b>43,315</b>	<b>(7,103)</b>	<b>(15,276)</b>	<b>-</b>	<b>-</b>	<b>1,409</b>	<b>71,684</b>	<b>1,465,878</b>	<b>(316,556)</b>	<b>1,149,322</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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Page 42 of 96

C1-8 Infrastructure, property, plant and equipment (continued)

**Accounting policy**

**Initial recognition of infrastructure, property, plant and equipment (IPPE)**

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

**Capitalisation Threshold**

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

**Plant & Equipment**

Office Equipment	>\$300
Furniture and Fittings	>\$300
Other Plant & Equipment	>\$3,000
Library books	100% Capitalised

**Land**

Operational land	100% Capitalised
Community land	100% Capitalised
Land under roads (purchases after 30/06/08)	100% Capitalised

**Buildings**

New construction or upgrade	100% Capitalised
Renewal	Capitalised where restoration costs \$2,000 or greater or a complete component replaced

**Transportation Assets**

Roads	Capitalise if pavement renewal to same standard, resurfacing with same standard, reconstruction is \$10,000 or greater and / or more than 20% of a segment area
Kerb & Gutter	\$3,000 or greater
Traffic Facilities	\$3,000 or greater
Bridges	Capitalise if reconstruction is \$10,000 or greater and / or more than 20% of a component
Footpaths	\$3,000 or greater

**Stormwater Drainage**

Culverts, Pipes & Pits	Capitalise if reconstruction is \$5,000 or greater and / or more than 20% of asset
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**Other Infrastructure Assets**

Swimming Pools	Capitalise if complete component is replaced or \$2,000 or greater
Other Open Space / Recreational Assets	Capitalise if complete component is replaced or \$2,000 or greater
Runways and Taxiways	Capitalise if pavement renewal to same standard, resurfacing with same standard, reconstruction is \$10,000 or greater and / or more than 20% of segment area

continued on next page ...

Page 43 of 96



C1-8 Infrastructure, property, plant and equipment (continued)

**Useful Life**

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	4 to 10	Playground equipment	23
Office furniture	4 to 10	Benches, seats etc.	10 to 20
Computer equipment	2 to 5		
Vehicles	6.5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	4 to 8	Sub-structure	30 to 110
Other plant and equipment	4 to 15	Superstructure	35 to 110
		Roof Frame	150
		Roof	20 to 110
<b>Stormwater Drainage assets</b>		Electrical	45
Culverts	120	Hydraulic	20 to 40
Stormwater Pipes	120	Mechanical	22
Stormwater Pits	120	Fit-Out Fittings	35
		Fit-outs Floor Coverings	25
<b>Transportation assets</b>			
Sealed roads: surface	24 to 34	<b>Other infrastructure assets</b>	
Sealed roads: formation and sub base	80 to 1000	Swimming pools	94
Unsealed roads: surface and base	25 to 80	Other open space/recreational assets	11 to 120
Bridge: concrete: structure	120	Playgrounds	23
Bridge: concrete: other	50 to 60	Runways and Taxiways: surface	20
Bridge: timber - structure	120	Runways and Taxiways: structure	80 to 1000
Bridge: timber - other	50 to 60		
Kerb, gutter and footpaths	120		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

**Revaluation Model**

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

**Land under roads**

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

**Crown reserves**

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Where the Crown reserves are under a lease arrangement, they are accounted for under AASB 16 Leases, refer to Note C2-1.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

**Rural Fire Service assets**

Based on a review of relevant accounting standards, legislation, service agreements, current finance management agreements and the manner the RFS plant and equipment is purchased, managed and utilised, Council does not have control over RFS plant and equipment and consequently does not recognise these assets as Council assets.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

C1-9 Other

Other assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Prepayments	3,084	-	2,779	-
<b>Total other assets</b>	<b>3,084</b>	<b>-</b>	<b>2,779</b>	<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets including Fitness and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below

#### Terms and conditions of leases

##### Equipment

Leases for Fitness equipment are for low value assets - 48 month fixed payment lease.  
Leases for IT Equipment are for Servers and finalise in 2024.

#### (a) Right of use assets

\$ '000	Plant & Equipment	Total
<b>2023</b>		
Opening balance at 1 July	6	6
Depreciation charge	(1)	(1)
<b>Balance at 30 June</b>	<b>5</b>	<b>5</b>
<b>2022</b>		
Opening balance at 1 July	29	29
Depreciation charge	(23)	(23)
<b>Balance at 30 June</b>	<b>6</b>	<b>6</b>

#### (b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	2	-	4	2
<b>Total lease liabilities</b>	<b>2</b>	<b>-</b>	<b>4</b>	<b>2</b>

#### (c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2023	2022
Depreciation of right of use assets	1	23
Expenses relating to low-value leases	23	39
	<b>24</b>	<b>62</b>

#### (d) Statement of Cash Flows

Total cash outflow for leases	2	5
	<b>2</b>	<b>5</b>

#### Accounting policy

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

continued on next page ...

Page 46 of 96

## C2-1 Council as a lessee (continued)

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

### **Exceptions to lease accounting**

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### **Leases at significantly below market value / Concessionary leases**

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

– property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-8).

\$ '000	2023	2022
<b>(i) Assets held as property, plant and equipment</b>		
Council provides operating leases on Council buildings for the purpose of supporting the commercial community, the table below relates to operating leases on assets disclosed in C1-8.		
Lease income (excluding variable lease payments not dependent on an index or rate)	358	384
<b>Total income relating to operating leases for Council assets</b>	<b>358</b>	<b>384</b>
<b>Other leased assets expenses</b>		
Other	107	76
<b>Total expenses relating to other leases assets</b>	<b>107</b>	<b>76</b>

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	174	163
1–2 years	237	146
2–3 years	100	68
3–4 years	72	48
4–5 years	41	45
> 5 years	58	169
<b>Total undiscounted lease payments to be received</b>	<b>682</b>	<b>639</b>

### Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

### C3 Liabilities of Council

#### C3-1 Payables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	6,442	–	3,417	–
Prepaid rates	2,402	–	2,179	–
Accrued expenses:				
- Salaries and wages	792	–	1,409	–
- Other expenditure accruals	11	–	13	–
Security bonds, deposits and retentions	793	4,130	796	3,611
<b>Total payables</b>	<b>10,440</b>	<b>4,130</b>	<b>7,814</b>	<b>3,611</b>

#### Current payables not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	414	480
Payables - trust Fund Deposits	48	48
<b>Total payables</b>	<b>462</b>	<b>528</b>

#### Accounting policy

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Payables represent liabilities for goods and services provided to Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### C3-2 Contract Liabilities

\$ '000	Notes	2023	2023	2022	2022
		Current	Non-current	Current	Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	8,260	–	10,335	–
<b>Total grants received in advance</b>		<b>8,260</b>	<b>–</b>	<b>10,335</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Upfront fees facilities		50	–	38	–
Development Application fees	(iii)	567	–	496	–
<b>Total user fees and charges received in advance</b>		<b>617</b>	<b>–</b>	<b>534</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>8,877</b>	<b>–</b>	<b>10,869</b>	<b>–</b>

#### Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(iii) Development application fees are recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided. The undetermined DA fees do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability at end of the year.

#### Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2023	2022
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	7,549	3,876
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>7,549</b>	<b>3,876</b>

#### Significant changes in contract liabilities

The decrease in contract liabilities is due to the completion of grant funded projects during the year.

#### Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

### C3-3 Borrowings

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	1,192	7,109	1,192	3,938
<b>Total borrowings</b>	<b>1,192</b>	<b>7,109</b>	<b>1,192</b>	<b>3,938</b>

(1) Loans are secured over the general rating income of Council.  
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1 and E2.

#### (a) Changes in liabilities arising from financing activities

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,130	(526)	–	–	–	3,697	8,301
Lease liability (Note C2-1b)	6	(4)	–	–	–	–	2
<b>Total liabilities from financing activities</b>	<b>5,136</b>	<b>(530)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,697</b>	<b>8,303</b>

\$ '000	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	6,689	(1,559)	–	–	–	–	5,130
Lease liability (Note C2-1b)	24	(18)	–	–	–	–	6
<b>Total liabilities from financing activities</b>	<b>6,713</b>	<b>(1,577)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,136</b>

#### (b) Financing arrangements

\$ '000	2023	2022
<b>Total facilities</b>		
Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	100	100
<b>Total financing arrangements</b>	<b>1,100</b>	<b>1,100</b>
<b>Undrawn facilities</b>		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	100	100
<b>Total undrawn financing arrangements</b>	<b>1,100</b>	<b>1,100</b>

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

#### Accounting policy

##### Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

##### Security over loans

Loans are secured over future cash flows.

##### Bank overdrafts

The bank overdraft of Cessnock City Council is secured over future cash flows.

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Page 51 of 96



### C3-3 Borrowings (continued)

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**Accounting Policy**

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Annual leave	3,329	–	3,131	–
Sick leave	340	–	380	–
Long service leave	5,945	350	5,876	292
<b>Total employee benefit provisions</b>	<b>9,614</b>	<b>350</b>	<b>9,387</b>	<b>292</b>

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	5,668	5,662
	<b>5,668</b>	<b>5,662</b>

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

### C3-5 Provisions

\$ '000	2023		2022	
	Current	Non-Current	Current	Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	42	33,899	42	18,015
<b>Sub-total – asset remediation/restoration</b>	<b>42</b>	<b>33,899</b>	<b>42</b>	<b>18,015</b>
<b>Total provisions</b>	<b>42</b>	<b>33,899</b>	<b>42</b>	<b>18,015</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2023</b>		
At beginning of year	18,057	18,057
Other	15,884	15,884
Total other provisions at end of year	33,941	33,941
<b>2022</b>		
At beginning of year	14,344	14,344
Other	3,713	3,713
Total other provisions at end of year	18,057	18,057

### Accounting policy

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

### Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Council uses the Cessnock Waste Management Centre at 1967 Old Maitland Road, Cessnock for current disposal of waste. Council or its past entities, has previously used the following sites for waste disposal:

1. Dunlop Drive, Paxton – former sanitary depot
2. Old Maitland Road, Cessnock – former landfill
3. Albury Street, Abermain – former landfill
4. Off Mitchell Avenue, Kurri Kurri – former sanitary depot adjacent to Hunter Expressway
5. Hollingshed Road, Greta – former landfill
6. Stanford Road, Heddon Greta – former landfill adjacent to Hunter Expressway

Due to the location or access complications, it is unlikely that Council will remediate the following two sites out of the six former sites:

1. Kurri Kurri, former sanitary depot
2. Heddon Greta, former landfill

Council engaged experts to provide cost estimates for remediating the current and former waste sites. Australian Government Bond rates (ranging from 3.95% to 4.34%) were used to discount the future cash flows for the current waste site. As the timing of the future cash flows cannot be reliably estimated for the four previous waste sites, future cash flows are not discounted.

continued on next page ...

Page 54 of 96

### C3-5 Provisions (continued)

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The after-care costs estimated for the current waste site is \$882,000 as at 30 June 2023, noting that this does not include the cost of capping and closure of the site.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Where movements in provisions relate to change in estimates or discount rates for former landfill sites, adjustments will be made directly to the operating statement. Estimates will continue to be updated as Council continues to investigate its obligations for remediation of contaminated sites, particularly former orphan sites.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **IPPE Revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

D Council structure

D1 Interests in other entities

D1-1 Interests in joint arrangements

Joint operations

Principal activity	Place of business	Interest in ownership		Interest in voting	
		2023	2022	2023	2022

(a) Council is involved in the following joint operations (JO's)

Name of joint operation:

Arrow Collaborative Services Ltd	Local Government Services	Thornton	0%	0%	0%	0%
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Council has an interest in Arrow Collaborative Services Ltd, along with other member Councils. The activities of this organisation are not controlled by any one Council. Arrow Collaborative Services Ltd has been established to improve the quality and efficiency of local government service throughout the Hunter Region.

Accounting policy

Council previously determined that it has joint operation with Arrow Collaborative Services Ltd. During the 2022 financial year, all member Councils received advice that as ownership and voting rights are below 20% the arrangement does not apply as an associate or joint venture, however should be recognised at fair value through profit or loss as a financial investment.

Joint operations:

In relation to its joint operations, where the venturer has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns.
- liquidity risk – the risk that Council will not be able to pay its debts as and when they fall due.
- credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers before placing any cash and investments.

#### (a) Market risk – interest rate and price risk

\$ '000	2023	2022
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	714	735
Impact of a 10% movement in price of investments		
– Equity / Income Statement	7,135	7,353

#### (b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

continued on next page ...

Page 57 of 96

E1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
<b>2023</b>				
Gross carrying amount	–	4,485	–	4,485
<b>2022</b>				
Gross carrying amount	–	4,666	–	4,666

Receivables - non-rates and annual charges and contract assets

Council applies the simplified approach for non-rates and annual charges debtors and contract assets to provide for expected credit losses, which permits the use of the lifetime expected loss provision at inception. To measure the expected credit losses, non-rates and annual charges debtors and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2023</b>						
Gross carrying amount	10,229	92	23	36	670	11,050
Expected loss rate (%)	0.00%	8.90%	18.90%	33.90%	48.90%	3.19%
ECL provision <sup>1</sup>	–	8	4	12	328	352
<b>2022</b>						
Gross carrying amount	8,932	1,330	340	265	793	11,660
Expected loss rate (%)	3.90%	8.90%	18.90%	33.90%	48.90%	8.65%
ECL provision <sup>1</sup>	15	35	75	135	195	455

(1) The provision excludes government grants and government agency payments

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

continued on next page ...

Page 58 of 96

Cessnock City Council | Notes to the Financial Statements 30 June 2023

E1-1 Risks relating to financial instruments held (continued)

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2023							
Payables	0.00%	4,923	9,976	–	–	14,899	14,570
Borrowings	3.67%	–	1,186	3,898	3,217	8,301	8,301
<b>Total financial liabilities</b>		<b>4,923</b>	<b>11,162</b>	<b>3,898</b>	<b>3,217</b>	<b>23,200</b>	<b>22,871</b>
2022							
Payables	0.00%	4,407	7,334	–	–	11,741	11,425
Borrowings	2.67%	–	1,192	2,695	1,244	5,131	5,130
<b>Total financial liabilities</b>		<b>4,407</b>	<b>8,526</b>	<b>2,695</b>	<b>1,244</b>	<b>16,872</b>	<b>16,555</b>



## E2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Financial assets and liabilities
- Infrastructure, property plant and equipment (excluding work in progress)

### Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below shows the assigned level for each asset and liability held at fair value by Council:

### Recurring fair value measurements

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2023	2022	2023	2022	2023	2022
<b>Recurring fair value measurements</b>							
<b>Financial assets</b>							
Managed Funds	C1-2	-	3,667	-	-	-	3,667
<b>Total financial assets</b>		<b>-</b>	<b>3,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,667</b>
<b>Infrastructure, property, plant and equipment</b>							
	C1-8						
Plant and Equipment		-	-	7,751	6,800	7,751	6,800
Office Equipment		-	-	1,054	1,251	1,054	1,251
Furniture and Fittings		-	-	98	119	98	119
Operational Land		42,841	-	-	42,879	42,841	42,879
Community Land		-	-	53,748	41,146	53,748	41,146
Land Under Roads (post 30/6/08)		-	-	2,039	1,101	2,039	1,101
Buildings		77,363	-	-	67,234	77,363	67,234
Roads		-	-	792,266	733,559	792,266	733,559
Bridges		-	-	67,257	62,560	67,257	62,560
Footpaths		-	-	26,467	21,952	26,467	21,952
Stormwater Drainage		-	-	119,913	113,075	119,913	113,075
Swimming Pools		-	-	3,140	3,080	3,140	3,080
Other Open Space / Recreational Assets		-	-	35,250	30,084	35,250	30,084
Other Infrastructure		-	-	10,828	5,869	10,828	5,869
Library Books		-	-	871	921	871	921
Landfill Rehabilitation		-	-	4,864	1,152	4,864	1,152
<b>Total infrastructure, property, plant and equipment</b>		<b>120,204</b>	<b>-</b>	<b>1,125,546</b>	<b>1,132,782</b>	<b>1,245,750</b>	<b>1,132,782</b>
<b>Non-current assets classified as held for sale</b>							
	C1-7						
Land and Buildings		975	-	-	1,409	975	1,409
<b>Total NCA's classified as held for sale</b>		<b>975</b>	<b>-</b>	<b>-</b>	<b>1,409</b>	<b>975</b>	<b>1,409</b>

### Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

continued on next page ...

Page 60 of 96

## E2-1 Fair value measurement (continued)

### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

#### Financial assets

Council holds units in the TCorpIM Medium Term Growth Fund. Prices are observable, however, no active market exists for these funds as they are only accessible to government agencies. The unit price of each fund is equal to the total fair value of the net assets held by the fund divided by the total number of units on issue for that fund. Unit prices are calculated and published daily.

#### Infrastructure, property, plant and equipment (IPPE)

##### Operational Land

Council engaged a registered property valuer to undertake a comprehensive review of Council's operational land.

The values have been determined based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Due regard has been given to zoning, size, shape, location topography and exposure characteristics for each lot; as well as overall market conditions as at the date of valuation.

It should be noted that there was often a lack of appropriate comparable sales evidence in certain geographic locations and for properties of certain specific comparable land use and/or area classification. In such cases, regard was given to the closest comparable sales and the subject properties characteristics in relation to those sales

Level 2 inputs were used to value land held in freehold title and those with special use, which are restricted under the zoning objectives. Sale prices of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre.

##### Non-specialised buildings

Non-specialised buildings are assessed at market value by qualified property valuers. Valuation techniques adopted include:

##### Capitalisation of Market Income

The capitalisation method is based on the concept that for income producing assets the price a prospective purchaser will be prepared to pay will be based on (amongst other things) the level of income and the return required for the investment of capital. The capitalisation method is most commonly used as the primary valuation method to determine the Market Value of income producing assets (ie including investment properties whether leased properties, owner occupied properties, or vacant properties intended to be held as an investment)

##### Comparable Transactions Method/Direct Comparison

The comparable transactions method utilises information on transactions involving properties that are the same or similar to the subject property. The comparable transaction method can use a variety of comparable evidence and units of comparison which form the basis of the comparison. A common unit of comparison for real property is price per square metre. In analysing the units of comparison, the Valuer may make necessary adjustments to the key valuation metrics to reflect differences (such as the date of sale in comparison to the date of valuation, or differences in property characteristics) between the comparable sales and the valuation of the subject property.

##### Other Infrastructure, property, plant and equipment

Refer below sections.

### Fair value measurements using significant unobservable inputs (level 3)

#### The valuation process for level 3 fair value measurements

##### Plant, equipment, office equipment, furniture, fittings and library books

These assets are reported at depreciated historical cost. In light of the nature and value of council plant and equipment, the fair value of these assets is not materially different from depreciated historical cost. None of these assets have suffered impairment losses. There has been no change to the valuation process during the reporting period.

##### Community Land

Community land was valued during the financial year 2020-21. Council staff carried out the valuation. Council staff determined the average unit value of land within the Cessnock local government area using the Valuer General's valuation. Community

continued on next page ...

Page 61 of 96

## E2-1 Fair value measurement (continued)

land is subject to restrictions which the Valuer General has taken into account when applying discounts to the market price based on sales of similar assets. In the years when a comprehensive valuation is not due indexation has been applied per the average increase in Valuer General's valuation. There has been no change to the valuation process during the reporting period.

### Land Under Roads

Land under roads that came into Council's control post 01/07/2008 was last valued in 2019. Council staff determined the average unit value of land within the Cessnock local government area using the Valuer General's valuation at 30 June 2019. A 90% discount was applied to the average unit value to reflect restrictions placed on land under roads. In the years when a comprehensive valuation is not due indexation has been applied per the average increase in Valuer General's valuation. There has been no change to the valuation process during the reporting period.

### Infrastructure Assets

Fair value has been determined by calculating the current replacement cost under the Revaluation Approach and the net carrying amount based on the unobservable inputs noted in the table below.

Comprehensive revaluations are carried out every five years or sooner if there is any indication that the current carrying amount of assets is materially different from their fair value. In the years when a comprehensive valuation is not due indexation has been applied per Rawlinson Construction Handbook.

### Specialised Buildings

During 2022-23 a comprehensive valuation on specialised Buildings was undertaken by Council's asset management staff. Current replacement cost was calculated using Rawlinsons Construction Handbook to determine unit rates applicable to the various components of each asset. Unit rates were tested against recently completed projects to ensure accuracy. Council's asset management staff reviewed and adjusted condition, useful life and the valuation matrix where appropriate. There has been no change to the valuation techniques during the reporting period.

### Landfill Rehabilitation

Council recognises a provision that reflects the estimated future costs to rehabilitate its landfill site at the time the work is needed. A discount rate is applied to reflect the present value of the provision for the current waste site. Council management does not consider a time where there would be a future cashflow for the previous waste sites, and hence the future cash flows are not discounted. the Council reviews the carrying amount of the provision at each reporting date to determine whether it continues to reflect management's best estimate of the costs to be incurred.

There has been no change to the valuation techniques during the reporting period and estimates will continue to be updated as Council continues to investigate its obligations for remediation of contaminated sites, particularly former sites.

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Page 62 of 96

E2-1 Fair value measurement (continued)

The following table shows when the last comprehensive revaluation was done and the consultant that was involved:

Asset Class	Unit Rates		Condition	
	Comprehensive Revaluation	Consultant	Comprehensive Revaluation	Consultant
Roads (includes kerb & gutter and street furniture)	2020	G7 Asset Management	2020	Pavement Management Services (PMS)
Bridges	2020	G7 Asset Management	2021	Bridge Knowledge Pty Ltd and Council's asset management staff
Footpaths	2020	G7 Asset Management	2021	Pavement Management Services (PMS)
Stormwater Drainage	2020	G7 Asset Management	2021	Total Drainage Cleaning (TDC)
Swimming Pools	2021	Council's asset management staff	2021	Council's asset management staff
Other Open Space / Recreational Assets	2021	Council's asset management staff	2021	Council's asset management staff
Other Infrastructure (Runways and Taxiways)	2016	Jeff Roorda & Associates Pty Ltd	2016	Pavement Management Services (PMS)
Specialised Buildings	2023	Council's Asset Management Staff	2023	Council's Asset Management Staff
Non-specialised Buildings	2023	Opteon Property Group Pty Limited & Property Valuations NSW Pty Ltd	2023	Opteon Property Group Pty Limited & Property Valuations NSW Pty Ltd
Operational Land	2023	PP&E Valuations Pty Ltd		

**Roads, Bridges, Footpaths, Stormwater Drainage**

The 2020 comprehensive valuation was undertaken by an external, independent, qualified valuer G7 Asset Management. G7 Asset Management worked with Council on the review and update of Council's methodologies and their application in determining appropriate unit rates, the useful lives (and remaining useful lives) of Council assets and the impact this has on Council asset values and depreciation. Unit rates have primarily been calculated on a first principles basis using Rawlinsons Construction Handbook Sydney Index at 30/06/20. Unit rate using Rawlinsons and Regional Rate applied. Council's asset management and finance staff have tested the unit rates against recently completed projects to ensure completeness, reliability and accuracy.

Asset condition assessments and their application in determining fair value are consistent with the recommended approach in the Integrated Planning and Reporting Manual.

Condition Assessments:

**Roads** - The condition of the entire network of Sealed and Unsealed Roads was evaluated utilising both technology (laser with software evaluation) and video with expert evaluation. This data was utilised to provide condition assessment for both the road surface and pavement base.

**Kerb & Gutter and Street Furniture** - Evaluated utilising video capture and expert assessment.

**Bridges** - Bridges were inspected in accordance with the RMS Bridge Procedure Inspection Manual 2007. Timber bridges – condition assessment carried out by Council's asset management staff. Concrete bridges, Major Culverts and Footbridges – condition assessment carried out by external consultant.

**Footpaths** - Evaluated utilising video capture and expert assessment.

continued on next page ...

Page 63 of 96

## E2-1 Fair value measurement (continued)

**Stormwater drainage** - Council's Stormwater Assets were evaluated based on a statistically significant sample of assets. The sample was selected as representative with a higher weighting provided for current assets that had poorer condition ratings.

Council's Asset Management and Finance staff have comprehensively reviewed and discussed both condition and valuation results arising from the 2020 and 2021 revaluation with the independent experts noted above. This has been to recognise that Council is ultimately responsible for the outcome of the revaluation process. This review has been undertaken to ensure the completeness, reliability and accuracy of the data. Council staff have also undertaken their own independent analysis to assess outcomes and conclusions reached.

### Swimming Pools and Other Open Space / Recreational Assets

The 2021 comprehensive revaluation was carried out by Council's asset management and finance staff. Unit rates have been sourced primarily from actual cost on recent projects. Where internal rates are lacking, unit rates have been calculated on a first principles basis using Rawlinsons Construction Handbook Sydney Index at 30/06/21. A provision for preliminaries of 8% and the Singleton regional index of 8% has been applied. Council's asset management and finance staff have assessed the unit rates to ensure completeness, reliability and accuracy.

Asset condition assessments were carried out by Council's asset management staff via visual assessment. Condition assessments and their application in determining fair value are consistent with the recommended approach in the Integrated Planning and Reporting Manual. Council's asset management and finance staff have analysed the condition assessments to ensure completeness, reliability and accuracy.

### Other Infrastructure (Runways and Taxiways)

Comprehensive revaluation has not been completed since 2016 and was due for the 2021 financial year but has been postponed due to major renewal and upgrades in progress since the 2021 financial year. Council officers have undertaken an indexation exercise using the cost basis of the renewal works to assess fair value. A comprehensive revaluation will be completed in the 2024 financial year.

Asset condition assessments were carried out by Council's asset management staff via visual assessment. Condition assessments and their application in determining fair value are consistent with the recommended approach in the Integrated Planning and Reporting Manual. Council's asset management and finance staff have analysed the condition assessments to ensure completeness, reliability and accuracy.

#### Indexation:

Council used Sydney Building Price Index from Rawlinson Construction Handbook for indexation, and the rate used is 5.58% for 2022-23.

### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Plant, equipment, office equipment, furniture, fittings and library books	Cost approach	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value.
Community land	Land values obtained from the NSW Valuer-General	Land value, land area, level of restriction
Land under roads	Land values obtained from the NSW Valuer-General discounted 90%	Land value, extent and impact of use, discount percentage.
Infrastructure assets	Cost approach	Asset condition, remaining lives using componentisation
Landfill rehabilitation	Discounted cash flow	Environmental legislation, timing of expected cash outflows required to settle the obligation, discount percentage, rehabilitation cost estimates.

continued on next page ...

Page 64 of 96

E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Land		Buildings		Infrastructure	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Opening balance</b>	<b>9,091</b>	9,885	<b>85,126</b>	63,570	<b>67,234</b>	64,191	<b>970,179</b>	889,125
<b>Total gains or losses for the period</b>								
Recognised in profit or loss – realised (refer to Note B4-1)	-	-	-	-	-	-	-	-
Recognised in other comprehensive income – revaluation surplus	-	-	<b>12,259</b>	20,010	-	4,846	<b>56,062</b>	49,952
<b>Other movements</b>								
Transfers from/(to) level 2 FV hierarchy	-	-	<b>(42,879)</b>	-	<b>(67,234)</b>	-	-	-
Purchases (GBV)	<b>4,021</b>	2,463	<b>1,813</b>	137	-	436	<b>44,227</b>	39,828
Disposals (WDV)	<b>(825)</b>	(688)	-	-	-	(250)	<b>(11,498)</b>	(4,782)
Depreciation and impairment	<b>(2,915)</b>	(2,599)	-	-	-	(2,334)	<b>(11,544)</b>	(10,584)
Transfer from WIP	<b>402</b>	30	<b>(531)</b>	-	-	345	<b>7,694</b>	6,640
Adjustments and transfers	-	-	-	1,409	-	-	-	-
<b>Closing balance</b>	<b>9,774</b>	9,091	<b>55,788</b>	85,126	-	67,234	<b>1,055,120</b>	970,179

\$ '000	Rehabilitation Assets		Total	
	2023	2022	2023	2022
<b>Opening balance</b>				
Recognised in profit or loss – realised (refer to Note B4-1)	-	-	-	-
Recognised in other comprehensive income – revaluation surplus	-	(3,125)	<b>68,321</b>	<b>71,683</b>
Transfers from/(to) level 2 FV hierarchy	-	-	<b>(110,113)</b>	-
Purchases (GBV)	<b>5,800</b>	1,536	<b>55,861</b>	<b>44,400</b>
Disposals (WDV)	-	-	<b>(12,323)</b>	<b>(5,720)</b>
Depreciation and impairment	<b>(2,087)</b>	241	<b>(16,546)</b>	<b>(15,276)</b>
Transfer from WIP	-	-	<b>7,565</b>	<b>7,015</b>
Adjustments and transfers	-	-	-	<b>1,409</b>
<b>Closing balance</b>	<b>4,864</b>	1,152	<b>1,125,546</b>	<b>1,132,782</b>

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There were no transfers in to or out of the Level 3 valuation hierarchy.

Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.

## E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

##### *Description of the funding arrangements*

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

\*For 180 Point Members, employers are required to contribute 7.5% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each pooled employer is a share of the total past service contributions of \$20.0m per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

##### *Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

Council's expected contribution to the plan for the next annual reporting period is \$393,808.

continued on next page ...

Page 66 of 96

### E3-1 Contingencies (continued)

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Defined Benefits reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

\* excluding member accounts and reserves in both assets and liabilities.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% for FY 22/23 2.5% per annum thereafter

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end year of review will be completed by December 2023.

#### (ii) Statewide Mutual Limited

Council is a member of Statewide Mutual Limited, Australia's largest member owned Local Government self-insurance pool, working with Councils to reduce their exposure to risk.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June 2023 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

#### (iii) StateCover Mutual Limited

Council is a member of the StateCover Mutual Limited which provides workplace compensation insurance.

StateCover Mutual Limited provides support and advice to Council on developing return to work programs, incident and claims management and assistance with meeting legislative compliance.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

#### (iv) Other guarantees

Council has provided no other guarantees other than those listed above.

### 2. Other liabilities

#### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and at 30 June 2023 and does not expect any material liabilities to eventuate.

continued on next page ...

Page 67 of 96



### **E3-1 Contingencies (continued)**

Council had the following pending legal matters:

- An appeal against a previous judgement not in the favour of Council; and
- Various actions in appeal against Council planning decisions.

The potential costs of the claims are unlikely to be significant and amounts of any claims are unable to be quantified at 30 June 2023.

#### **(ii) Rehabilitation Works**

Council may own properties that may be subject to rehabilitation works due to possible contamination. This may result in future liabilities but it is not presently known the extent or value of this liability.

Council may also be responsible for rehabilitation works on former two sites used by Council due to possible contamination. The below two sites were considered a contingent liability due to the unlikely nature of the rehabilitation occurring due to location or access complications:

1. Kurri Kurri, former sanitary depot
2. Heddon Greta, former landfill

Council management have assessed the above sites and have determined that council does not have an existing legal obligation to rehabilitate these sites and consequently have not provided for any future rehabilitation as at 30 June 2023. Any confirmation that Council does have a legal obligation will require Council to provide for the sites and face future liabilities to rehabilitate.

#### **ASSETS NOT RECOGNISED**

##### **(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

##### **(ii) Infringement notices/fines**

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

**F People and relationships**  
**F1 Related party disclosures**  
**F1-1 Key management personnel (KMP)**

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	2023	2022
<b>Compensation:</b>		
Short-term benefits	1,342	1,427
Post-employment benefits	191	104
<b>Total</b>	<b>1,533</b>	<b>1,531</b>

**Other transactions with KMP and their related parties**

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
<b>2023</b>					
Payments for recycling bin services <sup>1</sup>	2,063	-	14 day terms on invoices	-	-
Payments received for other services provided <sup>2</sup>	-	-	Nil	-	-
Payments made for services received <sup>3</sup>	174	-	14 day terms on invoices	-	-
<b>2022</b>					
Payments for recycling bin services <sup>1</sup>	1,918	-	14 day terms on invoices	-	-
Payments received for other services provided <sup>2</sup>	23	-	Nil	-	-
Payments made for services received <sup>3</sup>	115	3	14 day terms on invoices	-	-

(1) Relates to payments to Hunter Resources Recovery, a company in which Council has an interest, to provide recycling services. The contract was awarded through a competitive tender process based on market rates for these services. Amounts are payable on a monthly basis for the term of the contract. Hunter Resource Recovery details have not been consolidated into Council's financial statements as the amounts are not material to Council operations.

(2) Council receives a rebate from Arrow Collaborative Services Limited, a company in which Council has an ownership interest, for its share of Local Government Procurement Contracts and or various services provided.

continued on next page ...

**F1-1 Key management personnel (KMP) (continued)**

(3) Council uses Arrow Collaborative Services Limited, a company in which Council has an association with, for a variety of services including legal services, training and environment management.

Cessnock City Council | Notes to the Financial Statements 30 June 2023

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	63	61
Councillors' fees	365	294
Other Councillors' expenses (including Mayor)	57	69
<b>Total</b>	<b>485</b>	<b>424</b>

Cessnock City Council | Notes to the Financial Statements 30 June 2023

F2 Other relationships

F2-1 Audit fees

\$ '000	2023	2022
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>Audit and other assurance services</b>		
Audit and review of financial statements	106	58
<b>Remuneration for audit and other assurance services</b>	<b>106</b>	<b>58</b>
<b>Total Auditor-General remuneration</b>	<b>106</b>	<b>58</b>
<b>Total audit fees</b>	<b>106</b>	<b>58</b>

G Other matters

G1-1 Statement of Cash Flows information

(a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
<b>Operating result</b>	<b>26,402</b>	50,378
<b>Add/(less) non-cash items:</b>		
Depreciation and amortisation	18,902	15,299
(Gain) / loss on disposal of assets	11,676	2,074
Non-cash capital grants and contributions	(22,949)	(27,821)
Impairment losses recognition – investments	–	383
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(176)	423
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	791	(2,415)
Increase / (decrease) in provision for impairment of receivables	(85)	308
(Increase) / decrease of inventories	58	(138)
(Increase) / decrease of other current assets	(305)	(1,773)
Increase / (decrease) in payables	3,025	(525)
Increase / (decrease) in other accrued expenses payable	(619)	220
Increase / (decrease) in other liabilities	739	863
Increase / (decrease) in contract liabilities	(1,992)	3,731
Increase / (decrease) in employee benefit provision	285	(868)
Increase / (decrease) in other provisions	15,884	3,713
<b>Net cash flows from operating activities</b>	<b>51,636</b>	<b>43,852</b>

(b) Non-cash investing and financing activities

Other dedications	20,177	27,821
<b>Total non-cash investing and financing activities</b>	<b>20,177</b>	<b>27,821</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Office Equipment	107	32
Furniture & Fittings	-	5
Buildings	1,246	797
Roads	5,744	651
Bridges	2,328	-
Footpaths	1,518	293
Stormwater Drainage	280	600
Other Open Space / Recreational Assets	305	109
Other Infrastructure (Cessnock Airport Runway and Taxiways)	20	3,820
Library Books	6	11
Tip Asset	368	-
Plant and Equipment	770	478
<b>Total commitments</b>	<b>12,692</b>	<b>6,796</b>

### Details of capital commitments

Major projects that Council has material commitments for at 30 June 2023 and anticipated to be spent during 2023-2024 include:

- Design and Construction of the replacement bridge at Kline St Weston
- Upgrade streetscape at Kurri Town Centre
- Construction of new RFS Station at Millfield
- Construction of new shared path at Greta (Railway St to High St)
- Purchase Truck – Road maintenance - Major Plant & Equipment
- Construction works on new BMX track at Carmichael Park
- Construction works to upgrade Bridges Hill Skatepark Cessnock
- Construction of new Shared Path - Bridges Hill to Wine Country Drive
- Landscaping works Cessnock Library laneway - Civic Precinct Revitalisation Program

### G3-1 Events occurring after the reporting date

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Council is aware of the following 'non-adjusting event' that merits disclosure:

On 15 September 2023, the High Court of Australia allowed Council special leave to appeal against a judgement from the Court of Appeal in the Supreme Court of NSW. The date of the hearing as not yet been set.

A successful appeal may see Council receive a refund of the legal settlement and legal expenses incurred as recognised in the 2023 Financial Statements. An unsuccessful appeal may lead to increase interest owing on the settlement and additional legal costs.



Cessnock City Council | Notes to the Financial Statements 30 June 2023

G4 Statement of developer contributions as at 30 June 2023  
 G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (b)/from
		Cash	Non-cash Land						
Drainage	41	-	-	-	-	-	-	41	-
Roads	2,167	1,827	-	-	14	(344)	-	3,664	-
Parking	134	-	-	-	1	-	-	135	-
Open space	3,718	1,930	-	-	22	(119)	-	5,551	-
Community facilities	3,759	781	755	-	17	(1,017)	-	3,540	-
Other	474	108	-	-	2	(191)	-	393	-
Tourist facilities	613	4	-	-	3	-	-	620	-
Transport	3,559	705	-	478	19	-	-	4,283	-
<b>S7.11 contributions – under a plan</b>	14,465	5,355	755	478	78	(1,671)	-	18,227	-
<b>S7.12 levies – under a plan</b>	982	330	-	-	5	(61)	-	1,256	-
<b>Total S7.11 and S7.12 revenue under plans</b>	15,447	5,685	755	478	83	(1,732)	-	19,483	-
S7.4 planning agreements	10,984	2,103	-	-	56	(826)	-	12,317	-
<b>Total contributions</b>	26,431	7,788	755	478	139	(2,558)	-	31,800	-

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

G4-2 S7.11 Contributions - under a plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (b)/from
		Cash	Non-cash Land						
<b>CONTRIBUTION PLAN NUMBER 2 - TOURIST DEVELOPMENT</b>									
Tourist facilities	189	-	-	-	1	-	-	190	-
<b>Total</b>	189	-	-	-	1	-	-	190	-
<b>CONTRIBUTION PLAN NUMBER 4 - NULKABA FLOOD MITIGATION</b>									
Drainage	41	-	-	-	-	-	-	41	-
<b>Total</b>	41	-	-	-	-	-	-	41	-
<b>CONTRIBUTION PLAN NUMBER 5 - CARPARKING CESSNOCK CBD</b>									
Parking	134	-	-	-	1	-	-	135	-
<b>Total</b>	134	-	-	-	1	-	-	135	-

continued on next page ...

Page 76 of 96

Cessnock City Council | Notes to the Financial Statements 30 June 2023

G4-2 S7.11 Contributions - under a plan (continued)

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
<b>CONTRIBUTION PLAN NUMBER 6 - RESIDENTIAL CONTRIBUTIONS PLAN</b>									
Roads	39	349	-	-	1	(90)	-	299	-
Open space	196	247	-	-	1	(119)	-	325	-
Community facilities	1,473	201	-	-	5	(1,017)	-	662	-
Other	379	33	-	-	1	(219)	-	194	-
<b>Total</b>	<b>2,087</b>	<b>830</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>(1,445)</b>	<b>-</b>	<b>1,480</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 7 - TOURISM CONTRIBUTIONS PLAN</b>									
Roads	234	3	-	-	1	(168)	-	70	-
Tourist facilities	424	4	-	-	2	-	-	430	-
Other	135	-	-	-	1	-	-	136	-
<b>Total</b>	<b>793</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>(168)</b>	<b>-</b>	<b>636</b>	<b>-</b>
<b>CONTRIBUTION PLAN NUMBER 8 - BLACKHILL QUARRY CONTRIBUTION PLAN</b>									
Roads	306	56	-	-	1	(86)	-	277	-
<b>Total</b>	<b>306</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(86)</b>	<b>-</b>	<b>277</b>	<b>-</b>
<b>Site Specific Contributions Plan - Bellbird North</b>									
Open space	1,043	-	-	-	5	-	-	1,048	-
Community facilities	889	-	-	-	4	-	-	893	-
Transport	1,824	-	-	-	9	-	-	1,833	-
Other	(15)	-	-	-	-	(2)	-	(17)	-
<b>Total</b>	<b>3,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>(2)</b>	<b>-</b>	<b>3,757</b>	<b>-</b>
<b>Site Specific Contributions Plan - Nulkaba</b>									
Open space	177	-	-	-	1	-	-	178	-
Community facilities	223	-	-	-	1	-	-	224	-
Transport	409	-	-	-	2	-	-	411	-
Other	11	-	-	-	-	-	-	11	-
<b>Total</b>	<b>820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>824</b>	<b>-</b>
<b>Site Specific Contributions Plan - Mount View Road Millfield</b>									
Open space	2	-	-	-	-	-	-	2	-
Community facilities	2	-	-	-	-	-	-	2	-
Transport	2	-	-	-	-	-	-	2	-
<b>Total</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>
<b>Site Specific Contributions Plan - Aveyrs Village Heddon Greta</b>									
Open space	901	461	-	-	5	-	-	1,367	-
Community facilities	625	320	755	-	4	-	-	949	-
Transport	1,324	705	-	478	8	-	-	2,037	-
Other	23	29	-	-	-	(6)	-	46	-
<b>Total</b>	<b>2,873</b>	<b>1,515</b>	<b>755</b>	<b>478</b>	<b>17</b>	<b>(6)</b>	<b>-</b>	<b>4,399</b>	<b>-</b>

continued on next page ...

Page 77 of 96

G4-2 S7.11 Contributions - under a plan (continued)

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
<b>City Wide Infrastructure Contributions Plan</b>									
Roads	1,588	1,419	-	-	11	-	-	3,018	-
Open space	1,399	1,222	-	-	10	-	-	2,631	-
Community facilities	547	260	-	-	3	-	-	810	-
Other	(59)	46	-	-	-	36	-	23	-
Commercial Precincts	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,475</b>	<b>2,947</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>36</b>	<b>-</b>	<b>6,482</b>	<b>-</b>

(\*) Bellbird North Plan correction to allocation of developer contribution from Other to Transport

S7.12 Levies - under a plan

Section 7.12 Contributions	982	-	-	-	5	(61)	-	1,256	-
Commercial Precincts	982	-	-	-	5	(61)	-	1,256	-
<b>Total</b>	<b>982</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(61)</b>	<b>-</b>	<b>1,256</b>	<b>-</b>

G4-3 S7.4 planning agreements

Section 7.4 Contributions	10,984	2,102	-	-	55	(825)	-	12,316	-
Commercial Precincts	10,984	2,102	-	-	55	(825)	-	12,316	-
<b>Total</b>	<b>10,984</b>	<b>2,102</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>(825)</b>	<b>-</b>	<b>12,316</b>	<b>-</b>

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

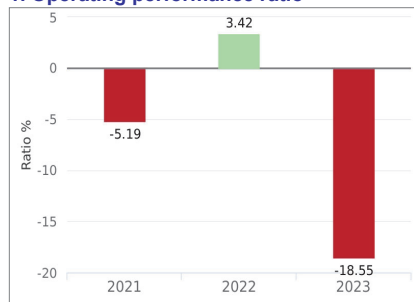
\$ '000	Amounts	Indicator	Indicators		Benchmark
	2023	2023	2022	2021	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(18,370)</b>	<b>(18.55)%</b>	3.42%	(5.19)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions	<b>99,041</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>79,590</b>	<b>51.27%</b>	55.60%	54.75%	> 60.00%
Total continuing operating revenue	<b>155,228</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>53,505</b>	<b>2.98x</b>	3.74x	3.84x	> 1.50x
Current liabilities less specific purpose liabilities	<b>17,960</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation	<b>639</b>	<b>(0.21)x</b>	10.93x	5.45x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>(3,060)</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>4,106</b>	<b>6.11%</b>	6.86%	5.63%	< 10.00%
Rates and annual charges collectable	<b>67,253</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>69,236</b>	<b>10.49 months</b>	10.23 months	8.18 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>6,600</b>				
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies					
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method					

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



**Purpose of operating performance ratio**

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

**Commentary on 2022/23 result**

2022/23 ratio (18.55)%

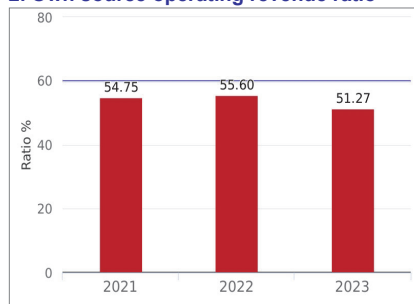
This ratio correlates with the operating result excluding capital income from grants and contributions which is a deficit for 2023. Key factors attributed to this result in 2023 are the increase in the remediation provision estimates.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark (green bar)  
Ratio is outside benchmark (red bar)

2. Own source operating revenue ratio



**Purpose of own source operating revenue ratio**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

**Commentary on 2022/23 result**

2022/23 ratio 51.27%

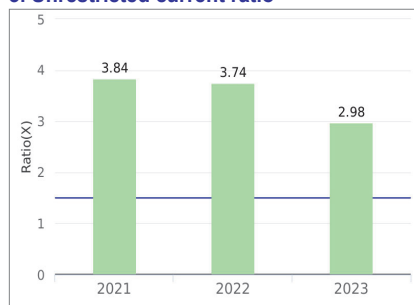
Council has received 100% of the prepayment of Financial Assistance Grant for 2023-24, and also was successful in obtaining grant funds during the year with many being paid in advance prior to delivery of works, which if excluded, would show that Council's own source of operating revenues from ongoing activities would be above the benchmark.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark (green bar)  
Ratio is outside benchmark (red bar)

3. Unrestricted current ratio



**Purpose of unrestricted current ratio**

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

**Commentary on 2022/23 result**

2022/23 ratio 2.98x

This result higher than the benchmark demonstrates that Council has a satisfactory level of working capital to satisfy its financial obligations.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

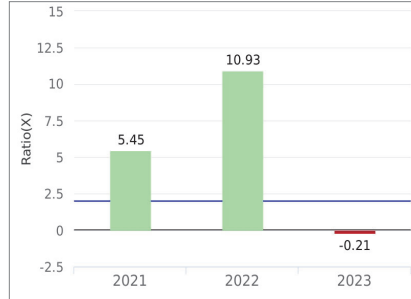
Ratio achieves benchmark (green bar)  
Ratio is outside benchmark (red bar)

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Page 80 of 96

H1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2022/23 result

2022/23 ratio (0.21)x

This ratio has declined due to the lower operating result from continuing operations in 2023, and the interest paid on legal settlement.

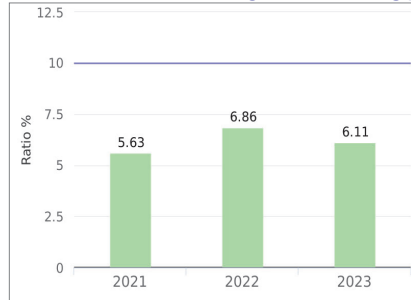
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2022/23 result

2022/23 ratio 6.11%

This ratio has improved in 2023 due to a slight decline in the outstanding rates and annual charges, and due to the increase in the rates and annual charges income.

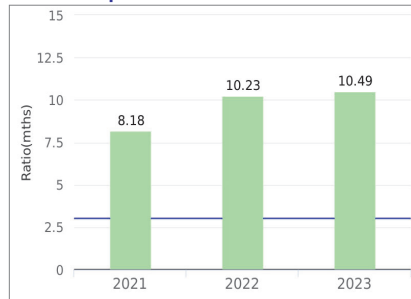
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2022/23 result

2022/23 ratio 10.49 months

The stable ratio shows Council can pay expenses without a demand on additional cash flows, demonstrating liquidity strength despite the current economic climate.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-2 Financial review

### Key financial figures of Council over the past 5 years

\$ '000	2023	2022	2021	2020	2019
<b>Inflows:</b>					
Rates and annual charges revenue	62,120	59,210	55,899	53,355	47,869
User charges revenue	12,069	21,684	14,128	7,973	13,340
Interest and investment revenue (losses)	2,288	656	445	836	978
Grants income – operating and capital	66,617	57,619	53,246	33,259	12,695
Total income from continuing operations	155,404	150,114	132,554	101,718	121,386
Sale proceeds from IPPE	1,749	4,917	3,367	1,312	1,498
New loan borrowings and advances	4,363	–	2,948	–	2,960
<b>Outflows:</b>					
Employee benefits and on-cost expenses	35,841	33,271	35,449	35,330	31,586
Borrowing costs	107	188	263	318	453
Materials and contracts expenses	46,653	39,165	33,121	21,951	23,157
Total expenses from continuing operations	129,002	99,736	95,910	78,324	82,023
Total cash purchases of IPPE	57,546	27,591	20,909	24,935	16,155
Total loan repayments (incl. finance leases)	1,196	1,577	1,667	1,569	1,306
Operating surplus/(deficit) (excl. capital income)	(29,785)	618	(9,950)	(203)	(5,374)
<b>Financial position figures</b>					
Current assets	92,490	92,792	72,275	56,097	43,147
Current liabilities	30,167	29,308	26,824	22,870	17,701
Net current assets	62,323	63,484	45,451	33,227	25,446
Available working capital (Unrestricted net current assets)	10,685	10,479	4,464	(682)	222
Cash and investments – unrestricted	3,810	1,721	1,713	614	1,451
Cash and investments – internal restrictions	30,331	36,581	29,903	25,365	22,095
Cash and investments – total	73,126	73,944	54,766	47,507	39,160
Total borrowings outstanding (loans, advances and finance leases)	8,301	5,136	6,689	5,349	8,252
Total value of IPPE (excl. land and earthworks)	1,509,541	1,380,752	1,269,470	1,185,012	954,806
Total accumulated depreciation	331,058	316,556	291,226	287,388	242,664
Indicative remaining useful life (as a % of GBV)	78%	77%	77%	76%	75%

Source: published audited financial statements of Council (current year and prior years)

### H1-3 Council information and contact details

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**Principal place of business:**

62 - 78 Vincent Street  
Cessnock NSW 2325

**Contact details**

**Mailing Address:**

PO Box 152  
Cessnock NSW 2325

**Telephone:** 02 49934100

**Facsimile:** 02 49932500

**Opening hours:**

9:00am - 5:00pm  
Monday to Friday

**Internet:** [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

**Email:** [council@cessnock.nsw.gov.au](mailto:council@cessnock.nsw.gov.au)

**Officers**

**GENERAL MANAGER**

Mr Ken Liddell

**RESPONSIBLE ACCOUNTING OFFICER**

Mr Matthew Plumridge

**PUBLIC OFFICER**

Mr Robert Maginnity

**AUDITORS**

Audit Office of New South Wales  
Level 15, 1 Margaret Street  
Sydney NSW 2000

GPO Box 12 Sydney NSW 2001

**Elected members**

**MAYOR**

Councillor Jay Suvaal

**COUNCILLORS**

Councillor John Moores (Deputy Mayor)

Councillor Anthony Burke

Councillor Paul Dunn

Councillor Rosa Grine

Councillor James Hawkins

Councillor Mitchell Hill

Councillor Karen Jackson

Councillor Jessica Jurd

Councillor Ian Olsen

Councillor Paul Paynter

Councillor Anne Sander

Councillor Daniel Watton

**Other information**

**ABN:** 60 919 148 928





**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**Cessnock City Council**

To the Councillors of Cessnock City Council

**Qualified Opinion**

I have audited the accompanying financial statements of Cessnock City Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My qualified opinion should be read in conjunction with the rest of this report.

**Basis for Qualified Opinion**

**Non recognition of rural fire-fighting equipment**

As disclosed in Note C1-8 'Infrastructure, property, plant and equipment' to the financial statements, the Council has not recognised rural fire-fighting equipment as assets in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 2 September 2009
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2023
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2023
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G5-1 'Statement of performance measures – consolidated results'.

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

### **Other Information**

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations'
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

20 December 2023  
SYDNEY



Cr Jay Suvaal  
Mayor  
Cessnock City Council  
PO BOX 152  
CESSNOCK NSW 2324

Contact: Cassie Malone  
Phone no: 02 9275 7388  
Our ref: R008-16585809-49663

20 December 2023

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2023  
Cessnock City Council**

I have audited the general purpose financial statements (GPFS) of the Cessnock City Council (the Council) for the year ended 30 June 2023 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed a modified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2023 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

**Modification to the opinion in the Independent Auditor's Report**

**Non-recognition of rural fire-fighting equipment**

The Council has not recognised rural fire-fighting equipment as assets in the Statement of Financial Position at 30 June 2023. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refer to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting

equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 2 September 2009

- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such the assets are provided to the Council free-of-charge.

Consequently, we were unable to determine the carrying values of rural firefighting equipment assets and related amounts that should be recorded and recognised in the council's 30 June 2023 financial statements.

This has resulted in the audit opinion on the Council's 30 June 2023 general purpose financial statements (GPFS) to be modified.

Refer to the Independent Auditor's Report on the GPFS.

### High risk matters

The following high risk matters of governance interest were identified during my audit. High risk matters have high consequences and are likely to occur.

Risk assessment	Matter
High	<p><b>Non-recognition of rural fire-fighting equipment (repeat)</b></p> <p>Similar to last year, the Council has not recognised rural fire-fighting equipment as assets in its financial statements. This resulted in a limitation on the scope of the audit as outlined above.</p>
High	<p><b>Quality and timeliness of financial reporting (repeat)</b></p> <p>Similar to last year, the Council's financial statements and supporting evidence submitted for audit included deficiencies that indicate a need to improve quality review processes.</p> <p>This included inaccurate reconciliations and schedules, incorrect applications of accounting standards, insufficient oversight of infrastructure, property, plant and equipment (IPPE) fair valuation processes and delays in resolving key accounting issues.</p>
High	<p><b>Non-compliance with the <i>Local Government Act 1993</i></b></p> <p>The statutory date for submission of audited financial statements under the <i>Local Government Act 1993</i> (LG Act) is 31 October 2023. The Office of Local Government granted the Council an extension to 30 November 2023.</p> <p>The Council did not submit audited financial statements by the approved extended deadline of 30 November 2023 as a significant accounting issue remained unresolved. The Council did not seek a further extension. As a result, the Council did not comply with the LG Act.</p>
High	<p><b>Lack of sufficient evidence to support the useful lives applied to infrastructure assets</b></p> <p>The useful lives determined by the Council for infrastructure assets could not be supported by evidence. The useful lives of assets are key estimates used to determine the carrying values of the Council's IPPE, accumulated depreciation and</p>



High

depreciation expenditure (which is included in the calculation of the Council's 'operating performance ratio').

**Valuation of Council's airport assets**

The Council's airport assets have not been comprehensively revalued since 30 June 2016.

The fair value assessment performed by the Council relied on an index rate not reflective of nature of the assets being assessed.

Sufficient documentation was not provided to support the assumptions made by the Council around the useful lives, unit rates or condition assessments of these assets.

**INCOME STATEMENT**

**Operating result**

	2023	2022	Variance
	\$m	\$m	%
Rates and annual charges revenue	62.1	59.2	↑ 4.9
Grants and contributions revenue	75.6	66.7	↑ 13.5
Operating result from continuing operations	26.4	50.4	↓ 47.6
Net operating result before capital grants and contributions	(29.8)	0.6	↓ >100

The Council's operating result from continuing operations of \$26.4 million (including depreciation and amortisation costs of \$18.9 million) was \$24.0 million lower than the 2021–22 result.

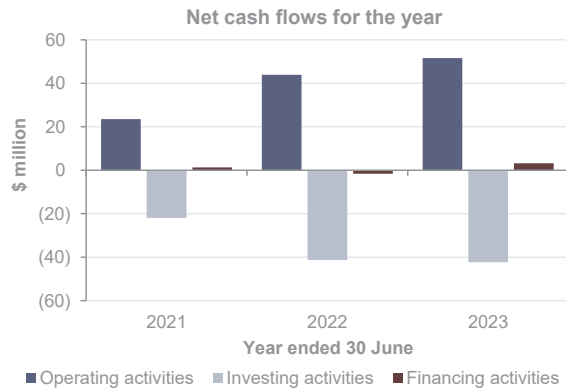
Total income from continuing operations in the current year increased by \$5.3 million to \$155.4 million, reflecting increases in operating grants and contributions revenue of \$2.6 million and interest and investment income of \$1.6 million.

Total expenditure in the current year increased by \$29.3 million to \$129.0 million, primarily due to increases in materials and services of \$7.5 million, loss on disposal of assets of \$9.6 million, depreciation and amortisation costs of \$3.6 million and other expenses of \$6.1 million.

## STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to increases in grants and contributions.

Cash from financing activities increased due to an increase in proceeds from borrowings during the year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>73.1</b>	<b>73.9</b>	Externally restricted balances comprise mainly of developer contributions.
Restricted and allocated cash, cash equivalents and investments:			Internal allocations are determined by council policies or decisions, which are subject to change.
• External restrictions	39.0	35.6	
• Internal allocations	30.3	36.6	

### Debt

At 30 June 2023, Council had:

- \$8.3 million in secured loans (\$5.1 million in 2021-22)
- \$1.0 million in approved overdraft facility, which remains unused at 30 June 2023
- \$0.1 million in credit card facility, which remains unused at 30 June 2023.

## PERFORMANCE

### Performance measures

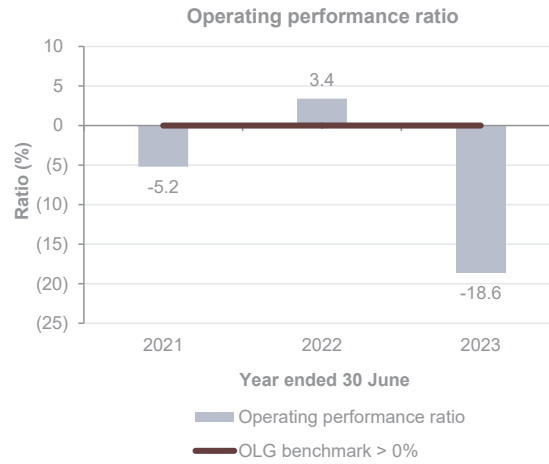
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.



**Operating performance ratio**

The Council did not meet the benchmark for the current reporting period.

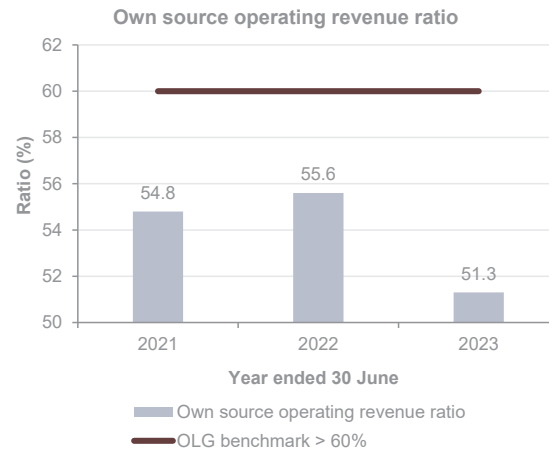
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



**Own source operating revenue ratio**

The Council did not meet the benchmark for the current reporting period.

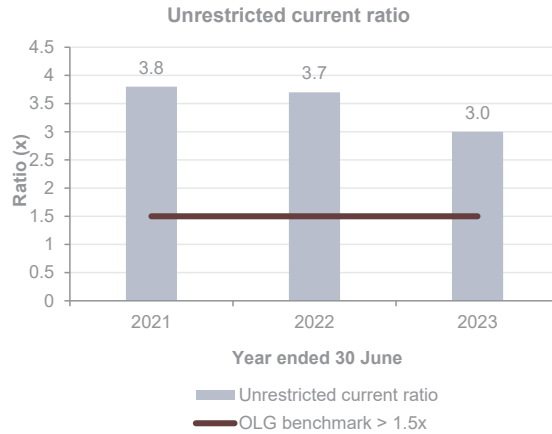
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



**Unrestricted current ratio**

The Council met the benchmark for the current reporting period.

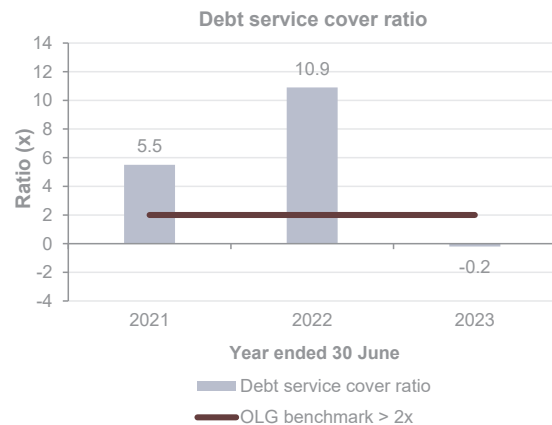
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



**Debt service cover ratio**

The Council did not meet the benchmark for the current reporting period.

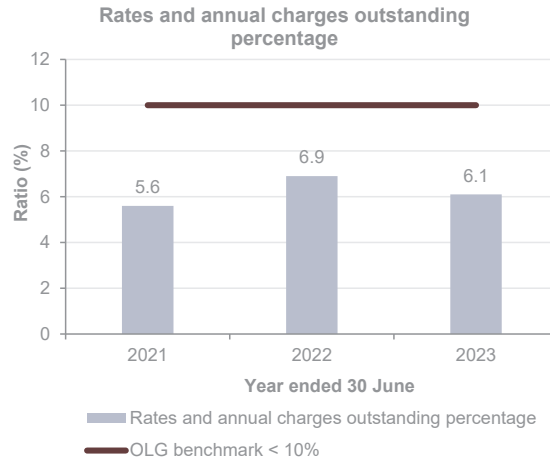
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



**Rates and annual charges outstanding percentage**

The Council met the benchmark for the current reporting period.

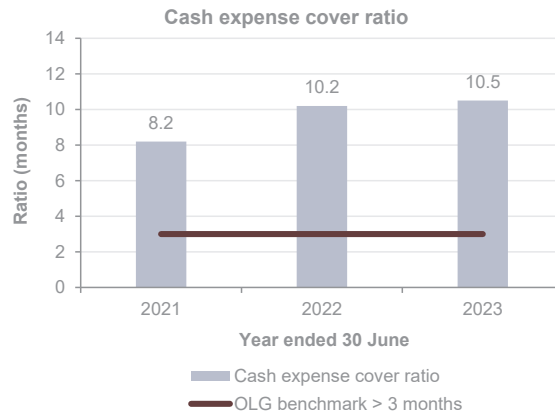
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



**Cash expense cover ratio**

The Council met the benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



**Infrastructure, property, plant and equipment renewals**

Council renewed \$17.0 million of infrastructure, property, plant and equipment during the 2022-23 financial year. This was mainly spent on roads. A further \$63.9 million was spent on new assets across most asset classes.

## OTHER MATTERS

### Legislative compliance

My audit procedures identified:

- a material deficiency in the Council's financial statements due to the non-recognition of rural fire-fighting equipment which will be reported in the Management Letter
- non-compliance with the *Local Government Act 1993* (LG Act). The statutory date for submission of audited financial statements under the LG Act is 31 October 2023. The Office of Local Government granted the Council an extension to 30 November 2023. The Council did not submit audited financial statements by the approved extended deadline of 30 November 2023 as a significant accounting issue remained unresolved. The Council did not seek a further extension. As a result, the Council did not comply with the LG Act. This will be reported in the Management Letter.

Except for the matters outlined above, the Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales



# ***SPECIAL SCHEDULES***

FOR THE YEAR ENDED 30 JUNE

Cessnock City Council

Special Schedules

for the year ended 30 June 2023

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Contents

Page

**Special Schedules:**

Permissible income for general rates

2

Report on infrastructure assets as at 30 June 2023

5

Cessnock City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	43,139	45,470
Plus or minus adjustments <sup>2</sup>	b	1,230	686
<b>Notional general income</b>	c = a + b	<b>44,369</b>	<b>46,156</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>3</sup>	d	2.50%	0.00%
Or rate peg percentage	e	0.00%	3.85%
Plus special variation amount	h = d x (c + g)	1,109	-
Or plus rate peg amount	i = e x (c + g)	-	1,777
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>45,478</b>	<b>47,933</b>
Plus (or minus) last year's carry forward total	l	17	25
<b>Sub-total</b>	n = (l + m)	<b>17</b>	<b>25</b>
<b>Total permissible income</b>	o = k + n	<b>45,495</b>	<b>47,958</b>
Less notional general income yield	p	45,470	47,943
<b>Catch-up or (excess) result</b>	q = o - p	<b>25</b>	<b>15</b>
<b>Carry forward to next year <sup>3</sup></b>	t = q + r + s	<b>25</b>	<b>15</b>

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable, the Crown land adjustment.
- (3) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



**INDEPENDENT AUDITOR'S REPORT**  
**Special Schedule – Permissible income for general rates**  
**Cessnock City Council**

To the Councillors of Cessnock City Council

**Opinion**

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Cessnock City Council (the Council) for the year ending 30 June 2024.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

**Other Information**

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2023'.



My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Schedule**

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

### **Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Cassie Malone  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

20 December 2023  
SYDNEY

Cessnock City Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring to the standard		Estimated cost to bring to the agreed level of service set by Council		2022/23 Actual maintenance \$ '000	2022/23 Required maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000					1	2	3	4	5
<b>Buildings</b>	Buildings	10,883	103,414	3,101	3,629	77,363	148,660	11.1%	10.6%	45.3%	28.2%	4.8%		
	<b>Sub-total</b>	<b>10,883</b>	<b>103,414</b>	<b>3,101</b>	<b>3,629</b>	<b>77,363</b>	<b>148,660</b>	<b>11.1%</b>	<b>10.6%</b>	<b>45.3%</b>	<b>28.2%</b>	<b>4.8%</b>		
<b>Roads</b>	Sealed roads	18,889	105,413	6,596	7,718	599,971	727,884	71.1%	9.6%	11.5%	5.9%	2.0%		
	Unsealed roads	2,384	17,908	2,032	2,378	97,147	116,928	79.4%	4.4%	12.2%	2.7%	1.3%		
	Bridges	48	411	227	266	67,257	75,079	72.3%	25.0%	2.4%	0.2%	0.0%		
	Footpaths	92	1,553	153	179	26,467	30,616	61.1%	32.7%	5.9%	0.3%	0.0%		
	Other road assets	481	5,762	427	500	95,149	108,707	66.3%	28.2%	4.5%	0.9%	0.2%		
	<b>Sub-total</b>	<b>21,894</b>	<b>131,047</b>	<b>9,435</b>	<b>11,041</b>	<b>885,990</b>	<b>1,059,214</b>	<b>71.3%</b>	<b>12.7%</b>	<b>10.1%</b>	<b>4.4%</b>	<b>1.5%</b>		
<b>Stormwater drainage</b>	Stormwater drainage	221	887	415	485	119,913	143,343	53.3%	37.9%	8.2%	0.0%	0.5%		
	<b>Sub-total</b>	<b>221</b>	<b>887</b>	<b>415</b>	<b>485</b>	<b>119,913</b>	<b>143,343</b>	<b>53.3%</b>	<b>37.9%</b>	<b>8.2%</b>	<b>0.0%</b>	<b>0.5%</b>		
<b>Open space / recreational assets</b>	Open Space	2,728	14,673	3,363	3,936	35,250	51,960	38.4%	21.2%	23.2%	13.2%	4.1%		
	Swimming Pools	117	4,548	-	-	3,141	6,152	0.0%	0.0%	97.5%	2.6%	0.0%		
	<b>Sub-total</b>	<b>2,845</b>	<b>19,221</b>	<b>3,363</b>	<b>3,936</b>	<b>38,390</b>	<b>58,112</b>	<b>34.3%</b>	<b>18.9%</b>	<b>31.0%</b>	<b>12.0%</b>	<b>3.8%</b>		
<b>Other infrastructure assets</b>	Other	-	-	-	-	10,828	10,895	99.4%	0.6%	0.0%	0.0%	0.0%		
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,828</b>	<b>10,895</b>	<b>99.4%</b>	<b>0.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
	<b>Total - all assets</b>	<b>35,843</b>	<b>254,569</b>	<b>16,314</b>	<b>19,091</b>	<b>1,132,484</b>	<b>1,420,224</b>	<b>61.9%</b>	<b>15.2%</b>	<b>14.3%</b>	<b>6.8%</b>	<b>1.8%</b>		

(a) Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Cessnock City Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2023	2023	2022	2021	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1,2</sup>	<b>25,291</b>	<b>181.96%</b>	128.32%	111.66%	> 100.00%
Depreciation, amortisation and impairment	<b>13,899</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>35,843</b>	<b>3.08%</b>	3.67%	3.41%	< 2.00%
Net carrying amount of infrastructure assets <sup>2</sup>	<b>1,163,844</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>19,091</b>	<b>117.02%</b>	117.62%	103.48%	> 100.00%
Required asset maintenance	<b>16,314</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>254,569</b>	<b>17.92%</b>	17.88%	17.67%	
Gross replacement cost	<b>1,420,224</b>				

(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

(2) As per the Local Government Code of Accounting Practice and Financial Reporting 2020/21, WIP is now included in the applicable ratios. Prior year's ratios have not been updated to reflect the inclusion of WIP.

Cessnock City Council

Report on infrastructure assets as at 30 June 2023

<p><b>Buildings and infrastructure renewals ratio</b></p> <p>Benchmark: — &gt; 100.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	<p><b>Buildings and infrastructure renewals ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on result</b></p> <p>22/23 ratio 181.96%</p> <p>This ratio improved significantly in 2023 due to the work in progress (WIP) on the Cessnock Airport runway renewal.</p> <p>The Local Government Code of Accounting Practice and Financial Reporting has stipulated the inclusion of this ratio from 2021. Ratios &lt; 2021 are based on assets only included as WIP related to new assets does not improve the condition of existing assets.</p> <p>Ratio achieves benchmark</p> <p>Ratio is outside benchmark</p>
<p><b>Asset maintenance ratio</b></p> <p>Benchmark: — &gt; 100.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	<p><b>Asset maintenance ratio</b></p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop backlog growing.</p>	<p><b>Commentary on result</b></p> <p>22/23 ratio 117.02%</p> <p>Council has carried out sufficient maintenance to be identified in the Asset Management Plans. This ratio has increased significantly since 2021 due to increased maintenance spent on infrastructure as a result of natural disasters.</p> <p>Ratio achieves benchmark</p> <p>Ratio is outside benchmark</p>
<p><b>Infrastructure backlog ratio</b></p> <p>Benchmark: — &lt; 2.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	<p><b>Infrastructure backlog ratio</b></p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p><b>Commentary on result</b></p> <p>22/23 ratio 3.08%</p> <p>This ratio reflects the cost to bring assets up to a service potential index (SPI) of 3. In reality, when renewing assets up to an SPI better than 3 and this costs a lot more.</p> <p>Council applies indexation per Rawlinson's Construction guide to show assets at their fair value.</p> <p>Ratio achieves benchmark</p> <p>Ratio is outside benchmark</p>
<p><b>Cost to bring assets to agreed service level</b></p> <p>Benchmark: — &lt; 2.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	<p><b>Cost to bring assets to agreed service level</b></p> <p>This ratio provides a snapshot of the proportion of the outstanding renewal works compared to the total value of assets under Council's care and stewardship.</p>	<p><b>Commentary on result</b></p> <p>22/23 ratio 17.92%</p> <p>This ratio reflects the cost to fully replace assets where their service potential index (SPI) is worse than 3. Councils are required to fully replace the asset to bring it to the agreed level of service. For example, when rehabilitating a road, the formation and sub-base components may not need to be fully replaced.</p>



Cessnock LGA  
 2023

# MAKING SENSE OF THE FINANCIAL STATEMENTS



CESSNOCK CITY COUNCIL

## Making sense of the financial statements

Each year, the Audit Office of New South Wales undertakes an audit of the financial statements for each Council in New South Wales. Their position is included in a document that is attached to the Annual Financial Statement. There can be disagreement between the two parties, usually around differing opinions on accounting treatments of items.

At the conclusion of FY22/23, the Audit Office audited the general purpose financial statements for Cessnock City Council, along with special purpose financial statements for the Special Schedule 'Permissible income for general rates' (the Schedule), Roads to Recovery Program and the Local Roads and Community Infrastructure Program.

This document has been prepared to provide additional context to support understanding of the Annual Financial Statements for FY22/23 and the associated report by the NSW Government's Audit Office.

### Details on the financial statement result

	2023 \$'000	2022 \$'000
<b>Net operating result for the year</b>	<b>26,402</b>	50,378

The result of the Financial Statements are a Net Operating Result of \$26.4m surplus, noting that this becomes a deficit of \$28.8m when capital income is removed for reporting purposes.

Key matters driving the result include:

- \$25m of prepaid capital grants that relate to multiple years of capital expenditure
- \$11.76m additional provision and depreciation for waste sites throughout the LGA.

This is a non cash item with uncertainty at this time as to whether any amounts will ever be paid for these sites. Accounting standards require us to book the provision on a conservative basis, and is therefore included on our books. This will remain the case until there is a definitive legal decision that determines the party responsible for any required rehabilitation.

- \$9.12m of additional cost from loss on disposal of assets.

Additional cost from loss on disposal of assets is driven by two factors: an increase in overall capital expenditure (approx. \$55m compared to under \$30m in FY21/22), and a subsequent loss on disposal related to writing off the uncharged depreciation of the old asset. In relation to the total loss on disposal of assets, 72.91% are from grant funded or natural disaster works undertaken by Council. It should also be noted, that these are non-cash items in the current year and relate to capital expenditure spent in prior years that would ordinarily be depreciated over the effective life of the asset.

- \$6m payment of a court settlement that is subject to an appeal to be held in the early 2024.
- \$1.94m of capital expenses that are unable to capitalised due to their nature.

This is a cash entry but also a factor in increasing capital works, noting some projects were done under grant funding

## Details on performance measures

Council meets 4 and misses two performance measure ratios; being the Operating Performance Ratio and the Own Source Funding Ratio

**Own Source Funding Ratio** has been driven down by 100% prepayment of the Financial Assistance Grant and additional grants received from Natural Disaster Works.

**Operating Performance Ratio** is driven by non-cash items that are impacting the bottom line that are unlikely to be expended in the future.

	2023 \$'000	2022 \$'000
<b>Cash position (includes investments)</b>	<b>73,126</b>	73,994

### Council's cash position

Overall, Council only used \$800,000 of its cash reserves over the course of the year and remains in a strong cash position.



## Non-recognition of rural fire-fighting equipment

The Audit Office opted to qualify the Annual Financial Statement on the basis that Council has not recognised rural fire-fighting equipment (RFS fleet) as assets in the Statement of Financial Position at 30 June 2023. The Audit Office has formed a view that RFS vehicles are controlled by local Councils, and depreciation on these assets should therefore be included in the Statement of Financial Position at 30 June 2023. Council disagrees.

As prescribed in the Code of Accounting Practice NSW, Councils need to assess whether they control any rural firefighting equipment in accordance with Australian Accounting Standards and recognise in their financial statements any material assets under their control.

Council does not consider these assets to meet the definition of control required by Australian Accounting Standards.

Council also takes exception to the concept of receiving of economic benefit as the RFS equipment is used to meet Council's responsibilities for mitigation and safety works under the RFS Act. The responsibility of the RFS is much more extensive under the Act than those of Councils. With the economic benefits received being skewed to the RFS, this would provide further evidence that the Rural Fire Service maintains control of all mobile assets.

Council officers do not hold the information on the assets, nor are they qualified to determine condition assessment or replacement value. All of which is supplied by the RFS, a further indication of the asset owners being the RFS.

Cessnock City is among dozens of Councils across NSW that have refused to include the depreciation cost of assets they neither own nor control in Annual Financial Statements.

Further, Local Government NSW has called on the NSW Government to "stop cooking the books on RFS assets," and acknowledge the reality that assets under the control of a state government agency should be accurately recorded on their books.





## Quality and timeliness of financial reporting

The Audit Office states that Council's financial statements and supporting evidence submitted for audit included deficiencies that indicate a need to improve quality review processes. Council acknowledges changes were made to reports in agreement with the Audit Office without material change, notes the failure of the Audit Office to acknowledge its contribution to delays and questions the risk rating.

Council acknowledges the supplying of information could have been more timely on occasions but this presupposes that council finance staff are able to delay all other activities of council to remain at the total needs of the audit. Council does not have unlimited resources to do so.

This was exacerbated by the many hours council finance staff provided during the audit in teaching the audit team the nuances of our reports and having to manage requests from the audit team that are unable to be provided. Council also notes instances of information supplied not being reviewed or understood by the audit team resulting in council officers having to assist the audit team to further understand the information provided.

Council accepts that a delay in timeliness of information sharing was an issue for both parties, though note that it is only reflected poorly against the Council via this audit finding.

Council notes this matter has been raised by the Audit Office in previous reports, and that it remains despite major investment of additional resources by Council. This may suggest that the audit demands are out of touch with community requirements and needs, particularly noting that only 50% of NSW council audits were completed by the statutory due date of 31 October 2023.



## Non-compliance with the Local Government Act 1993

Under the Local Government Act 1993 (LG Act), Councils are required to submit audited financial statements to the Office of Local Government by 31 October each year. The Audit Office listed a failure to submit audited financial statements by an approved extended deadline of 30 November 2023, and specifically of Council not seeking a further extension, as a matter of high risk. Council acknowledges the financial statements were not lodged by the 30 November deadline, while noting the Audit Office's failure to recognise itself as the primary contributor to the compliance breach.

Council acknowledges that it did not lodge the financial statements by the 30 November 2023 deadline nor did Council request any further extensions.

Council considers this breach of the Act is as a result of the Audit Office of NSW raising a potential issue at a very late stage of the audit, despite the matter not being raised as a material issue prior to the day before Council's Audit and Risk Committee Extraordinary meeting to discuss the final financial statements on 23 November 2023.

Council undertook further investigations that determined the matter was immaterial, supplying that evidence on 23 November 2023 (the day after the matter was raised by the Audit Office) and noted that there would be no further changes to the financial statements.

Council considers that any delay from that point on is as a result of internal Audit Office policies to determine their audit opinion.

Council again notes that only half of NSW Council audits were completed by the due date of 31 October 2023.

## Valuation of Council's airport assets

**The Audit Office notes that Council's airport assets have not been comprehensively revalued since 30 June 2016, and list the fair value assessment performed by the Council, its use of an index rate and some assumptions as high risk. Council questions the risk rating.**

Council acknowledges that a comprehensive revaluation has not been completed since 2016, however Council notes the airport was substantially rebuilt in the intervening 5 years with major works finishing in January 2023. These works include an upgraded runway, taxiways, apron and new drainage including water and sewer connections.

Council officers attempted to engage a qualified valuer without success and then completed an indexation exercise using current construction costs and other indices.

Council also notes the airport represents a value of 0.8% of council fixed assets and a material misstatement would need to be in the order of 25% of the airport's current holding value, and therefore questions the risk rating of high.

## Evidence in useful lives applied to infrastructure assets

The Audit Office states that estimates used by Council for the useful lives of infrastructure assets could not be supported by evidence, and opted to list this as a high risk matter. Council notes existing processes were not raised during previous audits, and was only raised by the Audit Office as a material matter very late in the process.

Council acknowledges that there has been only a limited consideration of the useful lives of the Council's assets and had been relying on previous audit opinions that had failed to raise any potential error in Council's financial statements. Council will reconsider the useful lives of its assets prior to the 30 June 2024.

Council notes this matter was only raised as a material accounting issue on 22 November 2023, less than 24 hours prior to Council's Audit and Risk Committee meeting to consider the final audit report.

Council, as the request of the Audit Office, compared the change in depreciation expense for the current year against the benchmark rates and determined the change in the current year was immaterial, and that useful lives used were generally in line with industry standards.





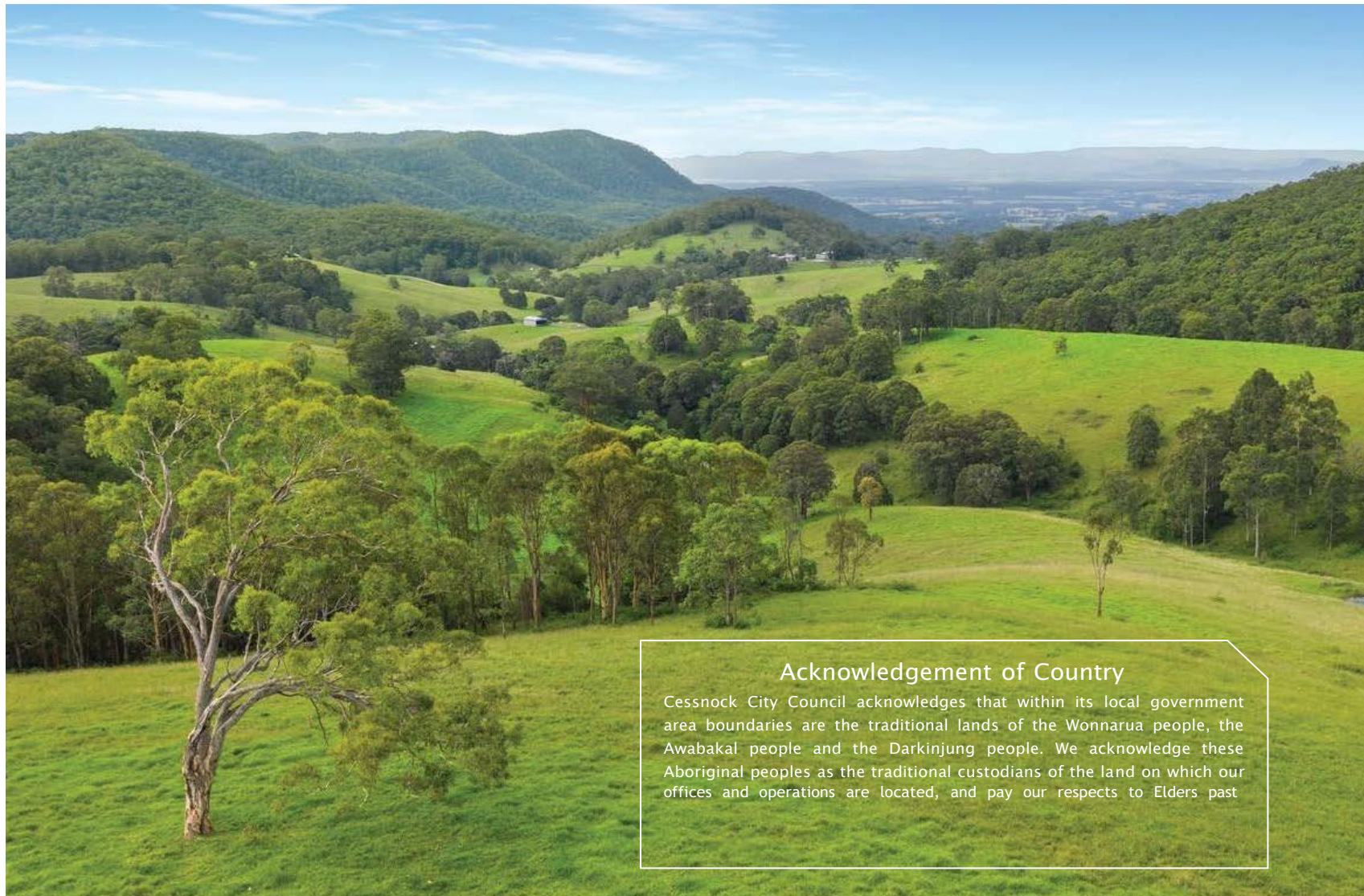
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02 4993 4100 | [council@cessnock.nsw.gov.au](mailto:council@cessnock.nsw.gov.au) | [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)



# CESSNOCK

Operational Plan  
Quarter 2 2023-24

▶▶▶▶▶  
Planning for  
our people,  
our place,  
our future



### Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the traditional lands of the Wonnarua people, the Awabakal people and the Darkinjung people. We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past

**Welcome**

**Acknowledgement of Country**

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people, and the Darkinjung people.

We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present. We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock local Government Area.



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## Navigating this report



**Outcomes** These are the community's long-term priorities and aspirations for the city, as set out in the Community Strategic Plan. They contribute to achieving the city's vision. Council has a custodial role in working towards realising these objectives; however, it is not wholly responsible for achieving them. Other partners, such as state agencies and community groups, have an important role to play in achieving these outcomes.

**Objectives** Our objectives guide us to achieve our outcomes over the four-year period of our delivery program.

**Strategies** Align strategic directions to core functions and sustainability and achieving long-term objectives.

**Actions** Our actions are the activities and projects we commit to undertake each year, through delivery of our operational plan, to achieve our strategies under our objectives

- ▶▶ **NOT DUE TO START** Indicates resources are not currently available to undertake this action during this reporting period
- ▶ **IN PROGRESS** Indicates an action is likely to be achieved in the following reporting period
- ✓ **COMPLETE** Indicates an action was achieved during the reporting period
- **NOT PROGRESSING** Generally indicates potential inhibitors to an action being undertaken in this reporting period
- ▶▶ **DEFERRED** Indicates an action has been carried over to the next reporting period
- ⓘ **AT RISK** Indicates inhibitors to an action being undertaken

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

1: A connected, safe and creative community

1.1: Promoting social connections and wellbeing

1.1.1: Engage with the community in reconciliation activities

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.1.1.a	Organise an event to recognise National Reconciliation Week	In Progress	▶	Planning for Reconciliation Week 2024 will commence in the next reporting quarter.	Community and Cultural Development Manager
1.1.1.b	Coordinate and promote a community program of activities and events for NAIDOC Week	In Progress	▶	NAIDOC Week 2023 For Our Elders was held 2-9 July 2023. The program listed 11 events and included Council facilitated events and events delivered by other agencies, namely Barkuma's NAIDOC Family Fun Day, Kiray Putjung Aboriginal Corporation Family Fun Day and artworks at Little Yengo Gallery Wollombi. In the next reporting quarter, planning for NAIDOC Week 2024 will commence.	Community and Cultural Development Manager
1.1.1.c	Engage with the community in reconciliation initiatives and in developing a next action plan	In Progress	▶	The development of the next reconciliation action plan is well underway and includes consulting with the Aboriginal and Torres Strait Islander Committee and local organisations.	Community and Cultural Development Manager

1.1.2: Develop and deliver programs to engage young people

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.1.2.a	Deliver inclusive programming for Council's Cessnock Youth Centre and Outreach Service (CYCOS) that engages and encourages young people to participate in a diverse range of social, recreational and educational activities and aligns with the Cessnock City Council Youth Engagement Strategy	In Progress	▶	The service is always considering new opportunities to engage young people in consultation and includes Youth Ambassadors. Additionally, the service has delivered a number of diverse youth outreach programs across the Cessnock Local Government Area.	Community and Cultural Development Manager
1.1.2.b	Deliver inclusive programming strategy through Cessnock Youth Centre and Outreach Service (CYCOS) that engages First Nations peoples, their	In Progress	▶	Recruitment has been completed for the Aboriginal Community Youth Worker position. Services have recommenced in accordance with	Community and Cultural Development Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	families and community groups to participate in a diverse range of social, recreational and educational activities			the NSW Department of Communities and Justice funding agreement.	
1.1.2.c	Continue working in partnership with external organisations to implement youth based community programs that promote and encourage health and wellbeing	In Progress	▶	Council's youth service, Cessnock Youth Centre and Outreach Service (CYCOS) always considers opportunities to deliver health and wellbeing initiatives and includes sessions delivered within school programs.	Community and Cultural Development Manager
1.1.2.d	Develop a 2024 Youth Week program that is inclusive, engaging and celebrates young people	In Progress	▶	Planning has commenced for Youth Week 2024.	Community and Cultural Development Manager
1.1.2.e	Promote and deliver diverse and inclusive activities including during school holidays engaging with children, young people and families across the Cessnock Local Government Area	In Progress	▶	The July and September school holiday program included events at Cessnock and Kurri Kurri Libraries, Council's Youth Service - Cessnock Youth Centre and Outreach Service (CYCOS) and Performance Arts Culture Cessnock (PACC). The December and January School Holiday program included activities for Christmas, including Carols in the Park.	Community and Cultural Development Manager
1.1.2.f	Further promote the positive image and value of young people and strengthen the presence of Cessnock Youth Centre & Outreach Service (CYCOS) within the community.  Targets: Rebranding of the service investigated in consultation with the community. Support the running of the Youth Ambassadors Group who work together to identify and inform program opportunities and decision making.	In Progress	▶	During the next reporting quarter Council's youth service, Cessnock Youth Centre and Outreach Service (CYCOS) will progress investigations for rebranding of the service.	Community and Cultural Development Manager

1.1.4: Develop and deliver a program of community and civic events

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.1.4.a	Coordinate and promote a community program of activities for the 2024 Cessnock City Seniors	In Progress	▶	Planning for the March 2024 Seniors Festival has commenced, and a funding grant was lodged in consultation with the Seniors Festival	Community and Cultural Development Manager

## OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	Festival			Reference Group. The grant application titled 'Reaching Beyond in the Five Ways to Wellbeing for Seniors Festival in Cessnock' was successful in being awarded \$9,000 from NSW Government Communities and Justice.	
1.1.4.b	Organise and deliver throughout December a diverse program of Christmas events engaging children, young people and families	Complete	✓	Carols in the Park sponsored by Cessnock City Council, Newcastle Permanent and Rover Motors was held 1 December and included a 14-piece band playing a number of favourite Christmas carols. The evening was well attended. Performance Arts Culture Cessnock also hosted JD's World of Magic and delighted audiences with an interactive display of magic, puppets and audience participation. In the lead up to Christmas, a number of children and young people activities were held at Cessnock and Kurri Kurri Libraries and Cessnock Youth Centre and Outreach Service.	Community and Cultural Development Manager

*1.2: Strengthening community culture*

## 1.2.1: Continue to promote the range of community services across the local government area

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.1.a	Update the Cessnock Local Government Area Community Directory and provide ongoing community awareness and promotion for the Community Events Calendar	In Progress	▶	A comprehensive update of the community directory to be further progressed in the next reporting quarter.	Community and Cultural Development Manager

## 1.2.2: Collaborate with the community to develop and deliver services

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.2.b	Be an active member of collaborative network groups that strive for inclusive, safer and healthier communities and in partnership with stakeholders deliver diverse and innovative community development initiatives	In Progress	▶	Unfortunately, Cessnock Walks Kawuma organised by the Cessnock Anti Violence Network and Council is a member was cancelled the day prior to the event due to inclement weather.	Community and Cultural Development Manager
1.2.2.c	Promote and administer Council's Community and Cultural Development Dollar for Dollar Grant	Complete	✓	The funding program is now called Community, Sporting and Environment Grant. The funding round opened August 2023 and applications	Community and Cultural Development Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	Scheme			closed 15 September 2023. The received applications were considered by Council's Community Engagement, Awards and Grants Committee and resolved at the Ordinary Council Meeting on 15 November. 7 community groups were awarded funding, and the total allocation was \$22,551.	

1.2.3: Continue implementation of the Community Infrastructure Strategic Plan

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.3.a	Liaise with community groups who operate from Council owned cultural facilities, to provide a welcoming, engaging, inclusive, safe and accessible environment	In Progress	▶	Engagement has occurred throughout the reporting period with volunteers from Marthaville Arts and Cultural Centre, Wollombi Cultural Centre and Richmond Main Preservation Society.	Community and Cultural Development Manager

1.2.4: Provide and manage a range of community, sporting and aquatic facilities

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.4.a	Complete refurbishment works for the creation of a cultural hub at Performance, Arts, Culture, Cessnock (PACC)	Complete	✓	All works have been completed and the launch of the refurbished Performance Arts Culture Cessnock (PACC) was held 13 October 2023. 'Artefact' was Performance Arts Culture Cessnock's inaugural exhibition and was attended by over 200 people. The collection celebrated the indelible artistic legacy of the late Uncle Les Elvin, and the work of four renowned artists, each with their own deep ties to the Wonnarua Nation and surrounding Country.	Community and Cultural Development Manager
1.2.4.b	Investigate and pursue funding opportunities for renewal works to the Kurri Kurri Library amenities and ensure the design informing future works provides for an accessible toilet	In Progress	▶	A detailed design has been prepared and a Development Application has been lodged. The design includes refurbishment of the amenities and the provision of an accessible toilet and small meeting space. The project has received funding via developer contributions.	Community and Cultural Development Manager
1.2.4.c	Deliver road safety education and awareness programs on identified road safety priorities under the joint Local Government Road Safety Program and CCC Road Safety Strategic Pan 2020-2024.	In Progress	▶	Programs in progress targeting Motorcycle Safety, Speed education on local roads, Fatigue awareness, holiday weekend Double Demerit periods, senior's road safety and safety around schools. Please note that on a calendar year reporting basis this objective is 100% complete	Infrastructure Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				however, the Local Government Road Safety Program which funds these projects operates and reports on a financial year basis and accordingly 50%.	
1.2.4.d	Promote and deliver Council's Dollar for Dollar programs to community groups including the eligibility criteria for infrastructure projects that seek to improve Council owned and/or managed community facilities to be welcoming, engaging, inclusive, safe and accessible	In Progress	▶	Round 2 of the Community Facilities Dollar for Dollar grant program will be advertised in February 2024 and all funds will be distributed before the end of the 2023-24 financial year.	Open Space and Community Facilities Manager
1.2.4.e	Prepare and submit applications for funding to improve and/or construct community, sporting and aquatic facilities	In Progress	▶	The following grant applications have been submitted this quarter with Council awaiting the outcome of the submissions. 1. NSW Department of Communities and Justice 2023 Community Building Partnership Program for a shade sail and water play elements at Bridges Hill Park (\$31,248) with a Council co-contribution of \$43,953. 2. Office of Sport Level the Playing Field Program for Kurri Kurri Netball Facility (\$1,898,400.00). If successful, the grant along with Council funds and Developer Contributions will fund the remaining key elements associated with the facility including the amenities building, carpark and landscaping. 3. NSW Office of Responsible Gambling's ClubsGRANTS Category 3 (Infrastructure Grant 2023/24) for the refurbishment of Ernie Dunlop Park Multipurpose Court (\$108,612) with a Council co-contribution of \$108,612.	Open Space and Community Facilities Manager
1.2.4.f	Support community groups to manage facilities in conjunction with Council by providing assistance and advice within resources where appropriate.	In Progress	▶	Assistance and support for the management of facilities includes meeting with Coalfields Historical Society at Abermain School of Arts about extending the perimeter of their short-term licence agreement to include the recently vacated back room/kitchen that was previously licenced to Hunter Area Health, discussions with Cessnock Basketball Association to enable improved access to Cessnock Civic Indoor	Open Space and Community Facilities Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				Sports Centre and liaising with Branxton Pre-school regarding access into the facility.	

1.2.5: Develop and implement adopted masterplans for community facilities

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.5.a	Continue to develop masterplan for community, sporting and aquatic facilities.	In Progress	▶	Council has progressed with the development of masterplans for Drain Sports Oval (Cessnock), Kurri Kurri Central Sports Precinct and Margaret Johns Park (Kurri Kurri). The draft masterplans for Drain Sports Oval and Kurri Kurri Central Sports Precinct are on public exhibition inviting submissions and will then be finalised. Initial community and stakeholder engagement for Margaret Johns masterplan has been conducted and a draft masterplan is expected to be placed on public exhibition in March/April 2024.	Open Space and Community Facilities Manager

1.2.6: Provide a variety of interment options to the community

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.2.6.a	Implement the Cessnock City Council Cemeteries Masterplan.	In Progress	▶	New boundary fencing has been installed at Cessnock and Branxton Cemeteries in line with the adopted masterplan.	Open Space and Community Facilities Manager

1.3: Promoting safe communities

1.3.1: Participate in collaborative partnerships to prevent crime

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.1.a	Collaborate through participation on the Cessnock City Liquor Accord and Community Safety Precinct Committee.	In Progress	▶	Collaboration with Cessnock City Liquor Accord on education programs targeting drink driving and alcohol related harm initiatives. Please note that on a calendar year reporting basis this objective is 100% complete however, the Local Government Road Safety Program which funds these projects operates and reports on a financial year basis and accordingly 50%.	Infrastructure Manager

1.3.2: Carry out regulatory and education programs to protect residential amenity and community health and safety

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.2.a	Assess requests for additional, changes to existing, and special event alcohol-free zones.	In Progress	▶	No requests for the month of December.	Infrastructure Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.2.b	Implement internal Road Safety in the Workplace training to improve health and safety through awareness and compliance with road rules	In Progress	▶	Messaging ongoing to staff for safe driving practices, road rule awareness and risk factors for road trauma.	Infrastructure Manager
1.3.2.c	Conduct two Graduated Licensing Scheme Workshops for supervisors and learners/drivers.	In Progress	▶	One workshop completed with second workshop scheduled for March 2024	Infrastructure Manager
1.3.2.d	Engage with Schools within the Cessnock LGA regarding road safety around schools.	In Progress	▶	Safety around school messaging provided at regular intervals to schools for parent/carer education, Collaboration with schools on specific issues ongoing.	Infrastructure Manager

1.3.3: Continue to comprehensively and professional process construction certificates and complying development certificates

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.3.a	Upon receipt of all required information, assess and determine Complying Development Certificate applications within 10 days and Construction Certificate applications within 25 days from the date of lodgement.	In Progress	▶	YTD (July 2023 - Dec 2023), Council has determined 120 Construction Certificates with an average of 19 calendar days (with stop the clock) CDC applications determined is 4 with average of 23 days.	Compliance Services Manager

1.3.4: Continue development and delivery of road safety projects under the local government program in line with Council's Road Safety Strategic Plan 2020-2024

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.4.a	Implement next steps of local government road safety project from the Road Safety Strategic Plan	In Progress	▶	Programs in progress targeting Motorcycle Safety, Speed education on local roads, Fatigue awareness, holiday weekend Double Demerit periods, senior's road safety and safety around schools. Please note that on a calendar year reporting basis this objective is 100% complete however, the Local Government Road Safety Program which funds these projects operates and reports on a financial year basis and accordingly 50%.	Infrastructure Manager

1.3.5: Improve the safety of the road network

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.5.a	Provide designs and documentation for traffic facilities and road works listed in the adopted Capital Works Program to improve the safety of the road environment.	In Progress	▶	Provision of designs and documentation for traffic facilities and road works ongoing. Currently at 50%.	Infrastructure Manager

## OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.3.5.b	On-going assessment of applications for Restricted Access Vehicle movements within the LGA.	In Progress	▶	Assessing all applications as they are submitted.	Infrastructure Manager
1.3.5.c	Research and respond to road safety and road engineering enquiries.	In Progress	▶	Response being provided as enquiries are being received.	Infrastructure Manager
1.3.5.d	Prepare reports for, and facilitate the Local Development Committee (Traffic).	In Progress	▶	No meeting required for the month of December.	Infrastructure Manager
1.3.5.e	Collaborate with partners to develop and maintain a public street lighting network to improve the safety of the road network.	In Progress	▶	All faults that are being reported are being investigated and actioned for maintenance.	Infrastructure Manager
1.3.5.f	Oversee the accelerated replacement of existing eligible street lights with energy efficient LEDs.	In Progress	▶	Due to be completed early 2024.	Infrastructure Manager
1.3.5.g	Fullfill legislative obligations as per the National Rail Safety Regulator in relation to road/rail interface within the Cessnock LGA.	In Progress	▶	All statutory requirements have been completed to this point.	Infrastructure Manager
1.3.5.h	Review Transport for NSW detailed crash/fatality reports and attend crash sites to assess potential associated road condition factors.	In Progress	▶	Nil fatal/serious injury detailed crash reports received this quarter.	Infrastructure Manager
1.3.5.i	Investigate and process invoices in relation to Public Lighting maintenance and electricity usage for public lighting within the road reserve.	In Progress	▶	All public lighting invoices for the month of October are paid and up-to-date.	Infrastructure Manager

*1.4: Fostering an articulate and creative community*

## 1.4.1: Develop and deliver the Performance, Arts, Culture, Cessnock season program

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.4.1.a	Deliver an engaging Performance, Arts, Culture, Cessnock (PACC) season with programming strategy that considers Councils community plans, diversity and inclusion	In Progress	▶	The 2023 Season Two program has attracted strong interest, and we have experienced sell out shows for a number of performances. The 2024 Season program was made available October and already there are 24 performances scheduled.	Community and Cultural Development Manager

## 1.4.2: Continue implementation of the priority projects from the Cessnock City Library Review, Report and Strategy (2014-2024)

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.4.2.a	Develop and promote Cessnock City Library digital services including 24/7 eBranch	In Progress	▶	Promotions of the 24/7 eBranch regularly occurs on the Library Facebook and in the Library e-newsletter. Awareness raising of the eBranch also occurs when engaging with community groups.	Community and Cultural Development Manager

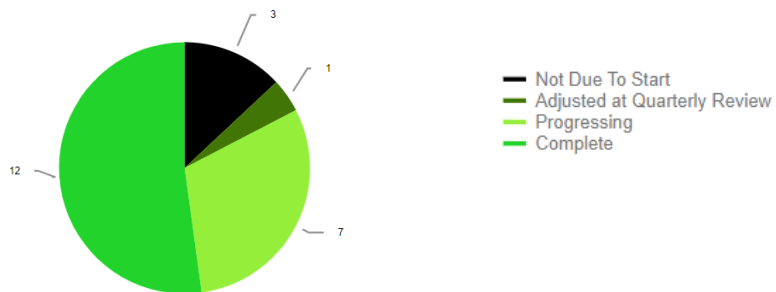
OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
1.4.2.b	Develop and deliver diverse and inclusive lifelong learning programs, arts and local history exhibitions at Cessnock Library and Kurri Kurri Library Branches	In Progress	▶	Lifelong learning programs, arts and local history exhibitions have been well received by the community. The Cessnock Library Branch curated an exhibition in the foyer commemorating 100 years since the 1923 Bellbird Mining Disaster. The Talking History Events 2024 - Local Studies program has been launched and the interest has been strong.	Community and Cultural Development Manager
1.4.2.c	Commence the development of the next Cessnock City Library Strategic Plan	In Progress	▶	An evaluation of the 2014-2024 Cessnock City Library Strategic Plan has occurred and will assist to inform the development of the next plan.	Community and Cultural Development Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

1: A connected, safe and creative community – Capital Works



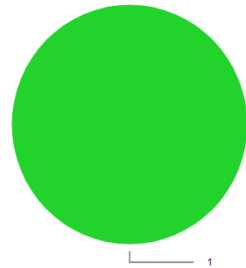
Community Buildings Construction Program (CBC)



Project ID	Project Name	Action Progress	Progress	Comments
CBC-2022-004	new rural fire station - Millfield	Adjusted at Quarterly Review	✘	Removed by council resolution
WDC-2023-001	extend administration building - council works depot	Complete	✔	Project complete

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Cemeteries Facilities Construction Program (CFC)

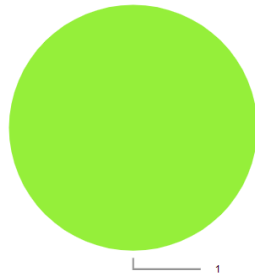


— Complete

Project ID	Project Name	Action Progress	Progress	Comments
CFC-2024-001	Cessnock Cemetery Fence	Complete	✓	Boundary fencing at Cessnock Cemetery is complete.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Library Books

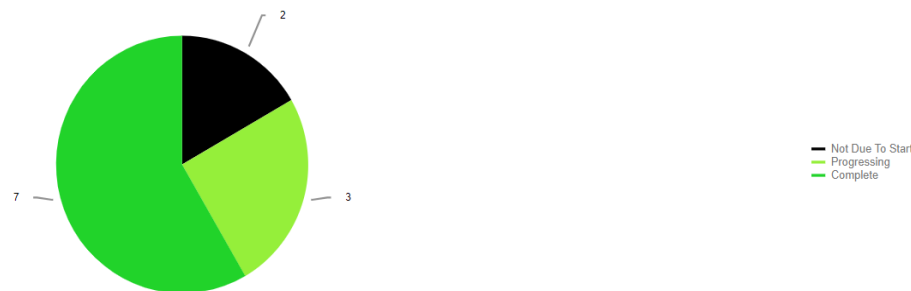


Progressing

Project ID	Project Name	Action Progress	Progress	Comments
CL-2023-001	library books - Cessnock Library	Progressing	▶	Library book purchases are made throughout the year in accordance with the Library Management System and customer feedback.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Cultural & Community Buildings Renewal Program (RBC)

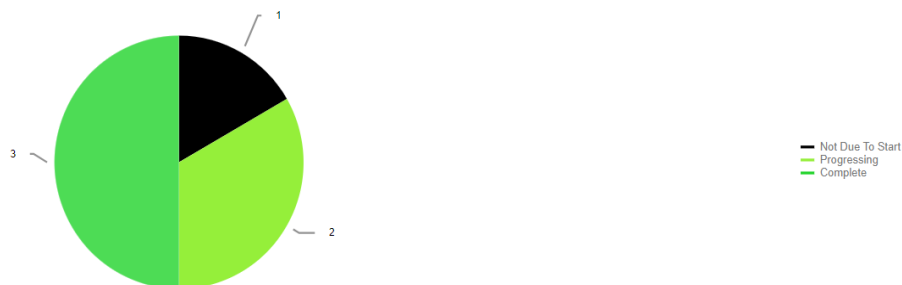


Project ID	Project Name	Action Progress	Progress	Comments
RBC-2022-005	refurbishment - Performance Art Culture Cessnock	Complete	✓	Refurbishment works at Performance Arts Culture Cessnock complete, and the launch of the new spaces occurred 13 October 2023.
RBC-2022-007	Rural Fire Service facility upgrades and extensions - various building	Complete	✓	Upgrades to Laguna and Bucketty Rural Fire Service Stations are complete.
RBC-2022-008	LED lighting - Performance Art Culture Cessnock	Complete	✓	The LED lights have been installed.
RBC-2023-002	flooring - Bellbird Community Hall	Progressing	▶	A preferred contractor has been engaged. The replacement of Bellbird Hall flooring is due to commence in February 2024.
RBC-2023-005	painting - various community buildings	Complete	✓	External painting of Abermain Plaza Hall is complete.
RBC-2023-006	new airconditioning - Branxton Hall	Complete	✓	New ducted air conditioning has been installed at the hall.
RBC-2023-018	deck replacement - Richmond main administration building	Not Due To Start	▶▶	The project is not due to commence until quarter 3.
RBC-2023-019	renewal program - various community and cultural buildings	Complete	✓	An upgrade to Kearsley Community Hall male bathroom is complete.
RBC-2024-001	air conditioning renewal and replace - Performance Art Culture Cessnock	Complete	✓	Air conditioning renewal and replacement at Performance Art Culture Cessnock occurred September 2023 and all works are complete.
RBC-2024-003	Kitchen upgrade - Pokolbin Community Hall	Progressing	▶	Designs have been completed and kitchen appliances procured however works are not due to commence until the New Year

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
RBC-2024-004	roof replacement - Richmond Main	Not Due To Start	▶▶	Not due to commence until quarter 3.
RBC-2024-10	VRA improvements and demolition - Kurri Kurri	Progressing	▶	Demolition of car ports is complete. The contract has been awarded for carpark, building and kitchen works.

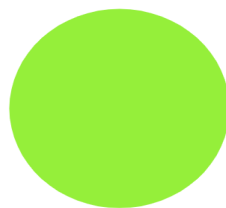
Recreation Buildings Renewal Program (RBR)



Project ID	Project Name	Action Progress	Progress	Comments
RBR-2022-001	grandstand seat replacement - Baddeley Park Cessnock Sports Ground	Complete	✓	Grandstand replacement seating is complete.
RBR-2023-001	Wollombi Tennis Insurance Works	Complete	✓	The project aimed to renew the tennis clubhouse following flooding in July 2022. The flooding resulted in damage to appliances, electrical wiring, flooring, kitchen and plasterboard. The project is now complete.
RBR-2024-001	tennis clubhouse improvements - Mulbring Park	Progressing	▶	Upgrade works are progressing including the installation of a new air conditioner, kitchenette upgrade, painting and window coverings.
RBR-2024-005	roof replacement/painting fascia gutter, eaves, posts, doors - Turner Park Aberdare	Complete	✓	The roof replacement at Turner Park is complete.
RBR-2024-008	roof ventilation remediation and automated rollers - Cessnock Civic Indoor Sports Centre	Progressing	▶	Designs are currently being prepared to improve roof ventilation and procurement has commenced for blinds on the windows.
RBR-2024-009	toilet block renewal - Booth Park, Kurri Kurri	Not Due To Start	▶▶	Scope of works is currently being developed. Works are not due to commence until quarter 3.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Pools Facilities Renewal Program (RFP)



— Progressing

Project ID	Project Name	Action Progress	Progress	Comments
RFP-2022-001	aquatic facilities renewal program - various swimming centres	Progressing	▶	A number of works are underway, a contractor has been engaged to complete sand filter and laterals at Kurri Kurri Aquatic Fitness Centre, a new dosing unit is also proposed to be installed in the New Year. Contractors have also been engaged for the installation of lifeguard stations at Cessnock and Branxton pools, to be installed in the New Year.

2: A sustainable and prosperous economy

2.1: Diversifying and growing our economy

2.1.1: Identify opportunities and advocate for economic development and infrastructure funding

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.1.1.a	Undertake research for economic analysis and reporting, prepare publications, submissions, and discussion papers and collate economic development information pertaining to major funding attraction.	In progress	▶	The Advance Greater Cessnock eNews is sent out to 4500 business related recipients fortnightly. Critical business alerts and updates have been sent out to our business database when appropriate. Some examples of business alerts include but not limited to bushfire recovery correspondence, flood recovery grants, multiple tourism campaigns. Other information provided in the eNews included promotion of the Hunter Valley business events, grants and funding opportunities, Cessnock City Council Support Local Program competition, local business	Economic Development & Tourism Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				profiles, training opportunities and business development opportunities.	
2.1.1.b	Complete the construction of the Hunter Valley Visitor Information Centre (VIC) Park and Landscaping Plan using Resources for Regions grant funding.	Complete	✓	The Awning construction has been completed in accordance with DA 8/2022/627/1 and Construction Certificate Application Number 10/2022/627/1. The Amphitheatre and Park works are complete with the opening event held on 9 Dec 2023	Economic Development & Tourism Manager
2.1.1.c	Develop a business case for the repurpose of the former Richmond Main Colliery site to determine if the site has the potential to generate revenue.	In progress	▶	A report is currently being drafted outlining viable future options for the former Richmond Main Colliery site. The report is planned to be presented to the Executive leadership Team in March 2024.	Economic Development & Tourism Manager
2.1.1.d	Submit a minimum of three grant applications that align with the Cessnock City Council Economic Growth Agenda and social priorities for the community.	In progress	▶	Council has been successful in receiving a NSW Government Resources for Regions Program grant for the Visitor Information Centre Park (\$602,421) and been successful in receiving a \$4.2m grant for flood improvements to Thomas Street, North Rothbury and progressed to stage 2 of the Growing Regions grant for Wollombi Rd upgrade project. Two applications Regional Precincts Partnership Program are also being progressed.	Economic Development & Tourism Manager

2.1.2: Continue to implement the Business Investment Attraction Program

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.1.2.a	Collaborate with Advance Greater Cessnock partners and the NSW Investment Concierge Service to facilitate and accommodate investment leads.	In progress	▶	Council completed an Investment Attraction Workshop with the Department of Regional NSW to identify opportunities to attract niche and valuable businesses to the Cessnock LGA that align with the Greater Cessnock Jobs Strategy. The Economic Development and Planning Teams have assisted multiple organisations with investment attraction inquiries.	Economic Development & Tourism Manager
2.1.2.b	Use the Investment Attraction Suite and Advance Greater Cessnock Website to promote greater Cessnock as a viable and profitable location to	In progress	▶	The Greater Cessnock Investment Attraction Suite and Economic Advocacy Agenda have been updated and placed on Councils website. Council are undertaking an Advance Greater	Economic Development & Tourism Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	establish a new business or to grow an existing business.			Cessnock website refresh to improve the user experience and improve investment attraction.	
2.1.2.c	Provide an investment attraction concierge service as detailed in the Greater Cessnock Investment Prospectus to facilitate and accommodate investment leads and to assist businesses in establishing a new business.	In progress	▶	Council provides business support information and investment attraction documents on the Advance Greater Cessnock website, provides free economic and social demographic data to the community via the idcommunity website and REMPLAN website and works with the Department of Regional NSW to progress investment leads. A personalised investment attraction services has been provided to business owners and the Department of Regional NSW who are seeking investment within the Cessnock local government area. Areas of interest for investors have been at Cessnock Airport, in tourism infrastructure, tourism accommodation, retail and manufacturing.	Economic Development & Tourism Manager

2.1.3: Provide support for activation of commercial centres, business engagement, promotion and support of business growth

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.1.3.a	Support Advance Cessnock City partnership through providing economic development grants and sponsorship for projects which improve the business environment, build capacity and capabilities amongst businesses, stimulate investment, enterprise and job creation as well as enhance the city's image.	Complete	✓	Ten Advance Greater Cessnock Partners projects have been funded by Council to the value of \$125,000 under the Economic Development Grants and Sponsorship Program. These projects include event sponsorship, Town Coordinator funding, Kurri Kurri Visitor information Centre financial support, business support training and business awards sponsorship.	Economic Development & Tourism Manager
2.1.3.b	Support and nurture existing economic activity in the Cessnock local government area by running 10 Support Local campaigns to boost local spending and increase engagement with local businesses.	In progress	▶	Council have run 6 'Support Local' competitions, ads campaigns and business stories, with \$500 in monthly prizes awarded in prizes to winners. Support Local & Product Champion promotions were made on the <a href="http://www.advancecessnock.com.au">www.advancecessnock.com.au</a> website and @advancecessnock social media channels. A Business Toolkit to promote Supporting Local Businesses has been produced and is now	Economic Development & Tourism Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				available online at <a href="http://www.advancecessnock.com.au">www.advancecessnock.com.au</a> .	
2.1.3.c	Using bushfire recovery funding construct a new aircraft apron at Cessnock Airport that will allow activation of commercial land at the Western Airport Terminal.	Complete	✓	The RFS Aviation Fire Base taxiway and hardstand detailed designs have been completed. The tender value to complete the works were in excess of the funding available and for this reason the project has been cancelled due to a lack of funding.	Economic Development & Tourism Manager

2.2: Achieving more sustainable employment opportunities



2.2.1: Develop and communicate employment related information to businesses

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.2.1.a	Provide monthly Advance Greater Cessnock business news updates, provide critical and relevant information to businesses via the Advance Greater Cessnock website	In progress	▶	The Advance Greater Cessnock eNews is sent out to 4500 business related recipients fortnightly. Critical business alerts and updates have been sent out to our business database when appropriate. Some examples of business alerts include but not limited to bushfire recovery correspondence, flood recovery grants, multiple tourism campaigns. Other information provided in the eNews included promotion of the Hunter Valley business events, grants and funding opportunities, Cessnock City Council Support Local Program competition, local business profiles, training opportunities and business development opportunities.	Economic Development & Tourism Manager


2.2.2: Create a skilled and employment ready workforce

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.2.2.a	Use the Greater Cessnock Jobs Strategy 2036, employment data and collaboration to support local Job Active Service Providers to improve employment and training outcomes.	In progress	▶	The following actions are being progressed from the Greater Cessnock Jobs Strategy 2036: - Council provides the Advance Cessnock City Website to promote local employment opportunities - A monthly Support Local campaign is being delivered with \$500 in prizes being given away to support business	Economic Development & Tourism Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				<ul style="list-style-type: none"> <li>- Two rounds of the Visitor Economy Grants and Sponsorship Program are being run</li> <li>- A proposed amendment to the Cessnock LEP has been drafted to make event approvals more efficient</li> <li>- An investment attraction workshop was held with the Department of Regional NSW to identify niche business opportunities within the Cessnock LGA</li> <li>- Advocacy for additional bus services between Cessnock and Branxton are being progressed</li> </ul>	
2.2.2.b	Deliver the Employment Shuttle Service - Cessnock to Wine Country utilising Resources for Regions Grant Funding	At risk		The proposed Job Shuttle project was unable to proceed and the funding has been redirected to the Branxton Town Centre upgrade project. An advocacy document is being developed to seek additional Transport for NSW bus services between Cessnock and Branxton via Wine Country.	Economic Development & Tourism Manager
2.2.2.c	Communicate training and skill development opportunities to the community via the Advance Greater Cessnock website, Advance Greater Cessnock Business eNews Letter and other available media channels.	In progress		The Advance Greater Cessnock eNews is sent out to 4500 business related recipients fortnightly. Critical business alerts and updates have been sent out to our business database when appropriate. Some examples of business alerts include but not limited to bushfire recovery correspondence, flood recovery grants, multiple tourism campaigns. Other information provided in the eNews included promotion of the Hunter Valley business events, grants and funding opportunities, Cessnock City Council Support Local Program competition, local business profiles, training opportunities and business development opportunities.	Economic Development & Tourism Manager

2.2.3: Provide and promote graduate, apprenticeship and traineeship programs with Council

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.2.3.a	Continue to implement the graduate, trainee and apprenticeship framework	Complete		Recruitment for apprentices, trainees and graduate positions commenced in September 2023 and were finalised in December 2023.	People and Culture Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				There are 11 positions in total for 2024 with four (4) of the positions being new to the structure. There are three (3) apprentices, two (2) trainees, two (2) school-based trainees and four (4) undergraduates.	

2.3: Increasing tourism opportunities and visitation in the area

2.3.1: Collaboratively identify markets and promote the local government area's tourism industry

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.3.1.a	Deliver the Cessnock City Council related actions generated from the Hunter Valley Wine Tourism Alliance.	In progress	▶	<p>Alliance meetings have been held on 14 Aug 2023 and 20 Nov 2023. Projects progressed by the Alliance include:</p> <ul style="list-style-type: none"> <li>- Advocating for improved mobile and internet connectivity</li> <li>- Hunter Valley Monopoly has been completed and delivered for sale</li> <li>- Successful grant funding application by Cessnock City Council relating to tourism include \$602,421 for the Visitor Centre Park and \$341,249 for an All Abilities Hot Air Balloon.</li> <li>- Shiraz to Shore Cycle Trail concept planning is being completed.</li> </ul>	Economic Development & Tourism Manager
2.3.1.b	Provide a joint tourism service with Hunter Valley Wine and Tourism Association that provides destination marketing and in destination tourism services for the benefit of regional tourism.	In progress	▶	<p>Council and Hunter Valley Wine and Tourism Association are progressing the following projects in collaboration:</p> <ul style="list-style-type: none"> <li>- Advocating for improved mobile and internet connectivity</li> <li>- Hunter Valley Monopoly has been completed and delivered for sale</li> <li>- The \$602,421 Visitor Centre Park has been constructed</li> </ul>	Economic Development & Tourism Manager

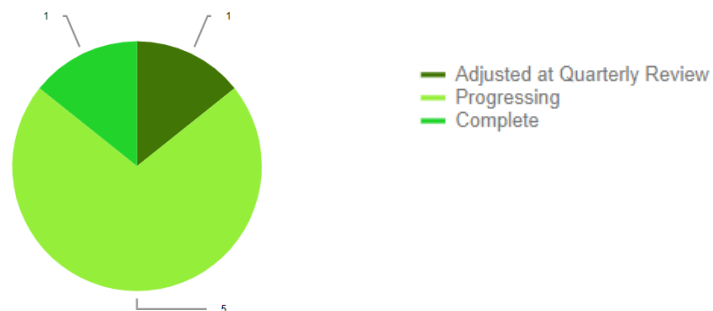
OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				- The \$341,249 All Abilities Hot Air Balloon has been built and delivered - Membership services and destination marketing are being completed within the allocated budget	
2.3.1.c	Deliver the priority actions from the Hunter Valley Destination Management Plan using budgeted resources.	In progress	▶	The \$341,249 Accessible Hot Air Balloon project was successfully completed and launched on 27 September 2023.	Economic Development & Tourism Manager
2.3.1.d	Maintain and grow Council's tourism and business image library to allow for effective promotion of tourism products and business offerings.	In progress	▶	Council have funded the creation of 40 business videos using grant funding and created All Abilities Hot Air Balloon video and still images to promote the all abilities tourism product.	Economic Development & Tourism Manager

2.3.2: Promote and grow the Hunter Valley Visitor Information Centre

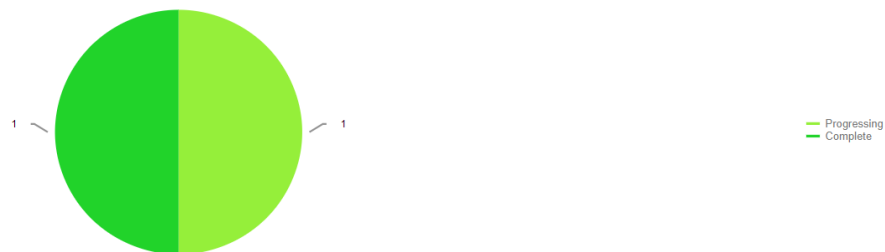
Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
2.3.2.a	Provide quality visitor services to Level 1 Accreditation standards for 364 days a year.	In progress	▶	The Hunter Valley Visitor Information Centre holds current accreditation as a NSW Visitor Information Centres. Council is providing visitor services in accordance with accreditation standards for 364 days a year.	Economic Development & Tourism Manager
2.3.2.b	Promote and sell Hunter Valley products through the Hunter Valley Visitor Information Centre Gift Shop.	In progress	▶	Hunter Valley Visitor Information Centre Shop sales are currently above the budgeted value	Economic Development & Tourism Manager
2.3.2.c	Promote and sell Hunter Valley experiences through the Hunter Valley Visitor Information Centre booking system.	In progress	▶	Hunter Valley Visitor Information Centre is utilising the experience and accommodation booking system to satisfy customer needs. Sales are progressing as planned.	Economic Development & Tourism Manager

2: A sustainable and prosperous economy – Capital Works



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

*Branxton Town Centre Program (CTB)*



Project ID	Project Name	Action Status	Status	Comments
CTB-2021-001	upgrade - Branxton Town Centre: stage 2	Complete	▶	Construction completed, project closure process commenced.
CTB-2023-001	Church Street to Anvil Creek Bridge North Side - Branxton Town Centre	Progressing	▶	Investigation and planning for the project has commenced.

*Kurri Kurri Town Centre Program (CTK)*

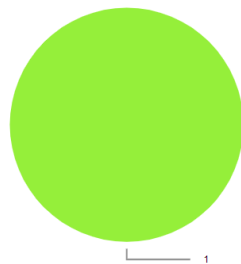


Project ID	Project Name	Action Status	Status	Comments
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OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

CTK-2020-001	upgrade commercial centre: associated roadworks - phase 2 detailed design - phase 3 construction Kurri Kurri Commercial Centre	Progressing	▶	Commenced design.
CTK-2021-001	associated road works: - stage 1 Lang Street Kurri Kurri	Progressing	▶	Works continued along Lang Street Stage 1.2, including paving, kerbing of median and flower beds, excavation of footpath in front of Kurri Kurri Hotel.
CTK-2023-001	park beautification - Col Brown Rotary Park Kurri Kurri	Adjusted at Quarterly Review	✂	Removed by Council resolution

Cessnock Civic Precinct Revitalisation Program (RCC)



— Progressing

Project ID	Project Name	Action Status	Status	Comments
RCC-2022-001	Civic Precinct Upgrade: stage 2 (library shared zone) - Cessnock CBD	Progressing	▶	Outstanding scope item is the shared zone (vehicles & pedestrians) at the bottom of the laneway and has been slower progress due to consultation with private property owners.

Visitors Information Centre

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL



Progressing

Project ID	Project Name	Action Status	Status	Comments
VIC-2024-001	Park project - retaining wall and concrete path: Hunter Valley Visitors Information Centre	Progressing	▶	The Awning construction has been completed in accordance with DA 8/2022/627/1 and Construction Certificate Application Number 10/2022/627/1. The Amphitheatre and Park works are complete with the opening event held on 9 Dec 2023.

### 3: A sustainable and healthy environment

#### 3.1: Protecting and enhancing the natural environment and the rural character of the area

##### 3.1.1: Finalise Cessnock City Planning Strategy and commence implementation

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.1.a	Continue the planning for the Nulkaba Urban Investigation Area	In progress	▶	Community engagement for Social Impact Assessment ongoing.	Senior Strategic Planner
3.1.1.b	Continue review of Cessnock LEP 2011.	In progress	▶	Traffic and Transport investigations nearing completion.	Senior Strategic Planner
3.1.1.c	Continue review of the Cessnock DCP 2010 chapters.	Complete	✓	Heritage amendment pending finalisation	Senior Strategic Planner

##### 3.1.2: Undertake a strategic land use review of the urban villages in the local government area

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.2.a	Great North Road Conservation Management Plan	Complete	✓	Carry over from 2022/2023 Operational Plan - to be removed	Senior Strategic Planner

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

3.1.3: Progress the review of land use planning controls within the vineyard district

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.3.a	Progress the Vineyards Planning Proposal (including DCP) and Place Strategy.	In Progress	▶	PDG inception meeting held 30 November 2023	Senior Strategic Planner

3.1.4: Continue implementation of the Biodiversity Strategy and manage Council's environmental assets

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.4.a	Implement biodiversity education programs	In Progress	▶	Planning for the 2024 Bushland Festival has commenced with a number of key sponsors onboard. Landcare projects in Greta, Paxton and Bridges Hill have commenced with action plans being developed for implementation in 2024. Staff will commence the planned review of the Biodiversity Strategy based on resourcing availability.	Environment and Waste Services Manager
3.1.4.b	Implement the Cessnock City Council Tree Strategy.	In Progress	▶	The Tree Strategy was used to inform the Preliminary Engineering Scope for the Wollombi Rd Upgrade Project, ensuring that existing street trees are maintained where kerb remains unchanged and informing the new street tree species in Bellbird and Cessnock Townships.	Open Space and Community Facilities Manager
3.1.4.c	Update standard conditions of development consent and roadside drainage elements in Engineering Requirements for Development.	In Progress	▶	Review commenced and significant progress made towards completion.	Infrastructure Manager

3.1.5: Continue the implementation of the Climate Change Resilience Plan

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.5.a	Continue to work on energy efficiency of Council facilities under the Revolving Energy Fund	In Progress	▶	A new combined council's electricity contract with Red Energy has been secured for streetlighting and large council owned sites such as the administration building and works depot. The new contract will commence in July 2024 and continue until 2032 resulting in considerable cost savings when compared to current costs. Efforts have also been made in the EV charging space with locations anticipated at Bridges Hill and the Performing Arts Centre.	Environment and Waste Services Manager
3.1.5.b	Continue the implementation of the Climate Change Resilience Plan	In Progress	▶	The Hunter Joint Organisation Landfill Emissions Working Group have engaged consultants to set project boundaries and develop a regional framework to provide	Environment and Waste Services Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				consistency in landfill gas measurement across the region (action W5). Revolving Energy Fund guidelines drafted for organisational review (actions CP11 &12). Liaising with Strategic Planning regarding purchase of an electric mower (action FP5). Supporting education of relevant staff about the transition to an electric vehicle fleet (action FP1).	

3.1.6: Manage the risk and improve resilience to extreme weather events, flooding, bushfires, mine subsidence and land contamination

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.6.a	Facilitate Council's Floodplain Management Committee.	In Progress	▶	Next meeting scheduled for early 2024.	Infrastructure Manager
3.1.6.b	Continue former waste sites contaminated land program to determine Councils remediation strategy with key stakeholders including risk and financial impacts	Not Due To Start	▶▶	Flood risk modification strategies/projects are still being determined as part of the Greta Floodplain Risk Management Study & Plan (FRMSP) Project. The Greta FRMSP is due to be completed mid 2024.	Environment and Waste Services Manager
3.1.6.b	Implement high priority projects from the Greta/Anvil Creek Flood Study including investigation of flood mitigation works.	In Progress	▶	Flood risk modification strategies/projects are still being determined as part of the Greta Floodplain Risk Management Study & Plan (FRMSP) Project. The Greta FRMSP is due to be completed by mid 2024.	Infrastructure Manager
3.1.6.c	Continue the review of the Infrastructure Plan to suit planned expansion of new infrastructure for future development in collaboration with Strategic Planning.	In Progress	▶	Ongoing collaboration with Strategic Planning.	Infrastructure Manager
3.1.6.d	Seek funding for delivery of Floodplain Management Program	In Progress	▶	Planned delivery of projects to get flood plain plans endorsed by DPIE so grant applications can be made, see project updates.	Infrastructure Manager
3.1.6.e	Investigate and design high priority works identified in the Stormwater, Waterway and Floodplain Strategy.	In Progress	▶	Collected data is being reviewed, recorded and compared to determine a prioritisation of flood issues within the LGA that is then integrated to	Infrastructure Manager

## OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				all flood plain risk management projects for detailed investigation.	
3.1.6.f	Manage declared dams in accordance with NSW Dams Safety legislation.	In Progress	▶	All statutory requirements have been completed to this point.	Infrastructure Manager
3.1.6.h	Contribute to assessing the flood impacts of development.	In Progress	▶	All applications for flood certificates related to proposed development are being assessed as they are submitted.	Infrastructure Manager
3.1.6.i	Raise community awareness about the implications of developing flood impacted land through the availability of information on Council's website and Planning Certificates.	In Progress	▶	All requests for flood certificates are being assessed and closed out as they are received.	Infrastructure Manager

## 3.1.7: Protect and enhance the natural environment and environmental health

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.1.7.a	Inspect commercial and residential on-site sewerage management systems in accordance with risk based priority routine inspection program.	In Progress	▶	Council has completed (84%) of the scheduled routine inspections for December with 97% of inspections scheduled YTD completed meeting the base target rate of >80%.	Compliance Services Manager
3.1.7.b	Conduct routine inspection of all food and regulated premises, including public pools and skin penetration premises in accordance with the NSW Food Authority Partnership and relevant legislative requirements.	In Progress	▶	Council has completed 55% of the annual scheduled food, pool and skin penetration inspections (YTD)	Compliance Services Manager
3.1.7.c	Implementation of Council's invasive weed species management program including the Regional Weeds Action Plan	In Progress	▶	While the works involving the Regional Weeds Action Plan continued this quarter, changes in staff and resource availability has resulted in further progress being delayed. The program is scheduled to recommence in mid 2024.	Environment and Waste Services Manager
3.1.7.d	Continue community engagement and education relating to environmental initiatives	In Progress	▶	18 schools have registered their interest in the school education campaign for 2024. The Smarter Kitchens food waste minimisation program was recently launched in November with interest and publicity via NBN news.	Environment and Waste Services Manager
3.1.7.e		In Progress			

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	Support environment and sustainability community groups within the LGA to implement awareness and on-ground projects		▶	Round 1 of Sustainable Communities grants have been distributed to Greta and North Rothbury Tidy Towns groups (round 2 will open at end January). Council was successful at the recent Sustainable Communities (Tidy Towns) Awards to receive 3 awards including one of the finalist in the overall winners category. A very successful native plant and compost giveaway was held in September with 1000 native tube stock and 160 bags of compost given away in 1 hour. Due to the unexpected popularity of this event, planning and improvements are underway for the next event to provide greater accessibility and availability for residents.	Environment and Waste Services Manager

3.2: Better utilisation of existing open space

3.2.1: Continue to implement the Recreation and Open Space Strategy 2019

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.2.1.a	Continue implementation of the recommendations from the Recreation & Open Space Strategic Plan 2019.	In Progress	▶	The Recreation and Open Space Strategic Plan (2019) continues to be used to guide decisions and negotiations regarding open space across the LGA. Council has commenced the development of a Tennis Strategy which aims to provide a clearer understanding of our tennis facilities, ensuring provision meets the needs of the City's growing population. The first stage of community and stakeholder engagement has concluded, and the draft strategy will be exhibited in April/May 2024.	Open Space and Community Facilities Manager
3.2.1.b	Implement Off Leash Dog Exercise Area Strategy.	Complete	✓	A new fenced Off Leash Dog Exercise Area (OLDEA) has been created at Greta Central Oval. The project was funded through the NSW Government's Stronger Country Communities (Round 5) and has been well received by the local community. The OLDEA includes fencing with entry gates, landscaping, picnic shelters, seating, water fountain, bin and dog agility equipment.	Open Space and Community Facilities Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.2.1.c	Progress Civic Park project to consolidate Council land and create a large development for adaptive reuse.	In Progress	▶	Action has been impacted by discovery of underground fuel tanks on site. These have now been removed with final demolition of existing buildings expected to be completed in January 2024.	Chief Financial Officer
3.2.1.d	Implement Skate and BMX Strategy	In Progress	▶	Detailed Designs for Cliftleigh Meadows Skatepark are being finalised. A concept plan and detailed designs for Bridges Hill Skatepark have been finalised and construction will begin on the skatepark upgrade early in the New Year. The tender for the construction of Cessnock Regional Skatepark has been awarded with construction beginning in June 2024 at Mount View Park, Cessnock.	Open Space and Community Facilities Manager
3.2.1.e	Develop Generic Plan of Management for Parks	In Progress	▶	Council has commenced developing a Draft Plan of Management (Parks). A planning framework has been developed and initial review of reserves has been undertaken. A Draft Plan of Management (Parks) will be provided to Crown Lands for review prior to July 2024.	Open Space and Community Facilities Manager

3.2.2: Develop and update Plans of Management

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.2.2.a	Develop and update Plans of Management.	In Progress	▶	Council's Draft Generic Plan of Management - General Community Use is with Crown Lands for review. Once Crown Land approval is granted, the Draft Plan will be placed on public exhibition for a minimum of 42 days inviting public submissions. A report on the outcomes of the public exhibition will then be provided to Council seeking adoption of the Plan of Management. Council has commenced developing the Draft Generic Plan of Management (Parks).	Open Space and Community Facilities Manager

3.2.3: Continue to implement the adopted masterplans for Council's recreation and community facilities and spaces

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.2.3.a	Continue to implement the adopted masterplans for Council's recreation and community facilities spaces.	In Progress	▶	A new multipurpose court and hit up wall has been completed at Carmichael Park, Bellbird. Stage 2 of the new regional BMX facility has	Open Space and Community Facilities Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				also been completed in line with the Carmichael Park Masterplan. Detailed design and construction drawings have been developed for new amenities buildings at Greta Central Oval (for the Pony Club and rugby league). Council staff are currently awaiting the outcome of a funding submission for upgrades to Kurri Kurri Central Sports Oval including field renovations, storage and amenity improvements.	
3.2.3.b	To benefit local sporting associations and community service groups, develop and establish a procedural framework for granting long-term tenure of land and facilities designated for community use.	Complete	✓	The Executive Leadership Team has approved the framework to determine equitable licence arrangements for licencing arrangements.	Chief Financial Officer

3.2.4: Provide and maintain recreation facilities, streetscapes and public open space

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.2.4.a	Undertake routine maintenance in accordance with available resources and schedules.	In Progress	▶	The Parks and Reserves teams have been busy mowing the quick growing grass in our parks across the LGA. The crews have been involved in laying of turf in some of the completed projects such as the multipurpose courts at George Jeffreys Park Kearsley, Carmichael Park Bellbird and Miller Park Branxton. The Sports Field crew has been busy repairing irrigation on fields and keeping the systems operating efficiently. They have also been spraying fields for insects as the hot weather has increased the insect hatch. The Maintenance crew has been busy with funerals and ongoing plaque placements and have also repaired a lot of fences and bollards around the parks as well as vandalism repairs.	Open Space and Community Facilities Manager
3.2.4.b	Asset Management Plans for Buildings and Open Space are updated	In Progress	▶	Currently being reviewed and finalized for review of draft. In progress and on track for completion by June 2024	Asset Planning Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

3.3: Better resource recovery and waste management

3.3.1: Continue to develop and maintain Council's Waste Management Centre

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.3.1.a	Design a permanent Administration and Education Centre, including staff amenities, for the waste transfer station and landfill operation	In Progress	▶	A design consultant has been engaged with initial draft plans anticipated by early Jan 2024. Preparations for the new building are being undertaken in conjunction with the new landfill extension project that is progressing to commence mid 2024.	Environment and Waste Services Manager

3.3.2: Continue landfill extension project

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.3.2.a	Continue management of Biodiversity Offset area for the landfill extension project	In Progress	▶	The next stage of remediation of the Biodiversity Offset Area at the CWMC is nearing completion which involves the demolition of dilapidated structures on the land, weed management and removal of contaminated materials from the site. Council have engaged contractors to undertake routine environmental management works within the area in accordance with the management plan.	Environment and Waste Services Manager
3.3.2.b	Continue preparation of landfill extension area to access operational cover material for landfill	In Progress	▶	Works have been progressing that utilises suitable material from the new landfill extension area to be used for operational needs at the current landfill area.	Environment and Waste Services Manager

3.3.3: Continue implementation of projects from the Waste and Resource Recovery Strategy 2020-25

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.3.3.a	Continue to appropriately manage problem wastes to reduce potential pollution to the environment	In Progress	▶	The Community Recycling Centre is critical to council managing problem wastes such as household chemicals and oils, tyres, mattresses and batteries. A new Operational Deed of Agreement has been signed with the NSW EPA to continue this vital community service. Planning is underway to host the next Household Chemical Clean out in early 2024	Environment and Waste Services Manager
3.3.3.b		In Progress			

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	Develop policies and procedures to increase the efficiency of waste services		▶	Council continues its daily waste and resource recovery services in line with the Waste and Resource Recovery Strategy including by not limited to; education programs focusing on waste avoidance, continuation of the Community Recycling Centre for problem wastes and initiatives to divert waste from landfill.	Environment and Waste Services Manager
3.3.3.c	Continue to appropriately manage problem wastes to reduce potential pollution to the environment. Task: Review soil acceptance and classification requirements for landfill disposal on our site. (100%)	In Progress	▶	The Community Recycling Centre is critical to council managing problem wastes such as household chemicals and oils, tyres, mattresses and batteries. A new Operational Deed of Agreement has been signed with the NSW EPA to continue this vital community service.	Environment and Waste Services Manager

3.3.4: Continue to provide an efficient and effective Waste Management Service

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.3.4.a	Continue to implement a waste avoidance and reuse community engagement program targeting attitudes to consumption	In Progress	▶	The 2024 education program 'Less is More' has been finalised and will commence publication to the community early 2024. Staff have presented at the recent Tourism Industry Forum promoting the use of reusable materials (such as transitioning away from single use or plastic disposable products) at local events in 2024. Planning and preparations are underway for a local Textile Recovery Hub with more information to follow in the new year.	Environment and Waste Services Manager
3.3.4.b	Manage the organics contract and work with Solo and regional partners to deliver kerbside organics collection	In Progress	▶	Staff are working with neighbouring councils to continue the progress on the delivery of kerbside Food Organics / Garden Organics (FOGO) which is scheduled to commence in 2025.	Environment and Waste Services Manager
3.3.4.c	Work with HRR to deliver the kerbside recycling collection	In Progress	▶	The ACCC have approved the joint procurement of recycling processing in the Hunter (HRR councils plus Dungog, Muswellbrook and Upper Hunter councils) for a period of 23 years. Draft tender documents are expected early in 2024	Environment and Waste Services Manager
3.3.4.d	Operate the Cessnock Waste Management Centre in accordance with the Environment Protection	In Progress	▶	The CWMC has a strong track record of achieving environmental compliance in relation to its NSW EPA Environmental Protection	Environment and Waste Services Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
	Licence and relevant legislation and to encourage resource recovery			Licence. The Community Recycling Centre continues to be supported and provides valuable resource recovery opportunities.	

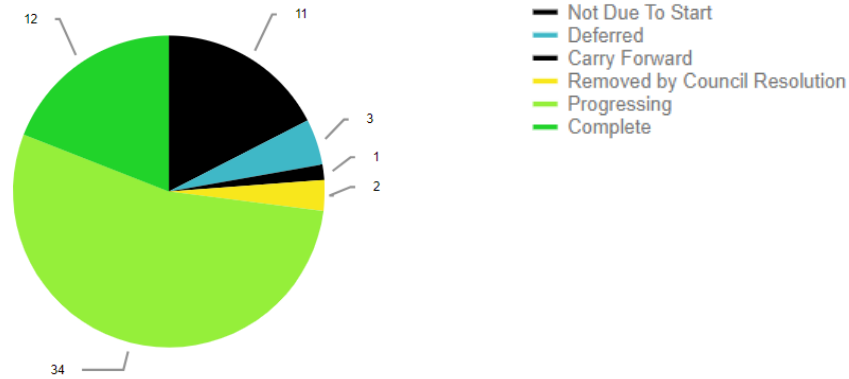
3.3.5: Continue to implement programs that reduce littering and illegal dumping

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
3.3.5.a	Implement Regional Illegal Dumping operation in conjunction with Hunter Joint Organisation of Councils.	In Progress	▶	Cessnock City Council has a full time Regional Illegal Dumping Investigator attached to the Council. The RID Officer liaises with investigators from other Councils utilising her knowledge and investigative skills to provide advice. The RID officer liaises with the Program Coordinator at the Hunter Joint Organisation to keep abreast of program requirements.	Compliance Services Manager
3.3.5.b	Undertake litter programs such as Adopt-a-Road and Clean Up Australia Day. Participate in the EPA's Litter Prevention Initiative, subject to grant funding	In Progress	▶	The first round of new adopt-a-road signs have been installed. Renewals are being finalised and one new participant has been added to the program. Council has registered for Clean-up Australia Day which is to be held on 3 March 2024	Environment and Waste Services Manager
3.3.5.c	Undertake illegal dumping cleanups and prevention programs, subject to grant funding.	In Progress	▶	Cessnock City Council has investigated 275 incidents (YTD). 11.6% of investigations are ongoing. Clean Up Action was instigated against an offender or landowner in 35% of incidents. There has been a 4.5% decrease in illegal dumping compared to the same YTD period in 22/23. The RID officer has been involved in education programs, including Clean Up Australia Day and the Cessnock Sustainability Fair. The RID officer maintains contact with National Parks and Wildlife Services, Crown Lands and the Local Aboriginal Lands Council, providing advice on prevention strategies.	Compliance Services Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

3: A sustainable and healthy environment – Capital Works



Recreation Buildings Construction Program (CBR)



Project ID	Project Name	Action Progress	Progress	Comments
CRB-2024-001	Public amenities construction - Clifftleigh	Complete	✓	A new public amenity building has been constructed at Clifftleigh Meadows District Park

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Drainage Construction Program (CDR)



Project ID	Project Name	Action Progress	Progress	Comments
CDR-2020-006	upgrade drainage - Thomas Street North Rothbury	Complete	✔	Phase 3 Construction completed. Project completion report to be completed.
CDR-2020-007	Cruickshank St, Bellbird - Drainage upgrade - construction	Progressing	▶	Commenced detailed design. Construction works allowed for in future year operational plan.
CDR-2021-003	upgrade drainage: design - Booth Street Kurri Kurri	Progressing	▶	Preliminary investigation completed. Detailed Design consultancy due to commence in February/March 2024.
CDR-2021-008	upgrade drainage - Cessnock Road Branxton	Progressing	▶	Currently Waiting on Design to Commence - work brief underway.
CDR-2022-001	upgrade drainage: construction - Trenchard Street Heddon Greta	Deferred	⏸	Project has been shuffled back in the current priorities and will be carried forward into future year operational plan.
CDR-2022-002	upgrade drainage: investigation, design, construction - Northcote Street Kurri Kurri	Progressing	▶	Design completed ready for construction. Construction to be completed by end of FY subject to contractor availability.
CDR-2022-003	upgrade drainage: design - Mansfield & Bell Streets Greta	Progressing	▶	Phase 1 Concept design under review. Underground services and geotechnical investigations completed.
CDR-2022-004	upgrade drainage: investigation and design - Keelendi Road Bellbird Heights	Progressing	▶	Detailed Design underway.
CDR-2022-006	upgrade drainage: design and construction - Whitburn Street Greta	Progressing	▶	Construction not due to commence until 2025-26 FY. Detailed Design completed.
CDR-2023-001	drainage: minor investigation and works - various locations	Progressing	▶	Minor Investigation and Works are ongoing tasks as required.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
CDR-2023-010	upgrade drainage - Hospital Road Weston	Progressing	▶	Preliminary investigation completed.
CDR-2023-011	drainage renewal - various locations	Progressing	▶	Budget allocated on an as needs basis to other existing projects where required to address previously unknown drainage issues.
CDR-2023-012	roadside drainage program - various locations	Progressing	▶	Budget allocated on an as needs basis to other existing projects where required to address previously unknown drainage issues.
CDR-2024-001	reconstruct drainage - Government Road Cessnock	Deferred	▶▶	Project deferred to future financial year, budget used to supplement other drainage projects to facilitate higher priority outcomes.
CDR-2024-011	upgrade drainage: investigate, design, construct - Main Road Heddon Greta	Deferred	▶▶	Project deferred to future financial year, budget used to supplement other drainage projects to facilitate higher priority outcomes.
CDR-2024-014	upgrade drainage: design Coronation Street Kurri Kurri	Progressing	▶	Concept design completed, awaiting procurement for preliminary and detailed design (No construction work has been allowed for in this project budget. The construction works are not funded within the current 4 year delivery plan).

Recreation Facilities Construction Program (CFR)



Project ID	Project Name	Action Progress	Progress	Comments
CFR-2021-001	East End Oval spectator seating & improved access	Progressing	▶	The spectator seating is near completion with retaining walls and pathways installed at the site. An accessible pathway and viewing platform are to be constructed early 2024.
CFR-2022-002	Environmental Works - Greta Central Oval	Progressing	▶	Works are near completion on the existing informal walking trail adjacent to Greta Central Oval. Works include improvements to the walking trail, earthworks, interpretative signage and installation of steel bollards to track entrances.

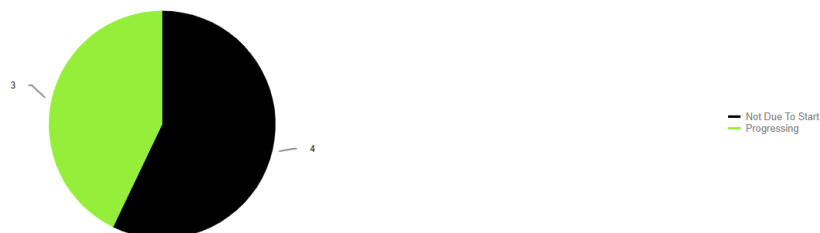
OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
CFR-2022-007	New skatepark - Cessnock Regional Skatepark	Carry Forward	▶▶	The tender for the construction of Cessnock Regional Skatepark has been awarded. Due to contractor availability, construction works are due to commence in June 2024.
CFR-2022-011	BMX Facility - Carmichael Park, Bellbird	Progressing	▶	Stage 2 of Carmichael Park Regional BMX Facility is complete and open for use by the community. Stage 1 works are nearing completion with turf establishment works remaining.
CFR-2023-003	carpark and access road upgrade - Carmichael Park Cessnock: staged	Progressing	▶	Scope of works are currently being confirmed. Works are due to commence in quarter 3.
CFR-2023-005	playground shade program - various locations	Not Due To Start	▶▶	Due to commence in quarter 4.
CFR-2023-006	netball facility - Booth Park Kurri Kurri: business case	Complete	✓	A business case has been completed for a new netball facility at Booth Park, Kurri Kurri.
CFR-2024-004	sportsground upgrades - Kurri Kurri	Not Due To Start	▶▶	This project was made possible via a Federal Election commitment and aims to improve the amenity, function and inclusivity of the facility. Council is currently awaiting the signed funding deed from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts prior to works commencing.
CFR-2024-005	netball facilities - Kurri Kurri	Not Due To Start	▶▶	Council is currently awaiting the signed funding deed from Department of Infrastructure, Transport, Regional Development, Communications and the Arts prior to works commencing.
CFR-2024-006	skate park upgrade - Bridges Hill Park	Progressing	▶	Detailed designs have been finalised and construction works are due to commence in February 2024.
CFR-2024-007	Fenced Off Lesh Dog Exercise Area: Greta Central Oval	Complete	✓	A new fenced Off Leash Dog Exercise Area (OLDEA) has been created at Greta Central Oval. The project was funded through the NSW Government's Stronger Country Communities (Round 5) and has been well received by the local community. The OLDEA includes fencing with entry gates, landscaping, picnic shelters, seating, water fountain, bin and dog agility equipment.
CFR-2024-009	tennis court upgrade - George Jeffrey Park	Progressing	▶	Turfing has been completed around the upgraded courts and a section of the old fence will be removed in the new year. The plexipave surfacing has been delayed due to wet weather and the on-court fittings will be installed after the playing surface is completed in the New Year.
CFR-2024-010	floodlighting - Greta Central Oval	Complete	✓	Four new galvanized steel light poles have been installed with LED floodlighting.
CFR-2024-011	multipurpose courts - Miller Park, Greta	Complete	✓	The project is complete with two new multipurpose courts being installed.
CFR-2024-012	local playspace - Averys Lane	Progressing	▶	The concept plan has been finalised for a new local playspace at Avery's Lane, Heddon Greta. Detailed design and construction drawings are

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
				currently being developed with construction due to commence in March 2024.
CFR-2024-013	Johns Park Field Improvements (is this supposed to be "Margaret John Park")	Complete	✓	Sub surface drainage works are complete.

Waste Facilities Construction Program

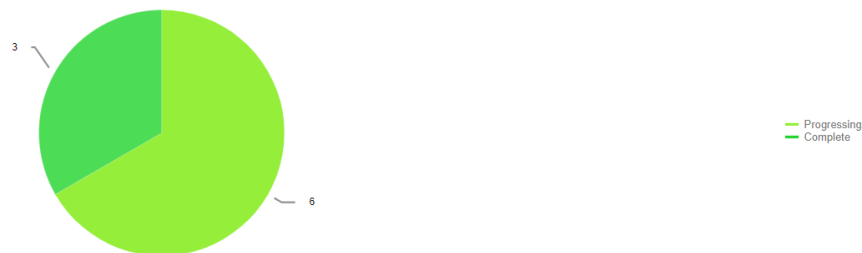


Project ID	Project Name	Action Progress	Progress	Comments
CFW-2021-003	new landfill development - Cessnock Waste facility	Progressing	▶	Funding and council resolution achieved with final planning nearing completion. Tender documents are scheduled to be prepared early 2024 anticipating works to commence July 2024
CFW-2021-004	biodiversity offset - Cessnock Waste Management Centre: signage and Stage 2 fencing	Progressing	▶	Stage 2 works involving the demolition of dilapidated structures at the site are due to commence early 2024.
CFW-2021-005	stage 1 remediation - former sanitary depot Kurri Kurri	Not Due To Start	▶▶	Legal advice has been received which confirms council has resigned as the reserve trust manager. All care, control and management of the site resides with NSW Crown Lands. No further voluntary action will be undertaken in relation to this matter.
CFW-2021-006	capping design - Cessnock Waste facility	Not Due To Start	▶▶	The capping design is nearly completion by council's contractors ready to be submitted to the EPA for concurrence. These works are in conjunction with the new landfill extension project which is scheduled to commence mid 2024
CFW-2022-001	environmental planning - revolving energy improvement program: RID program	Not Due To Start	▶▶	No active progress in relation to this matter due to awaiting availability of funding and decision regarding proposed works.
CFW-2023-001	recycling pad pavement rehabilitation - Cessnock Waste facility	Progressing	▶	The procurement Request for Quote process has recently closed with a successful contractor anticipated to be engaged early 2024. Works are anticipated to completed by mid 2024

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
CFW-2024-001	remediation of former landfill sites - various locations	Not Due To Start	▶▶	Due to legal advice received. No remediation works will occur at former landfill sites on crown land. Council owned former landfill sites will continue to progress to implement RAP's in the future with funding/priorities to be determined.

Floodplain Management Program (PMF)

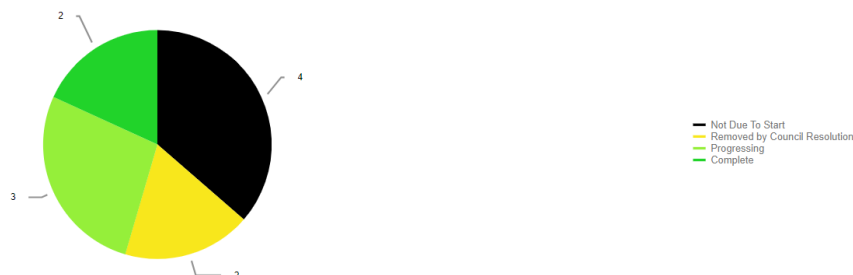


Project ID	Project Name	Action Progress	Progress	Comments
PMF-2018-002	investigation bund wall - Cessnock FRMSP	Complete	✓	Please note this is investigation and design only: Project is completed and project closure process has also been completed.
PMF-2021-003	detention basin improvement - Mount View	Progressing	▶	Advice from Dams Safet NSW has been received that now allows a detailed tender brief for investigation and design to be prepared. Expected to engage consultant to complete investigation and design only in early 2024.
PMF-2022-002	Flood mitigation - Heddon Greta	Progressing	▶	Planning and investigations works underway.
PMF-2022-003	restoration plan - Black Creek	Progressing	▶	Options to be confirmed at completion of investigation.
PMF-2022-004	floodplain risk management - Greta	Progressing	▶	Technical and community survey's completed, awaiting technical lidar data that will improve modelling and expedite the completion of project.
PMF-2022-005	flood risk management - Black Creek: Stage 2	Progressing	▶	Technical and community survey's completed. Awaiting technical lidar date to improve modelling and expedite project.
PMF-2022-006	flood mitigation construction - South Cessnock	Progressing	▶	Contracts for stage 1 and stage 2 have been awarded. Stage 1 works have commenced. Road raising works on Quarrybylong street yet to be programmed pending capacity of internal works crew.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
PMF-2022-007	flash flood warning system - Abermain and Weston	Complete	✓	Project completed, project closure process commenced.
PMF-2022-008	flash flood warning system - Cessnock	Complete	✓	Project completed, project closure process commenced.

Recreation Facilities Renewal Program (RFR)

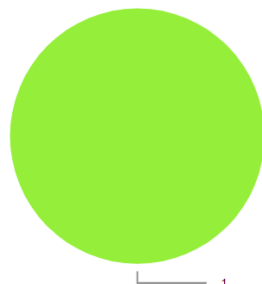


Project ID	Project Name	Action Progress	Progress	Comments
RFR-2023-001	Multi-purpose courts and associated hit-up walls - Carmichael Park	Complete	✓	The multipurpose court and hit up wall are complete.
RFR-2023-005	playground edging and surface program - various playgrounds	Progressing	▶	A contract has been awarded for replacement of surfacing at Maybury peace Park playground, Weston. Works are due to commence in February 2014
RFR-2023-006	parks and reserves asset renewal - various locations	Not Due To Start	▶▶	Project planning underway, not due to commence until quarter 3.
RFR-2023-007	sporting facilities: light pole and/or LED replacement program - various sporting facilities	Not Due To Start	▶▶	Due to commence in quarter 3.
RFR-2023-008	fence replacement program	Not Due To Start	▶▶	Fencing is proposed for Harle Street Playground. The works will be completed following the planned upgrade to the playground early in the New Year.
RFR-2023-009	irrigation replacement - various locations	Complete	✓	The Hydrowse irrigation systems upgrade has been completed with 22 controllers replaced and 7 smart meters installed. The meters have been reporting high and low water usage and can detect when a leak occurs. The valves will give a report on litres of water used and through what valve in real

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Project ID	Project Name	Action Progress	Progress	Comments
				time. This will, over time save a lot of water and power and will also result in reduced maintenance.
RFR-2024-002	multi-purpose court relocation - Orange Street	Progressing	▶	The tender for a new multipurpose court at Abermain Centenary Park has been awarded and site survey and geotechnical report are complete. Additional design works are currently underway with the project due to commence in March 2024.
RFR-2024-003	playground upgrade - Macquarie Avenue Cessnock	Progressing	▶	Procurement has commenced for a new local playspace.
RFR-2024-004	renew practice cricket wicket - Margaret John Park	Not Due To Start	▶▶	Works are not due to commence until quarter 3.

Recreation Pre-Construction Design

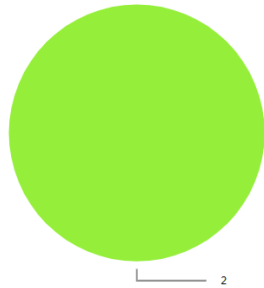


Project ID	Project Name	Action Progress	Progress	Comments
RPC-2023-001	pre-construction design of recreation facilities - various locations	Progressing	▶	Planning documents have been completed for a new amenity building for Wollombi Pony Club including provision of New Building Flood Certificate and Bush Fire Report. A contractor has been engaged to undertake a Waste Water Assessment for Miller Park, Branxton to address ongoing septic tank issues. A Geotechnical report and Site Survey are complete for a new multipurpose court at Centenary Park Abermain



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Waste Major Plant



Progressing

Project ID	Project Name	Action Progress	Progress	Comments
WMP-2023-001	heavy plant - waste services collection	Progressing	▶	Orders have been placed for a replacement waste collection vehicle with anticipated delivery June 2024
WPM-2023-002	heavy plant - Waste Services Disposal	Progressing	▶	Investigations have been undertaken and business case prepared for replacement of the support ute/truck. To be reviewed in consultation with Fleet and Plant Superintendent anticipating order of a replacement vehicle early 2024.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

4: Accessible infrastructure, services and facilities

4.1: Better transport links

4.1.1: Advocate for increased funding for road and community transport and associated infrastructure

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.1.a	Prepare applications for available grant funding to improve commuter, freight and tourism transport links.	In Progress	▶	Further applications for grant funding under all transport link programs are being made in the portal where suitable projects meet the relevant grant fund criteria. Applications are primarily based on Council strategy documents and in consultation with TfNSW.	Infrastructure Manager
4.1.1.b	Continue upgrade of Public Transport stops to ensure DDA compliance and apply for available funding in accordance with grant funding guidelines and timeframes	In Progress	▶	Infrastructure team collaborating to prepare designs for W&O to allow construction of CPTIGS funded bus stop upgrades.	Infrastructure Manager

4.1.2: Continue implementation of the Traffic and Transport Strategy

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.2.a	Continue to investigate and design the upgrade of Wollombi Road, Bellbird to Cessnock as per the Cessnock LGA Traffic and Transport Strategy and City Wide Contributions Plan	In Progress	▶	Preliminary engineering contract let. Concept design options and investigations underway. REF and preferred option for Council endorsement and public display by mid 2024.	Infrastructure Manager
4.1.2.b	Seek funding opportunities for the high priority upgrade of Wollombi Road, Cessnock as per the Cessnock LGA Traffic & Transport Strategy.	In Progress	▶	Continuing. Second round submission for Growing Regions Program to be lodged in early 2024	Infrastructure Manager

4.1.3: Continue implementation of the Pedestrian Access and Mobility Plan

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.3.a	Implement the pathway project from the Pedestrian Access and Mobility Plan	In Progress	▶	Delivery of projects under the Pathways Construction Program ongoing. Applied for five shortlisted potential pathway projects for funding application under the Get NSW Active Program.	Infrastructure Manager

4.1.4: Continue implementation of the Trails Strategy

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.4.a	Implement the Trails Strategy	In Progress	▶	A Trails Reference Group was formed after an open EOI process was conducted in 2023 resulting in 11 members. A Trails Reference Group Meeting was held on 7 September with Hunter Joint Organisation presenting an	Open Space and Community Facilities Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				overview of the Shiraz to Shore Concept Plan. Potential issues and opportunities were workshopped with members before feedback was provided to the project managers.	

4.1.5: Contribute to investigations and planning for the Richmond Vale Rail Trail

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.5.a	Progress the trail development to detailed design for the Richmond Vale Trail where resources permit.	In Progress	▶	REF completed, no budget confirmed for additional works at this point.	Infrastructure Manager

4.1.7: Continue implementation of the Section 7.11 City Wide Infrastructure Contributions Plans

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.1.7.a	Complete a review of Council's Section 7.11 and Section 7.12 Contribution Plan	In Progress	▶	Draft comparative analysis between s.7.11 & s.7.12 plans circulated for internal review	Senior Strategic Planner

4.2: Improving the road network

4.2.1: Develop prioritised capital works programs in line with adopted asset management plans

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.2.1.a	Develop and deliver prioritised Capital Works Programs in line with adopted Asset Management Plans.	In Progress	▶	Projects within the operational plan and the 4 year delivery program are being re-prioritised when required to facilitate effective and efficient delivery based on the data available.	Infrastructure Manager
4.2.1.b	Progress procurement and contract management to deliver the Cessnock LGA Traffic & Transport Strategy.	In Progress	▶	Draft CTTS 2023 Strategy currently on exhibition.	Infrastructure Manager
4.2.1.c	Development and Transfer of Crown Roads (Road Standards).	In Progress	▶	In regular consultation with Crown Lands to communicate Council requirements re road transfers and proposals being assessed as they are submitted.	Infrastructure Manager
4.2.1.d	Develop guidelines for the opening of roads	In Progress	▶	Road opening applications are being assessed and determined as they are received.	Infrastructure Manager

4.2.2: Deliver prioritised on ground capital works and maintenance programs

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.2.2.a	Contribute to delivery of the annual Capital Works Program.	In Progress	▶	Please note reports on capital works program.	Infrastructure Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

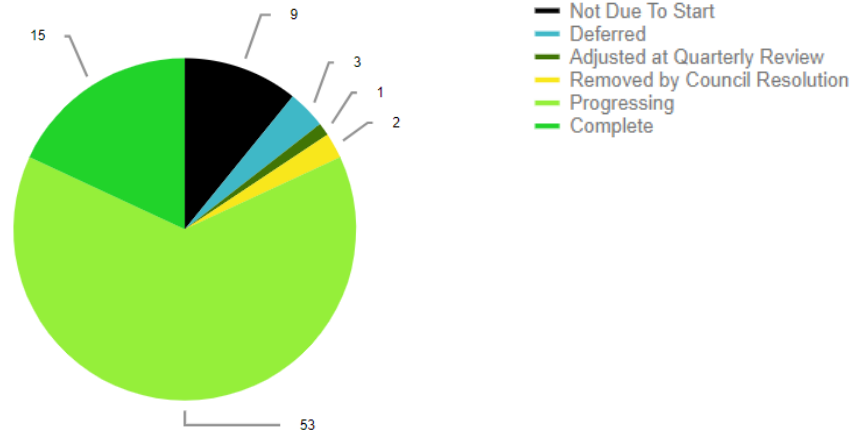
Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.2.2.b	Continue implementation of the Plant and Fleet Management review to ensure efficient and effective use of resources.	In Progress	▶	Full review of current 10 year rolling program being undertaken. Monthly reviews undertaken of internal and external plant utilisations to identify plant replacements and additional acquisitions.	Works and Operations Manager

4.2.3: Continue to improve support services and facilities to assist works delivery and service provision

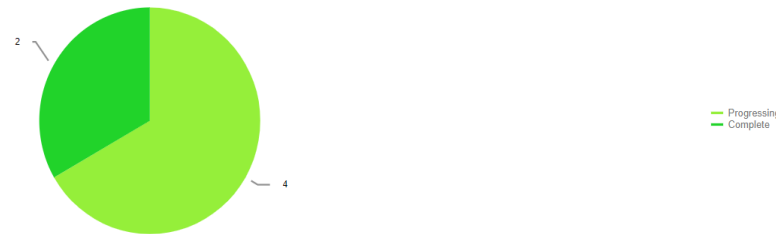
Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
4.2.3.a	Complete the priority projects from the heavy plant and equipment service improvement project.	In Progress	▶	Heavy Plant and Equipment Purchased this financial year. 2 x Excavator 2 x Jetpatchers 6 x Tractors 1 x Truck and trailer 4 x Zero turn mower 2 x Garbage Compactors  Currently evaluating tender responses for 1 x Street Sweeper 3 x 12t trucks 2 x 8t Trucks 1 x Signs Truck 1 x Tree Truck 1 x Wood Chipper  Review of 10 year rolling replacement program underway	Works and Operations Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

4: Accessible infrastructure, services and facilities – Capital Works



Bridge Construction Program (CBS)



Project ID	Project Name	Action Status	Status	Comments
CBS-2017-004	bridge replacement - Yango Creek Road Wollombi	Complete	✓	Construction completed, project completion report to be completed.
CBS-2018-005	bridge replacement - Kline Street Weston	Complete	✓	Construction completed, project completion report to be completed.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

CBS-2018-006	Bridge replacement: Watagan Creek #3 Laguna	Progressing	▶	Tender 2024-10 approved through the council resolution. Contract award being initiated
CBS-2022-002	bridge replacement - Watagan Creek #1 Laguna Bridge	Progressing	▶	Contract awarded, works due to commence early 2024.
CBS-2022-003	bridge replacement - Westcott Street Cessnock	Progressing	▶	This month council achieved temporary relocation of assets, existing timber bridge demolition and completion of abutment B pile works.
CBS-2025-001	bridge replacement - Deasys Road Pokolbin	Progressing	▶	Project Brief in development. Level 3 inspection to be completed by end of Jan.

Traffic Facilities Program (CFT)



Project ID	Project Name	Action Status	Status	Comments
CFT-2019-003	high pedestrian activity area - intersection Wollombi Road and Great North Road Wollombi Village	Progressing	▶	Project anticipated to be completed in early 2024.
CFT-2021-006	upgrade bus stops for Disability Discrimination Act Compliance - various bus stops	Progressing	▶	Ongoing liaison with W&O and CCC Design and Project Management staff for construction of CPTIGS funded bus stop upgrades.
CFT-2022-001	pedestrian refuge - Mount View and McGrane Street Cessnock	Progressing	▶	Project scheduled to be completed by end of FY 2024.
CFT-2023-006	bus stop upgrades to DDA compliance - various locations	Progressing	▶	Ongoing liaison within Infrastructure to prepare documentation for W&O to facilitate construction of CPTIGS funded bus stop upgrades.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

CFT-2024-007	extension to Wollombi Road - Wollombi Road Cessnock: grant funding dependent	Progressing	▶	Preliminary engineering report due to be completed in early 2024.
CSB-2022-001	upgrades to bus stops and shelters - various bus stop locations	Not Due To Start	▶▶	No grant funding secured at this point.

Pathway Construction Program (CPW)

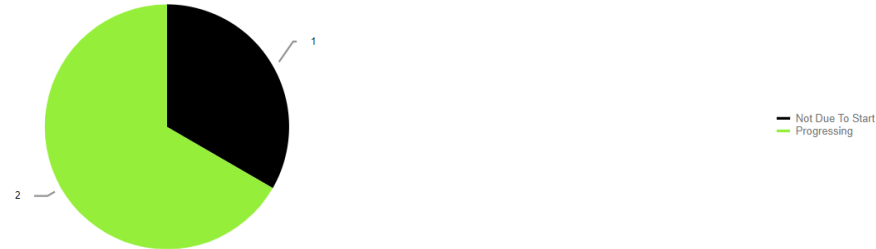


Project ID	Project Name	Action Status	Status	Comments
CPW-2018-005	shared pathway - Branxton to Greta	Progressing	▶	The construction of the final Stage 3 of the pathway is now out to tender with tenders closing January 2024. Construction is expected to commence in early 2024.
CPW-2020-001	shared pathway - stage 2: Bridge Street Cessnock	Complete	✓	Construction completed, project completion report in progress.
CPW-2021-015	connecting pathway - Weston: First Street from Station Street to Government Road	Complete	✓	Project completed.
CPW-2021-017	shared pathway - Cessnock: Cessnock CBD to Bridges Hill Park via Aberdare	Complete	✓	Construction completed, project closure report being prepared.
CPW-2022-001	shared pathway - Millfield: Rose Hill Estate to Crawford Park Millfield	Complete	✓	Construction completed, project closure process commenced.
CPW-2022-002	shared pathway - Greta: High Street to Greta Railway Station via Nelson Street	Complete	✓	Construction completed, project closure process commenced.
CPW-2022-003	shared pathway - Pelaw Main: Stanford Street from Log of Knowledge Park to Neath Street	Progressing	▶	Planning and design for this project has commenced and will be completed by mid 2024. Construction estimated to commence in next FY, budget adjustment to be made in QBR process to carry funds forward as necessary.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

CPW-2022-004	shared pathway - Nulkaba: Bridges Hill Park to Lomas Lane via Manning Park, Drain Oval and Wine Country Drive	Progressing	▶	Implementation of project staging will continue, currently consulting with TfNSW for final approval for State Road crossing locations. Consideration of TfNSW strategic priorities to be considered for agreement on deliverable scope.
CPW-2022-005	shared pathway - Cessnock: CBD to West Cessnock Public School	Complete	✓	Project completed and close out process finalised.
CPW-2023-002	pathway and bus shelters - Cessnock: Government Road Anzac Avenue to URA	Not Due To Start	▶▶	DA not yet determined.
CPW-2023-003	shared pathway - Cessnock to Abermain	Progressing	▶	Alignment is agreed with Traffic & Transport. Concept design being completed.
CPW-2024-004	pathway construction - Quarribylong Street, Cessnock	Not Due To Start	▶▶	
CPW-2024-004	shared pathway - Cessnock to Abermain	Progressing	▶	Investigation and planning for the project has commenced.

Local Road Construction Program (CRL)

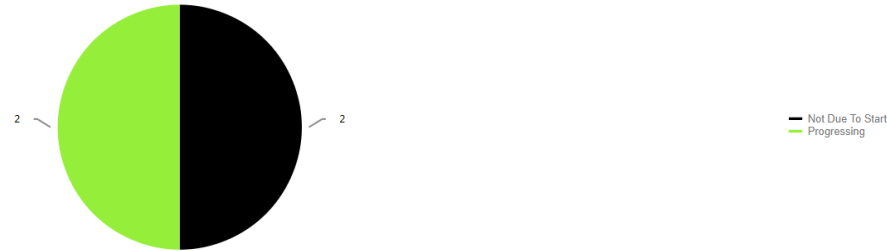


Project ID	Project Name	Action Status	Status	Comments
CRL-2018-002	power relocation - Frame Drive Weston	Not Due To Start	▶▶	Investigation and planning for this project to commence in early 2024.
CRL-2020-001	embarkment stabilisation - Murrays Run Road Murrays Run	Progressing	▶	Works to commence early 2024.
CRL-2023-003 (RRL-2023-003)??	street lighting upgrade - Gingers Lane Sawyers Gully	Progressing	▶	Works due to commence in early 2024.



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Safer Roads Program (CRR)



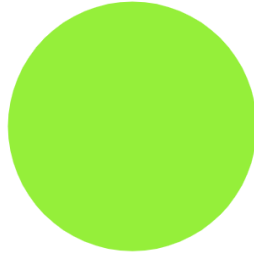
Project ID	Project Name	Action Status	Status	Comments
CRR-2020-002	road upgrade - George Downes Drive Bucketty	Progressing	▶	Application has been made from other local authorities for approval from a heritage perspective to allow works to commence.
CRR-2023-001 (CLS-2023-001)??	road upgrade - Sandy Creek Road Mount Vincent	Progressing	▶	Construction commenced, anticipated completion mid-2024.
CRR-2023-002 (CLS-2023-002)??	road upgrade - Abernethy Street Kitchener	Not Due To Start	▶▶	No funding secured at this point.
CRR-2023-003 (CLS-2023-003)??	road upgrade - Old Maitland Road Bishops Bridge	Not Due To Start	▶▶	No funding secured at this point.

Pre-Construction Design Program

Project ID	Project Name	Action Status	Status	Comments
DCP-2023-001	pre-construction design: design and contracts - various locations	Progressing	▶	Budget being allocated on existing projects where needed to facilitate better safety and compliance outcomes.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Natural Disaster Rehabilitation



Progressing

Project ID	Project Name	Action Status	Status	Comments
NDR-2022-002	flood gates and warning system	Progressing	▶	Construction commenced, estimated completion mid-2024.
NDR-2024-001	natural disaster rehabilitation: Yango Creek Road causeway	Progressing	▶	Construction to commence early 2024, anticipated completion mid-2024.
NDR-2024-002	natural disaster rehabilitation: Rhino Corner - Glenloona Road, Laguna	Progressing	▶	Preparing to go to tender in early 2024.

Plant and Fleet Acquisition



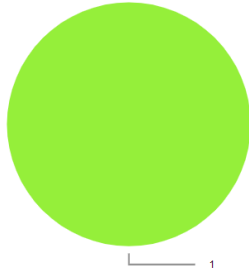
Not Due To Start  
Progressing

Project ID	Project Name	Action Status	Status	Comments
PFA-2024-001	fleet vehicles	Progressing	▶	Ongoing plant replacement underway

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

PFA-2024-002	major plant - council works depot	Not Due To Start	▶▶	Ongoing Currently evaluating tenders for - 8 and 12t Trucks - Sweeper - Signs Truck - Tree Services truck
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Gravel Rehab & Resheeting Program



— Progressing

Project ID	Project Name	Action Status	Status	Comments
RRG-2023-001	gravel rehabilitation and resheeting program - various locations	Progressing	▶	Works planned for Q4

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Local Road Renewal Program (RRL)



Project ID	Project Name	Action Status	Status	Comments
RRL-2018-010	road rehabilitation - Mount View Road Cessnock	Progressing	▶	Additional scope items have been added to the contract to address some issues discovered during construction that will contribute to an overall better outcome. The LTC approved treatment for the intersection at Barret Ave & Mount View is included in the principal contractors scope of works. Project anticipated to be completed in early 2024.
RRL-2020-005	road rehabilitation - Aberdare Street Kitchener	Complete	✓	Design completed, awaiting funding to allow project to be constructed.
RRL-2020-011	road rehabilitation - Kitchener: Quorrobolong Road from Stanford Street north to CH2830	Deferred	▶▶	Deferred to 24/25 FY.
RRL-2021-004	road rehabilitation - Crossing Road, Paynes Crossing	Adjusted at Quarterly Review	✘	Removed by council resolution
RRL-2021-008	road rehabilitation - Mansfield Street Greta	Progressing	▶	Initial investigations have confirmed Road improvements on this street will require property acquisition and services relocation in addition to the known flood issues that also need to be addressed. More detailed investigation

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

				and planning is required due to the high number of services, this secondary investigation will be allowed for in the 24/25 Operational Plan. No property acquisition or services relocation is expected to occur until the 24/25 FY subject to the formal process including full consultation with key stakeholders.
RRL-2021-012	road upgrade - Old Maitland Road Sawyers Gully	Complete	✓	Property acquisition issue resolved and construction works now complete for the grant funded stage of the project, project closure process commenced. Future stages of the project remain unfunded at this point.
RRL-2022-002	renew car parks - various locations	Progressing	▶	Reviewing scope with works expected to be completed by the end of FY 23/24.
RRL-2023-001	reseal local roads - various locations	Progressing	▶	Heavy patching underway, sealing works booked for commencement in early 2024.
RRI-2023-001(RRR-2023-001)??	reseal local roads - various locations	Progressing	▶	Investigation and planning works completed and contractor engaged to complete reseal program works in early 2024 with all works completed by end of 23/24 FY and all budget planned to be spent.
RRL-2023-002	road rehabilitation - Murrays Run Road Murrays Run	Complete	✓	Project completed, project closure process commenced.
RRL-2023-003	Sanctuary Road Paxton: Investigation and design	Progressing	▶	Progressing Requests for Quotes for preliminary/early design consultant packages.
RRL-2023-004	road rehabilitation - Richmond Vale Road Richmond Vale	Progressing	▶	Investigation and project brief to has commenced following notification of unsuccessful application for betterment grant funding. Investigation and brief to be completed this FY and construction of the project will be considered for future years Operational

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

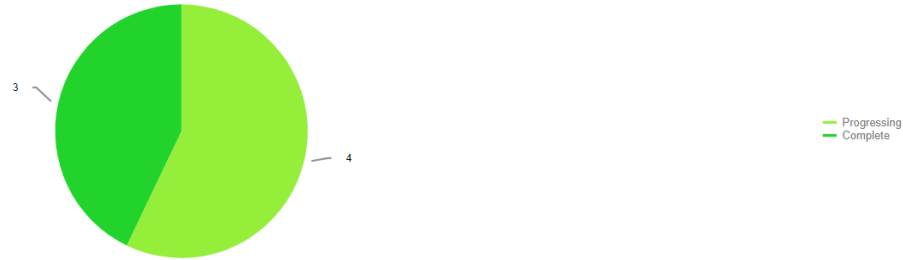
				plan. Not all allocated budget will be spent in the current FY and it will be adjusted in the next QBR process to reflect an amount closer to the actual anticipated FY expenditure.
RRL-2023-005	road rehabilitation - Sawyers Gully Road	Progressing	▶	Design expected to be complete early 2024 and works to commence in mid 2024.
RRL-2024-004	road rehabilitation - Sandy Creek Road Quorrobolong	Progressing	▶	Construction commenced, expected completion mid 2024.
RRL-2024-009	road rehabilitation - Dalwood Road East Branxton	Progressing	▶	Project brief completed and technical investigation works to commence early 2024.
RRL-2024-010	road rehabilitation - Heddon Street Heddon Greta	Progressing	▶	Short term pavement works completed. No longer term works can be completed until drainage issue is resolved that includes consultation with landowners. Drainage modelling and design expected to be completed in mid 2024.
RRL-2024-012	road rehabilitation - Middle Road Paxton	Progressing	▶	Technical investigation works underway, expected completion of design mid 2024.
RRL-2024-015	road rehabilitation - Deakin Street Kurri Kurri	Progressing	▶	Technical investigation and design completed. Programmed for construction early in the 24/25 FY.
RRL-2024-016	Road rehabilitation: investigation and design - Abernethy Street Abernethy	Progressing	▶	Project brief completed.
RRL-2024-017	Road rehabilitation: investigation and design - Adams Street Heddon Greta	Progressing	▶	Technical investigation progressing to determine project scope requirements. No construction works included for this FY, project is being considered for inclusion in future years Operational Plan.
RRL-2024-018	Road rehabilitation: investigation and design - Marrowbone Road Pokolbin	Progressing	▶	Project brief completed.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

RRL-2024-019	Road rehabilitation: investigation and design - Middle Road Paxton	Not Due To Start	▶▶	Technical investigation works underway, expected completion of design mid 2024.
RRL-2024-020	Road rehabilitation: investigation and design - Bathurst Street Abermain	Progressing	▶	Project investigation and brief has been commenced.
RRL-2024-021	Road rehabilitation: investigation and design - Bellamy Street Millfield	Deferred	▶▶	Project deferred until future year of Delivery program.
RRL-2024-022	road reconstruction - various local roads	Progressing	▶	Budget being allocated to existing projects on an as needs basis to facilitate improvements and achieve overall better project outcomes.
RRL-2024-023	Road rehabilitation: investigation and design - Goulburn Street Abermain	Progressing	▶	Project investigation and brief being prepared.
RRL-2024-024	Road rehabilitation: investigation and design - Hetton Street Bellbird	Progressing	▶	Project investigation and brief being completed.
RRL-2024-025	Road rehabilitation: investigation and design - Murrays Run Road Murrays Run	Complete	✓	Project combined with other Murray's Run project.
RRL-2024-026	Road rehabilitation: investigation and design - Quorrobolong Road Kitchener	Progressing	▶	Project investigation and brief being completed.
RRL-2024-027	Road rehabilitation: investigation and design - Swanson Street Weston	Progressing	▶	Project investigation and brief being completed.
RRL-2024-028	Road rehabilitation: investigation and design - Wilderness Road Rothbury	Progressing	▶	Project investigation and brief being completed.
RRL-2024-029	Road renewal - Campbell St, Ellalong	Progressing	▶	Project investigation and brief being completed.

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Regional Road Renewal Program (RRR)

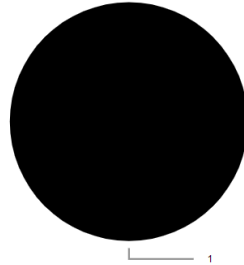


Project ID	Project Name	Action Status	Status	Comments
RRR-2022-002	slope stabilisation - Great North Road	Progressing	▶	Tender awarded, contractor engaged and works to commence early 2024.
RRR-2023-002	road rehabilitaton - Millfield: Wollombi Road to Hayes Road towards Cedar Creek	Complete	✓	Project completed, project closure process commenced.
RRR-2024-002	road rehabilitation - Millfield: Wollombi Road - Hayes Road towards Cedar Creek Road	Complete	✓	Project completed, project closure process commenced.
RRR-2024-003	road rehabilitation - One Mile Creek Great Main: Wollombi Road towards Bellbird	Complete	✓	Project completed, project closure process commenced.
RRR-2024-004	road upgrade - Cessnock / Bellbird: Wollombi Road - Allandale Road to Abbotsford Street	Progressing	▶	Preliminary engineering contract let. Concept deign options and investigations underway. REF and preferred option for Council endorsement and public display by mid 2024.
RRR-2024-005	road rehabilitation: construction - Orange Street Abermain	Progressing	▶	Construction to commence in Jan 2024.
RRR-2024-006	road upgrade: stage 2 - Wollombi Road West Avenue Bellbird to Vincent Street Cessnock	Progressing	▶	Preliminary engineering contract let. Concept deign options and investigations underway. REF and preferred option for Council endorsement and public display by mid 2024.



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

*Works Depot Construction Program*



— Not Due To Start

Project ID	Project Name	Action Status	Status	Comments
WDC-2023-002	remediation of fuel cell - Council Works Depot	Not Due To Start	▶▶	Investigation underway

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

5: Civic leadership and effective governance

5.1: Fostering and supporting community leadership

5.1.3: Our Council is committed to implementing our Community's vision

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.1.3.a	Meet with groups on a regular basis and provide assistance where required.	In Progress	▶	Discussions have been held with the regular hirers of Bellbird Community Hall to help provide alternative venues for hire while the Bellbird Hall is closed due to the floor replacement in February/March 2024. Assistance has also been provided to the PCYC with an event held at Cessnock Civic Indoor Sports Centre on 16th December 2024. Communication with schools regarding pool allocations has also been ongoing ensuring all swimming carnivals are achieved within required timeframes.	Open Space and Community Facilities Manager

5.2: Encouraging more community participation in decision making

5.2.1: Continue implementation of the projects from the Communications and Engagement Strategy

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.2.1.a	Increase opportunities for our Council to collaborate with community members.	In Progress	▶	Visibility of our digital community engagement activities increased year on year in q2, with page visits up almost 60 per cent, page registrations more than double and active participation in projects open for comment up by around 8 per cent. Team efforts are increasing opportunities for community participation, alongside higher focus on face-to-face sessions. Schedule of proactive community engagement pop ups for CY24 is developed, with first activities scheduled for February.	Communications and Engagement Manager
5.2.1.b	Undertake engagement with stakeholders, residents, community members/groups and businesses regarding Council projects, programs, strategies and services.	In Progress	▶	Digital engagement activities increased year on year in q2, with page visits up almost 60 per cent, page registrations more than double and active participation in projects open for comment up by around 8 per cent. Team efforts are	Communications and Engagement Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				increasing opportunities for community participation, alongside higher focus on face-to-face sessions. Schedule of proactive community engagement pop ups for CY24 is developed, with first activities scheduled for February.	
5.2.1.c	Finalise actions from the Engagement Strategy.	In Progress	▶	All save one milestone-based actions complete and ongoing actions now in BAU. Final action and summary report to be completed mid-February.	Communications and Engagement Manager
5.2.1.d	Undertake a review of the Engagement Strategy.	In Progress	▶	In preparatory phase for review in first part of next year. Timelines established to completed in first half of 2024.	Communications and Engagement Manager

5.2.2: Actively participate in and collaborate with the Hunter Joint Organisation to promote the interests of the local government area

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.2.2.a	Actively participate in and collaborate with Hunter Joint Organisation to promote the interests of the LGA.	In progress	▶		General Manager

5.2.3: Continue to monitor and respond to the State Government's local government reform programs to improve the financial sustainability of councils

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.2.3.a	Monitor and respond to the State Government's local government reform program.	In Progress	▶	Council has made submissions on the IPART Rate Peg methodology and continues to review and comment on other reform programs as they are raised.	Chief Financial Officer

5.3: Ensuring Council is accountable and responsive to the community

5.3.1: Continue implementation of the Customer Service Strategy

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.1.a	Build an organisation which has a focus on the customer by having well trained staff who are committed to providing a quality service.	In progress	▶	Our Customer Relations Team are undertaking online training in Delivering exceptional customer service, Handling customer complaints, Phone skills, and The Witness. The team has also completed in-house Governance training.	Business Support and Customer Relations Manager
5.3.1.b	Review Council's Customer Service Strategy, Action Plan and Charter	In progress	▶	Customer Experience Strategy internal document was adopted by ELT in October 2023. Proto Partners are assisting in undertaking two	Business Support and Customer Relations Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				separate journey mapping projects for Section 138 Road Act applications (driveways) and Customer Request Management (CRMs). Workshops were held in November 2023 with staff and customer feedback surveys were undertaken in December 2023.	

5.3.2: Conduct regular development consultation forums

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.2.a	Conduct regular development consultation forums.	In Progress	▶	A date, along with the agenda, for the first Development Consultation Forum of 2024, will be confirmed in coming weeks.	Development Services Manager

5.3.3: Efficiently and effectively process development applications and respond to planning enquiries

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.3.a	Efficiently and effectively process development applications and respond to planning-related enquiries.	In Progress	▶	DA's (and related Applications) are processed efficiently and effectively as indicated by determination timeframes which are well under the NSW state average. Statistics in respect of average turnaround times have been impacted by high workloads associated with the increase in development activity, and staff vacancies. Planning related inquiries are responded to promptly and accurately through Council's Duty Planning Services, Development Assessment Officers and Pre-DA Meetings with prospective applicants.	Development Services Manager
5.3.3.b	Continue the expansion of the application programming interface (API) between the NSW Planning Portal (ePlanning) and Council's systems.	In Progress	▶	API for inbound post consent certificates (PCA - Principal Certifier Appointment, OC - Occupation Certificate, SWC - Subdivision Works Certificate, SC - Subdivision Certificate) has been implemented importing data into Authority and profiling documents in Content Manager. The API also transfers data in relation to requests for outstanding information. The API for Building Information Certificates (BIC) has been implemented for lodgement, assessment and determination. The API for Council Complying	Business Support and Customer Relations Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				Development Certificates (CDCs) automatically integrate with Council's System when submitted in the NSW Planning Portal.	
5.3.3.c	Assess mitigation of the impact of traffic generating development.	In Progress	▶	Applications assessed as received.	Infrastructure Manager
5.3.3.d	Review and propose updated standards for road widths, kerb and gutter, pathways and bus shelters contained in Council's Engineering Requirements for Development.	In Progress	▶	Review of engineering guidelines significantly progressed.	Infrastructure Manager
5.3.3.e	Continue to review and enhance our internal processes and workflows in line with the Department of Planning and Environment's Development Assessment Best Practice Guide.	In progress	▶	Processes have been reviewed in conjunction with API enhancements for PCA, OC, SWC, SC and BIC. A review of the process for Private Certificates has been completed and a process review for Housing and Productivity Contributions has commenced. Procedures have been reviewed for inspections results, PC Appointments, occupation certificates, building inspection certificates, inspection results, onsite waste management septic applications, lodging DA/DD/PC, DA notification and exhibitions and electronic working file. Review of information available on application tracker has been completed. Creation of a checklist for pre-lodgement applications accepted via the NSW Planning Portal. BASIX Completion Receipts are now processed through the OC during determination.	Business Support and Customer Relations Manager

5.3.5: Continue to embed a culture of Enterprise Risk Management throughout the Council

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.5.a	Continue to ensure and improve the safety and wellbeing of Council's workforce	In Progress	▶	Wellbeing plan meeting all required timeframes. Tasks on schedule in accordance with project plan.  Workers Compensation audit actions completed within required timeframes.  Psychosocial training complete for the Executive Leadership Team and broader management	People and Culture Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				team.  Vacant Return to Work and Insurance Advisor position filled with new employee commencing in January 2024. This role will have a significant focus on wellbeing initiatives across the organisation.	
5.3.5.b	Ensure Council's Enterprise Risk Management (ERM) framework is continued to be embedded in all operations of Council and develop Key Performance Indicators (KPI) to assess and report to the Executive Leadership Team on the ERM framework	In Progress	▶	Key Performance Indicators drafted for review and consultation, Business Continuity Plan workshop scheduled for February 2024.	People and Culture Manager

5.3.6: Undertake Service Delivery reviews and implement recommendations to improve productivity throughout the council

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.6.a	Implement plan to complete Service Delivery reviews	In Progress	▶	Planning has commenced for Service Delivery Reviews through each Directorate.	Chief Financial Officer
5.3.6.b	Review recruitment and human resource processes with a focus on reducing approval steps and improving efficiency	In Progress	▶	A review of current processes has commenced by Council's Business Improvement Coordinator in conjunction with Talent Acquisition Specialist.  Stakeholder meetings held and feedback considered.  Talent Acquisition Protocol, Guidelines and Procedures under review in conjunction with delegations and conflict of interest declaration (Code of Conduct) process.	People and Culture Manager
5.3.6.c	Review asset management processes and systems to provide evidence-based outcomes that inform the allocation of priorities identified in Councils Asset Management Plans for inclusion in Councils Long Term Financial Plan.	In Progress	▶	ELT brief being developed for implementation of updated asset management software.	Infrastructure Manager

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

5.3.7: Continue to manage Council governance functions and statutory requirements

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.7.a	Provide staff with awareness, tools, and knowledge to assist them in meeting their governance and statutory compliance obligations.	In Progress	▶	Governance continue to provide governance training to all new staff through the induction process. Governance has also provided updated training to the Customer Service area.	Chief Financial Officer
5.3.7.b	Carry out governance functions, provide advice and conduct education programs to comply with legislation and best practice including in relation to delegations, legislative interpretation, compliance, complaints, UCCs, GIPA, PPIP, Copyright, PID, Fraud and Corruption Prevention, Policy, etc. (Governance).	In Progress	▶	Governance continues to provide assistance throughout the Council across all governance areas.	Chief Financial Officer
5.3.7.c	Review and update Council's Fraud Control and Corruption Prevention Framework to align with best practice	In Progress	▶	Initial works on existing policy have been completed to identify changes required within the Framework.	Chief Financial Officer
5.3.7.d	Undertake the annual review (and update) of the Investment Policy.	Not Due To Start	▶▶	To be adopted by June 2024.	Chief Financial Officer
5.3.7.e	Develop the Operational Plan	In Progress	▶	Project plan has been implemented. Draft actions and workshops due for completion in February 2024 with a plan for exhibition from April 2024.	Chief Financial Officer
5.3.7.f	Prepare the Cessnock City Annual Report.	Complete	✓	Annual report was endorsed at the November Council meeting and published on Council website with hard copies in Council libraries.	Chief Financial Officer
5.3.7.g	Undertake a review of the Public Art Policy	Complete	✓	A review of the Public Art Policy was tabled to the Ordinary Meeting of Council held 20 September 2023 and was placed on public exhibition. The Policy was adopted on 2 November 2023.	Community and Cultural Development Manager

5.3.8: Continue to identify and implement Financial Sustainability Initiatives

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.8.a	Develop a Financial Strategy integrated with the Long Term Financial Plan, Asset Management Plans, Workforce Plan to determine future funding requirements for council	In Progress	▶	In development via the budget process and looking towards the next CSP and Delivery Program.	Chief Financial Officer

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

5.3.9: Ensure Council develops and improves Information Technology and Communication systems to meet organisation requirements

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.9.a	Collaborate on integration opportunities between project managements tools/systems with Authority and PULSE	In Progress	▶	Continuing project to improve integration. Pulse administrator is working with Pulse and has attended the recent conference to utilise the system in a more efficient manner.	Chief Financial Officer
5.3.9.b	Share information regarding the Progress of current Capital Works particularly with respect to traffic disruptions and construction works.	In Progress	▶	Works & Infrastructure frequently update communications in relation to interruptions to traffic movements due to planned maintenance and construction works, this is covered on a variety of mediums to reach as much of the community as possible.	Infrastructure Manager

5.3.10: Implement the Workforce Management Strategy

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.10.a	Develop and implement strategies to assist in reducing Council's unplanned leave usage	Carry Forward	▶▶	Unplanned leave usage reports have been provided to Managers and initial discussions have occurred to identify concerns. Actions plans to address concerns are to be developed and a wider organisational strategy is yet to be determined. This action will be carried forward into 2024/2025.	People and Culture Manager
5.3.10.b	Commence undertaking relevant actions within Council's Leadership Framework for 2023-24	Carry Forward	▶▶	Leadership development days were held for frontline and emerging leaders in October and November 2023 with a further workshop being held in February 2024. Senior Leaders also participated in a targeted leadership development program in November 2023. Leadership development will continue to be a focus.	People and Culture Manager
5.3.10.c	Review and if required update the Council's 2020-2024 EEO Management Plan	In Progress	▶	The current EEO Management Plan has been reviewed and updates are required. Internal and external research is being undertaken to identify areas of strength and weakness as well as assist in identifying actions for the next plan.	People and Culture Manager
5.3.10.d	Continue to implement the succession planning and talent management framework	Carry Forward	▶▶	The Graduate, Trainee and Apprentice Framework continues to be implemented as recruitment occurs for 2024 and beyond. 11 positions have been secured for 2024. An onboarding program has been developed for the	People and Culture Manager



OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
				<p>11 new starters and training plans for the positions are in progress.</p> <p>The leadership program and emerging leaders program is in progress with offsite development days held in October and November 2023. The second round of development days are scheduled for February 2024. Mentoring program due for implementation in 2024.</p> <p>The succession planning and talent management framework is yet to be developed; this action will be carried forward and will be a focus in 2024/2025.</p>	
5.3.10.e	Develop and deliver a Diversity Plan to strengthen the representation at all levels of the organisation of identifiable groups within the community including those with disability, youth, women, Aboriginal and Torres Strait Islander and people from non-english speaking background	In Progress	▶	A proposal was made to combine this action with the EEO Management Plan. This will be explored in Quarter 3.	People and Culture Manager
5.3.10.f	Continue to implement the Child Safe Standards	In Progress	▶	A Child Safe working group has been established and is meeting regularly. A draft Child Safe Policy, Statement of Commitment and Behavioural Standard has been drafted and is being reviewed by the working group.	People and Culture Manager

*5.3.11: Review the need to apply for a Special Rate Variation to manage the burden of increasing cost of Council to maintain assets and meet community requirements*

Action Code	Operational Plan 2022-23 Action	Progress	Status	Comments	Responsible Officer
5.3.11.a	Undertake a project to assess the need for a possible Special Rate Variation application	In Progress	▶	Initial financial modelling is in progress, in conjunction with long term asset planning costs to ascertain future funding requirements to determine any need for a special rate variation.	Chief Financial Officer
5.3.11.b	Enhance Council Long Term Financial Plan (LTFP) to ensure that the LTFP becomes part of the IP&R documents to facilitate scenario analysis for Special Rate Variation.	In Progress	▶	Modelling on LTFP has commenced in conjunction with the budget process.	Chief Financial Officer

OPERATIONAL PLAN 2022-23 QUARTER 2 REVIEW OBJECTIVES – CESSNOCK CITY COUNCIL

5: Civic leadership and effective governance – Capital Works

*Other Fixed Assets*

Project ID	Project Name	Action Status	Status	Comments
OFA-2023-003	Hot Air Balloon	Complete	✓	The accessibility hot air balloon, vehicle, trailer and associated equipment has been purchased and a launch event completed on 27 Sep 2023.
OFA-2023-005	Cultural Services Grant Programs - Local Priority Program 2022 Tech & Furniture	Complete	✓	Both Cessnock and Kurri Kurri Libraries have had their furniture renewed.
OFA-2023-006	Public Library Infrastructure Grant 2023 - Conferencing Equipment	Complete	✓	Both Cessnock and Kurri Kurri Libraries new conference technology has been installed.



  
CESSNOCK  
CITY COUNCIL

2023  
2024

Planning for our people,  
our place, our future

**CESSNOCK**  


QUARTERLY BUDGET REVIEW STATEMENT  
Quarter 2 December 2023

[www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)

## Welcome Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people, and the Darkinjung people.

We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government area



## Contents

- Report by Responsible Accounting Officer ..... 3
- Income and Expenses Budget Review Statement ..... 4
- Income and Expense Budget Changes ..... 7
- Capital Expenditure Budget Review Statement ..... 10
- Capital Expenditure Budget Changes..... 11
- Cash and Investments..... 13
- Cash Reserves ..... 14
- Key Performance Indicators ..... 15
- Contracts..... 16
- Other Expenses ..... 19
- Employee Numbers..... 19



Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2021:

It is my opinion that the Quarterly Budget Review Statement for Cessnock City Council for the quarter ended 31 December 2023 indicates that Council's projected financial position at 30 June 2024 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure. As noted previously the ongoing increase in capital works will continue to place a pressure on the bottom line particularly through loss on disposal of assets. This can be sustained in the short to medium period but will require adjustments to budgets in the future through additional income or a reduction in expenditure or services.

Signed:



**Matthew Plumridge – Responsible Accounting Officer**

Date:

1/2/2024

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Income and Expenses Budget Review Statement

Operating Statement	Original Budget 2023-24	Approved Changes		Current Budget 2023-24	Variations for this Dec Qtr	Notes	Projected Year End Result	Budget YTD Figures	Actual YTD Figures
		Carry Forwards	Sep QBRs						
<b>Income</b>	\$	\$	\$	\$	\$		\$	\$	\$
Rates and Annual Charges	63,854,126	-	1,926,500	65,780,626			65,780,626	66,447,982	66,291,582
User Charges and Fees	9,768,342	-	143,000	9,911,342	(91,386)	1	9,819,956	4,901,786	6,653,423
Interest and Investment Revenues	1,507,500	-	370,000	1,877,500	-		1,877,500	1,162,422	1,843,016
Other Revenues	2,334,718	-	45,000	2,379,718	-		2,379,718	750,937	999,089
Grants and Contributions - Operating	11,703,348	26,000	216,293	11,945,641	2,793,494	2	14,739,135	6,595,233	5,307,815
Grants and Contributions - Capital	36,697,570	-	3,586,611	40,284,181	3,709,016	3	43,993,197	17,380,824	17,824,631
Net gain from disposal of assets		-	-	-			-	-	-
<b>Total Income from Continuing Operations</b>	<b>125,865,604</b>	<b>26,000</b>	<b>6,287,404</b>	<b>132,179,008</b>	<b>6,411,124</b>		<b>138,590,132</b>	<b>97,239,184</b>	<b>98,919,556</b>
<b>Expenses</b>									
Employee Costs	39,793,772	6,315	1,617,554	41,417,641	650,236	4	42,067,877	20,922,159	21,555,116
Borrowing Costs	418,702	-	-	418,702	-		418,702	225,540	37,690
Materials and Contracts	21,041,442	180,041	1,672,998	22,894,481	(614,000)	5	22,280,481	15,413,954	15,716,781
Legal Costs	642,000	-	-	642,000	-		642,000	317,504	425,442
Consultants	731,678	47,000	-	778,678	-		778,678	407,507	260,548
Depreciation	18,572,438	-	-	18,572,438	-		18,572,438	8,518,834	8,016,850
Other Expenses	11,469,685	-	226,045	11,695,730			11,695,730	3,420,974	3,128,216
Net Loss from disposal of assets	2,500,000	-	2,500,000	5,000,000			5,000,000	2,500,000	(880,746)
<b>Total Expenses from Continuing Operations</b>	<b>95,169,717</b>	<b>233,356</b>	<b>6,016,597</b>	<b>101,419,670</b>	<b>36,236</b>		<b>101,455,906</b>	<b>51,726,472</b>	<b>48,259,896</b>
<b>Operating Surplus/(Deficit)</b>	<b>30,695,887</b>	<b>(207,356)</b>	<b>270,807</b>	<b>30,759,338</b>	<b>6,374,888</b>		<b>37,134,226</b>	<b>45,512,712</b>	<b>50,659,660</b>
<b>Net Operating Result before Capital Items</b>	<b>(6,001,683)</b>	<b>(207,356)</b>	<b>(3,315,804)</b>	<b>(9,524,843)</b>	<b>2,665,872</b>		<b>(6,858,971)</b>	<b>28,131,888</b>	<b>32,835,029</b>



## Operating Performance

Comments related to Year to Date (YTD) operating performance

The YTD net operating result before capital income is a surplus of \$32.8m (16.7% favourable to YTD budget of \$28.1m).

**Rates and Annual Charges (YTD variance unfavourable -\$156,400 or -0.2%)**

Council levies rates and annual charges for the whole year in July, however ratepayers are provided the option to make payments in quarterly instalments throughout the year due in August, November, February and May.

Income is recognised up front in accordance with the Australian Accounting Standards and Local Government Code of Accounting Practice and Financial Reporting (Guidelines), therefore the Actual YTD figures represent the full year of levied income despite timing differences in payment receipts.

**User Charges and Fees (YTD variance favourable \$1,751,637 or 35.7%)**

Income YTD is favourable compared to budgets due to additional income for planning assessment fees.

**Interest and investment revenues (YTD variance favourable \$680,594 or 58.6%)**

Due to the increase in interest rates, yields on new investments have also increased and interest income is exceeding budget expectations. More information is available in Council's monthly investment reports.

**Other revenues (YTD variance favourable \$248,152 or 33.1%)**

Favourable income from infringements and fines as well as increased sales income.



**Grants and contributions (combined operating and capital YTD variance unfavourable \$843,611 or -3.5%)**

Budgets for grants (both operating and capital) are only included in the delivery program for known successful approved grants and variation is expected.

According to the Australian Accounting Standards, income for operating grants and contributions is recognised in the accounts when received (or invoiced, often in arrears), whereas income for capital grants is recognised when those capital works are being completed.

Changes to income for both operating and capital grants and contributions have been proposed in this quarterly budget review both as a result of new grants received and updated phasing of capital works programs.

**Employee costs (YTD variance unfavourable \$632,957 or -2.5%)**

Employee costs include salaries and wages; leave entitlements; superannuation; workers compensation and fringe benefits tax. The key variance is due to overtime previously budgeted as part of project expenses in materials resulting in a \$520k variance to budget. A budget review to transfer budget between employee costs and materials has been included in the budget review.

**Borrowing costs (YTD variance favourable \$187,850 or 83.3%)**

The low actual costs compared to budget relate to timing differences associated with new loans yet to be drawn down this financial year.

**Materials and contracts (YTD variance unfavourable -\$263,806 or -1.6%)**

The unfavourable variance is mostly due to phasing differences in actual spend against budget.

**Depreciation (YTD variance favourable \$501,984 or 5.9%)**

Depreciation will increase as additional assets are capitalised throughout the year.

**Other expenses (YTD variance favourable \$292,758 or 8.6%)**

The favourable underspend in other expenses relates to timing differences between budget phasing and actual expenses incurred. The largest variance within this category is the waste levy paid to the EPA.



**Income and Expense Budget Changes**

Variations to income and expenses for this December review (Notes 1 to 5)

Council has conducted a review of its operating income and expenses for this December quarterly budget review for major items and proposes a net increase to the projected year end result of \$2.7m. Forecasts for estimated full year budgets have been based on trends and currently available information. The following notes provide commentary related to the proposed changes to operational results.

Income and Expense Budget Changes for the quarter ended 31 December 2023			
Note	Income	\$	\$
<b>1 Fees and Charges</b>		<b>(216,293)</b>	
	<i>Reduced income due to duplication of PACC budget</i>		
<b>2 Grants and Contributions for Operating Purposes</b>		<b>2,793,494</b>	
	<i>Increased operating grant revenue represented by the below new grants -</i>		
	Regional Emergency Road Repair Fund		2,788,494
	Kurri Kurri Lateral Pipeline Community Grants Program		5,000

Note	Income continued	\$	\$
<b>3</b>	<b>Grants and Contributions for Capital Purposes</b>	<b>3,709,016</b>	
	<i>Increased capital grants and contributions represented by the below -</i>		
	<b><i>New Grants</i></b>		
	Natural Disaster Landslips TfNSW DM00443- Wollombi Rd Sweetmans Creek		382,499
	Natural Disaster Landslips TfNSW DM00249- Finchley Track (Ch 8340)		412,790
	Natural Disaster Landslips TfNSW DM Jun&Mar 2022 Rain Event Landslip overheads		550,407
	Natural Disaster Landslips TfNSW DM00446- Paynes Crossing Road (Ch 5300)		985,215
	Natural Disaster Landslips TfNSW DM00448- Finchley Track (Ch 8240)		512,755
	Natural Disaster Landslips TfNSW DM00445- Stockyard Creek Road		739,688
	Natural Disaster Landslips TfNSW DM00451- Pokolbin Mount Road		909,153
	Natural Disaster Landslips TfNSW DM00415- Paynes Crossing (Grange)		744,400
	Natural Disaster Landslips TfNSW DM00449- Paynes Crossing Road (Ch 6100)		480,219
	Natural Disaster Landslips TfNSW DM00447- Boree Valley Road		209,702
	Wollombi Walking Trail		247,000
	Road Construction Orange Street, Abermain		2,114,546
	Kurri Kurri CBD Asphalt Upgrade		1,065,399
	Great North Road Laguna / Fernances Crossing		150,000
	<b><i>RFS grant funded project alignment</i></b>		
	RBC-2022-007 RFS Bucketty		180,000
	RBC-2022-007 RFS Central		(375,993)
	RBC-2022-007 RFS Laguna		220,000
	<b><i>Carryover 2022/2023</i></b>		
	PACC Ground floor and access improvement grant		31,236
	<b><i>Project deferral to 2024/2025</i></b>		
	Kurri Kurri Netball Facility		(3,000,000)
	Cessnock Regional Skate Park		(1,000,000)
	Wollombi Road Stage 1		(1,650,000)
	Wollombi Road Stage 2		(200,000)

Note	Expenses	\$	\$
<b>4</b>	<b>Employee Benefits and On-Costs</b>	<b>650,236</b>	
	<i>Increased expenditure due to overtime budget and cost allocations as represented by the below -</i>		
	<b>Overtime budget</b>		240,000
	Works and Operations - previously included in materials as part of project budget		379,000
	Open Space - previously included in materials as part of project budget		
	<b>Cost Allocation</b>		
	Reduction to employee costs as a result of cost allocation correction December quarter		31,236
<b>5</b>	<b>Materials and Contracts</b>	<b>(614,000)</b>	
	<i>Decrease in expenditure due to overtime budget and new community grant program</i>		
	<b>Overtime budget</b>		(240,000)
	Works and Operations - previously included in materials as part of project budget		(379,000)
	Open Space - previously included in materials as part of project budget		
	<b>Community Grants Program</b>		
	Kurri Kurri Lateral Pipeline Community Grants Program - new grant		5,000

In summary, the proposed changes in this December review forecast a revised surplus of \$37.1m, or a net deficit of \$6.9m excluding income from capital grants and contributions.

Capital Expenditure Budget Review Statement

Capital Expenditure	Original Budget 2023-24	Carry Forwards	Variations Sept QBRs	Revised Budget 2023-24	Variations Dec QBRs	Projected Year End Result	Actual YTD Figures
	\$	\$	\$	\$	\$	\$	\$
Airport Construction Program (PCA)	1,481,260	0	-1,481,260	0	0	0	0
Airport Renewal Program (PRA)	400,000	0	0	400,000	-400,000	0	0
Branxton Town Centre Program (CTB)	526,377	0	-400,000	126,377	0	126,377	30,376
Bridge Construction Program (CBS)	4,936,043	436,952	1,741,201	7,114,196	-295,000	6,819,196	2,670,716
Cemetery Facilities Construction Program (CFC)	43,335	27,739	0	71,074	0	71,074	107,290
Cessnock Civic Precinct Revitalisation Program (RCC)	1,110,000	0	0	1,110,000	0	1,110,000	353,369
Community Buildings Construction Program (CBC)	800,000	100,670	75,000	975,670	171,226	1,146,896	586,027
Community Buildings Renewal Program (RBC)	416,064	763,848	68,113	1,248,025	-75,993	1,172,032	1,029,306
Design & Contracts Pre-Construction Design (DCP)	331,601	0	-68,795	262,806	0	262,806	0
Drainage Construction Program (CDR)	1,127,919	0	318,795	1,446,714	-136,000	1,310,714	383,338
Floodplain Management Program (PMF)	3,206,556	75,868	0	3,282,424	0	3,282,424	389,584
Gravel Rehab & Resheeting Program (RRG)	330,000	0	0	330,000	0	330,000	2,730
Kurri Town Centre Program (CTK)	2,700,000	0	800,000	3,500,000	1,534,209	5,034,209	2,648,359
Library Books	267,059	0	0	267,059	0	267,059	84,833
Local Road Construction Program (CRL)	640,000	0	36,000	676,000	2,115,546	2,791,546	1,606,160
Local Road Renewal Program (RRL)	11,596,698	180,000	2,967,967	14,744,665	-86,000	14,658,665	5,695,189
Natural Disaster Remediation	890,000	174,753	0	1,064,753	5,926,828	6,991,581	785,042
Other Fixed Assets (OFA)	0	194,432	76,727	271,159	0	271,159	230,122
Pathways Construction Program (CPW)	6,884,957	296,363	554,000	7,735,320	-3,515,006	4,220,314	2,242,954
Plant and Fleet Acquisitions (PFA)	5,520,000	0	0	5,520,000	0	5,520,000	2,424,467
Pool Facilities Renewal Program (RFP)	267,059	145,610	0	412,669	0	412,669	191,674
Recreation Buildings Renewal Program (RBR)	768,308	0	75,000	843,308	-260,000	583,308	31,561
Recreation Facilities Construction Program (CFR)	9,705,992	1,357,199	1,159,875	12,223,066	-6,300,000	5,923,066	3,013,721
Recreation Facilities Renewal Program (RFR)	2,083,326	0	-222,105	1,861,221	0	1,861,221	60,431
Recreation Pre-Construction Design (RPC)	151,525	0	0	151,525	0	151,525	94,686
Recreation Buildings Construction Program (CRB)	330,000	0	0	330,000	0	330,000	0
Regional Road Renewal Program (RRR)	15,009,946	0	-6,581,586	8,428,360	-1,653,000	6,775,360	2,697,225
Safer Roads / Blackspot Program (CRR / CLS)	2,070,000	0	-105,000	1,965,000	-1,845,000	120,000	15,696
Signage Program (CRV)	0	0	0	0	0	0	0
Traffic Facilities Program (CFT)	2,050,000	0	-360,000	1,690,000	-1,005,000	685,000	295,057
Visitor Information Centre (VIC)	602,421	0	-352,600	249,821	0	249,821	227,742
Waste Facility Construction Program (CFW)	150,000	248,790	0	398,790	485,000	883,790	861,658
Waste Facility Remediation Program (CFW)	575,928	560,367	0	1,136,295	0	1,136,295	0
Waste Major Plant	680,000	0	0	680,000	-500,000	180,000	0
Works Depot Construction Program	750,000	0	0	750,000	0	750,000	117,362
<b>Total Capital Expenditure</b>	<b>78,402,374</b>	<b>4,562,591</b>	<b>- 1,698,668</b>	<b>81,266,297</b>	<b>- 5,838,190</b>	<b>75,428,107</b>	<b>28,876,677</b>

### Capital Expenditure Budget Changes

Actual Capital Expenditure for the year to 31 December 2023 was \$28.9m which equates to 36% spent from Budget of \$81.3m.

Variations to capital expenditure for this December review

All projects within the capital works program were reviewed as part of the Q2 Quarterly Budget Review Statement process and a net decrease to the overall capital works program of \$5.8m is proposed. Key movements are the re-phasing of some projects to 2025 and new grants received.

Program	Project	Amount \$
Natural Disaster - Capital	DM00443- Wollombi Rd Sweetmans Creek	382,499
Natural Disaster - Capital	DM00249- Finchley Tk ( Ch 8340 )	412,790
Natural Disaster - Capital	DM Jun&Mar 2022 Rain Event Landslip overheads	550,407
Natural Disaster - Capital	DM00446- Paynes Crossing Road ( Ch 5300 )	985,215
Natural Disaster - Capital	DM00448- Finchley Track ( Ch 8240 )	512,755
Natural Disaster - Capital	DM00445- Stockyard Creek Road	739,688
Natural Disaster - Capital	DM00451- Pokolbin Mount Road	909,153
Natural Disaster - Capital	DM00415- Paynes Crossing (Grange)	744,400
Natural Disaster - Capital	DM00449- Paynes Crossing Road (Ch 6100)	480,219
Natural Disaster - Capital	DM00447- Boree Valley Road	209,702
Community Buildings Renewal Program (RBC)	RBC-2023-018 Richmond Main-Deck Replace-Admin Bldg	- 135,000
Recreation Buildings Renewal Program (RBR)	RBC-2024-004 Roof replacement Richmond Main Admin building	- 260,000
Local Road Construction Program (CRL)	CRL-2020-001 Murrays Run Road Embankment Stabilise	91,000
Local Road Renewal Program (RRL)	RRL-2024-019 Middle Rd, Pelton - Stage 1 - Investigation and Design	- 35,000
Local Road Renewal Program (RRL)	RRL-2024-012 Middle Road Paxton Investigation and Design	35,000
Local Road Renewal Program (RRL)	RRL-2023-002 Murrays Run Rd Rehab-Ph1 Inv & Design	- 91,000
Local Road Renewal Program (RRL)	RRL-2024-015 Deakin St ,Kurri Kurri-Ph1 Inves &Des	55,000
Community Buildings Renewal Program (RBC)	RBC-2022-007 RFS Bucketty	195,000
Community Buildings Renewal Program (RBC)	RBC-2022-007 RFS Central	- 375,993
Community Buildings Renewal Program (RBC)	RBC-2022-007 RFS Laguna	240,000
Cultural and Community Bldgs Construction Program	CBC-2022-004 New Millfield RFS Station	171,226
Traffic Facilities Program (CFT)	CFT-2022-002 Kerlew & Occident St Nulkaba	- 65,000
Pathways Construction Program (CPW)	Wollombi Walking Trail	247,000
Local Road Renewal Program (RRL)	RRL-2021-012 OldMaitRdSawyersGullySealingUnsealed	310,000
Local Road Renewal Program (RRL)	RRL-2024-021 Bellamy St, Milfield - Stage 1 - Investigation and Design	65,000
Kurri Town Centre Program (CTK)	CTK-2021-001 Lang St Kurri Roadworks	1,065,399

Program	Project	Amount \$
Recreation Facilities Construction Program (CFR)	CFR-2024-005 Kurri Kurri Netball Facility	- 3,700,000
Recreation Facilities Construction Program (CFR)	CFR-2022-007 Cessnock Regional Skate Park Design	- 2,100,000
Local Road Construction Program (CRL)	CRL-2023-002 Orange Street, Abermain	2,114,546
Traffic Facilities Program (CFT)	Great north Rd Laguna/Fernances Crossing	150,000
Safer Roads Program (RMS Blackspot) (CRR)	CRR-2021-006 Oakey Creek Road, Cessnock	40,000
Regional Road Renewal Program (RRR)	RRR-2024-004 Wollombi Road Stage 1	- 1,100,000
Regional Road Renewal Program (RRR)	RRR-2024-006 Wollombi Road Stage 2	- 200,000
Regional Road Renewal Program (RRR)	RRR-2024-004 Wollombi Rd Stage 1 Early Works	- 550,000
Waste Facility Construction Program (CFW)	CFW-2021-003 New Landfill Development	400,000
Waste Facility Construction Program (CFW)	CFW-2023-001 Recyc Pad Pvmt Rehab,C'nock Waste Fac	85,000
Waste Major Plant	Waste Services Capital - Purchases - Capital	- 500,000
Drainage Construction Program (CDR)	CDR-2021-005 Portland St Millfield Trunk Drainage	25,000
Traffic Facilities Program (CFT)	CFT-2024-007 Keene St Cessnock-Ext. to Wollombi Rd	- 1,090,000
Airport Renewal Program (PRA)	PRA-2024-001 Replacement of museum hangar	- 400,000
Regional Road Renewal Program (RRR)	Lovedale Rd Bancrofts Bridge - Hex funded	197,000
Kurri Town Centre Program (CTK)	CTK-2023-001 Col Brown Beautification – phase 2	468,810
Safer Roads Program (RMS Blackspot) (CRR)	CLS-2023-001 Sandy Creek Rd Mt Vincent	- 100,000
Safer Roads Program (RMS Blackspot) (CRR)	CLS-2023-003 Old Maitland Rd Bishops Bridge	- 100,000
Safer Roads Program (RMS Blackspot) (CRR)	CLS-2023-002 Abernethy St Kitchener	- 85,000
Safer Roads Program (RMS Blackspot) (CRR)	CRR-2020-002 George Downes Dr Bucketty Rd Safety I	- 1,600,000
Pathways Construction Program (CPW)	CPW-2018-005 Branxton to Greta Cycleway	- 2,300,000
Pathways Construction Program (CPW)	CPW-2021-015 First St Weston	- 125,006
Pathways Construction Program (CPW)	CPW-2023-002 Government Road, Cessnock, Anzac Avenue to URA	- 826,000
Pathways Construction Program (CPW)	CPW-2024-004 Cessnock to Abermain Shared path	- 511,000
Local Road Renewal Program (RRL)	RRL-2020-005 Aberdare St Kitchener	- 250,000
Design & Contracts Pre-Construction Design (DCP)	CRL-2022-00x Cooper&Charlton Shared Zone investigation	- 90,000
Local Road Renewal Program (RRL)	RRL-2024-016 Abernethy Street, Abernethy - Stage 1 - Investigation and Design	- 35,000
Local Road Renewal Program (RRL)	RRL-2024-020 Bathurst St, Abermain - Stage 1 - Investigation and Design	- 35,000
Local Road Renewal Program (RRL)	RRL-2024-023 Goulburn St Abermain - Stage 1 - Investigation and Design	- 35,000
Local Road Renewal Program (RRL)	RRL-2024-027 Swanson St, Weston - Stage 1 - Investigation and Design	- 35,000
Local Road Renewal Program (RRL)	RRL-2024-028 Wilderness Road, Rothbury - Phase 1 Investigate and Design	- 35,000
Drainage Construction Program (CDR)	CDR-2022-001 Trenchard Street, Heddon Greta	- 161,000
Bridge Construction Program (CBS)	CBS-2022-001 Cuneens Bridge Wollombi Demolition	- 195,000
Bridge Construction Program (CBS)	CBS-2025-001 Deasey's Road Bridge replacement	- 100,000
Recreation Facilities Construction Program (CFR)	CFR-2024-004 Kurri Kurri Sportsground Upgrades	- 500,000
<b>Total changes proposed for the Q2 December QBRS</b>		<b>- 5,838,190</b>



### Cash and Investments

Council's cash and investment balance as at 31 December 2023 was \$86,057,433. All investments are held in accordance with Council's Investment Policy and the Ministerial Investment Order and further details are available in Council's monthly Investment Reports.

The cash at bank amount has been reconciled to the bank statements as at 31 December 2023 as per below:

Cash at bank (as per bank statement)	\$6,588,513
Less : Unpresented bank file transactions	(371,898)
Add : Unpresented Authority cashbook transactions	103,966
<b>Reconciled General Fund Cash as per General Ledger</b>	<b><u>\$6,320,581</u></b>



Cash Reserves

The below table shows closing cash restrictions as at 30 June 2023 included in Council’s audited financial statements as well as the original budget adopted as part of the Operational Plan 2023-24, and the year to date actual balances as at 31 December 2023, as per Council’s Investment Report.

CASH RESERVES	Actual 2022-23	Original Budget 2023-24	Actual December 2023
	\$000's	\$000's	\$000's
<b>External Restrictions</b>			
Developer Contributions	31,800	30,458	38,090
Transport NSW Hunter Expressway	182	182	-
Specific purpose Unexpended Grants	5,647	8,264	22,104
Domestic Waste Management	430	430	430
Stormwater management	926	71	909
<b>SUB-TOTAL</b>	<b>38,985</b>	<b>39,404</b>	<b>61,533</b>
<b>Internal Restrictions</b>			
Plant and vehicle replacement	2,794	118	2,412
Employees leave entitlement	2,519	3,286	2,418
Carry over works (General Fund)	385		581
Bridge replacement	346		308
Insurance provisions	761	691	761
Miscellaneous projects	829	605	629
Grant fund leverage	82		82
Financial Assistance Grant in advance			
Operations and programs reserve	473	404	472
Property investment fund	3,112	2,698	3,021
Civil works	95		-
Waste depot and rehabilitation	12,448	9,672	8,843
Unexpended loan funds	2,129		958
Committed projects (SRV)	214		-
Security deposits / bonds	4,144	4,077	3,432
<b>SUB-TOTAL</b>	<b>30,331</b>	<b>21,552</b>	<b>23,917</b>
<b>TOTAL RESTRICTIONS</b>	<b>69,316</b>	<b>60,956</b>	<b>85,450</b>
<b>Unrestricted</b>	<b>3,810</b>	<b>6,585</b>	<b>607</b>
<b>Total Cash &amp; Investments</b>	<b>73,126</b>	<b>67,541</b>	<b>86,057</b>



Key Performance Indicators

Based on the proposed changes to budgets contained in this quarterly budget review, all core Local Government key performance indicators are estimated to meet or exceed benchmarks.

Performance Measure	Benchmark	Original Budget 2023-24	Projection 2023-24
Operating Performance Ratio	>0.00%	X	X
Own Source Operating Revenue Ratio	>60.00%	✓	X
Unrestricted Current Ratio	>1.50x	✓	✓
Debt Service Cover Ratio	>2.00x	✓	✓
Rates and Annual Charges Outstanding Percentage	<10.00%	✓	✓
Cash Expense Cover Ratio	>3.00 mths	✓	✓





**Contracts**

Major contracts equal to or greater than \$50,000 entered into during reporting period 1 October 2023 to 31 December 2023 are summarised below:

Contract Number	Supplier Name	Purpose	Amount	Commencement Date	Expiry Date	Duration Months	Included in Budget?
T2023-07	Systems Construction Pty Ltd	Ginger's Lane Intersection Street Lighting construction works	\$302,995	1/11/2023	1/02/2024	3	Yes
T2023-38	Polytan Asia Pacific	Replacement of Cessnock Hockey Surface	\$776,991	7/12/2023	30/06/2024	6	Yes
T142324HUN	Active Tree Services Pty Ltd t/a Active Tree Services Asplundh Tree Expert Australia t/a Summit Open Space Services TreeServe Pty Ltd	Provision of Tree Maintenance	Schedule of Fees	1/10/2023	30/09/2026	35	Yes
T152324HUN	Altus Traffic Pty Ltd D&D Traffic Management Pty Ltd t/a D&D Traffic Management DOB Enterprises Pty Ltd t/a Watchout Traffic Control Lack Group Traffic Pty Ltd Workforce Road Services t/a Workforce Road Services Pty Ltd	Provision of Traffic Control	Schedule of Fees	1/10/2023	30/09/2026	35	Yes
T162324HUN	J & M Roadmarking Whiteline Road Services	Provision of Linemarking	Schedule of Fees	1/10/2023	30/09/2026	35	Yes
Q2023-209	Alliance Construction Group Pty Ltd	Landslide Remediation Works – Package 2 – Minor Civil Works	\$1,836,771	4/12/2023	26/06/2024	6	Yes
Q2024-15	GHD Pty Ltd	Cessnock Airport Strategic Review	\$149,216	13/12/2023	30/06/2024	6	Yes

Contract Number	Supplier Name	Purpose	Amount	Commencement Date	Expiry Date	Duration Months	Included in Budget?
Q2024-29	Synthatech Australia Pty Ltd	Safety Surfacing of Maybury Peace Park	\$58,879	1/10/2023	30/04/2024	6	Yes
Q2024-36	AI Civil Design Pty Ltd	Design of Heddon Street and surrounding roads at Heddon Greta	\$59,862	13/12/2023	30/03/2024	3	Yes
Q2024-37	Hi-Vis Group	Investigation and installation of Flood Boom Gates	\$199,626	30/10/2023	30/06/2024	8	Yes
Q2024-46	Coastal Works Pty Ltd	Watagan Creek #1 Bridge Replacement Construction Works	\$1,519,447	8/12/2023	30/09/2024	9	Yes
Q2024-47	Outstanding Collections (Aust) Pty Ltd	Sale of land for unpaid rates and charges. In accordance with Sec 713 of LG Act	\$55,009	1/11/2023	30/06/2024	7	Yes
Q2024-58	Fulton Hogan Industries Pty Ltd	Stabilised heavy patching for Multiply sites	\$515,296	1/11/2023	31/01/2024	2	Yes
Q2024-63	Shepherd Services Pty Ltd	Road Asset Data Collection	\$76,138	20/11/2023	30/06/2024	7	Yes
Q2024-65	Frost Catering Equipment Pty Ltd	Pokolbin Community Hall Kitchen Upgrade	\$55,643	17/11/2023	29/02/2024	3	Yes
Q2024-71	Proto Partners	Customer journey mapping, rapid customer experience improvement for development of the Customer Experience (CX) Strategy	\$120,890	1/11/2023	30/06/2024	7	Yes
Q2024-72	Guardrail Installations Australia	Sandy Creek Road Guardrail Installation	\$211,587	12/12/2023	29/02/2024	2	Yes
Q2024-73	Cessnock District Rescue Squad Inc	Kurri Kurri Volunteer Rescue Association Improvements	\$71,500	12/12/2023	30/06/2024	6	Yes
Q2024-90	Engenicom Pty Ltd Civil Construction Solutions Pty Limited	Wollombi Upgrade Project Resource	\$500,000+	30/11/2023	30/11/2024	12	Yes
Q2024-94	Coates Hire Operations	VMS Boards - Orange Street Abermain	\$65,046	12/12/2023	30/06/2024	6	Yes
Q2024-95	D K Repairs And Services Pty Ltd	Manufacture of five (5) single Bus Shelters	\$64,701	12/12/2023	30/04/2024	4	Yes
T2024-08	Court Craft (Aust) Pty Ltd	Centenary Park Multipurpose Court and Greta Central Park Multipurpose Courts and Associated Hit Up Wall	\$496,202	1/12/2023	2/06/2024	6	Yes

Contract Number	Supplier Name	Purpose	Amount	Commencement Date	Expiry Date	Duration Months	Included in Budget?
T2024-09	Ground Stabilisation Systems Pty Ltd	Landslide Remedial Works - Package 1 - 6 Locations in Cessnock LGA	\$3,731,908	30/11/2023	1/06/2025	6	Yes
T2024-10	Fortec Australia Pty Ltd	Design and Construct Watagan Creek Road Bridge #3 Laguna	\$1,013,851	13/12/2023	30/06/2024	6	Yes
Q2023-163	NSW Department of Customer Service - Spatial Services SCM5841 Remote Sensing Services & Equipment Prequalification Scheme	Cessnock LGA LiDAR Data Acquisition 2023-2024	\$160,000+	10/10/2023	30/06/2024	8	Yes
Q2024-53	Bolte Civil Pty Ltd	Diversion Channel South Cessnock Bund Wall	\$1,323,419	16/11/2023	1/04/2025	4	Yes
Q2024-66	Boral Quarries Boral Recycling Pty Limited Hanson Construction Materials Pty Ltd Hebden Quarries Pty Limited Quarry Products (Newcastle) Pty Ltd	Supply and Delivery of Road Base Materials	\$250,000+	1/12/2023	12 month 2023 3 monthly pricing cycle	3 monthly cycle	Yes



**Other Expenses**

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by management. Generally, it is the advisory nature of the work that differentiates a consultant from other contractors.

	Actual YTD	Budgeted Y / N
Consultancies	\$260,548	Y
Legal Fees	\$425,442	Y*

\* Due to the nature of emergent and unforeseen matters, legal fee budgets are reviewed at least quarterly and adjustments are proposed if required.

**Employee Numbers**

The following table shows approved employee numbers as at 31 December 2023 based on Full Time Equivalent (FTE) measurement which is where 1.0 FTE equals a position where the hours are contracted for the full week (either a 35 or 38 hour week). The below figure includes all positions both occupied and vacant however excludes casuals.

Employee Type	Approved FTE 2023-24*	Actual FTE 31 December 2023
Permanent	424.49	373.22
Apprentice/Trainee	23.2	20.73
Temporary	9.77	13.40
<b>Total Approved Full Time Equivalents</b>	<b>457.46</b>	<b>407.35</b>

\* Approved FTE for 2023-24 as per Council's Strategic Plan 2022-2026



62-78 Vincent Street, Cessnock NSW 2325 | PO Box 152 Cessnock NSW 2325  
02 4993 4100 | [council@cessnock.nsw.gov.au](mailto:council@cessnock.nsw.gov.au) | [www.cessnock.nsw.gov.au](http://www.cessnock.nsw.gov.au)



**COUNCILLOR REQUEST TO ATTEND CONFERENCE, SEMINAR OR TRAINING**

COUNCILLOR DETAILS					
Name:					
Mobile Phone Number:				Dietary Requirements:	
CONFERENCE/SEMINAR/TRAINING DETAILS					
Course Name:		2024 National General Assembly			
Organiser:		Australian Local Government Association		Location: National Convention Centre, Canberra	
Date:		2 - 4 July 2024	Cost: TBA	Job Number:	
Detail benefits to you and your role in Council					
Details of conferences / seminars / training already attended in this term of Council					
TRAVEL & ACCOMMODATION					
Accommodation					
Is Accommodation Required?		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes please complete details below)			
Name:				Phone:	
Check in Date:				Check out Date:	
Travel					
Airfare Required?		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes please complete details below)			
Other Transport Require?		<input type="checkbox"/> Yes <input type="checkbox"/> No		Transport requirement:	
Special Requirements?					
AUTHORISATION					
Mayor / Councillor					
Name:				Signature:	
				Date:	
General Manager					
Full Name:				Signature:	
				Date:	
<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved					
OFFICE USE ONLY					
Received by EA:		Date	Signature	Registered in RM:	Date
TRIM link to HR:				Registration Booked:	Reference / Reservation Number
Clr Advised:				Accommodation Booked:	
				Travel Booked:	



# 2024 NGA

Building  
Community  
Trust

National Convention Centre  
Canberra



AUSTRALIAN  
LOCAL GOVERNMENT  
ASSOCIATION

2 - 4  
JULY  
2024

DISCUSSION  
PAPER



## KEY DATES

29 March 2024 | Acceptance of Motions

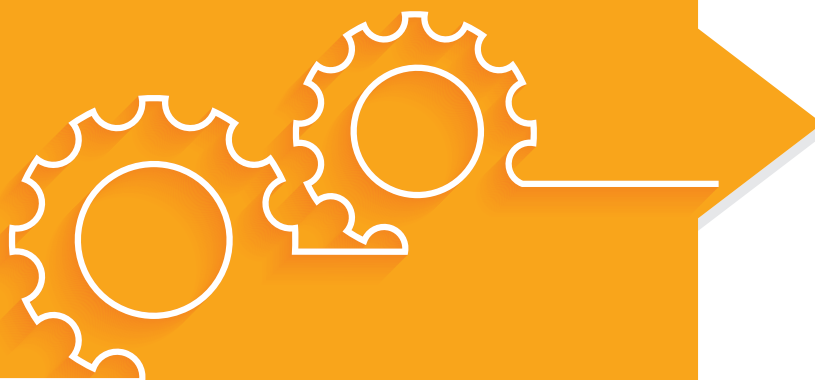
2 July 2024 | Regional Cooperation & Development Forum

3 - 4 July 2024 | National General Assembly

5 July 2024 | Australian Council of Local Government

## TO SUBMIT YOUR MOTION

**VISIT: [ALGA.COM.AU](https://alga.com.au)**



The Australian Local Government Association (ALGA) is pleased to convene the 30th National General Assembly of Local Government (NGA), to be held in Canberra from 2-4 July 2024.

As convenor of the NGA, the ALGA Board cordially invites all councils to send representatives to this important national event.

The NGA is the premier national gathering of local governments, and provides councils with the opportunity to come together, share ideas, debate motions, and most importantly unite and further build on the relationship between local government and the Australian Government.

This discussion paper contains essential information for Australian councils considering submitting motions for debate at the 2024 National General Assembly of Local Government (NGA).

It is recommended that all councils and delegates intending to attend the 2024 NGA familiarise themselves with the guidelines for motions contained in this paper on page 6.

## **BACKGROUND TO ALGA AND THE NGA**

ALGA was established 1947. In structure, ALGA is a federation of member state and territory associations. Its mission is to achieve outcomes for local government through advocacy with impact, and maximise the economic, environmental and social wellbeing of councils and our communities.

Since 1994, the NGA has built the profile of local government on the national stage, showcased the value of councils, and most importantly demonstrated - particularly to the Australian Government - the strength and value of working with local government to help deliver on national priorities.

Debate on motions was introduced to the NGA as a vehicle for councils from across the nation to canvas ideas. Outcomes of debate on motions (NGA Resolutions) could be used by participating councils to inform their own policies and priorities, as well as their advocacy when dealing with federal politicians.

At the same time, they help ALGA and its member state and territory associations gain valuable insight into council priorities, emerging national issues, and the level of need and support for new policy and program initiatives.

Given the structure of ALGA, its Constitution, and level of resources, the NGA does not bind the ALGA Board. However, the Board carefully considers NGA resolutions as it determines ALGA's policies, priorities and strategies to advance local governments within the national agenda.

This is your NGA and ALGA is pleased to act as the convenor. ALGA's policies and priorities will continue to be determined by the ALGA Board in the interests of all councils.

**The ALGA Board thanks all councils for attending the NGA and those that will take the time to reflect on the purpose of debate on motions outlined in this paper, and to submit motions for debate at the 2024 NGA.**

# SUBMITTING MOTIONS

Australia is one of the world's great democracies. It is held in high regard across the world but should never be taken for granted.

## **The theme of the 2024 NGA is – Building Community Trust.**

This theme aims to explore the critical importance of trust in governments, between governments, its institutions, and its citizens. This trust is a fundamental building block of our nation's democracy.

While relatively low key, over the past decade there has been increasing public debate by scholars and policy makers about the level of trust in government, its institutions and indeed the operation of our democracy more broadly.

Mark Evans et al (2019) published research in 'The Conversation' indicating that Australians' trust in politicians (our political representatives) and democracy has hit an all-time low. This report indicates 'fewer than 41% of Australian citizens are satisfied with the way democracy works in Australia, down from 86% in 2007.

Public satisfaction has fallen particularly sharply since 2013, when 72% of Australian citizens were satisfied. Generation X is least satisfied (31%) and Baby Boomers most satisfied (50%). Some political authors suggest that these trends in part explain the rise in popularity and the relative success of independents and micro or single-issue parties.

These statistics should be of concern to every level of government and those interested in the future of our communities and Australia's democratic system.

It is said that 'trust is hard-earned, easily lost, and difficult to re-establish – and a key to absolutely everything.' While media and public attention frequently focuses on levels of trust in the national and state governments, local governments have an equally important role in building, maintaining and indeed, often repairing government-community relationships.

At its most fundamental level, the 2024 NGA focusses on the role of local government and how all levels of government can help each other build, maintain and strengthen government-community relationships.

This discussion paper is a call for councils to submit motions for debate at the 2024 NGA to be held in Canberra from 2-4 July 2024.

Motions for this year's NGA should consider:

- how all levels of government in Australia can build trust in each other and earn greater trust from the community;
- practical opportunities for the Australian Government to leverage the trust that local communities have in their local council;
- focus on practical programs that can strengthen the system of local government nationally to provide the services and infrastructure required to support and strengthen our communities; and
- new program ideas that that would help the local government sector to deliver the Australian Government's objectives.

Motions should be concise, practical and implementable and meet the guidelines for motions set out in the paper.

You are encouraged to read all the sections of the paper but are not expected to respond to every issue or question. Your council's motion/s must address one or more of the issues identified in the discussion paper.

Motions must be lodged electronically using the online form available on the NGA website at: [www.alga.com.au](http://www.alga.com.au) and received no later than 11:59pm AEST on Friday 29 March 2024.

All notices of motions will be reviewed by the ALGA Board's NGA Sub-committee prior to publishing the NGA Business Paper to ensure that they meet these guidelines. This sub-committee reserves the right to select, edit or amend notices of motions to facilitate the efficient and effective management of debate on motions at the NGA.

All NGA resolutions will be published on [www.nationalgeneralassembly.com.au](http://www.nationalgeneralassembly.com.au).

As the host of the NGA, ALGA will communicate resolutions to the relevant Australian Government Minister and publish Ministerial responses as they are received on this website.

Please note that if your council does submit a motion, there is an expectation that a council representative will be present at the NGA to move and speak to that motion if required.

We look forward to hearing from you and seeing you at the 2024 NGA.

# CRITERIA FOR MOTIONS

To be eligible for inclusion in the NGA Business Papers, and subsequent debate on the floor of the NGA, motions must meet the following criteria:

1. Be relevant to the work of local government nationally.
2. Not be focused on a specific jurisdiction, location or region – unless the project or issue has national implications.
3. Be consistent with the themes of the NGA.
4. Complement or build on the policy objectives of ALGA and your state or territory local government association.
5. Be submitted by a council which is a financial member of their state or territory local government association.
6. Propose a clear action and outcome ie call on the Australian Government to act on something.
7. Not be advanced on behalf of external third parties that may seek to use the NGA to apply pressure to Board members, or to gain national political exposure for positions that are not directly relevant to the work of, or in the national interests of, local government.
8. Address issues that will directly improve the capacity of local government to deliver services and infrastructure for the benefit of all Australian communities.
9. Not seek to advance an outcome that would result in a benefit to one group of councils to the detriment of another.
10. Be supported by sufficient evidence to support the outcome being sought and demonstrate the relevance and significance of the matter to local government nationally.

Motions must commence with the following wording:

***This National General Assembly calls on the Australian Government to ...***

**Please note that resolutions of the NGA do not automatically become ALGA's national policy positions.**

## OTHER THINGS TO CONSIDER

It is important to complete the background section of the submission form. Submitters of motions should not assume that NGA delegates will have background knowledge of the proposal. The background section helps all delegates, including those with no previous knowledge of the issue, in their consideration of the motion. Please note, motions should NOT be prescriptive in directing how the matter should be pursued.

**Try to keep motions practical, focussed and capable of implementation to ensure that relevant Australian Government Ministers provide considered, thoughtful and timely responses.**

Try to avoid motions that are complex, contain multi-dot points and require complex cross-portfolio implementation.

All motions submitted will be reviewed by the ALGA Board's NGA Sub-committee, in consultation with state and territory local government associations, to determine their eligibility for inclusion in the NGA Business Papers.

When reviewing motions, the Sub-committee considers the criteria, clarity of the motion and the importance and relevance of the issue to local government.

If there are any questions about the substance or intent of a motion, ALGA will raise these with the nominated contact officer. With the agreement of the submitting council, these motions may be edited before inclusion in the NGA Business Papers.

To ensure an efficient and effective debate, where there are numerous motions on a similar issue, the NGA Sub-committee will group these motions together under an overarching strategic motion. The strategic motions will have either been drafted by ALGA or will be based on a motion submitted by a council which best summarises the subject matter.

Debate will occur in accordance with the rules for debate published in the Business Papers and will focus on the strategic motions. Associated sub-motions will be debated by exception only or in accordance with the debating rules.

Any motion deemed to be primarily concerned with local or state issues will be referred to the relevant state or territory local government association and will not be included in the NGA Business Papers.

All motions require:

- a contact officer;
- a clear national objective;
- a summary of the key arguments in support of the motion; and
- endorsement of your council.

**Motions should be lodged electronically using the online form available at [www.alga.asn.au](http://www.alga.asn.au).  
Motions should be received no later than 11:59pm AEST on Friday 29 March 2024.**

## SETTING THE SCENE

The theme for NGA24 'Building Community Trust' aims to focus on the role of local government in the Australian system of government and explore the critical importance of trust in governments, between governments, its institutions, and our citizens.

In a recent essay on Capitalism after the Crisis (2023) the Treasurer the Hon Dr Jim Chalmers MP wrote:

*'Our mission is to redefine and reform our economy and institutions in ways that make our people and communities more resilient, and our society and democracy stronger as well.'*

The need to strengthen our democracy was also emphasised the Prime Minister the Hon Anthony Albanese MP in a speech at Queensland's Woodford Folk Festival toward the end of 2022:

*'I urge anyone who thinks our democracy is unassailable to have a look around the world. Even some of the oldest, most stable democracies have come under attack from a whole range of corrosive, insidious forces. No one is immune. Our democracy is precious, something we have carefully grown and nurtured from one generation to the next. One of our core responsibilities is to make it stronger, and the key to that strength is transparency and accountability.'*

In early 2023 the Australian Government established a taskforce to advise government on 'what can be done – practically – to strengthen Australian democracy'.





The 2024 NGA provides you - the elected representatives of Australia's local councils and communities - with the opportunity to engage with the Federal Government and key Ministers.

Further, it is your opportunity to advocate for new or expanded programs and key policy initiatives that could strengthen local governments, its capacity to deliver services and infrastructure to local communities across the nation. This service delivery is critical to build, maintain and strengthen the trust of our citizens.

This year's call for motion focusses on twelve priority areas:

- Intergovernmental relations;
- Financial sustainability;
- Roads and infrastructure;
- Emergency management;
- Housing and homelessness;
- Jobs and skills;
- Community services;
- Closing the Gap and Aboriginal and Torres Strait Islander Reconciliation;
- Data, digital technology and cyber security;
- Climate change and renewable energy;
- Environment; and
- Circular economy.



# 1. INTERGOVERNMENTAL RELATIONS

'Australia's federal structure, built upon reciprocal financial, legislative and policy responsibilities, requires intelligent cooperation on issues of strategic national significance.'

National Cabinet is a forum for the Prime Minister, Premiers and Chief Ministers to meet and work collaboratively. National Cabinet was established on 13 March 2020 and is chaired by the Prime Minister. The National Cabinet is a key mechanism in Australia's current intergovernmental architecture.

A representative of local government, the President of ALGA, is invited to meet with National Cabinet once each year. The President of ALGA also attends one meeting per year of the Council on Federal Financial Relations comprising the Commonwealth Treasurer as Chair and all state and territory treasurers.

A substantial body of research, from Australia and internationally, has highlighted that governments that work together are generally more successful in achieving shared national objectives, including economic recovery from events like the COVID-19 pandemic as well as in service and infrastructure delivery.

This research reinforces the need for local government to be included in relevant ministerial forums that support national priorities – from housing affordability to reaching net-zero emissions. ALGA currently participates in National Cabinet (1/year), Council on Federal Financial Relations (1/year), Infrastructure Transport Ministers Meeting, National Emergency Managers Meeting, Local Government Ministers Forum, Joint Council on Closing the Gap, Planning Ministers Meeting, Meeting of Environment Ministers, Energy and Climate Change Ministers and the Road Safety Ministers Meeting, to represent local government views.

Local government input can provide a community voice, enabling our intergovernmental forums to make decisions with greater legitimacy and authority.

*Given the importance of trust in governments, between governments and its citizens, how can intergovernmental arrangements be further improved in Australia?*

*Are there ways of maintaining and enhancing the community's trust in local government?*

*Are there new initiatives and programs that could be adopted to improve the level of cooperation and collaboration between the Australian Government and local government?*

## 2. FINANCIAL SUSTAINABILITY

Trust in governments is highly correlated with their ability to fulfill the implicit social contract between government and its citizens by keeping promises.

Local government is the third sphere of government in Australia's system of government. Councils are comprised of locally elected representatives who understand local needs and engage locally on strategies to meet those needs.

Councils are responsible for providing a wide range of critical local area services including planning, libraries, waste management systems, transport and infrastructure (eg roads and footpaths, parks, sporting grounds and swimming pools) and social services.

These services are critical to the wellbeing, liveability and productivity of all local communities, and therefore the nation. Equally important is the sustaining of democratic processes at the local and regional level.

Local government's total annual expenditure in 2021 -22 was approximately \$43.6 billion. Non-financial assets including roads, community infrastructure such as buildings, facilities, airports, water, and sewerage (in some states) including land, are valued at \$539 billion [ABS Government Finance Statistics, Australia, 2021-22].

In 2021-22, the Australian Government provided \$2.6 billion in Financial Assistance Grants funding to councils. This included \$1.3b which was brought forward from the 2021-22 estimate and paid through state and territory governments in 2020-21.

Nationally, local government derives nearly 90% of its revenue from its own sources (including rates and services charges), compared to around 50% for state governments. Grants from other levels of government make up just over 10% of local government's total revenue, however these grants are particularly important in areas with a low-rate base, and/or high growth rates, and rapidly expanding service and infrastructure needs.

In 2021-22 Financial Assistance Grants to local governments was less than 0.6% of Commonwealth taxation revenue (CTR), a significant drop from 1996 when these grants were at 1% of CTR. In 2023-24 Financial Assistance Grants have fallen to 0.5% of Commonwealth taxation.

*What improvements are needed to the intergovernmental financial transfer system, particularly the Commonwealth transfers to local government, to enhance the community's trust in local government and by extension all governments?*

*Noting that Commonwealth tied funding is provided with detailed requirements how can this system be improved to provide flexibility and maximize the benefit to local communities?*

## 3. ROADS AND INFRASTRUCTURE

ALGA's 2021 National State of the Assets Report (NSoA) is currently being updated and expected to be launched in 2024. The most recent NSoA shows that while most local government assets such as roads, bridges, buildings, parks and recreation, stormwater, water and wastewater, and airports and aerodromes are generally in good to very good condition, around 10% are not fit for purpose, and around 20–25% are only fair and over time will need attention.

The last NSoA found that in 2019–20 non-financial infrastructure assets were valued at \$342 billion and were depreciating at \$7.7 billion per year. Replacement costs of these infrastructure assets were in the order of \$533 billion.

Local government assets make up a significant proportion of the physical structure of local communities and often provide critical access to and support for citizens to engage in state and national assets and opportunities.

For example, local roads provide important “first and last-mile access” for communities and industry to road networks, integral to economic development and community connection. Local sporting grounds can provide access for community groups to build community participation that has social, health and economic benefits.

*Are there programs or initiatives that the Australian Government could adopt to improve the long-term sustainability of local government infrastructure?*

*Are there programs or initiatives that the Australian Government could provide to improve the sector's capacity to manage local government infrastructure and to integrate these plans into long-term financial plans?*

*Are there programs or initiatives that the Australian Government could develop to maintain, strengthen and enhance the reputation of Australia's infrastructure providers, including local government?*

## 4. EMERGENCY MANAGEMENT

In 2022 alone, 46 disasters were declared across Australia, covering more than 300 different council areas. In recent years, almost every Australian council has been impacted in some way by fires, floods, or cyclones.

Last year's flooding caused a damage bill of approximately \$3.8 billion to local roads across Queensland, New South Wales, Victoria and South Australia. This was just a fraction of the total disaster costs incurred by governments across the country.

There have been numerous NGA motions in recent years regarding natural disasters and this has been a significant priority in ALGA's advocacy program.

In 2022 ALGA successfully advocated for a new \$200 million per year Disaster Ready Fund, with the first round of funding allocated in June 2023. This fund will support councils and communities to mitigate against the risk of future disasters and help address the significant imbalance between mitigation and recovery spending.

Councils are encouraged to draw on their practical experience of the improvements that could be made to managing emergencies.

Please note that many aspects of emergency management are state or territory responsibilities, and your motions should focus on how the Australian Government could assist.

*What new programs, or improvements to existing programs, could the Australian Government develop to partner with local government to improve the current natural disaster management systems to further assist in recovery and build resilience?*

## 5. HOUSING AND HOMELESSNESS

Almost every Australian council and community is facing challenges around a lack of affordable housing.

Alarming research by the UNSW City Futures Research Centre shows 640,000 Australian households – or one in 15 households – are under housing stress.

All levels of government, including councils, have a fundamental role to play in addressing this crisis, which is being compounded by high interest rates, rising construction costs and skills shortages.

At a national level, ALGA is a signatory to the National Housing Accord, and in 2023 successfully advocated for a new \$500 million Housing Support Program for state and local governments to deliver supporting infrastructure for new housing developments.

While the provision of affordable housing is not a local government responsibility, councils have a role to play in ensuring there is enough suitably located land available for housing and that a diversity of housing stock is supported. Councils also want to ensure that new housing developments are supported with the necessary services and infrastructure to create liveable and sustainable communities.

Many councils are also addressing thin markets and developing land and housing themselves, delivering local solutions to meet the needs of their communities.

Councils also want to ensure that they engaged with planning decisions that affect local communities. Taking planning powers away from councils does not always support the best local outcomes.

Councils also play an important role addressing some of the causes of homelessness, including social inclusion programs that can assist mental health and family violence issues, as well as providing support for people currently experiencing homelessness.

*What new programs and policies could the Australian Government develop to partner with local government to support the provision of more affordable housing?*

*How can the Australian Government work with councils to address the causes and impacts of homelessness?*

## 6. JOBS AND SKILLS

Local government is a major employer in Australia providing employment, career advancement and training opportunities for more than 190,800 Australians, across an estimated 400 occupations.

However, councils are facing significant jobs and skills shortages that are constraining their capacity to deliver services and build and maintain local infrastructure.

ALGA's 2022 National Local Government Workforce Skills and Capability Survey indicated that more than 90 percent of Australia's 537 councils were experiencing skills shortages.

The survey also showed that for approximately two-thirds of these councils, these shortages were impacting on project delivery.

In particular, councils are facing a shortage of planners, engineers, building surveyors, environmental officers and human resources professionals.

Skills shortages occur for a variety of reasons including an inability to compete against the private sector, worker accommodation, support services for families, ageing of the workforce and geographic isolation.

*Are there programs or initiatives that the Australian Government could implement that would enhance local government's capacity to attract and retain appropriately skilled staff now and into the future?*

*Are there programs or changes to existing programs that would increase local government's ability to employ apprentices and trainees?*

*Are there other initiatives that the Australian Government could provide to improve the sector's ability to plan and develop skills fit for the future?*

## 7. COMMUNITY SERVICES

Councils provide a wide range of services based on local characteristics, needs, priorities, and the resources of their community. Indeed, it is this level of responsiveness and accountability to the local community that is an essential feature of democratic local governments worldwide.

Some of these services are provided to address market failure, and many of them are provided by councils on behalf of other levels of government.

It is important to note that nationally local government is more than 83% self-sufficient ie funded at the local level either through rates, fees and charges, sale of goods and services, or interest. The Australian Bureau of Statistics data shows that total local government annual expenditure in 2021-22 was \$43.6 billion.

Only 17% comes from grants and subsidies from other levels of government. Unfortunately, many of these grants and subsidies are tied, or require matching funding which restricts the ability to address local priorities in the way the council and community might need.

Arguably there is no greater obligation upon government than to maintain the trust that citizens have in meeting their community services obligations and promises, particularly to society's most vulnerable.

Local government community services are broadly defined, and may include but are not limited to:

- environmental health including food safety;
- childcare, early childhood education, municipal health;
- aged care, senior citizens;
- services to people living with disability;
- programs to address disadvantage, to reduce poverty and homelessness;
- sporting and recreational programs;
- arts and cultural activities, programs and festivals;
- tourism and economic development activities; and
- library services.

*Noting the funding arrangements for the provision of local government community services are there programs and initiatives that the Australian Government could implement to improve the delivery of these services?*

*Are there reforms or improvements in national community services program that would help local governments support the Australian Government to deliver on its national objectives?*



## 8. CLOSING THE GAP AND ABORIGINAL AND TORRES STRAIT ISLANDER RECONCILIATION

In 2021, ALGA co-signed a landmark national agreement to close the gap between Indigenous and non-Indigenous Australians. At the heart of the National Agreement on Closing the Gap Partnership are four agreed priority reform targets and 19 socio-economic targets in areas including education, employment, health and wellbeing, justice, safety, housing, land and waters, and Aboriginal and Torres Strait Islander languages.

The Indigenous Voice Co-design Final Report to the Australian Government was released in December 2021. The Local & Regional Voice will contribute to achieving the Closing the Gap outcomes by providing avenues for Indigenous voices to be heard, including to provide feedback to government on Closing the Gap.

As the level of government closest to the people, councils have an essential role supporting and helping to steer the development of policies and programs in partnership with local Indigenous peoples that address closing the gap priorities at the local and regional level.

Local government plays a positive role in reconciliation and celebrating Indigenous culture and identity, and sustainably funded could work effectively to reduce Indigenous disadvantage in all its forms.

On 14 October 2023, Australians voted in a referendum about whether to change the Constitution to recognise the First Peoples of Australia by establishing a body called the Aboriginal and Torres Strait Islander Voice. The referendum did not pass.

*Are there programs or initiatives that the Australian Government could adopt to assist local government to advance reconciliation and close the gap?*

*Are there practical programs or initiatives that local government and the Australian Government could introduce to maintain, build and strengthen the level of trust between Aboriginal and Torres Strait Islanders and governments?*

## 9. DATA, DIGITAL TECHNOLOGY AND CYBER SECURITY

Provision of information technology to all Australians is vital to innovation, economic growth, and social equity. However, it is potentially even more important to regional Australia where the tyranny of distance increases the inequity of services available – including education, health, economic and social. Innovative technology is becoming more broadly available and could boost productivity and economic growth.

Councils around Australia continue to embrace new technologies to improve their service delivery standards and broaden consultation and engagement with their local communities. However, implementation can be hindered without access to basic technological infrastructure and the necessary IT skills and resources.

In recent times, cyber-attacks on major corporations and other businesses have resulted in significant data breaches. It is a timely reminder as digital information, services and products become an increasing feature of modern business operation including in local government.

Like all risks, local government must manage the risk of cyber-attacks and address cyber security. At a national level, there is limited understanding of local governments' vulnerability to cyber-attacks, preparedness and adequacy of risk management strategies or business continuity planning.

While this is primarily a responsibility of the sector itself, governments at all levels must work together to ensure that the public have confidence in government information management systems and its security.

*Drawing upon your council's experience, and your knowledge of other councils within your state or territory, are there programs and initiatives that the Australian Government could implement to help local government develop its digital technology services and infrastructure?*

*Are there actions the Australian Government could take to improve cyber security within the local government sector?*

## 10. CLIMATE CHANGE AND RENEWABLE ENERGY

Australia's changing climate presents a significant challenge to governments, individuals, communities, businesses, industry, and the environment.

The Australian Government has committed to address climate change and in June 2022 submitted its revised National Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change. The revised NDC included reaffirming a target of net zero emissions by 2050 and committing to reduce greenhouse gas emissions by 43% from 2005 levels.

Local governments have played an important leadership role in addressing climate change, and councils have supported a wide range of community-based programs and initiatives to lower the carbon footprint of their own business operations and of their local communities.

As a sector, local government has been an advocate and active participant in the debate for lowering carbon emissions, is sourcing renewable energy, has responded creatively to reduce greenhouse gas emissions from landfills, and facilitated the construction of green buildings and water sensitive design of cities and towns.

Local government has been at the forefront in addressing the impacts of climate change and adaptation to climate change. In particular, councils have a practical understanding of the risk and impact of climate change on Australia's infrastructure and physical assets, natural ecosystems, local economies and their community.

*Noting the Australian Government's approach to reducing emissions, are there partnerships, programs, and initiatives that local government and the Australian Government can form to achieve Australia's 2050 net zero emissions target?*

*Are there initiatives that could assist local governments to build trust in the community for implementation of key climate change and emissions reduction initiatives?*

## 11. ENVIRONMENT

Australia's 537 local councils play an essential role in providing, regulating and managing Australia's environmental services and infrastructure.

Whether it's biodiversity, biosecurity, natural resource management (NRM), contaminated lands, waste management, water resources, sustainability or roadside environments, councils are responsible for educating households and businesses on environment policy, as well as driving environmental programs and initiatives in their local communities.

In recent years the National General Assembly has considered a range of environmental issues, and passed resolutions on biodiversity, biosecurity, conservation, climate change and water security.

*How could the Australian Government partner with local government to strengthen Australia's environmental services and infrastructure?*

*What new programs could the Australian Government partner with local government in to progress local regional and national objectives?*



## 12. CIRCULAR ECONOMY

Local government is responsible for the management of household and domestic waste and has a critical role to play in further developing the circular economy.

Australia's 537 councils manage approximately 26 percent of Australian waste, either directly or through contractual arrangements. Each year, local governments collect around 9.7 million tonnes of waste from kerbside bin services, sort it at material recovery facilities (MRFs), and dispatch what can be recycled to reprocessing facilities in Australia and overseas.

Where waste cannot be recovered it is landfilled, and local governments in most jurisdictions must pay a significant levy per tonne for landfilled waste, as well as incur the operational costs of maintaining and managing a landfill.

Collecting, treating, and disposing of Australian domestic waste costs local government an estimated \$3.5 billion annually. Local government also dedicates resources to administering community waste-education programs, collecting litter, addressing illegal rubbish dumping, and ensuring compliance with waste bylaws.

In November 2023, Australia's Environment Ministers agreed that the Federal Government would establish new regulations for packaging as well as mandate how packaging is designed, develop minimum recycled content requirements and prohibit harmful chemicals being used. These changes are expected to have a positive impact on the amount of waste sent to landfill, and the costs borne by councils and their communities.

*How could the Australian Government further strengthen product stewardship arrangements to support local governments in their endeavours to increase recycling and reduce the volume of waste?*

*How could the Australian Government partner with local government to advance the circular economy?*

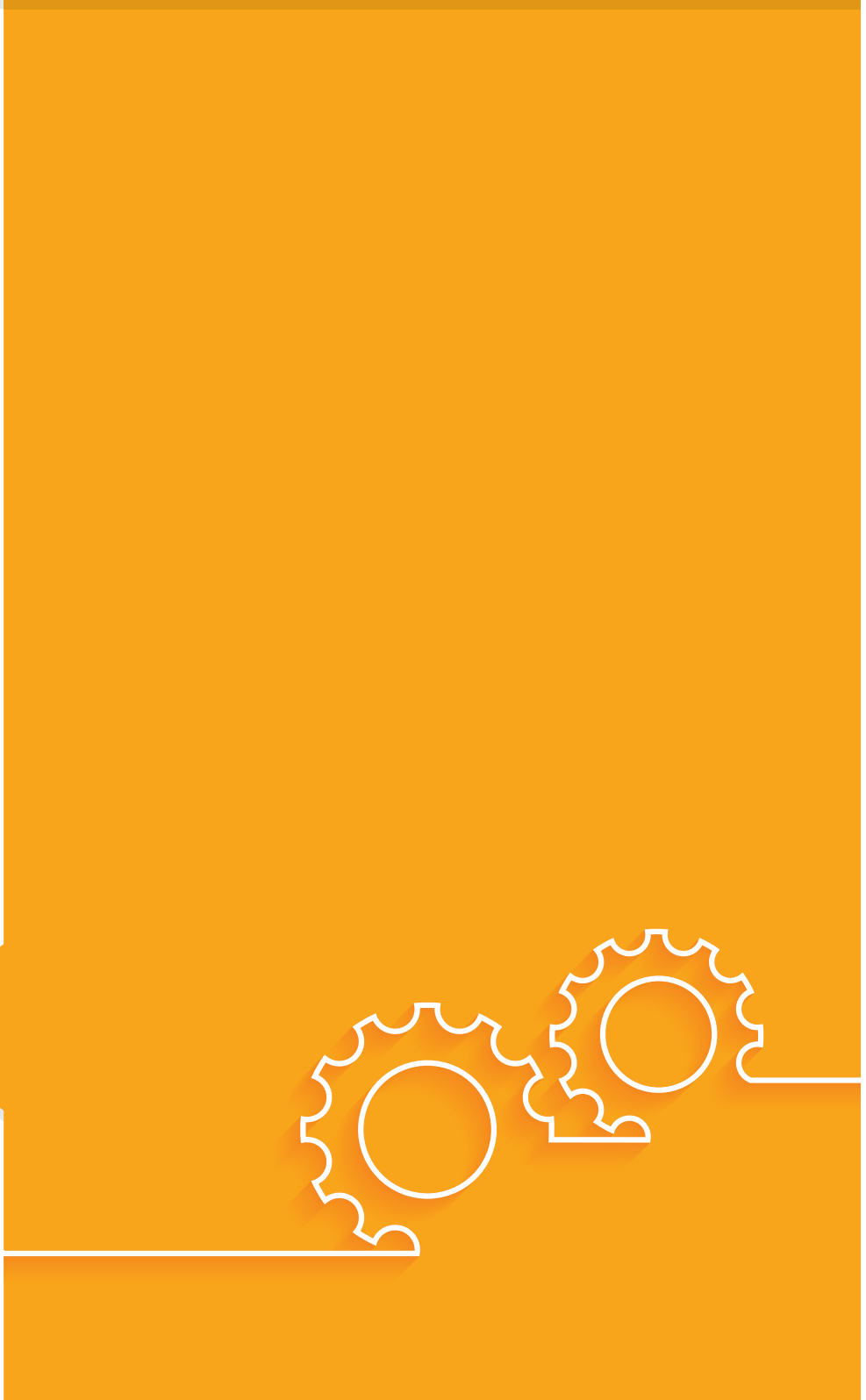
# CONCLUSION

Thank you for taking the time to read this discussion paper and your support for the 2024 National General Assembly of Local Government.

## **A FINAL REMINDER:**

- » Motions should be lodged electronically at [www.alga.com.au](http://www.alga.com.au) and received no later than 11.59pm on Friday 29 March 2024.
- » Motions must meet the criteria published in this paper.
- » Motions should commence with the following wording: 'This National General Assembly calls on the Australian Government to...'
- » Motions should not be prescriptive in directing how the matter should be pursued.
- » Motions should be practical, focussed and relatively simple.
- » It is important to complete the background section on the form.
- » Motions must not seek to advance an outcome that would result in a benefit to one group of councils to the detriment of another.
- » When your council submits a motion there is an expectation that a council representative will be present at the 2024 National General Assembly to move and speak to that motion if required.
- » Resolutions of the National General Assembly do not automatically become ALGA's national policy positions. The resolutions are used by the ALGA Board to inform policies, priorities and strategies to advance local governments within the national agenda.

We look forward to hearing from you and seeing you at the 2024 National General Assembly in Canberra.







<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
CC29/2023	Ordinary Council 17/05/2023	Waghorn, Peter	Corporate and Community	Land Acquisition - South Cessnock Bund Wall	30/11/2023	23/01/2024
<b>MOTION</b> 492 <b>RESOLVED</b>	<b>Moved:</b>	Maginnity, Robert Councillor Burke	<b>Seconded:</b>	Councillor Grine		
<p>That Council authorise purchase of land required for the South Cessnock Bund Wall Flood Mitigation Scheme being:</p> <p>With regard to Crown-owned land lot 1 DP 1134371:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> That Council proceed with the compulsory acquisition of the land for the purpose of flood mitigation works in accordance with the requirements of the Land Acquisition (Just Terms Compensation) Act 1991.</li> <li><input type="checkbox"/> That Council make an application to the Minister and the Governor for approval to acquire the land by compulsory process under section 186(1) of the Local Government Act.</li> <li><input type="checkbox"/> That the land will be classified as operational land.</li> <li><input type="checkbox"/> That Council requests the Minister for Local Government approve a reduction in the notification period from 90 days to 30 days.</li> </ul> <p>With regard to private land (part) lots 34;35;36 DP 755215 and (part) lot 1 DP 1145540:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> That Council authorises acquisition of the land and/or easements for the purpose of drainage.</li> <li><input type="checkbox"/> That Council delegates authority to the General Manager to extend a Letter of Offer to the landowner and negotiate voluntary agreement to purchase the land and/or easements in accordance with independent valuation.</li> <li><input type="checkbox"/> That Council delegates authority to the General Manager to execute all relevant documentation to effect the transaction.</li> </ul> <p><b>26 May 2023 3:26pm Waghorn, Peter - Target Date Revision</b> Target date changed by Waghorn, Peter from 14 June 2023 to 30 July 2023 - Required Crown land must be compulsorily acquired and approved by the Minister for Local Government. An OLG application for approval is in progress. Negotiations to acquire required private land must be conducted in accordance with mandatory timeframes and processes of the Land Acquisition (Just Terms Compensation) Act 1991.</p> <p><b>26 Jul 2023 1:34pm Waghorn, Peter - Target Date Revision</b> Target date changed by Waghorn, Peter from 30 July 2023 to 30 September 2023 - The Minister for Local Government approved crown land acquisition 28 June 2023 and the acquisition notice has been issued. Commencement of negotiations to purchase required White Energy &amp; Austar land awaiting survey plan of acquisition.</p> <p><b>25 Sep 2023 3:48pm Waghorn, Peter</b> Awaiting authorisation from NSW Executive Council to publish gazette notice of Crown land compulsory acquisition. Negotiations to secure private land affected by the flood mitigation project are yet to commence following recent engineering design changes.</p> <p><b>05 Oct 2023 2:25pm Waghorn, Peter - Target Date Revision</b> Target date changed by Waghorn, Peter from 30 September 2023 to 30 November 2023 - NSW Executive Council is scheduled to consider authorisation of Crown land compulsory acquisition gazettal on 11 October 2023. Negotiations to secure private land affected by the flood mitigation project are yet to commence following recent engineering design changes.</p> <p><b>24 Nov 2023 9:50am Waghorn, Peter</b> Compulsory acquisition of Crown land lot 1 DP 1134371 has now been completed, taking effect on 27 October 2023. Negotiations to secure private land affected by the flood mitigation project are yet to commence due to engineering design amendments. Property services was engaged to facilitate future additional land acquisition with council report to follow.</p> <p><b>23 Jan 2024 10:09am Waghorn, Peter - Completion</b> Completed by Waghorn, Peter (action officer) on 23 January 2024 at 10:09:15 AM - Draft survey plan of acquisition incorporating further engineering design amendments submitted to project managers 21 December 2023. Site meetings with private landowners affected by the flood mitigation project could not be arranged prior to shut-down and acquisition negotiations with White Energy &amp; Yancoal are yet to commence. Current action will be completed with further information included in a separate Council report scheduled 21 February seeking authorisation to acquire additional Crown land recently identified as needed for the project.</p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
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	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI41/2023	Ordinary Council 15/11/2023	Martin, Cam	Works and Infrastructure	Minutes of the Floodplain Risk Management Committee meeting held 13 July 2023	13/12/2023	10/01/2024
<a href="#">640</a> <b>MOTION</b> 640 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Dunn	<b>Seconded:</b>	Councillor Burke		
That the Minutes of the Floodplain Risk Management Committee held 13 July 2023 be adopted as a resolution of the Ordinary Council.						
<b>10 Jan 2024 11:48am Pankhurst, Felicity - Reallocation</b> Reallocation to Cam Martin as Asset Planning Manager						
<b>10 Jan 2024 11:54am Martin, Cam</b> Noted						
<b>10 Jan 2024 11:54am Martin, Cam - Completion</b> Completed by Martin, Cam (action officer) on 10 January 2024 at 11:54:48 AM - Noted						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MM5/2023	Ordinary Council 16/08/2023	Johnson, Martin	Deferred Business	Bellbird Mine Disaster 100th Anniversary	20/12/2023	13/12/2023
<a href="#">544</a> <b>MOTION</b>	<b>Moved:</b>	Chrystal, Peter Councillor Suvaal				
544 <b>RESOLVED</b>						
1.				That Council notes that on 1 September 1923, 21 local miners perished as a result of a fire at Bellbird Colliery.		
2.				That Council notes on 1 September 2023 there will be a memorial service commemorating the 100th Anniversary of the Bellbird Mine Disaster held at Bellbird Miners Memorial Park, at the corner of Wollombi Road and Kendall Street, Bellbird commencing at 11am.		
3.				That Council notes various commemorative events are planned by Cessnock Council for the Bellbird disaster centenary.		
4.				That the General Manager investigate the option of naming new streets in the Bellbird area after the 21 miners that lost their lives.		
<b>23 Aug 2023 12:50pm Lorenzen, Cherie - Target Date Revision</b>						
Target date changed by Lorenzen, Cherie from 13 September 2023 to 20 December 2023 - 1, 2, & 3. Noted. Item 4, date revised and reassigned to Infrastructure Manager for action.						
<b>23 Aug 2023 12:51pm Lorenzen, Cherie - Reallocation</b>						
Action reassigned to Clark, Cameron by Lorenzen, Cherie - Reallocation due to Road Infrastructure item.						
<b>25 Oct 2023 11:36am Meyers, Kristy - Reallocation</b>						
Action reassigned to Mickleson, Peter by Meyers, Kristy - For P&E to work with Developer to prepare road naming application.						
<b>26 Oct 2023 11:18am Blake, Yvonne - Reallocation</b>						
Action reassigned to Johnson, Martin by Blake, Yvonne - Peter Mickleson no longer at Council.						
<b>30 Oct 2023 12:58pm Blake, Yvonne - Reallocation</b>						
Action reassigned to McLachlan, Paul by Blake, Yvonne - Street naming comes under the responsibility of Works and Infrastructure.						
<b>05 Dec 2023 3:59pm Meyers, Kristy - Reallocation</b>						
Action reassigned to Johnson, Martin by Meyers, Kristy - To be actioned by P&E as per confirmation at meeting held today.						
<b>13 Dec 2023 3:05pm Blake, Yvonne - Completion</b>						
Completed by Blake, Yvonne on behalf of Johnson, Martin (action officer) on 13 December 2023 at 3:05:01 PM - As per Mayoral Minute, correspondence has been forwarded to developers requesting consideration of naming streets after miners lost in the Bellbird Colliery disaster.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE33/2023	Ordinary Council 20/09/2023	Rush, Iain	Planning and Environment	Draft Hunter Power Project (Kurri Kurri Power Station) Planning Agreement	22/12/2023	9/01/2024
<a href="#">569</a> <b>MOTION</b> 569 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Hill	<b>Seconded:</b>	Councillor Burke		
<p>1. That Council publicly notify the Draft Hunter Power Project (Kurri Kurri Power Station) Planning Agreement for a minimum period of 28 days in accordance with the provisions of the <i>Environmental Planning and Assessment Act 1979</i>.</p> <p>2. That Council delegate authority to the General Manager to execute the Planning Agreement unless unresolved written objections are received during the exhibition period.</p> <p><b>25 Sep 2023 11:35am Blake, Yvonne - Target Date Revision</b> Target date changed by Blake, Yvonne from 18 October 2023 to 22 December 2023 - Resolved at Ordinary Council Meeting held 20 September 2023 that Council publicly notify the Draft Hunter Power Project (Kurri Kurri Power Station) Planning Agreement for a minimum period of 28 days in accordance with the provisions of the Environmental Planning and Assessment Act 1979</p> <p><b>30 Oct 2023 2:59pm Rush, Iain</b> Draft VPA exhibited for 28 days, with exhibition closing on 25 October 2023. No submissions received. VPA is presently with the Developer for execution.</p> <p><b>09 Jan 2024 10:34am Blake, Yvonne - Completion</b> Completed by Blake, Yvonne on behalf of Rush, Iain (action officer) on 09 January 2024 at 10:34:06 AM - VPA has been completed and money received.</p>						

<b>Action Sheets Report</b>	<b>Division:</b> Ordinary Council	<b>Date From:</b>
	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE4/2023	Ordinary Council 15/02/2023	Mewing, Jenny	Planning and Environment	Planning Proposal - Lovedale Integrated Tourist Development	31/12/2023	13/12/2023
<b>MOTION</b> 393 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Dunn	<b>Seconded:</b>	Councillor Burke		
<p>That Council endorse the Planning Proposal in relation to Lots 2-4 DP 869651, Lot 11 DP 1187663 and Lot 1 DP 1233030 as an amendment to Clause 7.11 of Cessnock Local Environmental Plan 2011 as follows:</p> <p>(i) <i>This clause applies to land at Wine Country Drive, Pokolbin, being Lots 2-4, DP 869651, Lot 11, DP1187663 and Lot 1 DP1233030.</i></p> <p>(ii) Development consent must not be granted to any development on land to which this clause applies unless—</p> <p style="margin-left: 40px;">a) The consent authority is satisfied that the development is integrated tourist development, and</p> <p style="margin-left: 40px;">b) the total number of permanent residential dwellings on that land does not exceed 640, and</p> <p style="margin-left: 40px;">c) the total number of tourist and visitor accommodation units on that land does not exceed 300.</p> <p>(iii) Registration of the plan of subdivision for the first 200 residential lots shall not occur until a Compliance Certificate under section 6.4(e)(iv) of the Environmental Planning and Assessment Act 1979 has been issued for the golf course and club house confirming that it is completed in accordance with the concept approval and relevant development consent.</p> <p>(iv) In this clause— integrated tourist development means a development that contains a mix of both permanent residential dwellings and one or more of the following uses: tourist and visitor accommodation; tourist-oriented land uses such as outdoor recreation facilities (e.g., golf courses); food and drink premises; function centres; any development that is ordinarily incidental or ancillary to such uses.</p> <p><b>28 Mar 2023 8:18am Corken, Robert - Target Date Revision</b> Target date changed by Corken, Robert from 15 March 2023 to 15 July 2023 - Council resolution may require an additional report to Council and delayed the drafting of the clause.</p> <p><b>24 May 2023 2:48pm Corken, Robert - Target Date Revision</b> Target date changed by Corken, Robert from 15 July 2023 to 15 August 2023 - Waiting for Department of Planning and Environment to reissue Gateway Determination.</p> <p><b>26 Jul 2023 12:32pm Corken, Robert - Target Date Revision</b> Target date changed by Corken, Robert from 15 August 2023 to 15 October 2023 - The Department of Planning and Environment is causing significant delays to the finalisation of this project.</p> <p><b>18 Aug 2023 1:47pm Blake, Yvonne - Reallocation</b> Action reassigned to Mewing, Jenny by Blake, Yvonne - Officer resigned from Council. Transferred to Acting Principal Strategic Planner for re-allocation to another Strategic Planning Officer.</p> <p><b>31 Aug 2023 1:19pm Mewing, Jenny</b> Revisions to draft instrument in progress in consultation with Parliamentary Counsel</p> <p><b>21 Sep 2023 8:02am Mewing, Jenny</b> Revisions to draft instrument in progress in consultation with Parliamentary Counsel</p> <p><b>21 Sep 2023 8:03am Mewing, Jenny - Target Date Revision</b> Target date changed by Mewing, Jenny from 15 October 2023 to 29 October 2023 - Ongoing discussions with PC</p> <p><b>23 Oct 2023 8:01am Mewing, Jenny - Target Date Revision</b> Target date changed by Mewing, Jenny from 29 October 2023 to 30 November 2023 - Ongoing discussions with PC</p> <p><b>21 Nov 2023 7:14am Mewing, Jenny - Target Date Revision</b> Target date changed by Mewing, Jenny from 30 November 2023 to 31 December 2023 - Drafting of instrument still underway</p> <p><b>21 Nov 2023 7:14am Mewing, Jenny</b> Drafting of instrument still underway</p> <p><b>01 Dec 2023 3:02pm Mewing, Jenny</b> Instrument drafting nearing completion</p> <p><b>13 Dec 2023 3:20pm Mewing, Jenny</b></p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Plan made by GM 13/12. Sent to DPE for notification on 15/12.  
**13 Dec 2023 3:21pm Mewing, Jenny - Completion**  
 Completed by Mewing, Jenny (action officer) on 13 December 2023 at 3:21:28 PM - Plan made by GM 13/12. Sent to DPE for notification on 15/12.

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE29/2023	Ordinary Council 16/08/2023	Worthing, Alex	Planning and Environment	Comprehensive DCP Review - Draft Chapters: Administration and Legislative Context and Centres - For Exhibition	4/01/2024	9/01/2024
<a href="#">548</a> <b>MOTION</b> 548 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Burke	<b>Seconded:</b>	Councillor Paynter		
1.	<b>That Council place draft Chapters "Introduction and Legislative Context and Development Base Provisions-Centres" of the Cessnock Development Control Plan 2010 on public exhibition for a period of 28 days.</b>					
2.	<b>That Council receive a further report following the public exhibition of the draft Chapters of Cessnock Development Control Plan 2010.</b>					
<b>23 Aug 2023 9:28am Larsen, Robyn - Reallocation</b> Action reassigned to Worthing, Alex by Larsen, Robyn - Staff member leaving.						
<b>28 Aug 2023 1:14pm Worthing, Alex</b> Public exhibition material being prepared						
<b>08 Sep 2023 3:31pm Worthing, Alex - Target Date Revision</b> Target date changed by Worthing, Alex from 13 September 2023 to 13 October 2023 - Public exhibition starts 13/09						
<b>25 Sep 2023 12:41pm Worthing, Alex - Target Date Revision</b> Target date changed by Worthing, Alex from 13 October 2023 to 05 January 2024 - Due to go to December council meeting for adoption						
<b>27 Sep 2023 2:50pm Worthing, Alex - Target Date Revision</b> Target date changed by Worthing, Alex from 05 January 2024 to 04 January 2024 - Draft DCP chapters will be considered at the December Council meeting						
<b>09 Jan 2024 11:37am Worthing, Alex</b> Adopted chapters sent to Comms team requesting these be published. Understood this will take effect today and repealed chapters will be removed						
<b>09 Jan 2024 11:38am Worthing, Alex - Completion</b> Completed by Worthing, Alex (action officer) on 09 January 2024 at 11:38:46 AM - Adopted chapters sent to Comms team requesting these be published. Understood this will take effect today and repealed chapters will be removed						

<b>Action Sheets Report</b>	<b>Division:</b> Ordinary Council	<b>Date From:</b>
	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
GMU11/2023	Ordinary Council 13/12/2023	Ollerton, Lisa	General Manager's Unit	Minutes of the Extraordinary Audit & Risk Committee Meeting held on 23 November 2023	10/01/2024	19/12/2023
<a href="#">652</a> <b>MOTION</b> 652 <b>RESOLVED</b>	<b>Moved:</b>	Liddell, Ken Councillor Dunn	<b>Seconded:</b>	Councillor Burke		
<p>1. That the Minutes of the Extraordinary Audit and Risk Committee Meeting held 23 November 2023 be adopted as a resolution of the Ordinary Council.</p> <p>2. That Council notes that the final audit report was not endorsed by the committee as the audit office had not completed its audit and was not in a position to provide a finalised audit opinion.</p> <p>19 Dec 2023 9:28am Ollerton, Lisa Noted</p> <p>19 Dec 2023 9:29am Ollerton, Lisa - Completion Completed by Ollerton, Lisa (action officer) on 19 December 2023 at 9:29:53 AM - 19 December 2023 - Noted</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
GMU10/2023	Ordinary Council 13/12/2023	Ollerton, Lisa	General Manager's Unit	Minutes of the Audit and Risk Committee Meeting held 8 November 2023	10/01/2024	19/12/2023
<a href="#">651</a> <b>MOTION</b> 651 <b>RESOLVED</b>	<b>Moved:</b>	Liddell, Ken Councillor Hill	<b>Seconded:</b>	Councillor Burke		
<p>That the Minutes of the Audit and Risk Committee Meeting held 8 November 2023 be adopted as a resolution of the Ordinary Council.</p> <p>19 Dec 2023 9:28am Ollerton, Lisa Noted</p> <p>19 Dec 2023 9:29am Ollerton, Lisa - Completion Completed by Ollerton, Lisa (action officer) on 19 December 2023 at 9:29:47 AM - 19 December 2023 - Noted</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MOU11/2023	Ordinary Council 13/12/2023	Cremor, Sam	Motions of Urgency	Motions of Urgency	10/01/2024	18/12/2023
<b>Nil</b>		Maginnity, Robert				
<p>18 Dec 2023 3:48pm Cremor, Sam - Completion Completed by Cremor, Sam (action officer) on 18 December 2023 at 3:48:29 PM - Noted. SC.</p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE43/2023	Ordinary Council 13/12/2023	Worthing, Alex	Planning and Environment	Cessnock Development Control Plan 2010 "Introduction and Legislative Context" and "Development Based Provisions-Centres" - Post Exhibition	10/01/2024	9/01/2024
<b>655</b> <b>MOTION</b> <b>655</b> <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Hill	<b>Seconded:</b>	Councillor Sander		
<ol style="list-style-type: none"> <li>That Council adopt the "Introduction and Legislative Context" and "Centres" Chapters of the Cessnock Development Control Plan 2010.</li> <li>That Council repeal the Chapters "Part A Introduction", "E16 Cessnock Commercial Precinct" and "E19 Branxton Town Centre".</li> <li>That Council notify in writing the persons who made a submission of Council's decision.</li> </ol> <p><b>09 Jan 2024 11:38am Worthing, Alex - Completion</b> Completed by Worthing, Alex (action officer) on 09 January 2024 at 11:38:55 AM - Adopted chapters sent to Comms team requesting these be published. Understood this will take effect today and repealed chapters will be removed</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI45/2023	Ordinary Council 13/12/2023	Khan, Abid	Works and Infrastructure	Tender T2024-10 - Design and Construct Watagan Creek Road Bridge #3, Laguna	10/01/2024	19/12/2023
<b>664</b> <b>MOTION</b> <b>664</b> <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hawkins	<b>Seconded:</b>	Councillor Burke		
<p>That Council Accept the tender from Fortec Australia Pty Ltd in the amount of \$1,013,851.30 (including GST).</p> <p><b>19 Dec 2023 10:55am Khan, Abid</b> Finalised</p> <p><b>19 Dec 2023 10:57am Khan, Abid - Completion</b> Completed by Khan, Abid (action officer) on 19 December 2023 at 10:57:51 AM - Finalised on 19 Dec 20-23</p>						



<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
CC82/2023	Ordinary Council 13/12/2023	Waghorn, Peter	Corporate and Community	Minutes of the Strategic Property & Community Facilities Committee meeting held on 29 November 2023	10/01/2024	23/01/2024
<a href="#">659</a> <b>MOTION</b> 659 <b>RESOLVED</b>	<b>Moved:</b>	Maginnity, Robert Councillor Hill	<b>Seconded:</b>	Councillor Sander		
<p>That the Minutes of the Strategic Property &amp; Community Facilities Committee meeting held on 29 November 2023 be adopted as a resolution of the Ordinary Council.</p> <p><b>23 Jan 2024 9:40am Waghorn, Peter - Completion</b> Completed by Waghorn, Peter (action officer) on 23 January 2024 at 9:40:43 AM - Adoption of minutes noted. Authorisation of recommended actions in relation to Property Services OFFICER'S REPORTS NO. SPOR7/2023 and OFFICER'S REPORTS NO. SPOR9/2023 noted.</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
CC80/2023	Ordinary Council 13/12/2023	Neveltsen, Keri	Corporate and Community	Council Recess Period - Delegation to Mayor and General Manager	10/01/2024	18/12/2023
<a href="#">657</a> <b>MOTION</b> 657 <b>RESOLVED</b>	<b>Moved:</b>	Maginnity, Robert Councillor Burke	<b>Seconded:</b>	Councillor Sander		
<ol style="list-style-type: none"> <li>That Council be in recess from 14 December 2023 to 31 January 2024.</li> <li>That Council pursuant to Section 377 of the <i>Local Government Act 1993</i>, delegate authority to the Mayor and the General Manager jointly to exercise any function of Council during the recess period.</li> <li>That a list of matters considered, if any, under such delegated authority be submitted for Council's information to the February 2024 meeting.</li> </ol> <p><b>18 Dec 2023 3:45pm Neveltsen, Keri</b> Staff advised of 2024 meeting dates</p> <p><b>18 Dec 2023 3:46pm Neveltsen, Keri - Completion</b> Completed by Neveltsen, Keri (action officer) on 18 December 2023 at 3:46:28 PM - Staff made aware of 2024 meeting dates</p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
NI8/2023	Ordinary Council 13/12/2023	Cremer, Sam	Notice of Intention	Notice of Intention to Deal with Matters in Confidential Session - Report GMU13/2023 - Code of Conduct: Consideration of Final Investigation Report and Recommendation of formal Censure - Councillor Olsen	10/01/2024	18/12/2023
<a href="#">647</a> <b>MOTION</b> 647 <b>RESOLVED</b>	<b>Moved:</b>	Maginnity, Robert Councillor Hill	<b>Seconded:</b>	Councillor Sander		
1.	That Council considers in Confidential Session the following matters in accordance with Sections 10A (2) (i) of the <i>Local Government Act 1993</i> :					
	<input type="checkbox"/> Report GMU13/2023 – Code of Conduct: Consideration of Final Investigation Report and Recommendation of Formal Censure – Councillor Olsen as the report contains alleged contraventions of any code of conduct requirements applicable under section 440.					
2.	That Council requests the Mayor in accordance with Clause 14.21 of Councils Code of Meeting Practice to report on these matters to the meeting in Open Session following completion of the Confidential Session.					
<b>18 Dec 2023 3:48pm Cremer, Sam - Completion</b>						
Completed by Cremer, Sam (action officer) on 18 December 2023 at 3:48:35 PM - Noted. SC.						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
DI11/2023	Ordinary Council 13/12/2023	Cremer, Sam	Disclosures Of Interest	Disclosures Of Interest	10/01/2024	18/12/2023
Nil		Maginnity, Robert				
<b>18 Dec 2023 3:48pm Cremer, Sam - Completion</b>						
Completed by Cremer, Sam (action officer) on 18 December 2023 at 3:48:39 PM - Noted. SC.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MM9/2023	Ordinary Council 13/12/2023	Chadwick, Tony	Mayoral Minutes	NSW Regional Development Road Map and Trust Fund - Council Endorse Submission	10/01/2024	29/01/2024
<a href="#">648</a> <b>MOTION</b> 648 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Suvaal				
1.	<b>That Council note that the Resources for Regions Grant Funding has been discontinued.</b>					
2.	<b>That Council note the NSW Government is undertaking a comprehensive review of the approach by which it invests funding into Regional NSW, via the Regional Development and Road Map process and Trust Fund.</b>					
3.	<b>That Council make a submission regarding the terms and grant criteria to be established for the Regional Development and Road Map process and Trust Fund.</b>					
4.	<b>That Council provide a copy of the submission to Councillors prior to the supply of submission to NSW Government.</b>					
<b>11 Jan 2024 11:16am Lorenzen, Cherie</b>						
1. & 2. Completed., 3. & 4. Reassigned to Economic Development & Tourism Manager to action.						
<b>11 Jan 2024 11:46am Lorenzen, Cherie - Reallocation</b>						
Action reassigned to Chadwick, Tony by Lorenzen, Cherie - Reassigned per notes.						
<b>29 Jan 2024 8:29am Chadwick, Tony - Completion</b>						
Completed by Chadwick, Tony (action officer) on 29 January 2024 at 8:29:11 AM - Council made a submission in response to the Issues Paper on modernising the Regional Development Act 2004 on 29 Jan 2024. This included content on the NSW Regional Development Roadmap and Advisory Council. The draft submission was sent to Councillors for feedback on 22 Jan 2024.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MM10/2023	Ordinary Council 13/12/2023	Neveltsen, Keri	Mayoral Minutes	Rural Fires Amendment (Red Fleet) Bill 2023 - Submission to Public Accounts Committee	10/01/2024	7/02/2024
649 <b>MOTION</b> 649 <b>RESOLVED</b>	<b>Moved:</b>	Maginnity, Robert Councillor Suvaal				
<p>That Council endorses a submission being made to the Public Accounts Committee regarding the Rural Fires Amendment (Red Fleet) Bill 2023, that notes:</p> <ol style="list-style-type: none"> <li>Council has no control over the acquisition, deployment or disposal of Rural Fire Service assets;</li> <li>That Rural Fire Service assets are accounted for differently to NSW Fire and Rescue and the State Emergency Service whose assets are vested in the State Government; and</li> <li>Council endorses legislative change to have Rural Fire Services mobile assets vest in the State Government instead of Council.</li> </ol> <p>11 Jan 2024 9:23am Lorenzen, Cherie - Reallocation Action reassigned to Neveltsen, Keri by Lorenzen, Cherie - Reassigned to Acting CFO to action</p> <p>31 Jan 2024 4:44pm Neveltsen, Keri Matter has not yet been referred to the Public Accounts Committee</p> <p>07 Feb 2024 7:22am Neveltsen, Keri The Bill lapsed on 21 December 2023 prior to being referred to the Public Accounts Committee.</p> <p>07 Feb 2024 7:22am Neveltsen, Keri - Completion Completed by Neveltsen, Keri (action officer) on 07 February 2024 at 7:22:43 AM - The Bill lapsed on 21 December 2023 prior to being referred to the Public Accounts Committee.</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MM11/2023	Ordinary Council 13/12/2023	Liddell, Ken	Mayoral Minutes	Minutes of the General Managers Employment Arrangements Committee of Cessnock City Council held 22 November 2023	10/01/2024	20/12/2023
650 <b>MOTION</b> 650 <b>RESOLVED</b>	<b>Moved:</b>	Liddell, Ken Councillor Suvaal				
<p>That the Minutes of the Organisation and General Managers Performance Review Committee of 22 November 2023 be adopted as a resolution of the Ordinary Council.</p> <p>20 Dec 2023 4:06pm Cocking, Tracey - Completion Completed by Cocking, Tracey on behalf of Liddell, Ken (action officer) on 20 December 2023 at 4:06:38 PM - Copy of Resolution, minutes and review document forwarded to Michelle Honeyman to provide notification to payroll for action.</p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W146/2023	Ordinary Council 13/12/2023	Latter, John	Works and Infrastructure	Quotation: Q2023-209 Landslide & Remediation Works Package 2	10/01/2024	8/02/2024
<a href="#">665</a> <b>MOTION</b> 665 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hawkins	<b>Seconded:</b>	Councillor Dunn		
<p>That Council accepts the quotation (Q2023-209) from Alliance Construction Group Pty Ltd for the lump sum of \$1,836,771 (including GST) for the Landslide Remedial Works – Package 2 – Minor Civil Works, subject to the formal confirmation of grant funding by Transport for NSW on behalf of the NSW Reconstruction Authority.</p> <p>08 Feb 2024 10:01am Meyers, Kristy - Completion Completed by Meyers, Kristy on behalf of Latter, John (action officer) on 08 February 2024 at 10:01:35 AM - Formal letter of award provided to Alliance.</p>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
GMU10/2022	Ordinary Council 20/04/2022	Chadwick, Tony	General Manager's Unit	Expression of Interest T2022-03 Branxton RV Park	29/03/2024	29/01/2024
<u>71</u> <b>MOTION</b> 71 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Sander	<b>Seconded:</b>	Councillor Burke		
1.	That Council endorses Campervan & Motorhome Club of Australia LTD as the preferred applicant to manage Branxton RV Park subject to community consultation;					
2.	That Council gives public notice of the Branxton RV Park Management proposal for a period of 28 days;					
3.	That Council provides public notice of the intention to engage Campervan & Motorhome Club of Australia LTD as the Branxton RV Park Manager subject to consideration of submissions received; and					
4.	That the General Manager negotiate a licence agreement for Branxton RV Park Management after considering the public submissions received.					
<b>03 May 2022 3:28pm Chadwick, Tony - Target Date Revision</b>						
Target date changed by Chadwick, Tony from 18 May 2022 to 29 July 2022 - This allows time for community consultation and agreement negotiation.						
<b>03 May 2022 3:29pm Chadwick, Tony</b>						
Actions taken as follows:, 1. That Council endorses Campervan & Motorhome Club of Australia LTD as the preferred applicant to manage Branxton RV Park subject to community consultation - Noted., 2. That Council gives public notice of the Branxton RV Park Management proposal for a period of 28 days - The public consultation period was completed from 18 May to 15 June 2022. 21 submissions were received., 3. That Council provides public notice of the intention to engage Campervan & Motorhome Club of Australia LTD as the Branxton RV Park Manager subject to consideration of submissions received - Achieved via website and paid advertisement., 4. That the General Manager negotiate a licence agreement for Branxton RV Park Management after considering the public submissions received - The Executive Leadership Team has endorsed licence agreement negotiations following a review of public submissions., To gain RFS approval under Development Application No. 8/2022/884/1 a Bushfire Consultant identified restrictions that would be required for operating the RV Park. These restrictions limit the financial viability of the RV Park. An internal working group has established that DA approval for a Commercial RV Park is not allowable given the site restrictions. Council is proceeding with the development of a site masterplan for Branxton Oval to gain the best use of the site ad site assets.						
<b>28 Jul 2022 11:37am Chadwick, Tony - Target Date Revision</b>						
Target date changed by Chadwick, Tony from 29 July 2022 to 09 September 2022 - Contract negotiations have started and are predicted to be completed in September.						
<b>04 Oct 2022 3:43pm Chadwick, Tony - Target Date Revision</b>						
Target date changed by Chadwick, Tony from 09 September 2022 to 09 December 2022 - Additional time is required for Council to review DA PAN-262936 submitted by CMCA.						
<b>25 Nov 2022 9:54am Chadwick, Tony - Target Date Revision</b>						
Target date changed by Chadwick, Tony from 09 December 2022 to 28 February 2023 - Refer Councillor Memo DOC2022/184231.						
<b>24 Feb 2023 2:02pm Lorenzen, Cherie - Target Date Revision</b>						
Target date changed by Lorenzen, Cherie from 28 February 2023 to 29 March 2024 - Target date revised to allow time for an internal working group to be formed to determine the best future use for Branxton Oval and Branxton RV Park after reviewing site constraints and restrictions. See Councillor Memo DOC2023/030494.						
<b>29 Jan 2024 8:35am Chadwick, Tony - Completion</b>						
Completed by Chadwick, Tony (action officer) on 29 January 2024 at 8:35:01 AM - An internal working group has established that DA approval for a Commercial RV Park is not allowable given the site restrictions. Council is proceeding with the development of a site masterplan for Branxton Oval to gain the best use of the site and site assets.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:59:08 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W147/2023	Ordinary Council 13/12/2023	Eveleigh, Nathan	Works and Infrastructure	Renaming of Apex Park Cessnock	30/04/2024	1/02/2024
<a href="#">646</a> <b>MOTION</b> 646 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Sander	<b>Seconded:</b>	Councillor Hill		
1.	<b>That Council does not support the proposal to rename Apex Park to Cessnock Rotary Park</b>					
2.	<b>That Council in consultation with Cessnock Rotary Club identifies locations that maybe suitable to establish a new Cessnock Rotary Park in the city.</b>					
<b>01 Feb 2024 8:23am Eveleigh, Nathan - Completion</b>						
Completed by Eveleigh, Nathan (action officer) on 01 February 2024 at 8:23:46 AM - Open Space staff met with members of the Rotary Club of Cessnock in January to discuss the outcome of the Council report and possible alternate locations for a Rotary Park in Cessnock., Outcomes of the meeting were that Rotary will not not pursue the naming of an alternate Council-owned site. However, if they wish revisit this in the future and would like to make queries about specific sites, Council staff can assist.						

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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI35/2023	Ordinary Council 15/11/2023	Clark, Cameron	Works and Infrastructure	Tender T2024-09 Landslide & Remediation Works Package 1 – Soil Nails/Rock Bolts	13/12/2023	
<a href="#">634</a> <b>MOTION</b> 634 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Dunn	<b>Seconded:</b>	Councillor Hawkins		
That Council accepts the tender T2024-09 Landslide Remedial Works – Package 1 – Soil Nails/Rock Bolts from Ground Stabilisation Systems Pty Ltd for the lump sum of \$3,731,908 (including GST).						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI38/2023	Ordinary Council 15/11/2023	Jeffery, Warren	Works and Infrastructure	Cessnock LGA Traffic and Transport Strategy 2023 - Public Exhibition Approval	13/12/2023	
<a href="#">637</a> <b>MOTION</b> 637 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hawkins	<b>Seconded:</b>	Councillor Grine		
<ol style="list-style-type: none"> <li>That Council place the Draft Cessnock LGA Traffic and Transport Strategy 2023 on public exhibition for a period of twelve weeks.</li> <li>That a report on the outcomes of the exhibition be provided to Council prior to adopting the final Draft Cessnock LGA Traffic and Transport Strategy 2023.</li> </ol>						



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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W175/2022	Ordinary Council 14/12/2022	Eveleigh, Nathan	Works and Infrastructure	Cessnock LGA Hall Booking/Management	20/12/2023	
<u>383</u> <b>MOTION</b> 383 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Watton	<b>Seconded:</b>	Councillor Burke		
1.	That Council notes the information contained within the report with regard to the implications and resourcing requirements required to overhaul the current practices has adopted relating to hall bookings, maintenance and potential promotions;					
2.	That Council completes a hall booking trial using the Bookeasy system at four community halls; and					
3.	That if the hall booking trial is successful, that Council implements the Bookeasy system at all community halls in consultation with the s355 volunteer management committees as resources allow.					
<b>16 Jan 2023 4:28pm Eveleigh, Nathan - Target Date Revision</b>						
Target date changed by Eveleigh, Nathan from 11 January 2023 to 30 June 2023 - Test webpage and platform completed for Bellbird Hall. Officers liaising with BookEasy on some minor amendments required for regular bookings., Additional halls will come online after testing is completed with Bellbird Community Hall as per the Council report.						
<b>02 Mar 2023 9:41am Eveleigh, Nathan</b>						
BookEasy set-up in final testing phase for Bellbird Community Hall before going live.						
<b>27 Mar 2023 11:56am Eveleigh, Nathan</b>						
Bellbird Community Hall Bookeasy portal went live on 20/3/2023. Will roll out 3 additional facilities following initial trials and feedback.						
<b>28 Jun 2023 11:36am Eveleigh, Nathan</b>						
Hunter Valley VIC staff have commenced work on Ellalong & Millfield Community Halls following successful roll-out of the BookEasy online bookings at Bellbird Community Hall for 3 months.						
<b>28 Jun 2023 11:40am Eveleigh, Nathan - Target Date Revision</b>						
Target date changed by Eveleigh, Nathan from 30 June 2023 to 30 September 2023 - 2 additional halls being set-up. A 4th hall will be added once these two halls are online in the coming months.						
<b>25 Aug 2023 8:36am Eveleigh, Nathan - Target Date Revision</b>						
Target date changed by Eveleigh, Nathan from 30 September 2023 to 20 December 2023 - VIC staff working on 2nd & 3rd hall in consultation with open Space staff and s355 committee's.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
GMU13/2023	Ordinary Council 13/12/2023	Neveldsen, Keri	General Manager's Unit	Code of Conduct: Consideration of Final Investigation Report and recommendation of formal Censure - Councillor Olsen	10/01/2024	
670 <b>MOTION</b> 670 <b>RESOLVED</b>	<b>Moved:</b> Councillor Hill	Maginnity, Robert <b>Seconded:</b>	Councillor Sander			
1.	That the investigation report into the Code of conduct matter concerning Councillor Olsen provided by separate confidential enclosure be received and noted.					
2.	That the oral submission from Councillor Olsen addressing the investigators recommendation be received and noted.					
3.	That Council adopt the recommendation made by investigator in the investigation report.					
4.	That Councillor Olsen be formally censured in accordance with clause 440G of the Local Government Act for breaching clauses 3.1(a), (b), (c), and (g) of the Cessnock City Council Code of Conduct and that the matter be referred to the Office of Local Government for further action under the misconduct provisions of the Local Government Act.					

<b>Action Sheets Report</b>	<b>Division:</b> Ordinary Council	<b>Date From:</b>
	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W149/2023	Ordinary Council 13/12/2023	Jeffery, Warren	Works and Infrastructure	Minutes of the Local Traffic Committee Meeting held 20 November 2023	10/01/2024	
<a href="#">667</a> <b>MOTION</b> 667 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hawkins	<b>Seconded:</b>	Councillor Hill		
<p>That the Minutes of the Cessnock Local Traffic Committee Meeting of 20 November 2023 be adopted as a resolution of the Ordinary Council.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> TC52/2023 - That Council authorises the temporary regulation of traffic on Paynes Crossing Road, Wollombi for the Wollombi Public Holiday Markets events in accordance with the Various Roads Wollombi _ Wollombi Markets Traffic Control Plan.</li> <li><input type="checkbox"/> TC53/2023 - That Council authorises the temporary regulation of traffic for the Red Hot Summer Tour on Broke Road, McDonalds Road and Wine Country Drive, Pokolbin in accordance with Various Roads Pokolbin _ Red Hot Summer Tour Traffic Guidance Schemes with the following conditions: <ul style="list-style-type: none"> <li><input type="checkbox"/> Install temporary NO STOPPING zone on McDonalds Road Pokolbin, north of Broke Road for a minimum of 500m to prohibit parking both sides.</li> <li><input type="checkbox"/> Relocate 40km/h temporary speed limit signage on McDonalds Road, north of Broke Road to correspond with the NO STOPPING zone and install repeater 40km/h signage at appropriate intervals.</li> </ul> </li> <li><input type="checkbox"/> TC54/2023 - That Council authorises installation of intersection controls, signage and line marking on Old Buttai Road, Buttai, in accordance with the Old Buttai Road Buttai _ Signage &amp; Line Marking Diagram with the following amendments: <ul style="list-style-type: none"> <li><input type="checkbox"/> Replace W2-9 (R/L) on approach to the unnamed road with W2-211-13-1n (R) 15km/h &amp; W2-211-13n(L) 15km/h both to be amended to show side road intersection at top of curve, and duplicate both sides of the road.</li> <li><input type="checkbox"/> Install W3-2 Give Way Ahead (Symbolic) on eastern leg of Old Buttai Road approximately 150m from intersecting road.</li> </ul> </li> <li><input type="checkbox"/> TC55/2023 - That Council resolves that, in accordance with the Cessnock Local Traffic Committee Terms of Reference, the 2024 meeting dates for the Cessnock Local Traffic Committee are: <ul style="list-style-type: none"> <li><input type="checkbox"/> 19 February 2024</li> <li><input type="checkbox"/> 18 March 2024</li> <li><input type="checkbox"/> 15 April 2024</li> <li><input type="checkbox"/> 20 May 2024</li> <li><input type="checkbox"/> 17 June 2024</li> <li><input type="checkbox"/> 15 July 2024</li> <li><input type="checkbox"/> 19 August 2024</li> <li><input type="checkbox"/> 16 September 2024</li> <li><input type="checkbox"/> 21 October 2024</li> <li><input type="checkbox"/> 18 November 2024</li> <li><input type="checkbox"/> 16 December 2024</li> </ul> </li> </ul>						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W144/2023	Ordinary Council 13/12/2023	Crosdale, Emma	Works and Infrastructure	Tender T2024-11 Cessnock Regional Skatepark	10/01/2024	
<a href="#">663</a> <b>MOTION</b> 663 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hawkins	<b>Seconded:</b>	Councillor Dunn		
That Council accepts the tender (T2024-11) from Trinity Skateparks Pty Ltd for the lump sum of \$2,021,037 (including GST) for the Cessnock Regional Skatepark.						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
MM6/2023	Ordinary Council 20/09/2023	Harris, Kate	Mayoral Minutes	Pool Family Free Days and Entry Vouchers	29/01/2024	
<a href="#">564</a> <b>MOTION</b> 564 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Suvaal				
<ol style="list-style-type: none"> <li>That Council issue a free family pass entry voucher to all children completing the NSW Department of Education intensive Learn to Swim program at Cessnock, Branxton Pools and Kurri Kurri Aquatic Fitness Centre, at a potential lost revenue of \$4,912.</li> <li>That a free entry day and community celebrations take place early in the season and for Australia Day (26 January 2024) at Cessnock, Branxton and Kurri Kurri Pools at a cost of \$22,390.</li> <li>That Council notes the total potential loss of pool entry revenue and other costs from these activities is an estimated total \$27,302.</li> <li>Future funding to cover free entry days and community celebrations to be costed and included in the remaining Operational Plans in the current Delivery Program 2022-2026.</li> </ol> <p><b>25 Oct 2023 11:30am Meyers, Kristy - Reallocation</b> Action reassigned to Harris, Kate by Meyers, Kristy - For action.</p> <p><b>22 Nov 2023 8:23am Harris, Kate</b> 1. Programs are still underway at Kurri Kurri Aquatic Fitness Centre. All vouchers will be distributed to participants by the end of term 4., 2. A free entry day was held at Council's aquatic facilities on Saturday 18 November. Community celebrations are planned to take place on Australia Day., 3. Noted, 4. Funding has been identified in the draft 2024/2025 Operational Plan and will also be included within the 2025/2026 Operational Plan for council's consideration.</p> <p><b>22 Nov 2023 8:29am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 18 October 2023 to 29 January 2024 - This action item will be updated further following community celebrations held on Australia Day.</p>						

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	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN33/2020	Ordinary Council 18/11/2020	Clark, Cameron	Business With Notice	Laneway Access to Units/Granny Flats etc	31/01/2024	
<a href="#">1514</a> <b>MOTION</b> 1514 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Olsen	<b>Seconded:</b>	Councillor Dunn		
<p>That the General Manager provide a report to Council regarding options that council could change as it relates to development applications for the approval of units, granny flats or houses that will only have access off laneways to have the following conditions included,</p> <ol style="list-style-type: none"> <li>The laneway, if it has no name, be named with all costs to the developer</li> <li>The laneway be sealed by the developer so as not to create dust issues for existing residents</li> <li>All costs to be borne by the developer</li> <li>The Council's preference is for access off existing roads, not laneways</li> </ol> <p><b>23 Nov 2020 11:38am Blake, Yvonne - Reallocation</b> Action reassigned to Kerr, Katrina by: Blake, Yvonne for the reason: This report relates to Council Policy D5.3 - Development Applications Adjacent to Rear Lanes, which is the responsibility of the Roads, Bridges &amp; Drainage Manager in W&amp;I.</p> <p><b>30 Nov 2020 11:50am Kerr, Katrina</b> Commenced drafting report to Council.</p> <p><b>13 Apr 2021 9:28am Bates, Kelly</b> Item 1 - Commenced drafting report to Council.</p> <p><b>10 Aug 2021 9:30am Bates, Kelly - Target Date Revision</b> Target date changed as a result of current resources and competing priorities.</p> <p><b>31 Jan 2022 1:38pm Benson, Nicole</b> Resources now allow for this task to be completed. Work on the matter is scheduled to recommence in March 2022.</p> <p><b>02 May 2022 12:59pm Awal, Rabiul - Target Date Revision</b> Will be updated as per the consultation with the Development team.</p> <p><b>15 Nov 2022 4:37pm Awal, Rabiul - Target Date Revision</b> Due to resourcing issues the target date has changed to November 2023.</p> <p><b>02 Aug 2023 1:59pm Meyers, Kristy</b> Policy being reviewed and updated to include resolution 1-4. Point 2 - wording will be changed to add specific engineering detail.</p> <p><b>25 Oct 2023 11:32am Meyers, Kristy - Target Date Revision</b> Policy has been drafted with necessary updates and will be submitted to Governance for review.</p>						

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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W16/2023	Ordinary Council 15/03/2023	Clark, Cameron	Works and Infrastructure	Engineering Guidelines for Design & Construction - Approval for Public Exhibition	31/01/2024	
<a href="#">441</a> <b>MOTION</b> 441 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hill	<b>Seconded:</b>	Councillor Sander		
<ol style="list-style-type: none"> <li>That the draft Engineering Guidelines for Design and Construction be placed on public exhibition for a period of 28 days and a report be returned to Council for determination.</li> <li>That Councillors be offered a briefing on the engineering guidelines.</li> </ol> <p><b>28 Mar 2023 3:32pm Newman, Alex</b> Waiting on Comments from Public exhibition regarding Guidelines of exhibition. In addition an Internal Panel Review of Engineering Guidelines is to be performed.</p> <p><b>26 Apr 2023 8:27am Newman, Alex</b> Engineering Guidelines still on Public Exhibition. Subsequent Internal CCC review by relevant departments to follow.</p> <p><b>29 May 2023 11:13am Newman, Alex</b> Thorough internal review being performed by council. Relevant council team leaders are reviewing the standards.</p> <p><b>29 May 2023 1:53pm Newman, Alex - Target Date Revision</b> Target date changed by Newman, Alex from 25 June 2023 to 27 October 2023 - Thorough internal review being performed by council. Extended process to allow for input by all relevant council team leaders to be collated and reflected in technical standards.</p> <p><b>28 Jun 2023 1:31pm Newman, Alex</b> Thorough internal review being performed by council. Input by all relevant council team leaders to be collated and reflected in technical standards.</p> <p><b>24 Jul 2023 1:07pm Newman, Alex</b> Thorough internal review being performed by council. Input by all relevant council team leaders to be collated and reflected in technical standards.</p> <p><b>30 Aug 2023 10:30am Newman, Alex - Target Date Revision</b> Target date changed by Newman, Alex from 27 October 2023 to 15 November 2023 - Currently awaiting all teams to provide initial comments on engineering guidelines.</p> <p><b>25 Oct 2023 11:34am Meyers, Kristy</b> Investigations continuing.</p> <p><b>25 Oct 2023 11:34am Meyers, Kristy - Target Date Revision</b> Target date changed by Meyers, Kristy from 15 November 2023 to 31 January 2024 - Investigations continuing.</p> <p><b>22 Nov 2023 3:20pm Newman, Alex</b> Investigations continuing.</p> <p><b>09 Feb 2024 1:54pm Meyers, Kristy</b> 1 - Details to be included in C&amp;CS Policy Report to March 2024 Council meeting., 2 - Councillor Briefing being scheduled for March 2024.</p> <p><b>09 Feb 2024 1:56pm Meyers, Kristy - Reallocation</b> Action reassigned to Clark, Cameron by Meyers, Kristy - For briefing.</p>						

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Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN14/2023	Ordinary Council 20/09/2023	Clark, Cameron	Business With Notice	Old Buttai Road Prioritisation	31/01/2024	
<a href="#">586</a> <b>MOTION</b> 586 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hill	<b>Seconded:</b>	Councillor Grine		
<p>That Council requests the traffic committee review the prioritisation of Old Buttai Road to focus on the primary route of travel to and from the Buttai Quarry, taking on board the feedback from the recent Buttai Quarry Community Consultative Committee meeting.</p> <p>25 Oct 2023 11:31am Meyers, Kristy Internal consultation continuing.</p> <p>25 Oct 2023 11:31am Meyers, Kristy - Target Date Revision Listed for November LTC.</p>						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN8/2023	Ordinary Council 15/03/2023	Harris, Kate McLachlan, Paul	Business With Notice	Permanent Security CCTV Cameras - Peace Park Weston - Miller Park	23/02/2024	
<b>MOTION</b> 445 <b>RESOLVED</b>						
<p>That Council direct the General Manager to:</p> <ul style="list-style-type: none"> <li>Identify funding opportunities for crime prevention solutions or monitoring (installation of CCTV) where a cost benefit analysis confirms it will provide an operational cost saving.</li> <li>Consult with NSW Police (Cessnock Local Area Command) in relation to the effectiveness of CCTV and the identification of priority locations across the LGA for potential implementation following grant funding applications.</li> <li>Consider the development of a CCTV Policy to protect community assets.</li> </ul> <p>20 Mar 2023 2:11pm Lorenzen, Cherie - Reallocation Action reassigned to Harris, Kate by Lorenzen, Cherie - Referred to Open Space &amp; Community Facilities Manager for action on behalf of GM per the amended resolution.</p> <p>27 Mar 2023 11:23am Harris, Kate 1. Funding opportunities continue to be investigated, 2. Initial engagement has been held with NSW Police (Cessnock Local Area Command), currently awaiting further resources/information to be provided., 3. This to be considered.</p> <p>30 May 2023 11:52am Harris, Kate 1. Funding opportunities continue to be investigated, 2. Initial engagement has been held with NSW Police (Cessnock Local Area Command), currently awaiting further resources/information to be provided. This will be followed up again., 3. This to be considered.</p> <p>30 May 2023 11:53am Harris, Kate - Target Date Revision Target date changed by Harris, Kate from 30 June 2023 to 28 July 2023 - Awaiting resources and advice from NSW Police, local area command.</p> <p>26 Jul 2023 3:39pm Harris, Kate 1. Funding opportunities continue to be investigated, 2. Initial engagement has been held with NSW Police (Cessnock Local Area Command), currently awaiting further resources/information to be provided. Further meeting to be organised., 3. This to be considered.</p> <p>26 Jul 2023 3:40pm Harris, Kate - Target Date Revision</p>						

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	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>

Target date changed by Harris, Kate from 28 July 2023 to 29 September 2023 - Awaiting feedback from Cessnock Local Area Command

**26 Sep 2023 1:12pm Harris, Kate**  
 1. Funding opportunities continue to be investigated, 2. Further engagement has been held with NSW Police (Cessnock Local Area Command). Monthly meetings have been set up with Council Officers and Cessnock Local Area Command to continue sharing information and identify hotspots and solutions to problem areas., 3. This to be considered.

**26 Sep 2023 1:17pm Harris, Kate - Target Date Revision**  
 Target date changed by Harris, Kate from 29 September 2023 to 15 December 2023 - Liaison with local police is ongoing and funds are continuing to be investigated.

**22 Nov 2023 8:52am Harris, Kate**  
 1. Funding opportunities continue to be investigated, 2. Further engagement has been held with NSW Police (Cessnock Local Area Command). Monthly meetings have been set up with Council Officers and Cessnock Local Area Command to continue sharing information and identify hotspots and solutions to problem areas., 3. This to be considered.

**22 Nov 2023 8:53am Harris, Kate - Target Date Revision**  
 Target date changed by Harris, Kate from 15 December 2023 to 23 February 2024 - Liaison with local police is ongoing and funds are continuing to be investigated.

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN13/2023	Ordinary Council 20/09/2023	Harris, Kate	Business With Notice	Investigate Sensor Lighting Options for Local Government Area	23/02/2024	
<a href="#">585</a> <b>MOTION</b> 585 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Grine	<b>Seconded:</b>	Councillor Sander		
1.	<b>That Council requests the General Manager investigate sensor lighting options, including solar powered, to improve safety at Bridges Hill Park and other parks across the Local Government Area.</b>					
2.	<b>That Council investigate grant programs or funding opportunities to allow for these upgrades to be included into the delivery program.</b>					
<b>26 Sep 2023 10:44am Harris, Kate</b>	1. Lighting options are being investigated at Bridges Hill Park and will be incorporated within the draft 204/2025 Operational Plan for Council's consideration., 2. Grant programs and funding opportunities are being investigated.					
<b>26 Sep 2023 10:46am Harris, Kate - Target Date Revision</b>	Target date changed by Harris, Kate from 18 October 2023 to 22 December 2023 - Investigations for lighting works are ongoing.					
<b>22 Nov 2023 8:51am Harris, Kate</b>	1. Lighting options are being investigated at Bridges Hill Park and will be incorporated within the draft 2024/2025 Operational Plan for Council's consideration., 2. Grant programs and funding opportunities are being investigated.					
<b>22 Nov 2023 8:52am Harris, Kate - Target Date Revision</b>	Target date changed by Harris, Kate from 22 December 2023 to 23 February 2024 - Funding options are continuing to be investigated.					



<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN33/2022	Ordinary Council 16/11/2022	Harris, Kate	Business With Notice	Permanent Security CCTV Cameras - Huntlee District Park	23/02/2024	
<a href="#">351</a> <b>MOTION</b> 351 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Jurd	<b>Seconded:</b>	Councillor Olsen		
<p><b>That the General Manager:</b></p> <ol style="list-style-type: none"> <li><b>Liaise, support and work alongside LWP (Huntlee), to install a fully operational, CCTV Security Camera System within the new Huntlee District Park (similar to Bridges Hill Park);</b></li> <li><b>Research appropriate, relevant grants that may be able to assist in further protecting this community asset with said surveillance technology</b></li> </ol> <p><b>22 Nov 2022 1:20pm Meyers, Kristy - Reallocation</b> Action reassigned to Harris, Kate by Meyers, Kristy</p> <p><b>25 Nov 2022 9:44am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 14 December 2022 to 31 March 2023 - Meeting to be held with LWP.</p> <p><b>25 Nov 2022 9:45am Harris, Kate</b> 1. Meeting to be organised with LWP before the end of the year, 2. Upon completion of item 1</p> <p><b>27 Mar 2023 11:22am Harris, Kate</b> 1. Meeting to be organised with LWP , 2. Upon completion of item 1</p> <p><b>27 Mar 2023 11:22am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 31 March 2023 to 30 June 2023 - Competing priorities and limited resources</p> <p><b>28 Jun 2023 11:25am Harris, Kate</b> 1. Advice has been provided from LWP that temporary security camera's are in place., 2. Council officers will continue to investigate grant funding opportunities for a permanent system.</p> <p><b>28 Jun 2023 11:30am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 30 June 2023 to 25 August 2023 - Temporary security camera's are in place. Officers to continue to investigate funding opportunities for a permanent system.</p> <p><b>31 Aug 2023 8:09am Harris, Kate</b> 1. Temporary security camera's are in place., 2. Council officers will continue to investigate grant funding opportunities for a permanent system.</p> <p><b>31 Aug 2023 8:10am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 25 August 2023 to 27 October 2023 - Grant funding is being investigated</p> <p><b>26 Sep 2023 1:18pm Harris, Kate</b> 1. Temporary security camera's are in place., 2. Council officers will continue to investigate grant funding opportunities for a permanent system.</p> <p><b>26 Sep 2023 1:18pm Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 27 October 2023 to 22 December 2023 - Funding opportunities continue to be investigated.</p> <p><b>22 Nov 2023 8:35am Harris, Kate</b> 1. Temporary security camera's are in place., 2. Council officers will continue to investigate grant funding opportunities for a permanent system.</p> <p><b>22 Nov 2023 8:36am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 22 December 2023 to 23 February 2024 - Options are still being investigated for a permanent CCTV solution.</p>						

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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI23/2023	Ordinary Council 19/07/2023	Harris, Kate	Works and Infrastructure	Kurri Kurri Netball Facility	29/02/2024	
<a href="#">534</a> <b>MOTION</b> 534 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Grine	<b>Seconded:</b>	Councillor Hill		
<p>1. That a grant application for Kurri Kurri Netball Facility Stage 1 works, as outlined within this report, be submitted via the Arts Investing in Our Communities Program.</p> <p>2. That the General Manager continue to investigate funding opportunities for Kurri Kurri Netball Facility Stage 2 works and that a further report come back to Council.</p> <p><b>27 Jul 2023 10:02am Harris, Kate</b> 1. Complete, 2. Funding opportunities are currently being investigated</p> <p><b>27 Jul 2023 10:02am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 16 August 2023 to 27 October 2023 - Funding opportunities are being investigated.</p> <p><b>26 Sep 2023 10:47am Harris, Kate</b> 1. Complete, 2. Cost reductions and funding opportunities are currently being investigated</p> <p><b>26 Sep 2023 10:48am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 27 October 2023 to 15 December 2023 - Funding opportunities are currently being investigated</p> <p><b>22 Nov 2023 8:30am Harris, Kate</b> 1. Complete, 2. A further design review has been completed and a revised Quantity Surveyor estimate has been sought. Council staff are also currently preparing a grant application via the NSW Government's level the playing field grant program for the additional funding required for the netball facility.</p> <p><b>22 Nov 2023 8:34am Harris, Kate - Target Date Revision</b> Target date changed by Harris, Kate from 15 December 2023 to 29 February 2024 - Revised costings are still be sought and a grant application is being submitted. A report will be provided to Council following the above tasks being completed.</p>						

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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
BN8/2023	Ordinary Council 17/05/2023	Chadwick, Tony	Business With Notice	Proposal for Kurri Curry Festival	29/02/2024	
<a href="#">496</a> <b>MOTION</b>	<b>Moved:</b>	Chrystal, Peter Councillor Grine	<b>Seconded:</b>	Councillor Hill		
496 <b>RESOLVED</b>						
<p><b>That Council seeks grant funding for business activation in the Cessnock Local Government area by:</b></p> <ol style="list-style-type: none"> <li>1. <b>Creating and delivering a new event called the Kurri Curry Festival</b></li> <li>2. <b>Designing and installing 3D public street art that compliments the Kurri Kurri Murals, and</b></li> <li>3. <b>That the General Manager investigate other business activation opportunities.</b></li> </ol> <p><b>23 May 2023 1:36pm Blake, Yvonne - Reallocation</b> Action reassigned to Chadwick, Tony by Blake, Yvonne - Forwarded to Economic Development &amp; Tourism Manager for action and completion.</p> <p><b>24 May 2023 8:56am Chadwick, Tony</b> Progress against the resolution actions are as follows:, That Council seeks grant funding for business activation in the Cessnock Local Government area by:, 1. Creating and delivering a new event called the Kurri Curry Festival - Waiting a grant fund to open that allows event development and delivery in the funding guidelines., 2. Designing and installing 3D public street art that compliments the Kurri Kurri Murals - Staff have obtained street art cost estimates ready for grant submissions., 3. That the General Manager investigate other business activation opportunities - Suitable opportunities will be added to grant applications if allowed by the grant fund.</p> <p><b>24 May 2023 9:03am Chadwick, Tony - Target Date Revision</b> Target date changed by Chadwick, Tony from 14 June 2023 to 29 February 2024 - Waiting for a suitable grant fund to open to progress this action.</p>						

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	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE39/2023	Ordinary Council 15/11/2023	Porter, Kerry	Planning and Environment	DA 8/2021/22318/1 - Alterations and Additions to Existing Cafe comprising an Amenities Building, Pop-up Coffee Stand, Juice Bar, Additional Carparking, Outdoor Lighting and Extended Cafe Trading Hours  701 Lovedale Road, Lovedale	20/03/2024	
<a href="#">620</a> <b>MOTION</b> 620 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Dunn	<b>Seconded:</b>	Councillor Hill		
1.	That Development Application No. 8/2022/22318/1 proposing alterations and additions to the existing cafe comprising an amenities' building, pop-up coffee stand, juice bar, additional carparking, outdoor lighting and extended cafe trading hours at Lot 81, DP831654, 701 Lovedale Road, Lovedale, be deferred to afford the applicant a final opportunity to submit amended plans/additional information to address the outstanding issues raised in the assessment report; and					
2.	That following assessment of the information, a report be referred to Council's meeting in March 2024 to enable final consideration/determination of the application.					
<b>23 Nov 2023 8:49am Blake, Yvonne - Reallocation</b> Action reassigned to Porter, Kerry by Blake, Yvonne - Referred to officer responsible for assessment of DA.						
<b>29 Nov 2023 9:10am Blake, Yvonne - Target Date Revision</b> Target date changed by Blake, Yvonne from 13 December 2023 to 20 March 2024 - Consistent with Council's resolution, a letter was issued to the applicant on 16 November 2023, affording a final opportunity to submit amended plans/additional information to address the outstanding issues raised in the assessment report.						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W148/2023	Ordinary Council 13/12/2023	Eveleigh, Nathan	Works and Infrastructure	Kurri Kurri Nostalgia Festival - March 2024	29/03/2024	
<a href="#">666</a> <b>MOTION</b> 666 <b>RESOLVED</b>	<b>Moved:</b>	McLachlan, Paul Councillor Hill	<b>Seconded:</b>	Councillor Grine		
That Council endorse the in-kind support valued at \$11,424, for the following services: waste management, park management and amenity management Kurri Kurri Nostalgia Festival on 22, 23 and 24 March 2024.						
<b>01 Feb 2024 8:24am Eveleigh, Nathan</b> Relevant teams and staff within Council will liaise with Kurri Kurri TWH closer to the event to coordinate the in-kind materials, equipment and resources.						

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
W12/2021	Ordinary Council 17/02/2021	Waghorn, Peter	Works and Infrastructure	Sale of Land to Bellbird Bowling Club	31/03/2024	
<a href="#">1571</a> <b>MOTION</b>	<b>Moved:</b>	Maginnity, Robert Councillor Dunn	<b>Seconded:</b>	Councillor Fitzgibbon		
1571 <b>RESOLVED</b>						
1.	That Council authorises the General Manager to undertake the process to reclassify the seven metre strip of land along the southern boundary of the Bellbird Park Bowling Club from Community to Operational.					
2.	That Council agrees to sell the subject parcel of land once reclassified to Bellbird Park Bowling Club at the nominal cost of one dollar (\$1.00) provided the Bellbird Park Bowling Club fund associated costs for the land transfer.					
3.	That Council authorises the General Manager to execute documents related to the reclassification and transfer of land between Cessnock City Council and the Bellbird Park Bowling Club.					
<b>04 Mar 2021 11:58am Benson, Nicole - Reallocation</b>						
Action reassigned to Rathborne, Michael by Benson, Nicole - Michael please commence the actions as per the resolution. Liaise with my team if required. Thanks						
<b>24 Mar 2021 4:49pm Keegan, Robyn - Target Date Revision</b>						
Target date changed by Keegan, Robyn from 17 March 2021 to 30 June 2021 - Information sent to surveyor for the club to prepare and lodge forms,						
<b>29 Mar 2021 4:04pm Rathborne, Michael - Target Date Revision</b>						
Target date changed by Rathborne, Michael from 30 June 2021 to 30 August 2021 - Surveyor preparing documents for registration.						
<b>28 Apr 2021 10:33am Rathborne, Michael - Target Date Revision</b>						
Target date changed by Rathborne, Michael from 30 June 2021 to 30 September 2021 - Pending survey and documentation being prepared by surveyor.						
<b>25 Jun 2021 12:30pm Keegan, Robyn - Target Date Revision</b>						
Target date changed by Keegan, Robyn from 30 September 2021 to 31 December 2021 - Bellbird Park Bowling Club has taken responsibility for survey registration. Further work by Council Property Services to effect the transfer of land is deferred pending Strategic Property obtaining Council approval for a site-specific planning proposal to reclassify the land.						
<b>02 Sep 2021 3:11pm Keegan, Robyn - Target Date Revision</b>						
Target date changed by Keegan, Robyn from 31 December 2021 to 31 December 2021 - Peter Waghorn advised that there is no further update.						
<b>26 Oct 2021 2:19pm Keegan, Robyn - Target Date Revision</b>						
Target date changed by Keegan, Robyn from 31 December 2021 to 21 January 2022 - Advised by Chief Financial & Administration Officer no update was available but will investigate.						
<b>25 Jan 2022 10:12am Waghorn, Peter</b>						
In accordance with the resolution, Bellbird Park Bowling Club management are responsible for organising and registering the survey of land to be acquired but are yet to do so. A registered plan and reclassification of the land are required before the land transfer can be transacted.						
<b>29 Mar 2022 7:55am Boughton-Ingham, Petra</b>						
28 Mar 2022 Peter Waghorn, [Confidential]: BPBC's Secretary Manager was contacted with an offer of assistance and advised that the club had not sought quotes for land survey work to date due to their financial situation. As the cost of a partial survey is not anticipated to be high, Council Officers contacted a local surveyor on the club's behalf and was told that the previous Board had engaged Marshall Scott Surveyors to prepare a plan and the draft was sent to the club last year. MSS is following up directly with club management.						
<b>12 Apr 2022 10:21am Keegan, Robyn - Target Date Revision</b>						
Target date changed by Keegan, Robyn from 21 January 2022 to 15 June 2022 - The Bellbird Park Bowling Club Secretary Manager was contacted with an offer of assistance and advised that the club had not sought quotes for land survey work due to a recent change of voluntary board membership. Council Officers contacted a local surveyor on the club's behalf and were advised that the previous Board had engaged Marshall Scott Surveyors to prepare a plan and the draft was sent to the club last year. Principal of Marshall Scott Surveyors is following up with the new club management directly.						
<b>28 Apr 2022 3:32pm Waghorn, Peter</b>						
Mark Scott of Marshall Scott Surveyors is still following up with the new club Secretary Manager regarding a survey plan previously prepared and sent to the Club in draft for their review.						
<b>26 May 2022 9:22am Waghorn, Peter</b>						

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Bellbird Park Bowling Club officials have confirmed that Marshall Scott Surveyors were engaged by the previous Board to prepare a plan of acquisition. Once the draft plan is provided to Council for review and verification, the process to reclassify the identified portion of Bellbird Park can be commenced. Transfer of the land to the Club can only be effected on gazettal of the reclassification.

**26 May 2022 9:50am Waghorn, Peter - Target Date Revision**  
Target date changed by Waghorn, Peter from 15 June 2022 to 30 December 2022 - The planning proposal to amend the LEP and reclassify a portion of Bellbird Park is a lengthy process and yet to be commenced. Transferring ownership to the Club is deferred pending gazettal of the land reclassification for Community to Operational land.

**30 Jun 2022 3:12pm Waghorn, Peter**  
An LEP amendment request to reclassify the portion of Bellbird Park the Club requires has been scheduled with Strategic Planning.

**28 Jul 2022 2:49pm Waghorn, Peter**  
A survey plan prepared by Marshall Scott Surveyors on behalf of Bellbird Park Bowling Club has been provided to Strategic Planning. A planning proposal requesting amendment of the Cessnock LEP land classification of the nominated portion of Bellbird Park is in progress.

**31 Aug 2022 4:46pm Keegan, Robyn**  
Further updates are subject to progression of a planning proposal to amend the Cessnock LEP and change the community land classification of the nominated portion of Bellbird Park.

**25 Nov 2022 3:47pm Waghorn, Peter**  
Internal Property staff followed up with Marshall Scott Surveyors 24/11/2022 and were advised that the survey plan detailing the area to be acquired by the club and prepared by their firm on behalf of Bellbird Park Bowling Club is yet to be lodged with Land Registry Services for assessment. Council staff actions are deferred pending plan registration and gazettal of the proposed land reclassification.

**16 Jan 2023 12:12pm Waghorn, Peter**  
Property staff visited BPBC on 4/1/2023 to enquire with management as to the status of survey plan approval and were advised that they will follow up with Marshall Scott Surveyors. As at 16/1/2023, Mark Scott of MSS has not been contacted by BPBC.

**16 Jan 2023 12:21pm Waghorn, Peter - Target Date Revision**  
Target date changed by Waghorn, Peter from 30 December 2022 to 31 March 2023 - Delayed pending Bellbird Park Bowling Club approval of draft survey plan of acquisition and the outcome of a Council request to reclassify the relevant portion of Carmichael Park to be acquired

**03 Apr 2023 10:44am Waghorn, Peter**  
The Strategic Planning unit has scheduled a report seeking approval to submit the LEP amendment required to reclassify the portion of Bellbird Park the Club requires. Reclassification to operational land is required to facilitate any transfer of council community land. The report will be considered at the April 2023 Ordinary Council Meeting. .

**03 Apr 2023 11:11am Waghorn, Peter - Target Date Revision**  
Target date changed by Waghorn, Peter from 31 March 2023 to 30 June 2023 - The report seeking approval to submit an LEP amendment to reclassify the required portion of Bellbird Park is scheduled for the April 2023 OCM. Reclassifications necessarily involve state planning departments and completion of that process cannot be accurately determined at this time.

**26 May 2023 3:16pm Waghorn, Peter - Target Date Revision**  
Target date changed by Waghorn, Peter from 30 June 2023 to 31 March 2024 - A planning proposal to amend the Cessnock LEP community land classification of a portion of Carmichael Oval adjoining Bellbird Park Bowling Club was approved for submission to Dept. of Planning & Environment (DPE) on 19 April 2023. Subject to obtaining a DPE Gateway determination to reclassify the land from community to operational use, consultation will be undertaken with public authorities and the community. Unresolved objections must be submitted to Council for consideration before DPE is requested to make the Plan and publish LEP changes in the Government Gazette. This process is anticipated to take six to nine months. On completion, Property staff will prepare contract documentation to transfer the required land.

**25 Sep 2023 3:37pm Waghorn, Peter - Email**  
On 15 September, Officers arranged for surveyors to attend and mark the site, allowing a partially installed fence to be completed along the new boundary with a lockable pedestrian access. Illegal private vehicular use of CCC community land is understood to have been occurring and neighbouring residents will be notified prior to erection of the final stage of fencing. Formal transfer of the land portion to BPBC is subject to land reclassification and the revised target date is still projected as March 2024.

**24 Nov 2023 9:41am Waghorn, Peter**  
No further updates from Property Services pending completion of land reclassification process and subsequent land transfer

<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
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Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
WI31/2023	Ordinary Council 20/09/2023	Harris, Kate	Works and Infrastructure	2022/23 Kurri Kurri Aquatic and Fitness Centre Performance Review	30/04/2024	
<a href="#">582</a> <b>MOTION</b>	<b>Moved:</b>	McLachlan, Paul Councillor Sander	<b>Seconded:</b>	Councillor Grine		
582 <b>RESOLVED</b>						
1.	That Council notes the performance of Belgravia Health & Leisure Group Pty Ltd in respect to Year 4 of the contract for the management of the Kurri Kurri Aquatic & Fitness Centre.					
2.	That Council engage an independent consultant to provide a more detailed KPI performance review of the centre prior to the tendering process.					
3.	That a report come back to Council with the outcomes of this review.					
<b>25 Sep 2023 10:26am Larsen, Robyn - Reallocation</b> Action reassigned to McCamley, Chad by Larsen, Robyn - Chad is responsible for the pools						
<b>08 Feb 2024 10:04am Meyers, Kristy - Reallocation</b> Action reassigned to Harris, Kate by Meyers, Kristy - For action.						
<b>08 Feb 2024 10:05am Meyers, Kristy - Target Date Revision</b> Target date changed by Meyers, Kristy from 18 October 2023 to 30 April 2024 - For action.						

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	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE26/2023	Ordinary Council 19/07/2023	Worthing, Alex	Planning and Environment	Comprehensive DCP Review - Tourist Accommodation on Rural and Environmental Lands - Draft for Exhibition	20/06/2024	
<a href="#">528</a> <b>MOTION</b> 528 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Hill	<b>Seconded:</b>	Councillor Grine		
1.	That Council exhibits the draft DCP Chapter: 'Tourist and Visitor Accommodation in Rural and Environmental Lands' in accordance with clause 13 of the Environmental Planning and Assessment Regulation 2021 and for a period of 28 days.					
2.	That a further report is brought to Council for determination after the exhibition period is concluded.					
<b>26 Jul 2023 12:33pm Corken, Robert - Target Date Revision</b> Target date changed by Corken, Robert from 16 August 2023 to 16 November 2023 - Exhibition will be undertaken in August.						
<b>18 Aug 2023 1:48pm Blake, Yvonne - Reallocation</b> Action reassigned to Mewing, Jenny by Blake, Yvonne - Officer resigned from Council. Transferred to Acting Principal Strategic Planner for re-allocation to another Strategic Planning Officer.						
<b>31 Aug 2023 2:15pm Blake, Yvonne - Reallocation</b> Action reassigned to Worthing, Alex by Blake, Yvonne - Transferred to officer as original officer has resigned.						
<b>08 Sep 2023 3:32pm Worthing, Alex - Target Date Revision</b> Target date changed by Worthing, Alex from 16 November 2023 to 04 October 2023 - Preparing post exhibition report for Council						
<b>26 Oct 2023 11:16am Blake, Yvonne - Target Date Revision</b> Target date changed by Blake, Yvonne from 04 October 2023 to 22 December 2023 - Report to be tabled at December Council meeting.						
<b>18 Dec 2023 3:18pm Worthing, Alex - Target Date Revision</b> Target date changed by Worthing, Alex from 22 December 2023 to 20 June 2024 - On hold pending Vineyards project with DPE						

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE42/2023	Ordinary Council 13/12/2023	Mewing, Jenny	Planning and Environment	Updated Strategic Planning Policies - Climate Change, Contaminated Land and Heritage	30/06/2024	
<a href="#">654</a> <b>MOTION</b> 654 <b>RESOLVED</b>	<b>Moved:</b>	Chrystal, Peter Councillor Hill	<b>Seconded:</b>	Councillor Burke		
1.	That Council places the revised Climate Change, Contaminated Land and Heritage Policies on public exhibition for a period of 28 calendar days;					
2.	That Council adopts the revised Climate Change, Contaminated Land and Heritage Policies the day after the public exhibition period concludes, if no unresolved submissions are received.					
3.	That Council rescinds the 2020 Climate Change, Contaminated Land and Heritage Policies from the date the revised 2023 Climate Change, Contaminated Land and Heritage Policies are adopted.					
<b>09 Jan 2024 12:44pm Mewing, Jenny - Target Date Revision</b> Target date changed by Mewing, Jenny from 10 January 2024 to 30 June 2024 - Exhibition required.						
<b>23 Jan 2024 11:17am Mewing, Jenny</b> Exhibition to commence from 29 January to 29 February 2024						



<b>Action Sheets Report</b>	<b>Division:</b>	Ordinary Council	<b>Date From:</b>	
	<b>Committee:</b>		<b>Date To:</b>	
	<b>Officer:</b>		<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>	

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE24/2022	Ordinary Council 20/04/2022	Rush, Iain	Planning and Environment	Draft Local Planning Framework for the Cessnock LGA Vineyards District	30/06/2024	
<a href="#">75</a> <b>MOTION</b>	<b>Moved:</b>	Chrystal, Peter Councillor Burke	<b>Seconded:</b>	Councillor Grine		
75 <b>RESOLVED</b>						
1.	<b>That Council requests a Gateway determination in respect of the Cessnock Vineyards District Planning Proposal from the NSW Department of Planning and Environment, pursuant to the Environmental Planning and Assessment Act 1979.</b>					
2.	<b>That Council requests authorisation under Section 3.31 of the Environmental Planning and Assessment Act 1979 to act as the local plan-making authority to make the Local Environmental Plan.</b>					
3.	<b>That Council undertakes consultation with public authorities and the community as determined by the Gateway determination.</b>					
4.	<b>That Council exhibits the Draft Cessnock Vineyards District Local Character Statement and Development Control Plan with the Planning Proposal.</b>					
5.	<b>That Council receives a report back on the Planning Proposal and draft local planning framework, following public exhibition.</b>					
<b>27 Apr 2022 12:10pm Rush, Iain - Target Date Revision</b>						
Target date changed by Rush, Iain from 18 May 2022 to 30 December 2022 - Preparing documentation for submission to DPE for Gateway determination.						
<b>21 Jun 2022 3:52pm Rush, Iain</b>						
Planning Proposal submitted for Gateway determination on 10 May 2022. Currently reviewing quotations for 'Tourism Centre' Economic Feasibility Assessment.						
<b>01 Sep 2022 4:24pm Rush, Iain</b>						
Planning Proposal submitted for Gateway determination on 10 May 2022. Hill PDA engaged to prepare 'Tourism Centre' Economic Feasibility Assessment. Work on the Economic Assessment is progressing steadily.						
<b>31 Oct 2022 10:23am Rush, Iain</b>						
Planning Proposal submitted for Gateway determination on 10 May 2022. Hill PDA have provided Draft 'Tourism Centre' Economic Feasibility Assessment to Council for review.						
<b>22 Nov 2022 2:17pm Blake, Yvonne - Target Date Revision</b>						
Target date changed by Blake, Yvonne from 31 January 2023 to 28 February 2023 - Target date revised to allow sufficient time for exhibition and consideration of public submissions. Preparation of materials for public exhibition commenced.						
<b>20 Feb 2023 9:08am Cocking, Tracey</b>						
HRP 2041 requires preparation of Place Strategy. Existing PP and Place Strategy requirements being discussed with DP&E.						
<b>20 Feb 2023 9:09am Cocking, Tracey - Target Date Revision</b>						
Target date changed by Cocking, Tracey from 28 February 2023 to 31 December 2023 - HRP 2041 requires preparation of Place Strategy. Existing PP and Place Strategy requirements being discussed with DP&E						
<b>24 May 2023 3:52pm Blake, Yvonne - Reallocation</b>						
Action reassigned to Mewing, Jenny by Blake, Yvonne - Transferred to Jenny Mewing to continue with and finalise the matter.						
<b>24 May 2023 4:08pm Mewing, Jenny</b>						
Vineyards Place Strategy endorsed by the Urban Development Program Committee (1 May 2023) for the establishment of a Place Delivery Group. Further details from DPE to be obtained to commence this process., Amendments being made to Planning Proposal to reflect requirements of "resubmit" Gateway Determination received in December 2022.						
<b>21 Jun 2023 10:03am Mewing, Jenny</b>						
Meeting held with DPE to discuss relationship between Planning Proposals and Place Strategy. Agreed outcomes and actions pending confirmation with DPE						
<b>21 Jul 2023 7:27am Mewing, Jenny</b>						
Amendments to Planning Proposal being prepared for resubmission to the DPE prior to 31 July 2023. Draft Principles for the Place Strategy are being prepared concurrently for consideration/endorsement by the DPE.						

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	<b>Committee:</b>	<b>Date To:</b>
	<b>Officer:</b>	<b>Printed: Monday, 12 February 2024 1:25:27 PM</b>

**31 Aug 2023 1:16pm Mewing, Jenny**  
 Revised Planning Proposal resubmitted to DPE for Gateway Determination (26/7/23)., Place Strategy meeting with DPE requested.

**31 Aug 2023 2:15pm Blake, Yvonne - Reallocation**  
 Action reassigned to Rush, Iain by Blake, Yvonne - Transferred to officer as original officer has resigned.

**30 Oct 2023 2:47pm Rush, Iain**  
 HRP 2041 requires the preparation of Place Strategy for the Cessnock Vineyards District. The structure and content of the Place Strategy is to be determined with input from a Department of Planning and Environment Place Delivery Group (PDG). Draft land use principles prepared for discussion with PDG, which should occur in early November.

**16 Jan 2024 9:19am Rush, Iain - Target Date Revision**  
 Target date changed by Rush, Iain from 31 December 2023 to 30 June 2024 - Meeting with Planning Delivery Unit (PDU) occurred with relevant state agencies in December 2023. Awaiting further information/requirements from DPE to progress Place Strategy, including release of Planning State Environmental Assessment Requirements (PSEARS).

Type	Meeting	Officer/Director	Section	Subject	Est. Compl.	Completed
PE5/2023	Ordinary Council 15/02/2023	Mewing, Jenny	Planning and Environment	Comprehensive Local Environmental Plan and Development Control Plan Review - Temporary Uses (including Temporary Events)	30/11/2024	
<b>399 MOTION</b>	<b>Moved:</b>	Chrystal, Peter	<b>Seconded:</b>	Councillor Dunn		
<b>399 RESOLVED</b>						
<b>That Council</b>						
1.	<b>Request a gateway determination for the Planning Proposal "Temporary Uses" from the Department of Planning and Environment pursuant to the Environmental Planning and Assessment Act 1979.</b>					
2.	<b>Request authorisation under s3.31 of the Environmental Planning and Assessment Act 1979 to act as the local plan-making authority.</b>					
3.	<b>Place the draft Planning Proposal on exhibition as determined by the Department of Planning and Environment Gateway determination.</b>					
4.	<b>Place the draft Cessnock Development Control Plan Chapter "Temporary Uses" on exhibition concurrently with the planning proposal.</b>					
5.	<b>Receive a report back on the Planning Proposal and Development Control Plan amendment.</b>					
<b>27 Mar 2023 4:34pm Blake, Yvonne - Target Date Revision</b>						
Target date changed by Blake, Yvonne from 15 March 2023 to 30 November 2023 - As per Council resolution at the Ordinary Council meeting held 15 February 2023, gateway determination to be requested from DPE; request authorisation to act as local plan making authority; PP to be placed on exhibition as well as draft DCP; report back to Council on amendment.						
<b>18 Aug 2023 1:49pm Blake, Yvonne - Reallocation</b>						
Action reassigned to Mewing, Jenny by Blake, Yvonne - Officer resigned from Council. Transferred to Acting Principal Strategic Planner for re-allocation to another Strategic Planning Officer.						
<b>31 Aug 2023 1:20pm Mewing, Jenny</b>						
Request for Gateway Determination from DPE made February 2023. , Planning Proposal updated and resubmitted for Gateway Determination in May 2023						
<b>21 Sep 2023 8:03am Mewing, Jenny</b>						
Gateway Determination still pending						
<b>21 Sep 2023 8:04am Mewing, Jenny - Target Date Revision</b>						
Target date changed by Mewing, Jenny from 30 November 2023 to 30 November 2024 - Gateway Determination not yet issued.						
<b>23 Oct 2023 8:02am Mewing, Jenny</b>						
Gateway Determination not yet issued						

<b>Action Sheets Report</b>	<b>Division:</b> <b>Committee:</b> Ordinary Council <b>Officer:</b>	<b>Date From:</b> <b>Date To:</b> <b>Printed: Monday, 12 February 2024 1:25:27 PM</b>
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<b>21 Nov 2023 7:14am Mewing, Jenny</b> Gateway determination not yet issued <b>01 Dec 2023 3:03pm Mewing, Jenny</b> Gateway Determination not yet issued <b>09 Jan 2024 12:43pm Mewing, Jenny</b> Gateway Determination not yet issued
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**Evaluation of Tenders**

**Tender Evaluation Team:** In accordance with Council's Procurement Guidelines, a Tender Evaluation Team (TET) was formed with the following members:

- Project Manager, Works & Infrastructure
- Safety and Risk Co-ordinator, People & Culture
- Acting Procurement Administration Officer, Procurement
- Principal Development Engineer, Development Services

**Evaluation Process:** The evaluation was conducted according to the following process:

1. Assessment of receipt
2. Assessment of conformance
3. Shortlisting
4. Detailed weighted evaluation
5. Due diligence checks on preferred tenderers
6. Determine evaluation result
7. Independent review of the tender selection process

The evaluation criteria and their weightings were documented in the Contract Initiation and Development Plan.

**1. Assessment of Receipt**

Tenders were received and assessed against the first threshold criteria:

Threshold Criteria:	
Criterion 1	Attendance at a mandatory site meeting held on 19 December 2023

The following tenders were received:

No.	Tenderer:	Business Address:	Criterion 1:
1	Civil & Sons Pty Ltd	1 Wazir St Bardwell Valley NSW 2207	On time
2	LSG Civil	322 Hilldale Road Hilldale NSW 2420	Late

**2. Assessment of Conformance**

The tenders received on time were then assessed for conformance with the following threshold criteria:

Threshold Criteria:	
Criterion 2	Submission on Time

The submission received from Tender 2 from LSG Civil was not evaluated as the submission was received after closing date with Tender 1 from Civil & Sons Pty Ltd progressing to the next stage of the evaluation.

**3. Shortlisting**

Shortlisting was not considered necessary.

#### 4. Weighted Evaluation

Tender 1 was evaluated using the following weighted evaluation criteria:

Weighted Criteria:	
Criterion 3	All pricing schedules submitted with the tender
Criterion 4	Methodology for staging the works safely and efficiently with traffic management proposed and general understanding of the work and innovations in staging the work.
Criterion 5	Company Experience and past performance on similar projects and referee responses.
Criterion 6	Provision of detailed contract program for 12-week period with staging and activity concurrency shown
Criterion 7	Safety Management Performance, Environmental Management Performance, Quality Management Performance. WHS plan examples, Quality Management examples proposed / ITP samples, quality of submission.

To assess the tender against the evaluation criteria, the TET used information obtained from the tender documents. A Weighted Evaluation Matrix, containing full details of the pricing and weighted evaluation is provided as confidential **Enclosure 1**.

With the highest and only score, Tender 1 from Civil & Sons Pty Ltd was reviewed but they did not meet the weighted criteria scoring considered necessary to undertake the complex requirements of the construction project.

#### 5. Due Diligence

Reference checks were not conducted with any customers of the Tenderer as the team evaluation has deemed that the Tenderer is not suitably positioned to undertake the works.

#### 6. Evaluation Result

Following the evaluation process, the TET recommended that the Civil and Sons Pty Ltd tender submission be rejected and that Council delegate the General Manager, as per section 7 clause 178(e) of the *Local Government (General) Regulations 2021*, to negotiate with any person, whether or not the person was a tenderer, with a view to entering into a contract as a direct negotiation.

#### 7. Independent Review

The evaluation process and recommendations were reviewed by the TAP and determined to be in accordance with Council's Procurement Policy, Procurement Procedure and relevant legislation.