



Business Paper

Ordinary Meeting of Council

to be held at

Council Administration Centre

180 Mort Street, Lithgow

on

Monday 25 November 2024

at 6:30 PM

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Acknowledgement of Country

Acknowledgement of Country

Lithgow City Council acknowledges Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside. The Council also extends our respects to our neighbouring nations.

Declaration of Webcasting

I inform all those in attendance at this meeting, that the meeting is being webcast and that those in attendance should refrain from making any defamatory statements concerning any person, Councillor or employee, and refrain from discussing those matters subject to Closed Council proceedings as indicated in clause 14.1 of the code of meeting practice.

Present

Apologies

Declaration of Interest

Ethical Decision Making and Conflicts of Interest

A guiding checklist for Councillors, officers and community committees

Oath or Affirmation of Office

Councillors are reminded of the Oath or Affirmation taken of office, made under section 233A of the *Local Government Act 1993* when elected.

Ethical decision making

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

Conflict of interest

A conflict of interest is a clash between private interest and public duty. The test for conflict of interest:

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

There are two types of conflict:

- **Pecuniary** – regulated by the *Local Government Act 1993* and Office of Local Government. A person with a pecuniary interest should at least disclose and not vote, but it would also in these cases be appropriate to leave the chamber.
- **Non-pecuniary** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, a person with a non-pecuniary interest can choose to either disclose and vote, disclose and not vote or leave the Chamber.

- Local Government Act 1993 and Model Code of Conduct
For more detailed definitions refer to the *Local Government Act 1993*, Chapter 14 Honesty and Disclosure of Interest and adopted Code of Conduct.

Identifying problems

1st Do I have private interests affected by a matter I am officially involved in? **2nd** Is my official role one of influence or perceived influence over the matter? **3rd** Do my private interests conflict with my official role?

Disclosure of pecuniary interests / non-pecuniary interests

Under the provisions of Section 440AAA(3) of the *Local Government Act 1993* (pecuniary interests) and the Model Code of Conduct it is necessary for you to disclose the nature of the interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

A Declaration form should be completed and handed to the General Manager as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at

Confirmation of Minutes

Confirmation of the Minutes of the Ordinary Meeting of Council held 8 October 2024.

Confirmation of the Minutes of the Ordinary Meeting of Council held on 28 October 2024.

Confirmation of the Minutes of the Extraordinary Meeting of Council held on 12 November 2024.

Commemorations and Announcements

On behalf of Lithgow City Council the Mayor expressed sincere sympathy and condolences to families who had lost loved ones since the last council meeting.

Public Forum

Any person registered to speak during Public Forum on a matters included in the business paper and registered via the Council website prior to 12 Noon on the day of the meeting will have the opportunity to speak. There will be only two speakers for and against, on each matter on the business paper.

Public forum will be allocated half an hour time in total with each speaker having 3 minutes to speak.

Speaker not registered for public forum will have an opportunity to speak on matters on the business paper if time permits.

1. Mayoral Minutes

The Mayor is able to table a Mayoral minute at the meeting if required.

2. Notices of Motion

2.1. **NOM-25/11/2024 - Cr E Mahony - Compliance with Transport Authorities and relevant NSW State Environmental Legislation in relation to maintenance activities of diesel locomotives in Eskbank Rail Yards**

Report by Councillor Eric Mahony

Commentary

This Notice of Motion seeks to emphasize the critical importance of compliance with transport authorities' regulations and relevant NSW State Environmental legislation in relation to ongoing maintenance activities conducted in the Eskbank rail yards.

Ensuring full compliance with these standards is essential to promote operational safety, protect workers and the environment, surrounding residential housing and maintain the efficient functioning of rail operations in a legislative compliant setting.

Council recognizes that adherence to transport authority regulations, such as those stipulated by relevant authorities, such as Transport Asset Holding Entity (TAHE) NSW, and compliance with NSW state environmental legislation, including the Protection of the Environment Operations Act 1997 (NSW), is vital for the safety, reliability, and sustainability of rail yard operations.

Rail yard operators and maintenance teams must integrate compliance with transport authority standards and NSW environmental laws into regular practices to prevent accidents, reduce risks, and safeguard the environment. Adequate training on current regulations, safety protocols, and environmental requirements must be provided to ensure adherence. Routine inspections should be conducted and documented, with reports available for review to maintain transparency and accountability. Operators must recognize the consequences of non-compliance, and take immediate corrective action when necessary to ensure continued adherence to relevant laws and standards

Compliance with NSW state environmental laws, such as the Protection of the Environment Operations Act 1997, ensures that environmental risks associated with rail yard activities, such as fuel spills, waste water or improper disposal of hazardous materials, are mitigated.

Demonstrating compliance builds trust with stakeholders, including regulatory bodies, clients, and the general public, fostering a positive reputation for the rail industry. By doing so, we reinforce our collective commitment to safety, efficiency, and sustainable rail operations.

Attachments

Nil

Recommendation

THAT Council take immediate actions available to them to ensure that all rail yard operators are compliant with transport authorities' regulations and relevant NSW state environmental legislation for the maintenance activities currently being undertaken in Eskbank Rail Yard.

Management Comment

Nil.

2.2. NOM 25/11/2024 - Cr E Mahony - Management of Historic Joint Sewer Systems

Report by Councillor Eric Mahony

Commentary

Lithgow City Council manages an extensive sewer network across the urban areas of Lithgow and it is not clear what the total number of historic joint sewer systems within the older subdivisions is.

In one location around Read Avenue, Lithgow a historic joint sewer system is in place which is it understood historically that the Council managed this system. Recently residents have been informed that this is no longer the case.

Failure of this sewer system has significant impacts on the residents in this neighbourhood, presenting an unacceptable public health risk.

The challenges facing the residents whose sewer connections have historically been through this type of system is that replacing it with a direct connection to the Council Main presents a significant personal cost. In situations where individual property owners don't have the funds to complete the works this presents a block point to resolving the matter for the local community.

What this presents is a critical potential impasse for residents when transitioning from what has been understood to a be a historic shared "public" infrastructure.

These historic subdivisions across the Lithgow urban landscape developed during the early 1900's potentially will as Council moves through a renewal program of failing or failed sewerage infrastructure uncover these historic system and their associated maintenance arrangements.

The issue now lies in how the Council fairly transitions from maintenance arrangement that appear to have been in place up until very recently in what appear to be limited historic settings.

What also needs to be carefully considered is how clause 162 of the NSW Local Government Regulation 2021 is fairly applied retrospectively to individual property subdivisions and their associated sewerage systems that have their origins in the first half of the 20th century.

In Federal Legislation, while not common, [Acts](#) can take effect retrospectively, before they are made or registered on the Register. [Legislative instruments](#) and [notifiable instruments](#) can also take effect retrospectively, except to the extent that the retrospective application would disadvantage a person (other than the Commonwealth) or impose liabilities on the person in respect of things done before registration (subsection 12(2) of the Federal Register of Legislation).

Under State Legislation can clause 162 of the NSW Local Government Regulation 2021 be applied retrospectively.

It is appreciated that Council assistance will be provided for the connection, however normalising the Historic Joint Sewer Systems may require assistance to individual properties.

Attachments

Nil

Recommendation

THAT:

- Council utilise the appropriate sections of the Local Government Act and put on public exhibition for 28 days, Council's intention to provide support to modify Historic Joint Sewer

Systems to bring the system in line with the Local Government Regulation clause 162, which requires a direct connection from each individual property to the Council main.

- Funds from the Sewer and Water Fund be used to support landholders to complete the works to modernise Historic Joint Sewer Systems.

Management Comment

The following information is provided to Councillors by the Executive Manager – Water, Wastewater and Waste. This has been sent to some residents known to have an issue with the utilisation of an existing common sewage line. In summary, the letter gives residents information on joint / common sewer lines and how to proceed with an independent connection to the Council sewer mains provided at no cost to the property owner.

Council operates a large amount of reticulation across the Lithgow local government area delivering sewerage transportation and treatment services. Throughout the network there is a variety of infrastructure that Council maintains and similarly there is infrastructure that property owners must maintain.

One such issue is the utilisation of Joint, Common, or Shared sewerage services serving more than one property. A Joint sewerage service is one that connects or lies across two premises to convey sewerage to the Council main. Under the Local Government Regulations 2021, cl.162 Joint sewerage services are prohibited:

- (1) The owner of premises connected to the council's sewerage system must ensure—
 - (a) that any house drain on the premises is kept separate from that of all other premises, and
 - (b) that the only fittings and fixtures permitted to discharge into the house drain are those located on the premises.
- (2) The owner of premises on which a house drain is or is to be connected to the council's sewerage system must ensure that the drain is laid within the boundary of the premises until it—
 - (a) reaches that system or the boundary nearest to that system, or
 - (b) emerges into a public place.

Council has reviewed its operations and upon reviewing the legislation, it is clear that Council has been providing a service outside of legislation in maintaining and servicing Joint, Common or shared drainage lines. Under both Council Policy and the Local Government Act 1993, Lithgow City Council is responsible for the operation of the sewerage network and the mains that form part of that network.

Joint sewerage services form a part of the private drainage and are part of a sanitary drainage system as defined under the Plumbing and Drainage Act 2011, cl.4 Plumbing and drainage work— meaning:

- (4) A sanitary drainage system means an assembly of pipes, fittings and apparatus (usually located below ground level) used to collect and convey the discharge from a sanitary plumbing system, together with discharge from fixtures directly connected to a drain, to a sewer.

Similarly, the Local Government Regulation 2021 (the Regulation) defines the Sewer services as: sewerage service, in relation to premises—

- (a) means the pipes, fittings or fixtures used or intended to be used in connection with the premises for the purpose of conveying sewage or permitted discharges from the premises to the council's sewerage system.

Under the Regulation, Council cannot maintain joint sewer services across the network and recommends that property owners review their existing connections to ensure their property, and its connections, are maintained in accordance with the Regulation.

Council will provide to property owners that wish to disconnect from the common line and address their properties drainage issues, an individual connection to Council's sewer network for the property. The property owner will be responsible for drainage to connect the property to the new connection. If property owners wish to proceed with a new individual connection, they should contact Council's Water and Wastewater department for more information.

For Information:

Clause 67 of the Local Government Act 1993 states

67. Private works

(1) A council may, by agreement with the owner or occupier of any private land, carry out on the land any kind of work that may lawfully be carried out on the land.

Note—

Examples of the kind of work that a council might carry out under this section include—

- paving and roadmaking
- kerbing and guttering
- fencing and ditching
- tree planting and tree maintenance
- demolition and excavation
- land clearing and tree felling
- water, sewerage and drainage connections
- gas and electricity connections.

(2) A council must not carry out work under this section unless—

- (a) it proposes to charge an approved fee for carrying out the work as determined by the council in accordance with Division 2 of Part 10 of Chapter 15, or
- (b) if it proposes to charge an amount less than the approved fee, the decision to carry out the work is made, and the proposed fee to be charged is determined, by resolution of the council at an open meeting before the work is carried out.

(3) A council must include details, or a summary, of any resolutions made under this section and of work carried out under subsection (2)(b) in its next annual report.

(4) A report of work to which subsection (2)(b) applies must be given to the next meeting of the council after the work is carried out specifying—

- the person for whom the work was carried out
- the nature of the work
- the type and quantity of materials used
- the charge made for those materials
- the total of the number of hours taken by each person who carried out the work
- the total amount charged for carrying out the work (including the charge made for materials)
- the reason for carrying out the work.

2.3. **NOM - 25/11/2024 - Cr E Mahony - Transport for NSW and Housing NSW; maintenance and upkeep of landscaping and recreation spaces within their areas of responsibilities**

Report by Councillor Eric Mahony

Commentary

This motion acknowledges the importance of maintaining landscaped areas within the Great Western Highway transport corridors and recreation spaces such as Emora Park to the Lithgow Community.

This motion seeks to ensure that Transport for NSW, and Housing NSW implement and adhere to appropriate maintenance schedules that prioritise the safety, cleanliness, and aesthetic appeal of these spaces for community use.

Properly maintained landscaped areas and recreation spaces contribute significantly to the mental and physical well-being of local residents. Safe, clean, and visually appealing environments encourage outdoor activities, foster community interaction, and reduce health risks.

Regular maintenance of landscaped highway corridors enhances the overall attractiveness of the area. This contributes to the liveability of neighbourhoods, as well as the impression of visitors to our area.

With the upcoming school holidays during the Christmas and New Year period, there is an anticipated increase in the use of these recreational spaces by families and children and visitors to our area.

It is important to ensure these spaces are prepared and maintained to handle increased usage and remain safe and appealing throughout the holiday season.

Maintaining consistent high standards of landscaping and recreation space management not only enhances urban liveability but ensures that residents, especially families and children, have safe and engaging spaces to enjoy during the holiday period.

This motion calls for Transport for NSW and Housing NSW to uphold these standards as part of their ongoing commitment to community service and infrastructure management in the Lithgow region.

Attachments

Nil

Recommendation

THAT Council contact Transport for NSW and Housing NSW to confirm that maintenance schedules that are appropriately designed are in place and implemented, ensuring the consistent upkeep of landscaping within the Great Western Highway corridors and Emora Park.

- That specific attention be given to these maintenance works in preparation for the school holiday period.
- That ongoing assessments be conducted to review the effectiveness of these maintenance schedules, ensuring they meet community standards and adapt to seasonal and usage patterns.
- Report back to the Operations Committee the maintenance plans and schedules provided outlining actions to be taken by the relevant State Government Departments.

Management Comment

Council has continued to engage with both Transport for NSW and the NSW Land and Housing Corporation regarding the level of service offered to maintaining local community facilities under their control.

While there are no concerns regarding the proposed recommendation, the administration advises Council of the following which may assist with their consideration of the matter:

1. Transport for NSW (**TfNSW**) maintains the Great Western Highway corridor, including medians, just three times per year. Even though it is a NSW Government asset, Council maintains the Great Western Highway median from the Visitors Information Centre through to Magpie Hollow Road as it was not satisfied with this level of service. Council maintains the corridor four times per year at a cost of between \$5,000 and \$7,000 per visit (the most significant cost being traffic control for the highway). Advocacy by Council for TfNSW to improve their service has not been successful in the past, they have strictly abided by the service standards explained above.
2. Councillor Evangelidis made similar representations regarding Emora Park late last week, to which the administration has responded. This email has been forwarded to all Councillors. A high-level summary of this advice is:
 - a. Emora Park is currently owned and managed by the NSW Land and Housing Corporation.
 - b. There is no capacity for Lithgow Council to maintain parks and playgrounds that it does not own.
 - c. The Council has brought forward Notices of Motion regarding the maintenance of this park in the past. Previous Mayors and Directors have written to the Corporation asking for increased service, however, the Council usually does not receive a response.
 - d. Councillor Statham went to the extent of writing to Paul Toole in August 2022. Unfortunately, this representation was also unsuccessful.
 - e. Council does have an agreement with the Kirkconnell Correctional Centre that sees them maintain Council assets across the region to maintain a higher level of service. Staff have already reached out to Kirkconnell, asking them to add this park to their rotation so that it receives a greater service than the asset owner is willing to provide.

2.4. NOM-25/11/2025 - Cr M Ticehurst - State Government Grants for NSW Councils for Apprentices and Trainees.

Report by Councillor Martin Ticehurst

Commentary

References:

<https://www.olg.nsw.gov.au/media-releases/grants-now-available-for-councils-to-hire-1300-additional-apprentices-and-trainees/>

Commentary:

‘Councils across NSW can now apply for grants to employ hundreds more apprentices and trainees as part of the Minns Labor Government’s \$252.2 million investment in securing the future of the local government workforce.

The Fresh Start for Local Government Apprentices, Trainees and Cadets Program which will fund the wages of 1,300 apprentices, trainees and cadets over the next six years, is the largest state government investment in the direct hire of new apprentices in recent memory.

The program aims to support a 15 per cent increase in the local government workforce through new apprentices and trainees, starting with 1,300 new roles across metropolitan, rural and regional NSW councils.

The program has been designed so councils can determine their own workforce priorities and the types of roles they hope to fill – whether that’s more plumbers, childcare workers and carpenters, or mechanics, landscapers and planners.

Applications will be assessed on merit with the funding to be administered by the Office of Local Government.

Following an assessment period, grants will be allocated to councils and the first round of apprentices, trainees and cadets are expected to start work in early 2025.

Guidelines for the grants are now available and all 128 councils, county councils and joint organisations are eligible to apply for round one of the funding.

Applications can be made at <https://olg.nsw.gov.au/apprentice-trainee>. Submissions close 8 November 2024.’

Attachments

1. Apprentices-and- Trainees- Grant- Guidelienes- October-2024 [2.4.1 - 19 pages]

Recommendation

THAT the General Manager provide either a pre-Administration Comment below or a verbal report to this Notice of Motion at this Ordinary Meeting of Council.

Management Comment

The Fresh Start for Local Government Apprentices, Trainees and Cadets Program can benefit Lithgow City Council in “growing its own” skilled staff in difficult to recruit roles.

The Administration needs to consider the following matters before lodging a program application:

- The availability of supervision and mentoring for new apprentices, trainees and/or cadets; and
- The availability of eligible courses for apprentices, trainees and/or cadets.

There will be ancillary costs to Council in taking on additional apprentices, trainees and/or cadets, e.g. travel and accommodation to courses, course fees. The Program funds 100% of Award wages and 15% of on-costs.

An initial assessment has identified that Council may be in a position to apply for up to seven apprentices, trainees and/or cadets in the early rounds of the program (2 x Water & Wastewater, 3 x Infrastructure, 1 x People & Places, 1 x Store). The Council will be kept updated with the next round of application due by 31 March 2025.

The Round 1 Program Funding Guidelines are included as an attachment.

3. Administration Reports

3.1. EXEC - 25/11/2024 - Ordinary Meeting of Council Dates 2025

Strategic Context for this matter:

Responsible Governance & Civic Leadership:

To develop community confidence in the organisation by the way it is directed, controlled and managed

Author: Trinity Newton – Executive Assistant to the Office of the General Manager and Mayor.

Responsible Officer: Ross Gurney - General Manager

Executive Summary

This report is to present to the Council the proposed Ordinary Meeting of Council dates for 2025. Ordinary Meeting of Council dates are generally set for the fourth Monday of each month, in accordance with the Code of Meeting Practice (3.1) and Council resolution Min. No. 20-285 (Ordinary Meeting of Council held 23 November 2020).

Administration's Recommendation

THAT Council adopt the schedule of Ordinary Meetings of Council for 2025 being the fourth Monday of each month (except for January being the Tuesday, June being 5th Monday and December there being no meeting):

- 28 January 2025 (Tuesday due to Australia Day Public Holiday)
- 24 February 2025
- 24 March 2025
- 28 April 2025
- 26 May 2025
- 30 June 2025 (5th Monday due to NGA Conference)
- 28 July 2025
- 25 August 2025
- 22 September 2025
- 27 October 2025
- 24 November 2025

Attachments

Nil

Reference to any relevant previous minute

Min 20-285: Ordinary Meeting of Council held 23 November 2020

Min 21-192: Ordinary Meeting of Council held 23 August 2021

Min 22-239: Ordinary Meeting of Council held 28 November 2022

Min 23-218: Ordinary Meeting of Council held 27 November 2023

Background and discussion

Ordinary Meeting of Council dates are proposed for the fourth Monday of each month, in accordance with the Code of Meeting Practice (3.1) and Council resolution Min. No. 20-285 (Ordinary Meeting of Council held 23 November 2020).

No meeting is proposed for December 2025, consistent with the practice of recent years.

Due to the following events some changes have been made to the meeting dates.

- January meeting is to be held on the 4th Tuesday due to the Australia Day Public Holiday.
- June meeting to be held 5th Monday due to The National General Assembly and associated events being scheduled from the morning of Tuesday 24 June 2025 until 27 June 2025.

Council should also note that some meetings may be required to change for events such as the LGNSW Conference when the dates for 2025 become available.

The regular Councillor Information Sessions will generally be set one week prior to the Ordinary Meeting of Council, on a Monday evening. The setting of the regular Information Sessions on this day ensures that Councillors can be taken through the Council meeting business paper at each Information Session. Additional Councillor Information Sessions will be scheduled as required.

The proposed Council meeting dates for 2025, generally being the fourth Monday of each month, are as follows:

- 28 January 2025 (Tuesday due to Australia Day Public Holiday)
- 24 February 2025
- 24 March 2025
- 28 April 2025
- 26 May 2025
- 30 June 2025 (5th Monday of the month as the NGA is being held 24-27 June 2025)
- 28 July 2025
- 25 August 2025
- 22 September 2025
- 27 October 2025
- 24 November 2025

Council meetings will commence at 6:30 pm as resolved at the 28 October 2024 meeting (Min. No. 24-203).

Policy

The timing of Ordinary Meetings of Council is set in the Code of Meeting Practice.

Legal

Nil

Risk Management

Nil

Financial

N/A

Consultation and Communication

Council meeting dates are listed on the Lithgow City Council website. Business papers are added to the website in the week prior to each Council meeting.

3.2. EXEC - 25/11/24 - Councillor Representation on Council Committees

Strategic Context for this matter:

Responsible Governance & Civic Leadership:

To develop community confidence in the organisation by the way it is directed, controlled and managed

Author: Ross Gurney – General Manager

Responsible Officer: Ross Gurney - General Manager

Executive Summary

The purpose of this report is as follows:

- For the Council to reconfirm commitment, or not, to the Committees which operated during the previous term of Council; and
- To determine nominees for the Committees.

Administration's Recommendation

THAT Council:

1. Determine Councillor representatives on the following Internal Committees - (convened by Council) -
 - Environmental Advisory (minimum 2).
 - Strategic Review Committee – formerly Operations Committee (minimum 4).
 - Traffic Advisory Committee - TALC (minimum 2).
 - Sports Advisory Committee (minimum 2).
 - Emerging Economy Committee – formerly Economic Development Committee (minimum 3 plus Mayor and General Manager or delegate).
 - Community Development (minimum 2).
 - Youth Advisory Committee (1 councillor with ToR to be amended).
 - Lithgow Crime Prevention (minimum 2).
 - Finance Committee (minimum 2 plus Mayor).
 - Women's Advisory Committee (minimum 1 if Committee is to continue).
 - Seven Valleys Tourism Committee (minimum 1 plus Mayor).
2. Determine whether the Lithgow Crime Prevention Committee (minimum 2) is to be held at the commencement of every second Community Development meeting (i.e. each 4 months).
3. Note the Councillor representation on External Committees.
4. Endorse the general changes for Internal Committees as recommended in the report.
5. Note the proposed working parties which will be subject to further discussions with Councillors as to Terms of Reference before being established or recommenced.

Attachments

Nil

Reference to any relevant previous minute

N/A

Background and discussion

Recommended General Changes

- A standard Terms of Reference will be developed with a section specific to each Committee.
- A minimum number of Councillor voting members is recommended, additional Councillors may nominate as voting members. Councillors must nominate at this meeting to be a voting member for the purpose of setting a quorum for Committee meetings.
- Working groups have been included below as a separate listing. Councillor representation for working groups can be determined at a later date (without a resolution of Council).

It is proposed that Internal Committees will commence regular meetings from early in 2025.

Revised List of Committees

Internal Committees	Proposed Minimum Number of Councillors	Previous Term Meeting Day	Previous Term Time
Environmental Advisory	2	2 nd Wednesday – every 3 months	4pm
Strategic Review Committee (formerly Operations Committee)	4	1 st Tuesday – every 2 months	4pm
Traffic Advisory Local Committee (TALC)	2	1 st Thursday – every month	11am
Sports Advisory Committee	2	2 nd Wednesday – every 2 months	5:30pm
Emerging Economy Committee	3 + Mayor and GM or delegate	2 nd Wednesday - held quarterly	6pm
Community Development	2	3 rd Tuesday – held every 2 months	4pm
Youth Advisory Committee	Recommend 1 Councillor with ToR to be amended		
Crime Prevention	2 At commencement of Community Development	Proposed every 4 months	4pm
Finance Committee	Mayor +2	2 nd Tuesday – held every 2 months	5pm
Women’s Advisory Committee	TBC with Mayor	3 rd Tuesday – held quarterly	4pm
ARIC	Deputy Mayor (already appointed)	2 nd Tuesday – held quarterly	2pm
Seven Valleys Tourism Committee	Mayor + 1	4 th Tuesday – held every 2 months	3pm

Working Parties	Number of Councillors Representation
Waste Working Group	Minimum 3 + Mayor
Planning Group	Requested by Cr Ring
Health Group	Requested by Cr Ring
Events Strategy	Director suggestion

External Committees	Number of Councillors Representation
Arts Out West Committee	Mayor + Deputy Mayor
NSW Rural Fire Service Senior Management Team	Mayor + 1 alternative
Rural Fire Service Lithgow District Liaison Committee	Mayor + 1 alternative
Lithgow Information & Neighbourhood Centre Inc. (LINC)	1 + alternative
Central Tablelands Weed Authority (Upper Macquarie County Council)	2 + alternative
CNSWJO	Mayor Deputy Mayor (alternative) GM
EnergyAustralia Lithgow Region Community Consultative Committee	1 + alternative
Clarence Coal Western Community Consultative Committee	1
Western Region Community Consultative Committee	2
Airly Mine Community Consultative Committee	1
Centennial Coal Western Community Consultative Committee	Mayor + 1
Cullen Valley Coal Community Committee	1
Invincible Coal Mine Community Committee	Mayor + alternative
Newnes Sand and Kaolin Project Community Consultative Committee	1
Eskbank Rail Heritage Centre/ Wolgan Valley Wilderness Railway Committee	1
Wallerawang Quarry Consultative Committee	1
Glenn Museum at Portland	1 + 2 alternatives
NSW Public Libraries Associate	1

Consultation and Communication

This matter was the subject of a report and discussion at the Councillor Information Session on 4 November 2024.

Policy

N/A

Legal

The subject matter of this report is a function of Council conferred by the NSW Local Government Act 1993 (the Act).

S355(b) of the Act states that a function of a Council may be exercised by a Committee of the Council.

Council also has a general power to delegate functions under S377 of the Act.

Risk Management

N/A

Financial

N/A

3.3. GM - 25/11/2024 - Request for Information - Cr Ticehurst

Strategic Context for this matter:

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Ross Gurney - General Manager

Responsible Officer: Ross Gurney - General Manager

Executive Summary

The purpose of this report is to seek Council's determination regarding a request from Cr Ticehurst for the release of redacted / confidential information.

Administration's Recommendation

THAT Council determine whether to support the release by the General Manager of redacted / confidential information requested by Cr Ticehurst in relation to the Timberfix proposal of 2017. If Council supports the release of the information, the General Manager will release the documents to all Councillors in confidence.

Attachments

Nil

Reference to any relevant previous minute

N/A

Background and discussion

On 24 October 2024, Cr Ticehurst lodged a request for document/s under Part 8 of the Code of Conduct – Access to Information and Council Resources.

Cr Ticehurst stated that the document/s are requested so that they may form part of a proposed future Notice of Motion with attachments before the Lithgow City Council.

The document/s requested is or are:

A full and unredacted copy of all document/s and attachment/s of the 'Timberfix proposal' lodged with the Lithgow City Council on the 7 August 2017; apparently regarding whether the Council was in a position to consider the sale of part or all of Council land identified as Part Lot 20 DP 1217065, Barton Ave Wallerawang to develop a new private school.

The requested documents were the subject of a GIPA application in April 2023. A third party consultation was undertaken as some information requested in the application related to an external party. An objection was received to releasing some of the information.

The relevant GIPA Act public interest considerations against disclosure of the information were:

- 14, 3(f) expose a person to a risk of harm or of serious harassment or serious intimidation.
- 14, 4(d) Prejudice any persons legitimate business, commercial, professional or financial interests.

- 14, 3c) Prejudice any court proceedings by revealing matter prepared for the purposes of or in relation to current or future proceedings.

With consideration of the public interest considerations against disclosure, some requested documents were redacted or withheld.

The General Manager sought advice from the Office of Local Government (OLG) with regard to releasing the redacted / confidential documents. The OLG advised that Councillors' access to Council information is regulated under Part 8 of the Model Code of Conduct and Council's adopted policy on councillor and staff interaction.

The Councillor & Staff Interaction Policy states:

5.1 Councillors have a right to request information provided it is relevant to a councillor's exercise of their civic functions. This right does not extend to matters about which a councillor is merely curious.

In its advice, the OLG stated - "*Given the information sought by Cr Ticehurst relates to a historical matter that predates his election as a councillor, it is not immediately apparent how access to the information he has requested is necessary for him to exercise his functions as a councillor.*"

The OLG further advised that it was acceptable for Council to consider Cr Ticehurst's request and adjudicate the request in light of the concerns identified by the third party.

It should be noted that in the event that support the release by the General Manager of the redacted / confidential information requested by Cr Ticehurst, the information would be provided to all Councillors in confidence. Councillors would be subject to requirements under Council's Code of Conduct not to disclose the information unless authorised to do so and to protect any confidentiality attaching to the information.

Consultation and Communication

N/A

Policy

Part 8 of the Model Code of Conduct and Council's adopted policy on councillor and staff interaction are relevant to Council's decision.

Legal

As discussed in this report.

Risk Management

N/A

Financial

N/A

3.4. I&E - 25/11/2024 - LEEP 2025 - 2026 Action Plan

Strategic Context for this matter:

Strengthening Our Economy

To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Author: Jonathon Edgecombe - Director of Infrastructure and Economy

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

The purpose of this Report is for Council to consider adoption of the LEEP 2025 – 2026 Action Plan and associated budget.

Administration's Recommendation

THAT Council:

1. Adopt the LEEP Action Plan 2025 – 2026.
2. Approve the associated final LEEP and Adaptive Skills Hub budgets for 2024/25, as summarised below -
 - LEEP total expenditure 2024/25 - \$1,432,454 (funded from the 2024/25 SRV Transitions Management allocation and 2023/24 unspent SRV reserve).
 - LEEP Adaptive Skills Hub total expenditure 2024/25 - \$707,212 (funded from the Federal grant with a Council co-contribution of \$250,000 to assist with funding the remainder of the Program in 2025/26).
3. Endorse the draft associated final LEEP and Adaptive Skills Hub budgets for 2025/26 which will be put to Council in June 2025 as part of the 2025/26 Operational Plan, as summarised below -
 - LEEP total expenditure 2025/26 - \$1,195,838 (funded from the 2025/26 SRV Transitions Management allocation and 2023/24 unspent SRV reserve).
 - LEEP Adaptive Skills Hub total expenditure 2025/26 - \$372,788 (funded from the balance of the Federal grant and Council co-contribution of \$250,000).
4. Endorse the use of the former Centrelink Building to facilitate the Adaptive Skills Hub Project.

Attachments

1. Draft LEEP Action Plan [3.4.1 - 32 pages]
2. Centrelink Building Adaptive Space [3.4.2 - 2 pages]

Reference to any relevant previous minute

- Min. No.: 23-70 – Ordinary Meeting of Council held 24 April 2023 (LEEP – Public Exhibition)

- Min. No.: 23-216 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Endorsement and Preferred Governance Model)
- Min. No.: 23-217 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Interim Action Plan)
- Min. No.: 24-33 – Ordinary Meeting of Council held 26 February 2024 (LEEP – Suggested Governance Model)

Background and discussion

Economic Context

In January 2023, Council and the NSW Government received the expert findings and recommendations of the Lithgow Emerging Economy Plan (**LEEP**). The LEEP sets out:

- the economic and demographic baseline of the Lithgow Local Government Area (**LGA**),
- the identification of the LGA's relative advantages and opportunities, and
- the identification of areas of focus which will put the LGA in the best position for the future.

Considerable technical engagement with third parties was undertaken as part of the LEEP Project development.

The advice to Council is that leading practice transitions globally have had vastly improved outcomes where all levels of government, the knowledge sector, workforce unions and the private sector have worked collaboratively in a shared responsibility framework that is independent of each of them.

Primary responsibility for delivering the LEEP rests with the NSW Government which is responsible for regional economic development.

The LEEP makes 68 recommendations, 40 of which are due for delivery as soon as reasonably possible. Most of the initial actions are weighted towards further detailed strategic planning and analysis.

Council determined to be a leading actor with other key transitions actors in the regional transition by raising and allocating \$1.07m each year to transition management. The amount available in the 2025 – 2026 financial year, as a consequence of the indexing of the base amount, is \$1,187,927. Additionally, Council will have available to it a projected amount carried forward from the 2024 – 2025 financial year of \$7,911 and an additional \$327,788 projected to be available from the Commonwealth Government, associated with the delivery of a Central West Adaptive Skills Hub (as a carryover) from 2024 – 2025.

Council is obliged to report annually on its transition management program. Council has established an interim Future Jobs and Investment Committee (the **Committee**) under the provisions of s355(b) of the *Local Government Act, 1993* (the **Act**) to coordinate the regional transition whilst the State Government establishes its proposed Central West Future Jobs and Investment Committee.

Lithgow's Transition

Thermal coal power generation and coal mining constitute approximately 43% of Lithgow's economy by value-added production. Unlike Queensland, the Hunter, the Illawarra, Mid-Western Region, and the NSW North-West, Lithgow does not have the insulating impact of coal-switching (to higher value seaborne export). In this sense, Lithgow has similarities with Collie and Victoria's brown coal belt. Those regions have received more than \$300m to manage their respective net-zero transitions.

According to Energy Australia's *Climate Transition Action Plan*, Mt Piper Power Station will progressively change its output and role in the National Energy Market as it switches from baseload to firming supply and then from firming to backup supply with full and final closure by 2040 at the

latest. These phases will have workforce impacts in the thermal coal and power generation sectors and broader regional economic impacts.

Mount Piper's transition to a reserve role is anticipated to occur in the early 2030s.

Lithgow's economic catchment is confined to Lithgow itself, offering little insulating impact from belonging to a wider economic catchment. Lithgow also shares those characteristics with Collie.

It is estimated that between \$150m and \$400m of public sector funding will be required to unlock approximately \$3.5B of private sector investment in Lithgow based upon the methodology deployed to arrive at estimates in the Upper Hunter, Hunter, and La Trobe Valley. The reason for the broad indicative range of necessary investment of public funding results from the timing of intervention. Even short periods of economic disruption can lead to long-term entrenched social disadvantage. Early interventions require less public funding and are a better use of public funds. Early funding also leads to significantly better long-term outcomes.

NSW Government Policy Context

The NSW Government intends to deliver on its regional economic transition policy in coal regions by establishing authorities – including a Central West Future Jobs and Investment Authority. It has published an Issues Paper as part of its broad engagement. Council has made a submission with respect to the Issues Paper which has previously been reported to Councillors.

At the time of writing, the NSW Government had not provided a timetable for the establishment of its proposed authorities – although it is understood that the NSW Government will provide an update imminently. Nor has the NSW Government provided a funding context or strategic framework for its proposed strategic interventions in transitioning regional communities. It is noted that the NSW Government has been proposing to assist transitioning regional communities since at least 21 April 2021 when the NSW Deputy Premier and Treasurer jointly announced that:

“Hundreds of millions of dollars will be invested in these communities over coming years to ensure jobs and investment in our vital regional areas,”

and

“We want to ensure mining towns continue to have highly skilled well-paid jobs in growth industries that will lock in their economic security long into the future, so young people have the opportunity to remain in the town where they grew up.”

Despite that assurance, no substantive funding has flowed from successive NSW Governments since that statement.

Commonwealth Government Context

The Commonwealth Government has enacted its enabling legislation for a Net Zero Economy Authority which received assent in September. The legislation has a central focus on energy workers but the wording of the bill ‘ropes-in’ thermal coal mining workers associated with energy production where there is a common ownership structure. Whilst the Commonwealth is proposing approximately \$400m in dedicated funding streams to accompany the work of the Net Zero Economy Authority, existing net zero funding is largely available only as a bolt-on objective in existing regional funding programs.

Action Plan

Considering the context above, it is important that Council define its transition strategy and take affirmative action to diversify its economy whilst upper levels of government move to implement their proposed programs.

The Draft LEEP Action Plan is included as an attachment. As with the Interim Action Plan Table 2023 – 2024, the 2025 to 2026 Draft Action Plan has a focus on risk, local government responsibilities, and building the region's adaptive capacity, as well as the capacity and engagement of other LEEP actors – essentially to accelerate and scale resources being brought to bear on the transitions management task. Priorities have been arrived at generally in accordance with the Discussion Paper on LEEP Prioritisation which has been circulated previously. The Action Plan is drafted for a period of 18 months from 1 January 2025 to 30 June 2026 to realign the document with the financial year reporting obligations of Council.

Importantly, the Draft LEEP Action Plan contains detail relating to the allocation of Transitions Management funding, sourced from Council's approved Special Rate Variation and associated Commonwealth funding, over the 24/25 and 25/26 financial years.

Adaptive Skills Hub – Temporary Use of Former Centrelink Building

To facilitate the Adaptive Skills Hub Commonwealth funding, a multi-purpose teaching space is required for use by the Catholic Schools Office for its schools and Portland Central School.

Council staff officers have approached WSU, Notre Dame University, and NSW TAFE to explore options for the co-use of facilities, however, none of the sites have suitable facilities. The technical working group for the Stage 5 (years 9/10) component of STEAM teaching do not believe that the WSU site will be suitable because a wet lab is not required (and would only be an impediment to the physical requirements of the multipurpose classroom required). The other rooms are either not large enough nor suitable because of the need for a non-carpeted space. Additionally, WSU has only offered a "venue hire agreement" which would not be acceptable because:

- it does not provide Council with sufficient certainty to acquit its contractual obligation with the Commonwealth,
- it would create practical difficulties for the schools in terms of their child welfare obligations, and
- it would expose other invitees in the shared space to risks associated with \$250,000 of STEM equipment.

A copy of the proposed site layout is included as an attachment. Building fit out works need to commence immediately as the facility needs to be operational by mid-February 2025.

It is further noted that:

- the internal fit out will permit a conceptual strata of the building which should improve lease prospects in the medium to long term,
- the Commonwealth funding will cover a market lease for the duration of the program,
- there may be other benefits to Council as the multi-purpose teaching space would also be ideal for Council staff training, Councillor briefing sessions, as well as a co-use tutorial room should the Regional University Study Hub grant be successful.

Risk assessment

The assessment undertaken here is an assessment of risks associated with establishing or not establishing a governance vehicle for LEEP implementation. To undertake a risk assessment of operational risks associated with the proposed advice and activities of the Committee, engagement with all participants would be required.

Principal hazard

The principal hazard, to which the following assessed subordinate hazards may contribute, is detailed in the LEEP. Expressed in short, it is that approximately 43% of the Lithgow economy by value-added production is likely to diminish significantly over a ten-to-fifteen-year period. The Lithgow economic transition has commenced. Whilst the market can be relied upon to fill much of the economic gap, global experience points to more successful economic transition occurring where local transitions management is undertaken collaboratively. Transitions management is also critical to ensure that economic disruption does not result in entrenching disadvantage, inter-generational inequity, or leaving vulnerable communities behind. The LEEP, the LEEP Interim Action Plan, including the deployment of a leading practice governance structure, are the primary controls to manage those transition hazards and eliminate or minimise associated risks.

Risk Assessment Tool

		Consequence			
		Acceptable	Tolerable	Undesirable	Intolerable
Likelihood	Improbable	Low -1-	Medium -4-	Medium -6-	High -10-
	Possible	Low -2-	Medium -5-	High -8-	Extreme -11-
	Probable	Medium -3-	High -7-	High -9-	Extreme -12-

Risk assessment

	Hazard	Assessment	Comments	Control	Assessment	Comments
1	Inadequate appreciation of the extent and timing of likely economic disruption.	High -8-	Timing of strategic interventions to offset the impact of significant economic disruptions is critical. and the failure to sufficiently identify the extent and timing of disruptions can have substantial and ongoing (embedded) negative consequences for a community.	Engaging appropriate expertise to make an assessment using an established methodology. Testing through key stakeholder engagement and peer commentary.	Low -2-	This work was partly completed during LEEP but will require intermittent (at least annual) review.

2	Inadequate appreciation of regional strengths and weaknesses.	High -8-	An inadequate appreciation of a region's strengths and weaknesses can lead to strategic interventions that fail and to the misallocation of scarce resources.	Engaging appropriate expertise to make an assessment using an established methodology. Testing through key stakeholder engagement and peer commentary.	Low -2-	This work was partly completed during LEEP but will require review. It is suggested that review happen, for administrative ease, in conjunction with the periodic review of the regional economic development strategy.
3.	Failure to marshal sufficient and appropriate transitions management resources.	Extreme -12-	This is a significant risk and one of the principal causes for the failure of transitions management exercises. Not bringing sufficient resources to bear (and financial resources are only one such resource) can have substantial and on-going consequences for a community. It exposes the community to the known weaknesses of market failures in a strict market-only 'correction' to the disruption.	It is beyond the control of any one critical transitions management actor to ensure adequate resources are brought to bear. A governance structure, however, that is genuinely collaborative with shared actions and responsibilities is more likely to ensure active appreciation and involvement of all critical LEEP partners in the transitions management exercise. It also ensures that LEEP actions are coordinated efficiently and effectively and without the duplication of scarce resources.	High -8-	It is very difficult to implement controls to minimise this risk in the absence of legislative controls. Transitions management in Australia is not supported by comprehensive legislation and relies heavily on corporate social responsibility and the efforts of willing local community actors.
4	Failure to sufficiently engage with and recruit transitions management actors.	High -8-	Part of the success of a transitions management exercise will be determined not just by the depth of engagement with critical transitions management partners but also the breadth of actors recruited to embrace the exercise. Failure to do this can mean that less resources are brought to the task, issues with lower priority are addressed before issues with higher priority, and there is resistance to the efforts of the more engaged actors by unengaged or disinterested actors.	An appropriate collaborative governance structure, a strong culture of recruitment and engagement, a growing profile of LEEP, and effective communication of success stories will reduce this risk.	Low -2-	With sufficient resources being brought to community engagement, the proposed control will significantly reduce this risk.
5	Conferring an inappropriate commercial advantage on a LEEP transition participant during the process.	Medium -6-	Collaboration and resource sharing can lead to the release of public or other information which inappropriately confers a commercial advantage to a LEEP participant. Whilst the financial consequence of this is comparatively low, the reputational damage can be significant.	Council's protocols will apply to the work of the governance vehicle until such time as the Central West Jobs and Investment Authority is established. At that time, the State Government's probity processes will apply. Council's processes require participants to disclose conflicts of interest, bias and apprehension of bias in all decision-making and advisory structures. LEEP protocols include financially interested participants in reference groups for consultation purposes but not deliberative structures.	Low -1-	It is considered that the controls will come close to eliminating the risk and removing any significant consequence from arising.
	Inappropriate selection of priorities and misallocation of scarce public funding.	High -8-	There have been many examples of the poor identification of priorities leading to the misallocation of scarce public resources in transitions management exercises. The principal reasons for this have typically been a pressure to 'get money out the door' often in short periods of time, political rather than evidence-based distribution of funding, and the failure to engage with critical transitions management partners and actors.	LEEP proposes several controls to reduce the risk of this hazard including: the early identification of objective metrics of success, collaborative governance, the use of appropriate expertise, comparative measures to assess prioritisation, and continual monitoring, review, and improvement. Much of the funding will also be coming externally and will be subject to their own regulatory safeguards.	Medium -5-	Much of the political and community interest will be around the selection of priorities by each of the critical LEEP partners – including Council. Whilst the governance arrangements endeavour to reduce the risk of mis-prioritisation and misallocation of scarce resources, political terms and imperatives will weigh on the process throughout implementation.
	Projects, investment attraction, and investment failure.	Medium -3-	Typically, there is little downside risk to local experimentation in transitions management. The bigger risk is generally a failure to develop a culture of innovation and an appetite for experimentation and resilience to occasional failure. Some experimentations (including industry experimentations) will fail, and this is part of a leading practice transitions management process. Scaling and acceleration of small	The early and unforgiving identification of a region's real rather than imagined strengths and weaknesses is considered the most important control to manage the severity of this risk. Developing a clear set of expected outcomes early together with on-going monitoring of projects is also	Low -2-	Whilst the controls will better help inform investment decisions, the assessment of investment attraction projects is inherently difficult. 'Picking winners' is no longer considered leading practice but, rather, a system of local

			innovative industries, for example, requires some organic market exposure to see whether the industry project is likely to sustain a relative market advantage. That exposure necessarily leads to a degree of 'failure'.	critical to minimising the adverse risks associated with investment attraction activities.		experimentation and support.
6	Failing to recruit sufficient skills and expertise to undertake the shared LEEP actions.	High -8-	This is considered to be a significant risk. The risk reaches beyond Council and includes the internal resourcing for all critical LEEP partners and key LEEP actors.	It is considered that collaboration – particularly with employers of choice such as WSU, a growing profile of LEEP, and effective communication of success stories will reduce this risk but it cannot be entirely eliminated given wider issues in the specific and local jobs markets. Close collaboration with other critical LEEP partners will also build a stronger support network for activities and ensure optimal distribution and range of required skills.	Medium -5-	Whilst the controls will assist to minimise the risk, the employment market is largely beyond the control of the LEEP actors especially in the short to medium terms.

Consultation and Communication

The Draft Action Plan 2025 – 2026 has been presented to the Interim Future Jobs and Investment Committee which met on the 7 November 2024 to consider the document. Although the Committee proceeded by a Record of Proceedings, there was broad endorsement of the contents of the draft.

The actions for the period 1 January 2025 to 30 June 2026 were exhibited as part of Council’s IPR Framework and the actions for the period 1 July 2025 to 30 June 2026 will also be exhibited as part of Council’s IPR Framework for that year. The draft Action Plan maps against the recommendations of the widely exhibited LEEP Report. An associated LEEP Engagement Plan is also before Council for its consideration, as a separate report.

Policy

The LEEP provides a technical evidence-base to inform a wide-range of policy settings of Council. Some of those policy settings have been identified by the broader community as being priorities in successive community surveys – including developing a sustainable economic future for the Lithgow LGA and increasing economic participation and inclusion.

This Draft Action Plan 2025 – 2026 maps directly against the actions proposed by Council’s endorsed LEEP.

Legal

Not otherwise than as set out in this Report.

Risk Management

A detailed risk assessment is contained within the body of the report.

Financial

- Transitions Management budget approved (2024/25 SRV funded) - \$1,141,400
- Transitions Management draft budget (2025/26 SRV funded) - \$1,187,927
- Budget to be approved (2024-26 Commonwealth-funded Adaptive Skills Hub grant) - \$830,000
- Cost centre - 100888

- o Expended to date - Actuals: \$41,889
- o Commitments: \$149,234 (Transitions Management expenditure)
\$260,000 (Halloween + Branding Strategy)
- Future potential impact – Full expenditure of the Transitions Management budget. The Draft LEEP Action Plan contains detail relating to the allocation of Transitions Management funding as shown below.

BUDGET – LEEP

Income	Actuals/Budget 2024/2025	Budget 2025/2026
SRV Transitions Management	\$1,141,400.00	\$1,187,926.74
Transfer from LEEP Reserve	\$291,054.00	\$7,911.00
Total Income	\$1,432,454.00	\$1,195,837.74
Expenditure		
Salaries and on-costs	\$49,749.70	\$490,049.48
Lease fees	\$34,000.00	\$35,700.00
Travel and accommodation	\$4,704.30	\$5,088.26
Employment Land Development	\$430,000.00	\$440,000.00
Residential Land Development	\$48,000.00	\$25,000.00
Strategic Land Use Planning	\$105,000.00	-
LEEP engagement and communications	\$50,000.00	\$65,000.00
Cadetship, Internship & Graduate Program	\$11,000.00	\$90,000.00
Capacity building and transitions management training	\$40,000.00	\$45,000.00
Halloween subsidy and branding strategy	\$260,000.00	-
Total Expenditure	\$1,432,454.00	\$1,195,837.74
Balance	\$0.00	\$0.00
Transfer to LEEP Reserve	\$-	\$-

BUDGET – Adaptive Skills Hub (LEEP)

Income	Actuals/Budget 2024/2025	Budget 2025/2026
Commonwealth Funding (Adaptive Skills Hub)	\$830,000.00	
Transfers from LEEP Reserve to Adaptive Skills Hub Project	\$250,000.00	\$-
	\$-	\$372,788.32
Total Income	\$1,080,000.00	\$372,788.32
Expenditure		
Salaries and on-costs	\$220,961.68	\$251,983.02
Adaptive Skills Hub (STEAM Project)	\$274,000.00	\$32,805.30
Adaptive Skills Hub (STEAM Project - teaching)	\$82,000.00	\$88,000.00
Adaptive Skills Hub (workforce planning)	\$130,250.00	\$-
Total Expenditure	\$707,211.68	\$ 372,788.32
Balance	\$372,788.32	\$0.00

3.5. I&E - 25/11/2024 - Draft Lithgow Future Fund Policy

Strategic Context for this matter:

Strengthening Our Economy To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Author: Jonathon Edgecombe - Director of Infrastructure and Economy
Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

The purpose of this Report is for Council to consider endorsement, for the purpose of exhibition, a *Future Lithgow Fund Policy, 2025*.

Administration's Recommendation

THAT Council:

1. Endorse the Draft Future Lithgow Fund Policy 2025 for the purpose of exhibition.
2. Note that the Draft Future Lithgow Fund Policy 2025 be placed on public exhibition for a period of 28 days.
3. Note that the Draft Future Lithgow Fund Policy 2025 will be returned to Council after the public exhibition period to report on feedback, alongside a proposed governance structure and asset transfer proposal.

Attachments

1. DRAFT Future Lithgow Fund Policy [3.5.1 - 8 pages]

Reference to any relevant previous minute

- Min. No.: 23-70 – Ordinary Meeting of Council held 24 April 2023 (LEEP – Public Exhibition)
- Min. No.: 23-216 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Endorsement and Preferred Governance Model)
- Min. No.: 23-217 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Interim Action Plan)
- Min. No.: 24-33 – Ordinary Meeting of Council held 26 February 2024 (LEEP – Suggested Governance Model)

Background and discussion

Context

A copy of the draft Future Lithgow Fund Policy, 2025 is included as an attachment.

The Lithgow Local Government Area (**LGA**) has a long and proud history of coal mining and coal-fired power generation providing reliable and affordable energy to the people of NSW and Australia. Today, thermal coal mining and associated power generation make up approximately 43% of the LGA's economy by value-added production. As changes to the energy market to more affordable and sustainable energy production continues to develop, the Lithgow LGA will undergo a very

significant industry transformation. The intention of this Policy is to ensure that some of the vast benefits from coal mining and coal-fired power generation which have flowed to the people of the Lithgow area are also available, in part, for future generations of Lithgow residents.

The Policy, if adopted, would establish a separate program (the **Fund**) within Council's General Fund (held as an internally restricted reserve). The Fund is modelled on similar funds established in thermal coal LGAs in New South Wales which want to spread some historical wealth to future generations, and which want to capture economic value from new energy projects to assist with economic transitions management and liveability.

Objectives

The objectives of the draft policy are set out in Part 2 of the attachment and include an overriding purpose:

The overriding object of the Fund is to provide a dividend to Council's General Fund, to put downward pressure on existing revenue streams – including rating and user fees and charges, and to better financially equip Council to provide essential and other services affordably to the communities of the Lithgow LGA.

Additionally, there are several co-achievable objectives as follows:

- to grow the value of the Fund.
- to improve the quality of buildings in the LGA having regard, without limitation; to principles of equal access, health and safety, energy efficiency and environmental sustainability.
- to improve carparking in the business and civic precincts of the LGA including by the consolidation of publicly provided car-parking with car-parking associated with Fund assets.
- to contribute to the preservation and maintenance of items of significant built heritage.
- to contribute to the construction and maintenance of public infrastructure and amenity.
- to undertake industry investment attraction.
- to contribute to programs which build the adaptive capacity of the LGA's workforce – including future workforce.
- to contribute to and support the provision of education and training within the LGA.

Key provisions

Asset classes

The policy permits the fund to hold the following classes of asset:

- land;
- improvements to land; and/or
- cash investments made in accordance with the Act.

These assets classes are considered to be low risk and suitable investments for the long-term objectives being sought by the Policy.

Borrowing and grants

The Policy permits the Fund to leverage the value of its assets by borrowing and seeking external grants. Should this occur, however, additional Council approvals for each such activity would need to be obtained.

Initial assets

The intention of this report is to exhibit the Policy and, if adopted at a future meeting of Council, set up a governance framework. An additional report would be provided to Council detailing the assets that might be transferred to the Fund in its inception phase.

Consultation and Communication

This report proposes to commence a process of community consultation.

Policy

This proposal aligns with the outcomes proposed within the Council's endorsed *Lithgow Evolving Economy Plan*. Those actions/outcomes are as follows:

1. The Lithgow economy and community has embraced new emerging opportunities in the LGA and build economic resilience that enables a just transition through any decline in coal mining and coal-fired power generation in the Lithgow LGA.

Legal

Not otherwise than as set out in this Report.

Risk Management

A detailed risk assessment relating to the Lithgow Emerging Economy Plan was provided to the Council as part of agenda item 10.3.1, presented to the Ordinary Council Meeting held 26 February 2024. Specific risk assessments will be provided to the Council as part of any consideration of potential investments, or asset transfers into the fund.

Financial

- Budget approved - Nil
- Cost centre - Nil
- Expended to date - Nil
- Future potential impact – Subject to future decisions of Council regarding asset transfers, borrowings, and grant applications.

The Fund is subject to the Minister's Investment Order, Council's Investment Policy, and the financial reporting and other obligations of the Local Government Act, 1993. It is considered that the establishment of the Fund would put downward pressure on the need for rating revenue disbursement to other rating categories as major development activity winds-down.

For example, if a major industry winds down because of the net zero emissions transition, the financial capacity generated by this fund (through the value captured from new energy projects) will reduce the need to account for this loss of rating revenue through the raising of rates across other categories.

3.6. I&E - 25/11/2024 - LEEP Communications and Engagement Strategy

Strategic Context for this matter:

Strengthening Our Economy

To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Author: Jonathon Edgecombe - Director of Infrastructure and Economy

Responsible Officer: Jonathon Edgecombe - Director of Infrastructure and Economy

Executive Summary

The purpose of this report is to inform the Council of the proposed engagement and communications approach for the Lithgow Emerging Economy Plan (**LEEP**) program and seek endorsement of the proposed strategy.

Administration's Recommendation

THAT Council endorse the LEEP Engagement Plan, which requires final review and minor corrections before it is released to the public.

Attachments

1. Draft LEEP Engagement Plan [3.6.1 - 28 pages]

Reference to any relevant previous minute

- Min. No.: 23-70 – Ordinary Meeting of Council held 24 April 2023 (LEEP – Public Exhibition)
- Min. No.: 23-216 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Endorsement and Preferred Governance Model)
- Min. No.: 23-217 – Ordinary Meeting of Council held 27 November 2023 (LEEP – Interim Action Plan)
- Min. No.: 24-33 – Ordinary Meeting of Council held 26 February 2024 (LEEP – Suggested Governance Model)

Background and discussion

1. LEEP Engagement Strategy

Context

The Lithgow Emerging Economy Transition Plan sets out the priorities and activities most likely to place the Lithgow economy in the best possible position to meet the challenges of the future due to the pending closures and scale-down of coal mining and coal-fired power in the LGA.

Because the LEEP affects the entire Lithgow LGA, wider community engagement and involvement is vital to ensure the community has opportunity to add value to the LEEP program of work. The proposed approach to engagement is set out in our Engagement Plan, which is included as an attachment to this report.

The LEEP engagement approach is guided by the IAP2 (International Association of Public Participation Australasia) Framework and IAP2 Public Participation Spectrum, to articulate the broad level of participation invited from each group. Additionally, the document adopts the guiding principles of timeliness, respect, transparency, inclusiveness, and continual improvement.

LEEP Engagement Goals

Engagement is critical to LEEP in ensuring that Council harnesses the expertise and insights of the community and local organisations to help shape a healthy, prosperous and sustainable future for Lithgow.

As such, this engagement strategy is focused on:

- ensuring that those directly and indirectly impacted by the Lithgow economic transition have a fair opportunity to engage and shape the LEEP process, and
- maximising collaboration with people and organisations who have interest and capacity to contribute to the LEEP tasks.

Collaboration is key to a successful economic transitions management process. Although the State Government has primary responsibility for structural economic adjustments, it requires participation from actors and resources that reach beyond it, including:

- impacted coal mining and power generation businesses, as well as unions working collaboratively to manage the impact on workers through whole-of-family support and adjustment programs, and worker transfer schemes, and on local supply chains,
- schools, the VET sector, universities, industry, business and government collaborating on building the regional workforce's adaptive capacity, training the workforce of the future and re-skilling and redeployment of workers in transitioning sectors,
- government, at all levels, attracting investment and supporting new industry growth with well-planned and sequenced infrastructure, and
- industry, knowledge providers and government collaboratively building a region-wide culture of innovation, investment, business acceleration and scaling.

Community Consultation to Date

The LEEP Report was publicly exhibited in June-July 2023. There were 14 submissions received about the LEEP Transition Plan document, providing valuable feedback which was used to inform the LEEP Action Plan.

In summary, the feedback indicated a collective desire for a balanced approach to development that prioritises community involvement, environmental sustainability, economic diversification, and robust governance in Lithgow's future planning.

More specific commentary is included below:

1. *Community and Inclusivity*: Emphasis on the compassionate and welcoming nature of Lithgow's community, with a focus on engaging residents in decision-making processes that are transparent and inclusive.
2. *Innovation and Economic Diversification*: Support for development, alongside a call for economic diversification beyond coal-based industries, particularly into renewable energy sectors.
3. *Educational Infrastructure and Skills Development*: Acknowledgment of deficiencies in educational pathways and the need for skill development to align with emerging industries, especially in renewable energy.
4. *Urgency in Implementation*: A call for quicker action in the initial phases of the LEEP project, stressing that plans must translate into tangible results in a timely manner.

5. *Governance and Accountability*: Criticism of the lack of defined governance structures and clear accountability in planning processes. Calls for action within a 3 year, rather than a 5- or 10-year timeframe.
6. *Sustainability and Environmental Concerns*: Strong advocacy for preserving the environment, including the protection of natural habitats and Aboriginal heritage sites, alongside suggestions for eco-friendly tourism and conservation initiatives.
7. *Tourism and Recreation*: Emphasis on leveraging natural beauty for tourism, including birdwatching, sports recreation and eco-tourism, while ensuring that tourism does not harm the environment.
8. *Aged Care and Employment Opportunities*: Recognition of aged care as a significant employer, with potential for expanding high-quality, affordable services.

Identifying Our Stakeholders

As the economic transition over the next 10 to 15 years in the Lithgow region is likely to have a significant impact on everyone in this community, it is recognised that, to some extent, everyone and every business in our community is a LEEP stakeholder.

Those who are affected by the LEEP are known as the LEEP transition stakeholders. The Engagement Plan identifies and outlines a program for engaging with the key LEEP transition stakeholders in support of the delivery of the LEEP Action Plan.

In creating the Engagement Plan, staff considered a range of engagement activities for each stakeholder group, which will be tailored to address the impacts they may experience, their issues and ideas, preferences for engagement and their role in and ability to contribute to the transition category. Particularly, staff considered the nature of the transitions management impact on each category and the potential resources, capabilities and outcomes hoped to be achieved from people and organisations within each category.

There are four stakeholder categories identified in the LEEP Engagement Plan:

Stakeholder	Detail
THE LEEP COMMUNITY	Everyone - every organisation and business in the region.
LEEP ACTORS	Members of the LEEP Community who wish to be more deeply involved in the transition process.
LEEP KEY COLLABORATORS	Organisations, groups and individuals who have technical expertise and insights to contribute to the design and delivery of LEEP projects focused on effecting community-wide change, such as workforce planning, land use planning, and education and skills development.
LEEP DELIVERY PARTNERS	All levels of government, the knowledge sector, and directly impacted industry and their workforce unions.

Suggested Engagement Approach

One of the key recommendations of the LEEP Report was the formation of the Future Jobs and Investment Authority as the leading governance model for the LEEP implementation. The FJIA is to be tasked with advising the NSW Government on regional priorities and local investment

opportunities, and providing strategic advice to the Minister for Natural Resources to ensure the government's approach is community-centred and driven by local needs. The FJIA's proposed role was outlined in an Issues Paper published by the Department of Regional NSW and released for Community consultation in May 2024. It is anticipated that the follow-up report (pending) to the Issues Paper will provide guidance for the establishment of the FJIA.

In the interim, an early iteration of this group has been established by Council to govern and drive the initiatives outlined in the LEEP Report - the Future Jobs and Investment Committee. Information about the Future Jobs and Investment Committee - including meeting minutes - can be found on the LEEP website: www.leep.lithgow.com

In addition to the over-arching Future Jobs and Investment Committee, other working groups and networks being established include:

- Emerging Economy (Internal) Committee,
- Transport and Logistics (formerly Hydrogen and Rail Fleet Renewable Electrification) Working Group,
- Land Use Planning and Industrial Precincts Working Group,
- Adaptive Skills Network (formerly STEAM and Innovation),
- Engagement and Communications Network,
- The 'Heart of Lithgow' Place Network (from July 2025), and
- Health and Ageing Network (from July 2025).

These groups have been identified and prioritised with an effective method to engage and activate the key transition stakeholders to support the delivery of our Action Plan in an effective and efficient way.

Engagement with First Nations communities to create a shared engagement protocol based on values including respect, transparency and cultural acknowledgement will be undertaken separately, to ensure First Nations voices are an integral part of the LEEP transition management process.

Engagement Activities

Participatory processes will shape the vision and implementation of the LEEP, which will evolve in line with community input and feedback. To involve our stakeholders in the LEEP transitions management process, the LEEP team proposes to deliver a series of engagement activities and events:

- A regularly updated website – www.leep.lithgow.com, housing the LEEP Action Plan, reports, minutes of working group meetings, e-newsletters, progress updates, FAQs,
- Regular e-newsletters sent to the LEEP stakeholder database,
- Social media posts,
- Print advertising,
- Information displays and presentations,
- Enquiry and complaints handling,
- Consultation opportunities / surveys,
- Resourcing and capacity building opportunities, such as transitions management and community empowerment short courses,
- Regular LEEP breakfast speaker events,
- Annual community workshop ,
- Working Groups and Networks in key transition areas such as Adaptive Skills, Planning and Industry Precincts, Transport and Logistics, the 'Heart of Lithgow' Place Makers Network, Health and Ageing Network, Engagement and Communications and the Economic Development Committee, and
- Regular meetings of the Future Jobs and Investment Committee; and with other key transition stakeholders.

Each of these activities is designed to allow LEEP stakeholders to play a meaningful part in the LEEP initiative and have an active role in determining the future of the LGA.

2. LEEP Communications Strategy

The Communications Strategy outlines the wider communications approach we will take in support of achieving the LEEP program.

LEEP Vision

The working 'vision' for the Lithgow economy, as contained within the LEEP, is:

Lithgow LGA is an economy and community that builds on its heritage as an industrial innovator, to lead innovations in energy, advanced manufacturing, and in health and ageing.

Lithgow is a critical interchange for green transport, servicing road and rail networks to facilitate the movement of residents, workers, visitors and freight across the state. Its natural wonders and dynamic, inclusive community are a drawcard for residents and visitors alike.

The decline of coal mining and associated power generation is an opportunity for the community and the diversification of the economy is well-planned and equitable, offering a just transition to workers, ensuring infrastructure and natural resources are repurposed and rehabilitated as future economic and community assets, and engaging workers, the community and other stakeholders.

Lithgow's economy has sectoral diversity and businesses that attract and retain the workforce they need. Lithgow's community is diverse with more families and young people who are drawn by the quality of life, affordable and accessible housing, and good education-to-employment pathways.

Secondary Messaging

The Vision Statement contains the primary key messages for LEEP communications, with the secondary messaging as follows:

The LEEP Transition Plan (LEEP Report) is based on extensive analysis of Lithgow's unique position, including economic trends such as demographics, demonstrated historical advantage, regional endowments, economic opportunities, and policy and program priorities.

The Lithgow Emerging Economy Plan seeks to position Lithgow as a global example of a city that successfully transitions to a broad-based, modern economy with a diversity of resilient job opportunities.

The LEEP Transition Plan (LEEP Report) shows that the greatest opportunities lie in making most beneficial use of Lithgow's energy infrastructure and geographics positioning, particularly transmission lines, land, solar and water resources, to facilitate the switch to renewables production locally, as well as to enable electricity supply from the Central-West Orana Renewable Energy Zone to greater Sydney.

Council is committed to supporting the Lithgow community and has already completed several key projects and initiatives to help with the region's sustainable growth.

With these overarching messages in mind, it should be noted that negative feedback which emerged from the July 2023 public exhibition of the LEEP Report were a lack of understanding around governance and accountability, vague and unaccountable timelines, and a lack of tangible recommended actions (but rather a requirement for more research).

LEEP communications and messaging will need to address this feedback. In the first instance, this will be done through the communications surrounding the release of the LEEP Action Plan, which will be more formally released in late 2024. The Action Plan document outlines the actions planned for 2025-2026, many of which address feedback received in the public consultation. Community feedback, including the governance structure, will also be addressed in the Engagement Plan, which will be released in the same timeframe. The administration will reach out to the relevant Minister to support the Action Plan and contribute to its launch.

Empowering the Community

Both the Communications Strategy and the Engagement Plan reflect an underlying approach of empowering the community, featuring Lithgow's stakeholders prominently – giving them their own voice – through the Council's communications materials and video cameos on social media. LEEP events will be used as storytelling and story-gathering opportunities, capturing individual stories which contribute to the over-arching LEEP narrative, and connecting the community with a deeper understanding of the benefits of the LEEP program.

As part of this community empowerment approach, there is a focus on upskilling the community with an extensive training offering. This is both directly – through a free community capacity building offering (including a series of micro-credential courses that can contribute to a diploma or degree) – but also indirectly, through the annual community workshop, which will be hosted by transitions management experts such as the Monash University Sustainable Development Institute. The goal is to provide the community with opportunities to build adaptive capacity to support a successful transition. The delivery of these courses will also demonstrate that LEEP is delivering tangible, positive benefits to the community.

Communications Objectives and Strategy

The following objectives and tactics form the strategy which will support the engagement goal of optimising the cumulative opportunities of the emerging economy, while managing and mitigating the risks, to achieve social licence for the transition. More specific and detailed communications, engagement and project plans will be developed for specific elements of the LEEP program, for example, STEAM, First Nations.

1. *To educate the community about the LEEP program and establish an active flow of information about the program and its progress through communications streams including the LEEP website, social media and newsletters.*
 - a. Use the LEEP website as the primary source of truth for all LEEP information.
 - b. Establish social media channels to share LEEP success stories and updates.
 - c. Distribute regular media releases, and - where appropriate - joint media releases and announcements with key partners including the Commonwealth, State and local governments, the Mining and Energy Union, Western Sydney University, Centennial Coal and Energy Australia.
 - d. Create LEEP informational posters, fact sheets and flyers.
 - e. Paid advertising in the Lithgow Mercury and Village Voice to build awareness, as appropriate (for example, when milestones are achieved or to promote upcoming events).
 - f. Deliver an annual report detailing the LEEP program's progress every year.

2. *To encourage a healthy, prosperous and sustainable future for our community by stimulating the enthusiasm and activation of business, industry, unions and government stakeholders to progress LEEP Transition Management goals, and promote the resilience and diversification of Lithgow LGA's economy.*
 - a. Support the development and activity of Working Groups to actively progress LEEP transition management goals. Support transparency by posting meeting minutes online, promoting broad community understanding.
 - b. Active in-person networking and promotion of the LEEP program with local business and the Lithgow Chamber of Commerce.
 - c. Build credibility and foster networking opportunities by holding regular (approx. 6 per year) weekday "Key Collaborators Breakfasts".
 - d. Offer a series of free capacity-building and community empowerment courses which deliver target skills, many of them micro-credential courses which can provide credit towards full diplomas or degrees.
 - e. Position Lithgow as a thought leader and showcase the potential of a successful transition by bringing together leading actors in transitions, renewable energy, circular economy, and other related fields for an event such as a Coal Communities in Transition Conference.

3. *To engage the local community in the future plans for the Lithgow LGA, encourage a sense of ownership and genuine enthusiasm for the LEEP initiative, ensure there is opportunity to understand the potential the transition presents, and regular opportunities to participate and engage.*
 - a. Attend suitable Council and community events with a LEEP Listening Station and Information Stand.
 - b. Hold an annual community workshop / focus group to galvanise the community and continue to develop and progress the LEEP vision.
 - c. Identify and engage with potential ambassadors who will positively promote the LEEP program as spokespeople or ambassadors.

4. *To engage Councillors and Lithgow City Council staff in the LEEP initiative, ensure they understand the opportunities the LEEP presents, have opportunity to input and participate in the LEEP program, and harness their support in achieving LEEP Transition Plan goals.*
 - a. Regular reporting to, and engagement with Councillors, via the Economic Development Committee Meetings, and also Reports / Briefings / Memorandums.
 - b. Presentations about the 2025 LEEP program to Council groups such as the Tourism Advisory, Women's Advisory, Sports Advisory, Youth Advisory Committees.
 - c. Develop relationships / regular meetings with Lithgow City Council staff to ensure synergies between the LEEP program delivery and existing Council work programs are identified.
 - d. Deliver specific training opportunities for Lithgow City Council staff to equip them with skills to navigate transitions management, such as management and adaptive capacity.

Monitoring and Evaluation

By measuring engagement with the project website, community feedback, media releases, social media, email updates, newsletters, consultation and interaction throughout the project process, the project team can monitor, review and instigate changes to project/communication plans as required.

The Communications Strategy and the Engagement Plan will be reviewed regularly to assess the effectiveness of the communications and engagement, with outcomes used to refine the approach to better serve stakeholders and the community.

Consultation and Communication

Once the LEEP Engagement Plan is finalised, it will be released to the public, along with the LEEP Action Plan 2025-2026, and associated media release and social media promotion.

Policy

This proposal aligns with the outcomes proposed within the Council's endorsed *Lithgow Evolving Economy Plan*. Those actions to which the LEEP Engagement and Communications Strategy relates are interwoven through the entirety of the document. Effective implementation of engagement and communications is critical for the successful delivery of the LEEP.

Legal

Not otherwise than as set out in this Report.

Financial

- Transitions Management budget approved (2024/25 SRV funded) - \$1,141,400
- Transitions Management draft budget (2025/26 SRV funded) - \$1,187,926.74
- Budget to be approved (2024-26 Commonwealth-funded Adaptive Skills Hub grant) - \$830,000
- Cost centre - 100888
 - Expended to date - Actuals: \$41,889
 - Commitments: \$149,234 (Transitions Management expenditure)
\$260,000 (Halloween + Branding Strategy)
- Future potential impact – Full expenditure of the Transitions Management budget

3.7. I&E - 25/11/2024 - SRV Bitumen Reseal Tender

Strategic Context for this matter:

Developing Our Built Environment

To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author: Jonathon Edgecombe - Director Infrastructure and Economy

Responsible Officer: Jonathon Edgecombe - Director Infrastructure and Economy

Executive Summary

This report summarises the tender evaluation process that has been undertaken for proactive road rehabilitation works across over 22 kilometres of the Lithgow LGA's sealed road network and seeks a resolution of the Council to appoint a successful contractor to deliver this program.

Administration's Recommendation

THAT Council:

1. Appoint Country Wide Asphalt Pty Ltd to deliver Lithgow City Council's 2024/25 bitumen reseal program a cost of \$1,596,487.95 (incl. GST), and
2. Accept the schedule of rates provided by Country Wide Asphalt Pty Ltd for additional works as may be required while delivering this program, up to a maximum program value of \$1,795,625.

Attachments

1. Confidential Bitumen Reseal Tender Evaluation Sheet [3.7.1 - 3 pages]

Reference to any relevant previous minute

The tender was opened to the approved contractors as per resolution 24-160 of the Council meeting held on 22 July 2024.

Background and discussion

Context

Last year, Council's SRV program, as it related to road assets, was disrupted by the construction of the Donkey Steps in the Wolgan Valley. This was a necessary project. However, this year, the administration has been able to focus on the core intent of the SRV program, which is to provide capacity to implement proactive road asset renewal projects.

Each of these projects have been identified as part of a holistic and comprehensive objective condition assessment of the full length of Council's sealed road network. This was delivered by innovative LiDAR and AI assessment.

Rather than responding to roads that require complete reconstruction (there are other 24/25 budget allocations that deal with these projects), this project intervenes in a much more strategic manner, addressing whole-of-life needs of the sealed road network by replacing bitumen and asphalt seals prior to the deterioration of the pavement and subgrade.

This is a much more cost-effective approach that improves asset resilience, lifespan and reduces whole-of-life asset maintenance and renewal costs. By correcting defects and essentially “re-capping” and weatherproofing the road surface, an additional 10 – 15 years lifespan will be afforded to these assets. Otherwise, without this SRV-afforded focus, these roads would continue to deteriorate and require significant rehabilitation in as little as 5 years.

Importantly, as this SRV program is indefinite, this program will continue year after year, being annexed yearly in line with CPI. Each year, this program will be decided based on contemporary data, with intervention by reseal programmed according to condition, age and funding availability.

Scope

The scope of works covers over 22 kilometres of Council’s sealed road network. Minor areas will require defect repair to ensure the reseal process doesn’t simply mask underlying problems. These areas have been scoped and factored into the tender package. Ancillary items will also include:

- All traffic control associated with works.
- All replacement line marking associated with works (replacement only, no new lines required).
- Completion of Council's WHS induction of all contractors or sub-contractors. Anyone entering the job site must be inducted to Council's WHS system, which can be completed online.
- Isolated repair of surface and pavement defects. This includes clearing of shoulders and drains, and spraying encroaching grass as required.
- Bitumen overlay of full length, specifications listed in the Excel sheet attached.
- Asphalt required for one cul-de-sac.

The tender includes a request for a schedule of rates for any additional works that may be required as a result of unearthing unsuitable road building material whilst the works progress.

The tender was sent to the approved contractors as per resolution 24-158 of the Council meeting held on 22 July 2024, and 4 responses were received. At the end of the tender process, Country Wide Asphalt Pty Ltd are the recommended tenderer.

The Tender Process

A Tender Evaluation Panel (TEP) was established, consisting of the following staff:

Name	Position	Role on TEP
Jonathon Edgecombe	Director Infrastructure and Economy	Chair
Paul Creelman	Transport Manager	Member

The tender was assessed on the following criteria:

1. Relative Value for Money (60%)
2. Requisite insurances held (15%)
3. Prior experience (15%)
4. Availability to start (7.5%)
5. Local Preference policy (2.5%)

The process followed was a closed tender using the Civil Works Panel of four civil works and pavement stabilisation contractors which was approved by Council at the 22 July 2024 meeting (resolution 24-158) and was run via Local Government Procurement. Included were several specifications addressing the scope and conditions the successful applicant will be required to follow. See below:

1. 75m² of asphalt pavement preparation works
2. 11,283m² of in-situ pavement stabilisation works
3. 60m³ of rutting repair and preparation works
4. 99 tonnes of surface correction works
5. 1,200 lineal metres of asphalt pavement preparation works
6. 20 lineal metres of concrete kerb repair works
7. Other surface corrections, including pothole repair, gully pit replacements, gravel shoulder repairs and cul-de-sac enhancements.

Tender Evaluation

Council received one response to the tender request. That was from:

1. Country Wide Asphalt Pty Ltd

Tender evaluation was carried out and the following scores were tabulated.

Contractor	Country Wide Asphalt Pty Ltd
Total score	96%

Country Wide Asphalt Pty Ltd are the preferred tenderer. Works would commence as soon as practicable, post-Christmas, subject to weather and contractor availability.

Consultation and Communication

Residents in the local area will be advised of the project in writing and further direct communication will be issued once the works are scheduled to commence.

Policy

The tender was undertaken in accordance with Policy 1.4 - Tendering and Policy 1.7 - Local Procurement.

Legal

The subject matter of this report is a function of Council conferred by Section 55 of the *Local Government Act 1993* and Part 7 of the *Local Government (General) Regulation 2021*.

Risk Management

The preferred tenderer has acceptable work health and safety systems, quality control measures and environmental management systems, maintaining ISO 14001 and 45001 accreditations. Similarly, the preferred tenderer has the required Public Liability Insurance to work for Lithgow Council.

Financial

The funding for these works has been provided from both the 2023/24 and 2024/25 Special Rate Variation program.

- Budget approved:
 - 2024/25 SRV Road Maintenance Program: \$1,469,733

- Remainder of 2023/24 SRV Road Maintenance Program: \$325,892
- Total budget: \$1,795,625
- Cost centre - 1008883
- Expended to date - \$0
- Future potential impact – Expenditure of \$1,596,487.95 (incl. GST), maintaining an 11% contingency of \$199,137.05 for unforeseen repairs.

3.8. F&G - 25/11/2024 - Financial Statements for the Year Ended 30 June 2024**Strategic Context for this matter:****Responsible Governance & Civic Leadership**

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Jonathon Reid – Acting Director Finance & Governance

Responsible Officer: Acting Director Finance and Governance

Executive Summary

At the 28 October 2024 Ordinary Meeting, Council resolved to authorise the signing of the 2023/24 financial statements (Min. No. 24-229).

The purpose of this report is to present to the Council the audited Financial Statements for the year ended 30 June 2024, as required by Section 419 of the Local Government Act 1993.

The 2023/24 Financial Statements are included as an attachment to this report.

Administration's Recommendation

THAT Council:

1. Receive the audited Annual Financial Statements for the year ended 30 June 2024 pursuant to Section 419 of the Local Government Act 1993.
2. Pursuant to Section 420 of the Local Government Act 1993, endorse the Financial Statements to be made available to the public to make submissions for a period of seven days.
3. Endorse the funding allocations to internally restricted reserves (\$14,4M) at 30 June 2024, as summarised in this report.

Attachments

1. Annual-financial-statements-2023-24 [3.8.1 - 111 pages]

Reference to any relevant previous minute

Min No 24-229: Ordinary Meeting of Council held on 28 October 2024.

Background and discussion**Summary Comments**

Comments about the outcome of the audit process and the relevance to the Council's longer term financial sustainability are provided below. Their comments were jointly contributed by the General Manager and the Acting Director Finance & Governance,

The Financial Statements confirm that the operating result and financial position of the Council for the year ended 30 June 2024 and the statements are in accordance with Australian Accounting

Standards, the Local Government Act 1993 and the NSW Local Government Code of Accounting Practice and Financial Reporting.

The auditors have formed an opinion that Council's financial statements fairly present the result of its financial operations and its financial position as of 30 June 2024 and that the Council has complied with the relevant requirements of the Local Government Act 1993.

The 2023/24 audit resulted in the issuing of an unmodified audit report on both the General Purpose and Specific Purpose Financial Statements. An unmodified audit report is an expression used by auditors to confirm that the Financial Statements are presented, in all material respects, in accordance with applicable financial reporting requirements.

The above outcomes validate that Council's administration have managed all finances legally, responsibly and prudently.

In the 2023/24 year, Council achieved nine of ten OLG financial and asset performance ratio benchmarks. This is a demonstration that while our operating environment is challenging, and it will continue to be, Lithgow City Council is meeting most of the industry benchmarks for financial performance.

The Council continues to take a long-term view of its financial sustainability (well beyond the 12 months dealt with in these financial statements). This is the basis for the Financial Sustainability Plan, which includes decisive steps to increase own source revenue, continue to identify and deliver productivity savings and advocate for increased levels of financial support from both the Federal and NSW governments.

2023/24 Financial Statements – Summary

In 2023/24, Council continued to experience a challenging operating environment. Similar to many other Councils, costs continue to rise faster than revenue, making it increasingly difficult to deliver a balanced operating result. The \$6.1M Special Rate Variation Program provided funding for discrete projects and programs, however, all other services needed to be funded within the constraints of the rate peg.

In the 2023/24 year, Council renewed \$22.6M of infrastructure, property, plant and equipment, with natural disaster recovery works still impacting staff capacity to complete the asset renewal program.

Consistent with Council's Financial Sustainability Plan, productivity improvements and cost containment strategies continue to be implemented as part of ongoing efficiency measures aimed at providing best value services for our community. In the 2023/24 year, Council achieved \$4.9M of efficiency improvements, cost containment and additional revenue (further details are provided in a separate section of this report).

Council achieved the key Office of Local Government (OLG) financial performance measure of a surplus operating result (before capital grants). Council continues to budget for a balanced operating result and monitors income and expenses throughout the year.

In the 2023/24 year, Council achieved nine of ten OLG financial and asset performance ratio benchmarks. This is a demonstration that while our operating environment is challenging, and it will continue to be, Lithgow City Council is meeting most of the industry benchmarks for financial performance.

External Audit

The Council's Financial Statements for the year ended 30 June 2024 were completed by the Council Finance team and have been reviewed and returned by the Audit Office of NSW, in accordance with legislative requirements.

A representative of the contract auditor (Intentus), provided a presentation to the Councillor Information Session on 20 November 2024.

Annual Financial Statements Reporting Process

The Council's Annual Financial Statements are required to be audited by the Audit Office of NSW, and copies of the financial reports and the Auditor's report submitted to the Office of Local Government (OLG). Council lodged its Financial Statements with the NSW Audit Office on 30 October 2024, prior to the 31 October Deadline. Both the auditing and on-time lodgement requirements have been met.

Report on Financial Statement Audit Results

The 2023/24 audit resulted in the issuing of an unmodified audit report on both the General Purpose and Specific Purpose Financial Statements. An unmodified audit report is an expression used by auditors to confirm that the Financial Statements are presented, in all material respects, in accordance with applicable financial reporting requirements.

The Financial Statements confirm that the operating result and financial position of the Council for the year ended 30 June 2024 and the statements are in accordance with Australian Accounting Standards, the Local Government Act 1993 and the NSW Local Government Code of Accounting Practice and Financial Reporting.

The auditors have formed an opinion that Council's financial statements fairly present the result of its financial operations and its financial position as of 30 June 2024 and that the Council has complied with the relevant requirements of the Local Government Act 1993.

Financial Sustainability Plan

Council achieved \$4.9M of efficiency improvements, cost containment and additional revenue in the 2023/24 year to provide best value services for our community. Highlights include the following:

- Electricity contract savings - \$153K - new joint procurement contract from 1/1/23.
- Materials and contracts – \$1.48M - held to reflect previous year actuals, no budget increase despite rising CPI.
- Filling vacant positions wherever possible using internal/existing employees - \$1.25M.
- Review of Insurance provider - \$228K.
- Increased investment income - \$1.255M.
- Interest savings - \$41K – reduction then paying out working capital loan.

Movements in Major Revenue and Expense Items During the Reporting Period

The Income Statement summarises Council's financial performance for the 2023/24 year, listing all income and expenses. The table below gives a snapshot of the key movements compared to the prior year.

OPERATING REVENUE (\$'000)	2023/24	2022/23	Increase (decrease)
Rates and Annual Charges	39,076	30,174	8,902
User Charges and Fees	8,501	8,501	0
Interest & Investment Revenue	2,917	1,313	1,604
Grants & Contributions - Operational	13,159	37,884	(24,725)
Grants & Contributions - Capital	18,298	14,633	3,665
All Other Revenue	5,016	1,684	3,332
TOTAL	86,967	94,189	-7,222

OPERATING EXPENSE ITEMS (\$'000)	2023/24	2022/23	Increase (decrease)
Employee Benefits and On-Costs	21,738	19,293	2,445
Materials and Services	22,952	27,054	(4,102)
Borrowing Costs	857	180	677
Depreciation and Amortisation	16,623	15,242	1,381
All Other Expenses	4,745	8,624	(3,879)
TOTAL	66,915	70,393	-3,478

Changes in Income

- Ordinary rates income increased by \$7.28M (50.09%). Most of the increase was due to the Special Rate Variation (42%) with an additional rate peg of 3.7% (45.7% in total). There was also some growth in the number of rateable properties.
- Annual charges income was \$1.613M (10.3%) higher than in 2022/23. A 7.3% CPI increase was included for general fund, water and sewer annual charges.
- Interest and investment income increased by \$1.6M due to significant increases in interest rates during the financial year and an advance payment of \$33.75M for Natural Disaster works.
- The Financial Assistance Grant (FAG) increased by \$313K (5.43%) year-on-year. The (\$1.81M) decrease in the amount recognised as income is mainly attributed to the reduction in advance payment (85% of the 2024/25 grant rather than the 100% advanced in the prior year).
- 2023/24 special purpose operating grants decreased by \$22.65M to \$7.432M (75.3% reduction on the previous year). The decrease is a result of natural disaster works now being in the restoration phase and classified as Capital Works.
- 2022/23 special purpose capital grants increased by \$2.5M. \$6.245M was received as non-cash contributions for the housing development in Bowen Vista Estate (recognised as Council assets). \$1.1M was received for water and sewer (Cullen Bullen) infrastructure to complete the project.
- Other revenue increased by \$3.3M (297.8%) mainly due to a positive revaluation of \$3.35M on Council owned investment properties.
- **Total income decreased by \$7.22M from 2022/23 (7.7% lower).**

Changes in Expenditure

- Employee benefits and on-costs rose by \$2.445M (12.7%), primarily due to increased salaries and wages from filling positions and retaining staff. There was also additional staffing funded from the Special Rate Variation) and the higher Superannuation Guarantee contribution rate added. Employee leave entitlements increased by \$353K (17%) due to higher accumulated leave balances (mainly long service leave). Workers' compensation costs rose significantly by \$229K (55%), however, are still lower than the recent peak of close to \$1M. Training expenses grew by \$114K (83%) as Council invested in development of its staff.
- Materials and services costs decreased by \$4.102M (15%), primarily due to a \$4.887M (35%) reduction in contractor costs as natural disaster restoration works scaled back from previous years' emergency works. Minor increases were incurred in office operating expenses and street lighting due to rising costs.
- Borrowing costs increased by \$677K (376%), mainly due to an upward fair value adjustment of \$367K to remediation liabilities. In contrast, the previous year included a significant downward adjustment of \$289K, leading to a notable variance between the two years. Interest on loans increased by only \$17K (3.7%).
- Depreciation increased by \$1.381M (9%), aligning with the capital works program and fair value increments, particularly for roads. Revaluations of investment property and stormwater assets contributed an additional \$376K in depreciation costs.
- Total other expenses were similar to the 2022/2 year \$111K (9% increase). There was a \$73K(8.5%) increase in the Emergency Services Levy.
- There was a \$3.4M loss on disposal of assets. Natural Disasters caused significant damage to road infrastructure in the Local Government Area. Many roads were written off to be restored as part of the Capital Works Program.
- **Total expenses decreased by \$3.48M from 2022/23 (4.9% lower).**

Operating Result

There are two Operating Results reported in the Income Statement:

- The Net Operating Result (including Capital Grants and Contributions) has decreased by \$3.744M from 2022/23 to a surplus of \$20.05M.
- The Net Operating Result (excluding Capital Grants and Contributions) is a surplus of \$1.754M for the year ended 30 June 2024, which is \$7.4M lower than the 2022/23 result of \$9.163M surplus.
- For the purpose of calculating the Operating Performance Ratio, the net loss from the disposal of assets (\$3.425M) is also excluded, effectively resulting in a Net Operating Result of \$5.2M surplus.

The change in the Net Operating Result (including Capital Grants and Contributions) is mainly due to extraordinary natural disaster claims income which was not offset by operational expenses in the 2022/23 year but are offset in 2023/24.

Operating Result on Income Statement (\$'000)	2023/24	2022/23	+/-
Net Operating Result (including Capital Grants and Contributions)	20,052	23,796	(3,744)
Net Operating Result (excluding Capital Grants and Contributions)	1,754	9,163	(7,409)
Net Operating Result (including Capital Grants and Contributions and Net Loss from Disposal of Assets)	5,179	16,578	(11,399)

OLG Performance Indicators

The OLG sets benchmarks for a range of performance indicators.

There are 2 groupings of OLG Performance Indicators:

- Financial performance indicators – calculated from Council's General Purpose Financial Statements (i.e. income statement, balance sheet, cash flows statement).
- Infrastructure Asset Performance Indicators - calculated from Council's Special Schedules report on infrastructure assets.

Further detail of Council's performance against the OLG benchmarks is provided below.

Financial Performance Ratios

The following table provides a summary overview of the key financial performance indicators that the Council is required to report in its Financial Statements. Notation is made of the Fit for the Future measures.

Council met all six benchmarks for the financial performance indicators. After not meeting the Own Source Operating Revenue Ratio in 2022/23, Council has now met the benchmark in 2023/24 due to the extraordinary natural disaster claims income having minimal impact on performance.

PERFORMANCE INDICATORS	2023/24	2022/23	Within Benchmark Yes/No
OPERATING PERFORMANCE RATIO (Benchmark: Minimum $\geq 0\%$) <i>Fit for the Future Measure</i>	3.03%	20.63%	Yes
Comments: This ratio measures Council's achievement of containing operating expenditure within operating revenue. Council met this ratio in the year with the assistance of grant funding.			
OWN SOURCE OPERATING RATIO (Benchmark: Minimum $\geq 60\%$) <i>Fit for the Future Measure</i>	62.38%	44.24%	Yes
Comments: This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council has met this ratio in the year due to the reduction of Natural Disaster Funding recognised during the year.			

PERFORMANCE INDICATORS	2023/24	2022/23	Within Benchmark Yes/No
UNRESTRICTED CURRENT RATIO (Benchmark: Minimum $\geq 1.5x$) <i>Fit for the Future Measure</i>	2.67X	2.52x	Yes
<p>Comments: This 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.</p> <p>Councils unrestricted current ratio has exceeded the industry benchmark over recent years. This indicates that council has sufficient liquidity to meet its current liabilities as and when they fall due.</p>			
RATES, ANNUAL & EXTRA CHARGES OUTSTANDING (Benchmark: Minimum $\geq 10.00\%$) <i>Fit for the Future Measure</i>	6.02%	4.80%	Yes
<p>Comments: The rates and annual charges outstanding ratio assesses the impact of uncollected rates and annual charges on councils liquidity and the adequacy of debt recovery efforts. The benchmark set by the OLG is less than 10 per cent for regional and rural Councils.</p> <p>Council actively manages accounts receivable to consistently achieve a ratio well within the benchmark.</p>			
DEBT SERVICE COVER RATIO (Benchmark: Minimum $\geq 2.00x$) <i>Fit for the Future Measure</i>	3.15x	16.0x	Yes
<p>Comments: The debt services cover ratio measures the operating cash required to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.</p> <p>Council paid off its working Capital Loan of \$3.5, during the Financial Year which impacted this ratio. One new borrowing was undertaken during the Financial Year for the Cullen Bullen Sewerage Scheme.</p>			
CASH EXPENSE COVER RATIO (Benchmark: Minimum ≥ 3 months) <i>Fit for the Future Measure</i>	16.58 months	9.79 months	Yes
<p>Comments: The liquidity ratio measures the number of months that the Council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the OLG is greater than three months.</p> <p>The ratio increased during the year due to an increase in total cash, cash equivalents and investments held by council.</p>			

Infrastructure Asset Performance Indicators

PERFORMANCE INDICATORS	2023/24	2022/23	Within Benchmark Yes/No
BUILDING AND INFRASTRUCTURE RENEWAL RATIO (Benchmark: Minimum $\geq 100\%$)	125.78%	200.04%	Yes
Comments: The building and infrastructure renewal ratio assess the rate at which these assets are being renewed relative to the rate at which they are depreciating. Councils has exceeded this ratio due to ongoing natural disaster works, as well as additional funding from the Special Rate Variation.			
ASSET MAINTENANCE RATIO (Benchmark: Minimum $\geq 100\%$) <i>Fit for the Future Measure</i>	104.06%	212.85%	Yes
Comments: The asset maintenance ratio compares actual vs required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing. Council has exceeded the ratio due to the additional Special rate Variation funding allocated to maintenance and grant funding available of road repairs.			
INFRASTRUCTURE BACKLOG RATIO (Benchmark: Minimum $< 2.0\%$) <i>Fit for the Future Measure</i>	4.12%	0.91%	No
Comments: The infrastructure backlog ratio shows what proportion the backlog is against the total value of a Council's infrastructure. This ratio has declined (below the benchmark) due to Council receiving updated road condition assessments which is consistent with the Natural Disasters affecting Councils road network in recent years.			

Council achieved 3 of the 4 OLG benchmark for Infrastructure Asset Performance indicators.

Council has previously met the benchmark for the Infrastructure Backlog Ratio. In 2023/24 Council quantified an increase of \$19.16M required in road repairs due to Natural Disaster flooding. For the past five years council has been focussing on renewal spending on assets in very poor condition, usually past the optimal intervention point. This practice is not sustainable into the future. Improvements to asset management planning are currently being implemented, including agreeing with the community on acceptable levels of service for Council's infrastructure assets.

Internally Restricted Reserves

It is recommended that Council endorse the funding allocations to internally restricted reserves at 30 June 2024, as summarised below:

Internal allocations

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

Plant and vehicle replacement	644
Employees leave entitlement	668
Carry over works	407
Deposits, retentions and bonds	539
Election	175
Land and building	2,184
Works in progress	637
Other	2,332
Financial assistance grant - prepayment	5,410
Non-Domestic waste management	1,405
Natural disaster works internal loan	-
Total internal allocations	14,401

Consultation and Communication

The financial reports and Auditor's reports are presented to a meeting of the Council of which public notice has been given. The public notice has been given more than one week before the meeting and the meeting is being held not more than five weeks after the receipt of the Auditor's reports.

In accordance with Section 420 of the Local Government Act 1993, the Council is required to make the Financial Statements available to the public, seeking lodgement of any submissions in response to the document, for a period of seven days after presentation of the Financial Statements to Council.

To meet this requirement a copy of the Financial Statements will be made available to the public on the Council website and at the Customer Service counter. If submissions are received then those will be responded to, and details provided to all councillors.

Policy

N/A

Legal

The subject matter of this report is a function of Council conferred by the NSW Local Government Act 1993.

Risk Management

The presentation of the financial statements to the Council, and the ability for the public to inspect the statements, supports the Council's financial reporting governance requirements.

Financial

As detailed in this report.

3.9. F&G - 25/11/2024 - Investment Report October 2024**Strategic Context for this matter:****Responsible Governance & Civic Leadership**

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Sharon Morley – Finance Officer
Responsible Officer: Jonathon Reid – Responsible Accounting Officer

Executive Summary

The purpose of this report is to advise Council of investments held at 31 October 2024 and to note the certification of the Responsible Accounting Officer that funds have been invested in accordance with legislation, regulations and Council policy.

The report also provides commentary on the cash and investments balance compared with the funding required for internally and externally restricted reserves. A key aspect of the report is that while Council has total investments and cash of \$75.3M, all but \$74.6M of this amount is restricted (internally and externally, as at 31/10/24). Therefore, those funds are not available for any purpose beyond that for which they have been restricted. The balance of \$682K is Council's working capital.

Administration's Recommendation

THAT:

1. Investments of \$74,403,938 and cash of \$906,747 (which is mostly restricted for specific purposes) for the period ending 31 October 2024 be noted.
2. The enclosed certificate of the Responsible Accounting Officer be noted.
3. The commentary on cashflow and funding requirements for restricted reserves be noted.

Attachments

1. October Investments Portfolio 2024 [**3.9.1** - 1 page]

Reference to any relevant previous minute

Min No 24-192 Ordinary Meeting of Council held on 28 October 2024.

Background and discussion**Movements in the Cash and Investments Balance**

Council's total investment portfolio as at 31 October 2024, when compared to 30 September 2024, has decreased from \$79,700,000 to \$74,403,938. Cash in Council's bank account increased from \$551,483 to \$906,747.

October is usually a cashflow negative month, with no significant sources of income. In October 2024, there were average cash outflows for Accounts Payable transactions and no significant grant income received.

If the movement in the bank account is negative, this is shown as a nett redemption. If the movement in the bank account is positive this is shown as a nett new investment.

The movements in Investments for the month of October 2024 were as follows:

Opening Balance of cash and investments as 1 October 2024	\$80,051,483
Plus New Investments – October 2024	\$8,359,661
Less Investments redeemed – October 2024	-\$13,100,459
Closing Balance of cash and investments as at 31 October 2024	\$75,310,685

Responsible Accounting Officer comment on the cash and investments balance – there was a \$4.74M decrease in cash and investments in October 2024. Lower cash inflows combined with \$4.39M in Accounts Payable transactions has resulted in a decreased cash balance. Cash outflows continue to be managed to ensure that the timing of grant funding milestones matches the pace of works undertaken.

High value Accounts Payable transactions included \$660k for domestic waste collection, \$643k for final Workers Compensation premium, \$410k for Weed Control, \$377k for water usage - Fish River system, \$277k Glen Alice Road, \$259k for construction of the new Store Building, \$208k for the West Bowenfels Sewer Pump Station design and construction, \$163k Lithgow Sewerage Treatment Plant Capital Works, \$134k Civic Ballroom Flooring Replacement, \$127k Pothole Repair Program, \$105k Lake Pillans Reserve Upgrades, \$109k Natural Disaster works on Browns Gap Road, \$98k Wolgan Valley Access Road and design and project management.

Funding Requirements for Restricted Reserves

A large proportion of Council's investments are held as restricted assets for specific purposes. Restricted assets may consist of externally restricted assets which must be spent for the purpose for which they have been received (e.g. Water, Wastewater, Domestic Waste) or internally restricted assets which have been set aside by Council resolution. Some internal restrictions are held to fund specific liabilities such as employee leave entitlements and bonds and deposits.

Responsible Accounting Officer comment on restricted reserves – Council had sufficient cash and investments at 30 October 2024 to fund \$62.2M of externally restricted reserves and \$12.4M of internally restricted reserves. The \$33.75M advance payment for natural disaster restoration works has been included in the Special Purpose Grants reserve.

The Council's working capital position (used to fund outgoing payments) was \$682K at 30 October 2024. The decrease in working capital from \$3.302M at the end of September to \$682k at the end of October is a result of monthly cash flow. October had a low month of cash inflows with \$4.941m decrease in cash which has reduced the working capital balance.

Cash and Investments Statement (\$'000)				
	30 June 2024 Position	30 September 2024 Position	31 October 2024 Position	31 March 2025 Position
Externally Restricted				
Developer Contributions	1,851	1,741	1,881	
Special Purpose Grants	44,441	42,429	41,035	
Water Supplies	4,712	4,913	4,989	
Sewerage Services	6,419	5,505	4,642	
Domestic Waste	8,261	9,774	9,118	
Unexpended Loans	1,342	754	518	
	67,027	65,117	62,184	
Internally Restricted				
Land & Buildings	2,184	2,184	2,184	
FAGS	5,410	4,260	4,253	
Plant & Equipment	643	643	639	
Bonds, Deposits & Retentions	539	523	526	
Works in Progress	637	637	637	
Carry Over Works	407	117	84	
Commercial Waste	1,405	306	861	
ELE	668	754	754	
Election	175	175	175	
Other	2,332	2,332	2,332	
Total Internally Restricted	14,401	11,933	12,445	
Unrestricted (working capital)	-	3,302	682	
Total Cash and Investments	81,428	80,251	75,311	

CERTIFICATION OF THE RESPONSIBLE ACCOUNTING OFFICER

I hereby certify that the investments listed in the report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investments Policy.

Both internally and externally restricted reserves are managed in accordance with legislation, regulation, Council resolutions and Council's endorsed budget allocations to / from reserves.

Jonathon Reid
Financial Services Manager - Responsible Accounting Officer

Consultation and Communication

N/A

Policy

Investments are held in accordance with the Lithgow City Council's Investment Policy at the date of investing funds. On 26 February 2024, Council adopted a revised Investment Policy which includes the Minister's Investment Order of 12 January 2011.

Legal

Council's Investment Policy complies with the Minister's Investment Order of 12 January 2011.

Risk Management

Risk is managed by taking a conservative approach to managing Council's investments and only investing in term deposits.

Financial

- Interest income budget approved – \$3,978,500 (full year)
- Cost centre - 3259
- YTD Income to date - \$1,323,349
- Future potential impact – Nil.

Council's budgeted investment interest income for 2024/25 is \$4.0M, approximately \$1M more than 2023/24 actual interest received. Investment returns have remained steady with Council being able to achieve up to 5.35% return on term investments, however, in recent months has dropped to just below 5.00%. Council's average investment balance is \$74M, which is mainly due to the \$5.4M 80% upfront payment of the 2024/25 Financial Assistance Grant, the \$13.8M natural disaster works payment and the \$33.75M advance payment for natural disaster restoration works.

Interest is paid on the maturity date of the investment. The budget for interest income is determined by the average level of funds held and the rate of return. Adjustments to the budget estimate are processed through Council's Quarterly Budget Review process. Interest returns are determined by average funds invested and the rate of interest return.

3.10. F&G - 25/11/2024 - 2024/25 Quarter One Budget Review

Strategic Context for this matter:

Responsible Governance & Civic Leadership:

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Jonathon Reid – Acting Director Finance and Governance

Responsible Officer: Ross Gurney - General Manager

Executive Summary

This report provides the Quarterly Performance Report on the 2024/25 Operational Plan for the period of 1 July 2024 to 30 September 2024 with a recommendation that variations to income, expenditure and capital budget estimates are adopted and that the revised financial result of a (\$630K) consolidated operating deficit (before capital grants) be noted.

The Acting Director Finance & Governance, as Responsible Accounting Officer, has reviewed the report and advises that Council's projected financial position at 30 June 2025 will be **unsatisfactory** compared with the original budget. The main reason for the decline in the projected operating result is a change in accounting treatment for the Pothole Road Repair Program grant.

The report also provides an update on the capital expenditure budget, cashflow and reserve balances.

Administration's Recommendation

THAT Council:

1. Note the contents of the report and the projected consolidated operating result (before capital) of (\$630K) deficit for the 2024/25 Operational Plan as detailed in the Quarterly Budget Review Report for the period 1 July 2024 to 30 September 2024.
2. Note the commentary on the capital expenditure budget, cashflow and reserve balances.
3. Adopt the income, expenditure and capital budget variations to the 2024/25 Council budget as outlined in the attached Quarterly Budget Review Report.

Attachments

1. Sep 2024 Quarterly Budget Report [3.10.1 - 18 pages]

Reference to any relevant previous minute

N/A

Background and discussion

Commentary

The Acting Director Finance & Governance, as Responsible Accounting Officer, has stated in the Quarterly Performance Report that Council's projected financial position at 30 June 2025 will be unsatisfactory, having regard to the original budget position.

Council's projected position at 30 June 2025 has changed from an operating result (before capital) of \$749K surplus (original budget) to an expected \$630K deficit (Quarter One review). The following

factors were considered in determining Council’s projected financial position at 30 June 2025 to be satisfactory:

1. The main reason for the change in Council’s projected operating result (before capital) from original budget \$749K surplus to \$630K deficit relates to is a change in accounting treatment for the Pothole Road Repair Program grant, as advised by the NSW Audit Office. It has resulted in a \$700k reduction in revenue which was required to be recognised upon receipt in the 2023/24 Financial Year with a cash reserve to be expensed over 2 years. The expenditure program has also been increased \$700k in 2024/25 to bring forward necessary works.
2. Progress is being made towards achieving Council’s 2024/25 employment cost savings target of \$1.012m with \$116k net of savings taken in the Quarter One review.
3. An increase in Investment Income of \$600k has helped to offset some of the Pothole repair program income reduction / expense. Higher returns are being achieved as interest rates have remained above expectations.

The unsatisfactory projected financial position relates to the timing of grant receipts (in 2023/24) while most of the expenditure is being recorded in subsequent years (2045/25 onwards). This is necessary to scale a Pothole Repair Program over a number of years, whilst the grant was paid in full at the start of the program. It does not indicate a deterioration in Council financial sustainability.

At the end of Quarter Two, a detailed review of budgets will be conducted, with the aim of identifying savings and/or additional income to reduce the projected budget deficit.

Summary of the July to September Quarterly Budget Review Report

Details of the July to September Quarterly Budget Review Report are provided in the attachment to the Business Paper. Below is a summary table:

Budget	Result (before capital)
	\$'000
Original Budget	10,673
September Review	13,030

Reasons for Changes in Revenue and Expenditure Projections (Including Capital)

Projected total revenue to 30 June 2025 has increased by \$3.855M during Quarter One, mainly due to the following reasons:

- \$600k investment revenue increase due to higher interest rates and \$13.8M & \$33.78M natural disaster claim payments in 2023/24.
- \$1.466M capital income added for Wolgan Valley Road Reconstruction Project Management.
- \$970k capital grant income added for Sunny Corner Road, Portland.
- \$774k capital income added for Glen Alice Road (natural disaster funding).
- \$407k capital income for Wolgan Road (natural disaster funding).
- \$365k increase in capital funding to complete the Kremer Park Retaining Wall.
- \$137k in additional operational funding for the Roads to Recovery Program.
- (\$700k) reduction in operational Income being recognised for the Pothole Repair Program.
- Net \$3.736M increase in capital grant income (further details in the Capital Expenditure Budget section below).

Projected total operating expenditure to 30 June 2025 has increase by \$1.207M during Quarter One, mainly due to the following reasons:

- (\$116k) net of employment cost savings taken in the Quarter One review.
- \$700k increase in the Pothole Repair Program, mostly for materials and salaries.
- \$150k increase in expenditure for the Sewer Reflux Valve Rebate Scheme.
- \$150k Added to Weed Control and Eradication.
- \$110k for Lithgow Halloween 2024/25. (Min. No. 24-177).

The nett effect of the increase in projected total revenue, together with the increase in projected total expenditure is a change in the expected consolidated operating result from a surplus of \$10.7M (original budget) to a surplus of \$13.4M at 30 June 2025 (including capital grants and carryovers).

Projected End of Year Result (Before Capital)

The operating result before capital grants is a key Office of Local Government performance measure with a benchmark of a balanced operating result (i.e. nil surplus / deficit). Capital grants are excluded from the performance measure as they do not contribute towards funding Council's operations. Council's revised consolidated operating result (before capital grants) at 30 June 2025 is projected to be a (\$630k) deficit, which is below the OLG benchmark. The deficit amount is largely due to a change in accounting treatment for the Pothole Road Repair Program grant, as advised by the NSW Audit Office. It has resulted in a \$700k reduction in revenue which was required to be recognised upon receipt in the 2023/24 Financial Year with a cash reserve to be expensed over 2 years. Council will continue to review its budget to move towards the benchmark in Quarter Two.

At the end of Quarter One 2024/25, it is projected that the General Fund will have a deficit (before capital grants) of (\$706k) at 30 June 2025. The Water Fund is forecast to have a surplus (before capital grants) of \$62k and the Sewer Fund is forecast to have a surplus operating result (before capital grants) of \$14k.

Capital Expenditure Budget

The final original budget for the 2024/25 Capital Works Program was \$30.4M. \$2.988M of carryovers were added to bring the total program to \$33.4M.

The Quarter One review of the Capital Works Program has resulted in a further net increase in the program of (\$4.426M). The program has thus been increased to a total of \$37.865M.

The key changes to the Capital Works Program in Quarter One are:

- \$1.466M budget added for Wolgan Valley Road Reconstruction Project Masnagement.
- \$900k grant funded budget added for Sunny Corner Road, Portland, to be completed 2024/25.
- \$774k budget added for Glen Alice Road (natural disaster funding), to be completed 2024/25.
- \$644k budget added for Hillcrest No 2 Sewer Pump Station, to be completed 2024/25.
- \$271k budget added for Kremer Park Retaining Wall Replacement, to be completed 2024/25.

Capital Expenditure Budget Savings

Nett \$267k of budget savings have been taken up at the Quarter One review for completed 2024/25 capital works projects.

Savings of >\$50K have been achieved on 2 projects:

- East Portland Sewer Pump Station - \$175K.
- Lithgow Sewerage Treatment Plant Inlet Works Stage 1 - \$92K.

In some cases, minor overspends have been funded from budget savings (included in quarterly budget variations).

Cash and Investments / Reserve Balances / Cashflow

The Cash and Investments Statement at 30 September 2024 is shown in the table below.

Cash and Investments Statement (\$'000)				
	30 June 2024 Position	30 September 2024 Position	31 December 2024 Position	31 March 2025 Position
Externally Restricted				
Developer Contributions	1,851	1,741		
Special Purpose Grants	44,441	42,429		
Water Supplies	4,712	4,913		
Sewerage Services	6,419	5,505		
Domestic Waste	8,261	9,774		
Unexpended Loans	1,342	754		
	67,027	65,117		
Internally Restricted				
Land & Buildings	2,184	2,184		
FAGS	5,410	4,260		
Plant & Equipment	643	643		
Bonds, Deposits & Retentions	539	523		
Works in Progress	637	637		
Carry Over Works	407	117		
Commercial Waste	1,405	306		
ELE	668	754		
Election	175	175		
Other	2,332	2,332		
Total Internally Restricted	14,401	11,933		
Unrestricted (working capital)	-	3,302		
Total Cash and Investments	81,428	80,251		

There is sufficient cash and investments to fund Council's external and internal restrictions.

The \$42M balance of the special purpose grants reserve includes \$13.8M & \$33.75M of advance payments for natural disaster grants, \$2.78M for Resources for Regions Round 9 and \$2.19M in advance payments for the multi-year Pothole Repair Program.

Cashflow continues to be carefully managed to ensure that Council has sufficient liquid funds available to make payments on time. The action taken by management has ensured that cash inflows can match cash outflows.

Implications**Policy**

Nil.

Legal

The Local Government Act 1993 and Local Government (General) Amendment (Planning and Reporting) Regulation 2009 sets out the requirements for the quarterly reporting of the achievement of performance targets and the submission of a budget review statement after the end of each quarter.

Risk Management

The Quarterly Performance Report provides assurance that Council has effective financial management practices in place.

Financial

As detailed in this report.

Consultation and Communication

N/A

3.11. F&G - 25/11/2024 - Draft Policy - Categorisation of Land as Farmland for Rating

Strategic Context for this matter:

Strengthening Our Economy

To provide for sustainable and planned growth through the diversification of the economic base, the development of diverse job opportunities and the provision of a broad range of formal and non-formal educational services.

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Rhiannan Whiteley – Senior Revenue Officer

Responsible Officer: Acting Director Finance and Governance

Executive Summary

The draft Categorisation of Land as Farmland for Rating Purposes Policy is new to Council and its purpose is to establish clear guidelines and procedures for the Revenue Team to apply to the assessment of rateable land parcels for the categorisation of Farmland for rating purposes and to ensure that all farmland assessments are determined using consistent measures.

Historically, Council adopted the approach of granting farmland to properties based on land size without any consideration of the criteria required under the Act. The adoption of a policy and the establishment of an application / assessment process are consistent with better practice for local government.

This policy will ensure a uniform approach from Council when determining the categorisation of land for ratepayers. The policy has been set in accordance with Section 515 of the Local Government Act. An application form will be available, and an assessment will be undertaken regarding the activities carried out on the property.

The purpose of the Policy is to continue to support primary producers within the Local Government area and to ensure that all ratepayers within the LGA are rated fairly and correctly.

Administration's Recommendation

THAT Council place the draft Categorisation of Land as Farmland for Rating Purposes Policy on public exhibition until the end of January 2025. Following the exhibition period, the policy will be returned to Council to consider any submissions received and determine whether the policy will be adopted.

Attachments

1. DRAFT Categorisation of Land as Farmland for Rating Purposes Policy [3.11.1 - 6 pages]
2. Application for Farmland Rating [3.11.2 - 7 pages]
3. Farmland FAQ sheet [3.11.3 - 4 pages]

Reference to any relevant previous minute

N/A

Background and discussion

Council is required to categorise all land as one of the following categories;

- Farmland;
- Residential;
- Business; or
- Mining

Section 515 of the Local Government Act 1993 provides;

“Categorisation as farmland

(1) Land is to be categorised as farmland if it is a parcel of rateable land valued as one assessment and its dominant use is for farming (that is, the business or industry of grazing, animal feedlots, dairying, pig-farming, poultry farming, viticulture, orcharding, bee-keeping, horticulture, vegetable growing, the growing of crops of any kind, forestry or aquaculture within the meaning of the Fisheries Management Act 1994, or any combination of those businesses or industries) which;

- a) Has a significant and substantial commercial purpose or character, and*
- b) Is engaged in for the purpose of profit on a continuous or repetitive basis (whether or not a profit is actually made).*

(2) Land is not to be categorised as farmland if it is rural residential land

(3) The regulations may prescribe circumstances in which land is or is not to be categorised as farmland.”

The application and criteria for farmland rating has been developed based on better practice policies from other NSW Councils and is in line with the criteria set out in the Local Government Act 1993. How the criteria is applied depends on the type of farming. Each application is considered on a case by case basis using the criteria relevant to that type of farming.

While a property owner can make an application for farmland rating at any time, all land owners who receive the farmland discounted rate will have their application reviewed every 3 years.

If an applicant refuses to complete an application form or to provide sufficient information to enable a determination of the categorisation, the property shall be considered ineligible for farmland rating.

All applicants are notified of the outcome within a suitable time frame. Applicants then have 30 days to appeal if not satisfied with the decision. There is an opportunity for a review if further information is supplied which may establish farmland categorisation. In some instances, a property inspection may be required.

If an applicant chooses to appeal to the Land and Environment Court against the categorisation, Council may decide to obtain an independent review of the application. This review would require the appointment of an independent advisor with agricultural experience to inspect the property and provide a written report on the categorisation determined by Council.

It is important to note that the word “farming” in the context of the Local Government Act is about making a living from the land, contributing to society as a primary producer on a commercial basis.

The adoption of this policy will support officers in determining eligibility and ensuring that ratepayers are being rated correctly and fairly.

Consultation and Communication

Council has consulted with the Office of Local Government Rating and Revenue Raising Manual, the Local Government Act 1993, other NSW Councils, members of the NSW Farmers Association and several farmers within the Local Government Area in relation to the review of Farmland properties and the development of the policy and application form.

The Revenue team will openly discuss any aspects of the process and application with ratepayers who have enquiries. An FAQ sheet has been developed.

Policy

As detailed in this report.

Legal

Eligibility will be determined in accordance with Section 515 of the Local Government Act 1993. If an applicant is not satisfied with Council's decision nor the decision of an independent reviewer, they may apply to the Land & Environment Court.

Risk Management

N/A

Financial

The draft Categorisation of Land as Farmland for Rating Purposes Policy does not add or subtract from total income obtained from Council's rating base.

3.12. P&P - 25/11/2022 - 2023/24 Annual Report**Strategic Context for this matter:**

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Viktoriia Mironova –Corporate Strategy Support Officer

Responsible Officer: Shaun Elwood - Director People and Place

Executive Summary

It is a requirement of the Local Government Act 1993 (s428) that Council prepare its Annual Report within 5 months of the end of the financial year, with details of its achievements in implementing its Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives of the Operational Plan.

Administration's Recommendation

THAT Council note the attached draft Annual Report for review with the intent to raise for endorsement at the January 2025 meeting of Council.

Attachments

1. 2023 2024 Draft Annual Report [3.12.1 - 133 pages]

Reference to any relevant previous minute

Min 23-106 Ordinary Meeting of Council held on 26 June 2023

Background and discussion

This report provides a summary of the achievements of Council in delivering on the Community Strategic Plan.

This report provides a summary of the achievements of Council in delivering on the Community Strategic Plan.

72% of actions scheduled for the 2023/2024 year have been completed, 9% are ongoing, 10% have been deferred and 9% are not completed. Actions that are ongoing, deferred or not completed will receive additional attention over the 2024/25 financial year.

Key outcomes delivered over the 2023/24 financial year include –

Browns Gap Road - Reopening

After extensive repair work on Browns Gap Road, it was re-opened to single lane traffic on Friday 10th May. Browns Gap Road had been closed to all traffic since July 2022, due to immediate concerns of geotechnical instability (rockslide and embankment failure) which arose from the extended period of rainfall experienced over the course of 2021-2022. The scale of works to repair the road was outside of Lithgow City Council's operational budget and the project required funding support from the NSW Government. Lithgow Council was successful in receiving the funding which was approved under the NSW Governments Disaster Recovery Fund totalling \$6 million.

Safety for motorists using the road is the highest priority for Council and since re-opening the road the Council has continued to undertake survey works to identify any failures in drainage lines that may cause movement in the downslope embankment and slope stability. In addition, a Trigger Action Response Plan (TARP) measure to ensure risks to the public do not exceed tolerable safety limits has been introduced.

\$33m payment for Disaster Recovery Program

In June, the Council, received a payment of \$33m from the NSW State Government to fund current road and infrastructure claims submitted under the Disaster Recovery Program.

With 26 roads listed for Disaster Recovery Funding across the LGA including Wolgan Gap and Megalong Valley, the Council was (and continues to be) limited in its ability to fund even the early-stage investigations and designs because it has limited available funds. The \$33 million is an upfront payment and overcomes the Council's cashflow problem. But the final solution is still some way off as the funds can still only be used once individual projects are approved through a review process by the NSW Government. Lithgow is competing with thirty other local government areas to have claims approved so the works can commence. The Council has submitted claims for 13 of the 26 roads and the funding was to expedite the commencement of works following approval. The Council will continue to advocate for improvements to the Disaster Recovery Program.

New Wolgan Valley access road – a step closer

The permanent closure of the Wolgan Road in 2022 is one of the biggest challenges faced by Lithgow City Council. From day one of the original road failure, Lithgow Council has been working to support the community in the Wolgan Valley providing resources and support to ensure resident access and wellbeing.

Council has invested significantly in geotechnical engineering assessments, cost planning and quantity surveying reviews, civil engineering design considerations and option evaluations by external technical experts to inform the final proposal detailed in the application to Government. In June, an application was submitted to the NSW Government for \$326 Million in funding for the construction of a new access road into the Wolgan Valley.

Lithgow City Council generally delivers \$25 Million in construction works per year, positioning this project as the largest ever to be undertaken by the Council, or any regional Council within NSW.

Food Organics Garden Organics (FOGO) Program

In March, following a comprehensive engagement and education campaign the Council rolled out 9,033 FOGO bins to residents across the LGA who receive the kerbside collection service. Between 4 March and 30 June, 575.72t of plant and food waste was collected resulting in 22% of organic waste being diverted from landfill.

Implementation the Floodplain Risk Management Plan

Geotechnical investigations commenced for the upgrade of the stormwater infrastructure in the vicinity of Main and Cupro Streets and surveys have been completed to inform the design of significant infrastructure works at the intersection of Enfield Avenue and Main Street.

Work commenced on the installation of a stormwater retention basin in the Lithgow Urban Works Compound (Council Depot) to reduce downstream flooding.

Clarence to Wallerawang Pipeline Project

The proposed Clarence to Wallerawang Pipeline Project (multi-year project) which has been identified as the preferred approach for enabling water security in the Lithgow City Council area continues to progress. A business case has been completed, and significant progress has been

made in the preparation of Environmental Approvals including the development of the Review of Environmental Factors (REF) and other studies such as the Discharge Impact Assessment and catchment review for Section 60 approvals. Council is progressing with the tender to create a Detailed Design and grant funding applications.

Implications**Policy**

Nil

Legal

The Annual Report has been prepared in accordance with the requirements of the Local Government Act 1993 and Local Government (General) Amendment (Planning and Reporting) Regulation 2009.

Risk Management

Nil

Financial

As detailed in the Annual Report.

Consultation and Communication

The Annual Report will be placed on Council's website.

3.13. F&G - 25/11/2024 - Code of Conduct Statistics 2023-2024**Strategic Context for this matter:****Responsible Governance & Civic Leadership:**

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Michael McGrath – Acting Human Resources Manager

Responsible Officer: Ross Gurney - General Manager

Executive Summary

The purpose of this report is to inform Council of Code of Conduct Complaint statistics as required by the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW, 2020*.

The Council's complaints co-ordinator is required to report to Council annually on Code of Conduct Complaints Statistics for the period **1 September – 31 August** each year. The report is required no later than 31 December of each year. Councils are also required to submit a report to the Office of Local Government (OLG) in a set format.

Administration's Recommendation

THAT Council note the report on the Code of Conduct complaints statistics for the period 1 September 2023 – 31 August 2024.

Attachments

Nil

Reference to any relevant previous minute

Min No 23-224: Ordinary Meeting of Council 27 November 2023.

Background and discussion

In accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW, 2020*. Council's complaints coordinator is required to report to Council and the Office of Local Government (OLG) on Code of Conduct statistics.

The required statistics for the reporting period are outlined in the table below.

Model Code of Conduct Complaints Statistics 2023-24 Lithgow City Council

Number of Complaints

1	The total number of complaints received in the reporting period about councillors and the General Manager (GM) under the code of conduct from the following sources:	
i	Community	0
ii	Other Councillors	2
iii	General Manager	0
iv	Other Council Staff	0
2	The total number of complaints finalised about councillors and the GM under the code of conduct in the following periods:	
i	3 Months	1
ii	6 Months	0
iii	9 Months	0
iv	12 Months	0
v	Over 12 months	0

Overview of Complaints and Cost

3	a	The number of complaints finalised at the outset by alternative means by the GM or Mayor	0
	b	The number of complaints referred to the Office of Local Government (OLG) under a special complaints management arrangement	0
	c	The number of code of conduct complaints referred to a conduct reviewer	2
	d	The number of code of conduct complaints finalised at preliminary assessment by conduct	1
	e	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	0
	f	The number of finalised code of conduct complaints investigated by a conduct reviewer	0
	g	Cost of dealing with code of conduct complaints via preliminary assesment	2,500
	h	Progressed to full investigation by a conduct reviewer	1
	i	The number of finalised complaints investigated where there was found to be no breach	0
	j	The number of finalised complaints investigated where there was found to be a breach	0
	k	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police	
	i	ICAC	0
	ii	NSW Ombudsman	0

iii	OLG	0
iv	Police	0
v	Other Agency (please specify)	0
	<input type="text"/>	
l	The number of complaints being investigated that are not yet finalised	0
m	The total cost of dealing with code of conduct complaints within the period made about councillors and the GM including staff costs	12,500

Preliminary Assessment Statistics

4	The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:	
a	To take no action (clause 6.13(a) of the 2020 Procedures)	1
b	To resolve the complaint by alternative and appropriate strategies (clause 6.13(b) of the 2020 Procedures)	0
c	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies (clause 6.13(c) of the 2020 Procedures)	0
d	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police (clause 6.13(d) of the 2020 Procedures)	0
e	To investigate the matter (clause 6.13(e) of the 2020 Procedures)	1
f	Other action (please specify)	0
	<input type="text"/>	

Investigation Statistics

5	The number of investigated complaints resulting in a determination that there was no breach , in which the following recommendations were made:	
a	That the council revise its policies or procedures	0
b	That a person or persons undertake training or other education (clause 7.40 of the 2020 Procedures)	0
6	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:	
a	That the council revise any of its policies or procedures (clause 7.39 of the 2020 Procedures)	0
b	In the case of a breach by the GM, that action be taken under the GM’s contract for the breach (clause 7.37(a) of the 2020 Procedures)	0
c	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 (clause 7.37(b) of the 2020 Procedures)	0
d	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 and that the matter be referred to OLG for further action (clause 7.37(c) of the 2020 Procedures)	0
7	Matter referred or resolved after commencement of an investigation (clause 7.20 of the 2020 Procedures)	0

Categories of misconduct		
8	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:	
a	General conduct (Part 3)	0
b	Non-pecuniary conflict of interest (Part 5)	0
c	Personal benefit (Part 6)	0
d	Relationship between council officials (Part 7)	0
e	Access to information and resources (Part 8)	0
Outcome of determinations		
9	The number of investigated complaints resulting in a determination that there was a breach in which the council:	
a	Adopted the independent conduct reviewers recommendation	0
b	Failed to adopt the independent conduct reviewers recommendation	0
10	The number of investigated complaints resulting in a determination where:	
a	The external conduct reviewers decision was overturned by OLG	0
b	Council's response to the external conduct reviewers recommendation was overturned by OLG	0
11	Date Code of Conduct data was presented to council	25-Nov-24

Implications

Policy

The reporting of Code of Conduct complaint statistics is in accordance with the adopted Procedures for the Administration of the Model Code of Conduct, 2020.

Legal

The subject matter of this report is a function of Council conferred by the Local Government Act 1993.

In accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*, these statistics must be reported to Council within 3 months of the end of September each year and then be provided to the Office of Local Government (OLG).

Risk Management

Nil.

Financial

- Budget approved - costs associated with code of conduct complaints are managed within the Council's recurrent operational budgets.
- Cost centre – PJ 800169
- Expended to date - \$11,000 including staff time.

- Future potential impact – Nil.

Consultation and Communication

N/A

3.14. P&P - 25/11/2024 - DA051/24 Telecommunication Tower- 35-43 Coerwull Road Bowenfels- Call In Report

Strategic Direction:

Developing Our Built Environment

To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author:	Lauren Stevens – Development Planner
Department:	Planning
Responsible Officer:	Shaun Elwood - Director People and Place
Property Details	Lot A DP374075, 35-43 Coerwull Road, Lithgow NSW 2790
Property Owner	Carter Properties Pty Ltd/Prefabricated Buildings Pty Ltd
Applicant	Mr. Chris Hayes on behalf of Waveconn Operations Pty Ltd

Executive Summary

This report is submitted to Council for information regarding Development Application DA051/24 for the installation of a telecommunication facility at 35-43 Coerwull Road, Lithgow being Lot A DP374075.

The Development Application was 'called in' in May 2024 by Councillor Coleman. Clause 3 of Council's Policy 7.7 Calling in of Development Applications requires that the application be reported to the 'next available Ordinary meeting for the information of Council'.

Some time has passed since the development application was called in. The development application has not been reported until now due to time taken for the applicant to make changes to the development application and subsequent neighbour notification. The changes include relocation of the proposed telecommunication infrastructure and an updated statement of environmental effects.

The purpose of this report is to inform the elected Council of the 'called in' Development Application. A subsequent report will be provided to Council for determination of the Development Application once assessment has been completed in accordance with the *Environmental Planning & Assessment Act 1979 (EP&A Act)*.

Administration's Recommendation

THAT

1. Information on Development Application DA051/24 be noted.
2. Determine whether an onsite visit be organised for staff, Councillors and residents.
3. Note that a report on the final assessment and recommendation will be furnished to a future Council meeting for determination of DA051/24.

Attachments

1. Attachment 1 - statement of environmental effects D A 051-24 telecommunication [3.14.1 - 36 pages]
2. Attachment 2 - locality and site plans D A 051-24 telecommunication [3.14.2 - 4 pages]

Reference to any relevant previous minute

Nil.

Background and discussion

Council is in receipt of Development Application No. DA051/24 seeking consent for a telecommunications facility at 35-43 Coerwull Road, Lithgow. The property comprises a total area of 8050m² and is utilised as a self-storage unit facility (approved via 179/08DACC). If approved, the proposed development will utilise the existing access and have a frontage to Coerwull Road.

Residential dwellings are located to the north and east of the site with the main western railway line located to the south. A tourist accommodation park is located directly opposite on Coerwull Road.

The development proposes:

- The construction of a 30 metre high slimline monopole,
- 10m x 8m compound area to house electrical equipment and
- The installation of power to the proposed site compound.

The proposed monopole will be constructed of steel, and be in a grey colour with the equipment unit to be coloured 'eucalypt green'.

The lease area of the facility is proposed to contain an area of 164.8 m² (10.3m x 16m).

The site plan submitted with the application, originally identified the location of the development to be within the south eastern corner of the property. Due to the proximity to the rail infrastructure and impacts to the rail line, the application has been amended to relocate the tower on the south west side of the property.

Consultation and Communication

Lithgow Community Participation Plan

The proposed development has been placed on public exhibition in accordance with the Lithgow Community Participation Plan and nearby landowners and occupiers were notified of the proposal. The submitted documents were placed on public exhibition commencing 23 April 2024 and concluded 9 May 2024 with an extension agreed upon by the applicant until 11 June 2024 for any members of the public who required additional time to review the application. The amended application was re-notified from 14 August to 30 August.

Policy

Policy 7.7 Calling In Of Development Applications By Councillors

This application has been called in pursuant to Policy 7.7 "Calling in of Applications by Councillors" Item 3 that states:

Should written notice signed by a Councillor be provided to the General Manager prior to determination of a development application, the application shall not be determined under delegated authority but shall be:

- *Reported to the next available Ordinary Meeting for the information of Council that the development application or development application/construction certificate has been 'called in'; and*
- *Reported to a Meeting of Council for determination where the application is in a state that it can be determined.*

Legal

The proposed development requires consent in accordance with the *Environmental Planning and Assessment Act 1979 (the Act)* and clause 2.143 of the *State Environmental Planning Policy (Transport and Infrastructure) 2021*. In determining a development application, Council as the consent authority is required to take into consideration the matters of relevance under Section 4.15 of the Act, which will be addressed in a subsequent report to Council for determination of the Development Application.

Risk Management

Nil.

Financial

Budget approved - N/A for the assessment of the development application.

Cost centre - N/A for the assessment of the development application.

Expended to date - N/A for the assessment of the development application.

Future potential impact - N/A for the assessment of the development application.

3.15. P&P - 25/11/2024 - State of the Region Report 2021-2024

Strategic Direction:

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed

Author: Deborah McGrath – Organisational Performance & Communication Manager

Responsible Officer: Shaun Elwood - Director People and Place

Executive Summary

All NSW Councils are required to work with the community to review and update the document suite which makes up the Integrated Planning and Reporting Framework (IP&R), by 30 June 2025.

The State of the Region Report covers the 4-year term of the previous Council, objectively tracking Council's progress against the Community Strategic Plan (CSP). The report provides information that sets the scene for the Council moving forward, acknowledging achievements to date and highlighting future work to be undertaken. The report assists Council to undertake a review of the CSP, which is an essential component of the IP&R cycle.

The Our Place Our Future Community Engagement Strategy for the Community Strategic Plan supports the development of the plans, policies, programs, and key activities that will form the IP&R Framework, including strategic plans and programs required under other legislation. While community engagement does not replace the decision-making powers of elected Councillors or the General Manager, it does enhance the capacity of Councils to make well-informed, sustainable decisions that clearly demonstrate community buy-in and support.

Administration's Recommendation

THAT Council:

1. Note the following draft documents for review with the intent to raise for endorsement at the January 2025 meeting of Council:
 - State of the City Report 2021-2024; and
 - Our Place, Our Future - Community Strategic Plan - Community Engagement Strategy.
2. Note the following supporting documents to the Our Place, Our Future – Community Strategic Plan – Community Engagement Strategy which are provided for the information of Council:
 - Our Place Our Future Community Proposals 2024/25; and
 - Lithgow NSW; Our statistical snapshot 2023.

Attachments

1. Draft 2021-2024 State of the Region Report [3.15.1 - 124 pages]
2. Draft 2024 25 Community Engagement Strategy [3.15.2 - 45 pages]
3. Lithgow NSW Our Statistical Snapshot 2023 [3.15.3 - 2 pages]
4. 2024 25 Operational Plan Community Proposals Report [3.15.4 - 28 pages]

Reference to any relevant previous minute

N/A

Background and discussion

The State of our Region Report 2021 - 2024 focuses on how effective Council has been in delivering social, environmental, economic and civic leadership objectives over the 4-year term of the previous Council. It reports against the high-level strategies and priorities of the CSP and has a community focus, rather than a Council one.

The report is the third in a series of reports (previously known as the End of Term Report) documenting the progress with implementation of the Community Strategic Plan within IP&R cycles.

- [End of Term Report 2016-2021](#)
- [End of Term Report 2012-2016](#)

When compared to the baseline of the previous End of Term reports, this will show to what extent progress has been made. Key considerations include:

- Did the CSP identify assessment methods?
- How will assessment methods be used in the State of our City Report?
- How will the Report address the quadruple bottom line?
- How will the themes or strategic elements of the CSP be reflected in the Report?
- How will the review of the Long-Term Financial Plan be reflected in the Report?
- How will movement away from or towards the target/goal from the baseline measure be demonstrated?

Consultation and Communication

Our Place Our Future Community Strategic Plan Community Engagement Strategy

1. The Community Engagement Strategy provides a guideline for Council's engagement with the community to:
2. Develop the Community Strategic Plan 2035 and the associated suite of documents that make up the Integrated Planning Framework. and
3. Engage with the community on how to best achieve affordable and acceptable levels of service.

Council has a high level of commitment to engaging with the community and actively seeks community input and advice into its strategic plans and processes on a regular basis.

This engagement strategy guides how the Council will seek input into the development of its Integrated Planning Framework and its proposal to ensure a balanced budget and secure the future of the Lithgow LGA in accordance with section 402A of the Local Government Act.

Throughout this process we will:

- Seek community validation that the vision and key themes in the Community Strategic Plan are relevant.
- Work with the community to construct a hierarchy of future projects for the Lithgow LGA.
- Create awareness around Council's role and the roles of the community and State and Federal partners have in the implementation of the Community Strategic Plan 2035.
- Gain an understanding of community satisfaction with Council Assets and what the community believes are the asset funding priorities for the future.
- Ask the community for their views on Council's current and future service priorities and levels of service.

In preparation for the development of the Community Strategic Plan, Council has commenced engagement with the community and state government agencies as follows:

Our Place Our Future Community Proposals for the draft 2024/25 Operational Plan

Between 22 December 2023 and 15 February 2024, residents and community groups were invited to put forward proposals to be considered for inclusion in the 2024/25 Draft Operational Plan. Over 80 proposals from residents and community groups across the LGA were received with some respondents providing multiple proposals. Many of these proposals were 'big picture' thinking and are put forward for Council consideration moving forward as part of the Community Strategic Plan and Delivery Program.

The proposals have been categorised into topics/localities, summarised and an Officer's response was provided for the information and consideration of Council.

Community Satisfaction and Visioning Survey

Since 2012, the Council has undertaken a Community Satisfaction and Visioning Survey as part of the development of the Community Strategic Plan every four years. The Surveys identify community satisfaction with Council Services and the community's key priorities for the future of Lithgow. The Community Satisfaction Survey will be benchmarked against results of the previous survey.

The survey enables Council to:

- Understand and identify community priorities for the Lithgow LGA;
- Identify the community's perceived quality of life;
- Identify the community's level of agreement with statements regarding the Lithgow City Council area;
- Gauge the level of support towards a range of future Council projects and initiatives; and
- Understand the community's level of resilience in relation to Significant events.

To progress the community engagement process, the Council engaged Micromex Consulting to undertake the Community Satisfaction and Visioning Survey between 16 September – 6 October 2024. The survey consisted of a random telephone survey of 400 residents across the 5 key planning districts of the Lithgow Local Government Area: Rural North, Rural South, Lithgow, Wallerawang and Portland. Following completion of the telephone survey an online version of the survey was made available on the Our Place Our Future website. The surveys were promoted on social media, radio advertising, in the Council Column and Council Connections eNewsletter.

The results of this survey will be presented to the Council at a Councillor Aspirations Workshop to be held in January/February 2025 (date to be determined) to inform the development of the Community Strategic Plan 2040 and Delivery Program 2026-2030.

Lithgow NSW; Our Statistical Snapshot

Lithgow City Council participated in a series of CSP workshops with State Agencies with Regional NSW and CNSWJO staff and in the second half of 2023. The intent of the workshops was to provide an opportunity for our region's Integrated Planning & Reporting (IP&R) practitioners and other Council representatives to hear from State Government agencies about matters that will inform the development of the next local Community Strategic Plan, including:

- a. State agency priorities and plans for the next 5 years;
- b. Data collected or held by the agency that may assist Councils in their community planning;
- c. Opportunities for State agencies to partner with local Councils (including to inform Delivery Program activities); and
- d. Where Councils can find additional information related to the agency's work.

A secondary purpose of the workshops was to help establish or cement relationships between State agencies that operate in the Central West and local Councils across this region, as well as providing

an opportunity for Council practitioners to network with their peers, all of whom are undertaking the same IP&R tasks within the same timeframes. The Council will be aware that State agency engagement with the Integrated Planning and Reporting Process is typically poor, and this project has been a step forward in addressing this ongoing issue. Ongoing advocacy and facilitation in this regard is recommended.

A key output from this program has been “Our PlaceMat” which has been used to inform the State of the Region Report providing key comparative data between Lithgow and Central NSW. The PlaceMat’s purpose is to have an informed and honest conversation with the community about their aspirations in line with the mandatory Community Engagement Strategy, particularly for the Community Strategic Plan.

Why call it Our PlaceMat?

The PlaceMat is designed to be opened up and laid on the kitchen table to enable conversations in the community about their place. Opened up it is an A3 size and could be used as a traditional placemat for the table!

Ideally, this will empower the community to provide informed requests of Councils and State agencies on infrastructure and services priority. Ideally, it will enable the community themselves to consider the support they themselves can provide or the changes they themselves can make to move the dial in areas over which they have some control, for example preventative health.

About the data in Our Placemat

The data sets for the PlaceMat were developed through a subcommittee of Council staff and elected representatives from across the Central West region. It is important to note that the data sets were chosen to inform community about the priorities that are important to them. So, for example mental health, domestic violence and theft were selected by the subcommittee to inform communities. It is well known that communities’ perceptions about their “problems” may not necessarily be borne out in the data.

Further, some communities have particular challenges where the input data into these public sites is poor. For example, if a community did not have a good response to the census its ABS data would be poor. If the Council has concerns regarding specific data sets, then it may be worth digging deeper into the underlying issues with the data and consider what the Council can do to manage this. CNSWJO advises they would welcome any feedback in this regard with a view to providing advocacy and other support.

All data sets are publicly available and rely on their sources’ timeframes for renewal. This can be notoriously slow. Classic examples of this problem in the PlaceMats are median house prices and Electric Vehicles. Please request where data has been sourced from including links for these interested in exploring the data sets to a greater degree. Central West RDA were engaged to update the data sets.

The data will become more meaningful as the program is repeated and Council will see change and trends.

It is important to note that the data sets were chosen to inform the community about the priorities that matter to them. For example, mental health, domestic violence and theft were selected above other health and crime indicators. The Council may have a view in this regard and is encouraged to provide feedback to CNSWJO.

Benchmarking

The PlaceMat benchmarks against other Councils in CNSWJO and then a regional placemat benchmarks against NSW. This enables informed conversations about the potential differences in one community's data with a neighbour. The subcommittee's view was that this was more immediate and therefore appropriate to CSP than comparisons with NSW which includes the very different metrics generated in Sydney. It is always tricky, and Council may have a view and is encouraged to share this with the CNSWJO.

Cost to Council

Micromex Consulting was paid \$58,020 to undertake the Community Satisfaction and Visioning Survey Council membership fees are paid to CNSWJO (which included this placemat project) as well as Council staff time.

Policy

Nil

Legal

The subject matter of this report is a function of Council conferred by the Local Government Act 1993 and the Local Government (General) Regulation 2021.

Nil legal concerns

Risk Management

Nil

Financial

- Budget approved -\$66,849
- Cost centre –800149-8130-63304
- Expended to date –\$58,020
- Future potential impact - nil

3.16. P&P - 25/11/2024 - Amendment to Voluntary Planning Agreements (VPAs) for Strathlone Estates - Post Exhibition Endorsement to Execute

Strategic Context for this matter:

Developing Our Built Environment

To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author: Sherilyn Hanrahan – Strategic Land Use Planner

Responsible Officer: Shaun Elwood - Director People and Place

Executive Summary

Two planning agreements were entered into between Council and Strathlone Estates Pty Ltd in or about September 2006, following a public exhibition period and Council resolution (Min 06-299) on 18 September 2006, in association with development consents DA66/05 and DA67/05. The planning agreements provided for the payment of monetary contributions for community facilities and open space prior to the release of subdivision certificates.

Since that time, the development consents have been modified and Stage 1 of 18 lots has been developed and released with all relevant contributions paid, leaving a remaining 81 lots that can be developed with contributions payable.

Following discussions with Strathlone Estates Pty Ltd regarding future development plans, the need to update and amend the planning agreements was identified - to strengthen the clauses of the agreement relating to registration of the agreement on land title and reassignment of the obligations of the agreement if the land is sold or transferred.

Draft amended voluntary planning agreements were prepared along with a set of explanatory notes clearly identifying the proposed amendments and their effect.

The draft amended planning agreements and explanatory notes were placed on public exhibition for 28 days in accordance with statutory requirements. No submissions were received during the exhibition period.

The draft amended planning agreements can now be endorsed by Council for finalisation and executed by the General Manager and the Directors of Strathlone Estates Pty Ltd.

Once executed, the planning agreements are to be notified on the NSW Planning Portal and entered into Council's Register of Planning Agreements which is available to the public.

Under Section 7.6 of the Environmental Planning and Assessment Act, 1979 the planning agreements shall run with the land (registered on title). Therefore, once the Planning Agreements are executed, Council is to lodge the agreements together with a Request form 11R for registration on the title of the land in the Register maintained by the Registrar General under the Real Property Act 1900.

Administration's Recommendation

THAT:

1. Council endorse the two amended planning agreements associated with DA66/05 and DA67/05 attached to this report for finalisation and execution by the General Manager.

2. Exhibition period closes 25 November 2024. No submissions received at the time of writing of the report. Should any submissions be received within the remaining exhibition that cannot be resolved prior to Council's consideration of the report on 25 November 2024 that Council endorse the amended Planning Agreement subject to the GM being granted delegated authority to address and resolve any issues raised in submissions. If such issues cannot be resolved by the GM the matter be reported back to Council.
3. Council note that the Planning Agreements entered into in September 2006 will be automatically revoked and cease to have effect upon the execution of the two new agreements when finalised.
4. The Planning Agreements be lodged with a Request form 11R for registration on title of the land in the Register maintained by the Registrar General under the Real Property Act, 1900.
5. The Planning Agreements, upon finalisation and execution by both parties be uploaded to the NSW Planning Portal and Council's Register of Planning Agreements.
6. A DIVISION be called in accordance with Section 375A (3) of the Local Government Act, 1993.

Attachments

1. Draft Amended Planning Agreement - Strathlone Estates Pty Ltd (D A 66-05) [3.16.1 - 9 pages]
2. Draft Amended Planning Agreement - Strathlone Estates Pty Ltd (D A 67-05) [3.16.2 - 10 pages]
3. Planning Agreements - Explanatory Note [3.16.3 - 4 pages]

Reference to any relevant previous minute

Min 06-299 Ordinary Meeting of Council 18 September 2006

Background and discussion

Lands subject to the planning agreements

Lot 199 in DP1179748 located at Great Western Highway, South Bowenfels (being prior Lots 10 & 11 DP1074721, being Great Western Highway, South Bowenfels) being land subject to DA 66/05 and DA 67/05 as modified as shaded red in the Figure below.



Summary of amendments to the planning agreements

For transparency, all draft amendments are shown in red in the attached documents.

Objective of the Amendments

The amendments seek to strengthen the clauses of the agreement relating to registration of the agreement on land title and reassignment of the obligations of the agreement if the land is sold or transferred.

The other terms of the planning agreement will remain unchanged.

General changes

- Throughout the VPA's, references to Sections of the *Environmental Planning and Assessment Act 1979 and its Regulations 2021* have been amended to reflect current sections/clauses and numbering.
- The land description to which the draft agreements relate has been amended to reflect current land description.
- Miscellaneous updates or additional information to improve the planning agreement information.

Intended Effect

To update and provide additional information.

Specific clause changes

Clause 8 – Registration of this Agreement

Clause 8 has been amended to require the agreement to run with the land in accordance with Section 7.6 of *Environmental Planning and Assessment Act 1979*.

A planning agreement that has been registered to run with the land (registered on title) is binding on, and is enforceable against, the owner of the land from time to time as if each owner for the time being had entered into the agreement.

Intended Effect

To ensure that the planning agreement will still have effect should the stated “parties” of the agreement change.

Clause 12 – Notices

Clause 12 has been amended to remove references to Council officers and replace with the position of General Manager.

Intended Effect

To ensure currency of the planning agreement over time.

Clause 14 - Assignment and Dealings

Clause 12 has been amended to ensure that the developer does not sell the land to which the agreements relate unless satisfactory legal arrangements are in place to ensure that the developer’s obligations under the agreement are to be met by any incoming purchaser.

Intended Effect

This amendment will provide interim security until such times as the registration of the agreement on land title is finalised.

Merits of the draft amendments to the planning agreement

The draft amendments remove any ambiguity in relation to whom the agreement is binding on, and is enforceable against, into the future. This will ensure that the development contributions to be made under Clause 5 of the planning agreements remain recoverable in the event that the land changes ownership. The contributions are payable prior to the release of any subdivision certificates.

The proposed amendments are current best practice in relation to planning agreements.

Impacts on the public

The draft amendments to the planning agreements will ensure that should the land be subdivided in accordance with DA66/05 and DA67/05, the developer (at that time) will pay reasonable contributions towards the provision of community facilities and active open space to service the needs of that development.

Council will then spend those funds to deliver the required facilities and open space to service the area in accordance with the relevant adopted plans and capital works program.

Consultation and Communication

The amended planning agreements have been agreed with the current landowners Strathlone Estates Pty Ltd.

The amended planning agreements have been placed on public exhibition on Council’s website for a period of 28 days in accordance with statutory requirements. No submissions were received during this period.

Recording of voting on planning matters

Under Section 375A of the Local Government Act, 1993 a division is required to be called whenever a motion for a planning decision is put at a meeting of the Council or a Council Committee. A planning agreement is a planning decision for the purposes of this provision.

Policy

Policy 7.8 - Voluntary Planning Agreements applies to this matter.

The amended planning agreements are consistent with Council's Policy except for reporting of the draft amendments to Council prior to placing on exhibition. This inconsistency with Council's policy is justified in the circumstances of this case for the following reasons;

- The amendments are administrative in nature and seek to strengthen the clauses of the agreement relating to registration of the agreement on land title and reassignment of the obligations of the agreement if the land is sold or transferred. The other terms of the VPA (usually the remit of elected Council to determine) remain unchanged including the value of the monetary contributions and purpose to which they are to be applied.
- The key amendments reflect current best practice in terms of ensuring the agreement is registered on land title.
- The matter was time sensitive to enable it to be reported to the last Council meeting of this year and to achieve contractual deadlines for the landowner.

Legal

The subject matter of this report is a function of Council conferred by the *Environmental Planning and Assessment Act 1979 (Part 7 Subdivision 2)* and *Environmental Planning and Assessment Regulations 2021 (Part 9 Division 1)*.

Pursuant to Clause 203(5) of Environmental Planning and Assessment Regulations 2021, a planning agreement may be amended or revoked by further agreement signed by the parties to the agreement including by a subsequent planning agreement.

The draft amended planning agreements were drawn up by Council's legal officer with agreement from the landowners/developer's legal representative.

Risk Management

Should Council not endorse the amended planning agreements, there is a risk that any new landowner/developer will not be obligated in the same way to honour the terms of the agreements. This may mean that the monetary contributions which totals \$283,500 upon the subdivision of the land under development consents DA66/05 and DA67/05 may not be recoverable.

Financial

- Budget approved – N/A
- Cost centre – N/A
- Expended to date – N/A
- Future potential impact – Monetary Contributions to be collected (\$283,500) under these planning agreements will go towards the provision of open space and community facilities to service the incoming population as a result of the new development.

3.17. P&P - 25/11/2024 - DA123/24, 54 Lot Subdivision 14 Claret Ash Avenue, South Bowenfels

Strategic Direction:

Developing Our Built Environment

To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author: Lauren Stevens – Development Planner

Department: Planning and Development

Responsible Officer: Shaun Elwood - Director People and Place

Property Details Lot 1 DP933666 and Lot 24 DP1041700, 14 Claret Ash Avenue, South Bowenfels NSW 2790 and the existing drainage reserve on Lot 45 DP1109094, Munbinga Drive, Lithgow.

Property Owner Paul and Catherine Ledger and Lithgow Council (existing drainage reserve on Lot 45 DP1109094)

Applicant Mr Paul Ledger

Executive Summary

This report has been submitted to Council for information on Development Application DA123/24 for the proposed residential subdivision development of Lot 1 DP933666 and Lot 24 DP1041700, known as 14 Claret Ash Avenue, South Bowenfels.

This Development Application was 'called in' on 16 October 2024 by Councillor Ring. Clause 3 of Council's Policy 7.7 Calling In of Development Applications requires that the application be reported to the 'next available Ordinary meeting for the information of Council' and therefore, the purpose of this report is to inform the elected Council of the 'called in' Development Application.

A subsequent report will be provided to Council once assessment has been completed in accordance with the *Environmental Planning & Assessment Act 1979 (EP&A Act)*.

Administration's Recommendation

THAT Council:

1. Note the information provided on Development Application DA123/24.
2. Determine whether an onsite visit be organised for staff, Councillors and residents.
3. Note that a report on the final assessment and recommendation will be furnished to a future Council meeting for determination of DA123/24 for a 54 lot torrens title subdivision at 14 Claret Ash Avenue, South Bowenfels.

Attachments

1. Attachment - Plans D A 12324 - 14 Claret Ash [3.17.1 - 33 pages]

Reference to any relevant previous minute

Nil.

Background and discussion

Council is in receipt of Development Application No. DA123/24 seeking consent for a Torrens Title subdivision of two lots into 54 residential lots on land known as 14 Claret Ash Avenue, South Bowenfels comprising Lot 1 DP933666 and Lot 24 DP1041700. The lots are proposed to range in size from 830m² to 7.4ha.

The development includes proposed roads consisting of four minor cul-de-sacs and two local access roads connecting to Claret Ash Avenue and Munbinga Drive, which will be dedicated to Council upon completion of the subdivision. Additionally, the application proposes minor alterations to two existing bio-retention basins, one of which is located on Council land being Lot 45 DP1109094, Munbinga Drive, Lithgow.

Council staff are currently assessing the application (lodged on 12 September 2024), with the application notified to adjoining landowners and placed on public exhibition between 26 September 2024 and 4 November 2024 (extended until 2 December 2024). A full report will be presented to a future Council meeting once the assessment is finalised.

Consultation and Communication

Pursuant to the Lithgow Community Participation Plan, the Application was notified for a period of 28 days, commencing 26 September 2024 to 4 November 2024 (and this exhibition period has subsequently been extended until 2 December 2024). The development proposal is also exhibited at Council's Administration Building and on Council's website.

Policy**Policy 7.6 Development Applications by Councillors and Staff (including immediate relatives), Or On Council Owned Land and Conflicts of Interest**

Council's Policy 7.6 Development Applications by Councillors and Staff or on Council Owned Land requires any application that proposes to dedicate land or an asset to Council is to be considered and determined by Council if the recommendation is for approval of that application. Given that the proposed roads and bioretention basins will become Council assets and will be under the care and maintenance of Council, the application is to be determined by the elected Council.

Policy 7.7 Calling In Of Development Applications By Councillors

This application has been called in pursuant to Policy 7.7 "Calling in of Applications by Councillors". Item 3 that states:

Should written notice signed by a Councillor be provided to the General Manager prior to determination of a development application, the application shall not be determined under delegated authority but shall be:

- Reported to the next available Ordinary Meeting for the information of Council that the development application or development application/construction certificate has been 'called in'; and
- Reported to a Meeting of Council for determination where the application is in a state that it can be determined.

Legal

The proposed development requires consent in accordance with the *Environmental Planning and Assessment Act 1979* and under the *Lithgow Local Environmental Plan 2014*. In determining a development application, Council as the consent authority is required to take into consideration the matters of relevance under Section 4.15 of the Act. This will be addressed for a subsequent Council meeting.

Risk Management

N/A.

Financial

Budget approved - N/A for the assessment of the development application.

Cost centre - N/A for the assessment of the development application.

Expended to date - N/A for the assessment of the development application.

Future potential impact - N/A for the assessment of the development application.

3.18. P&P - 25/11/2024 - DA007/24 - Shed Refusal - Lot 7 DP 263999, 1A Caroline Avenue LITHGOW

Strategic Direction:

Developing Our Built Environment

To provide a choice of effective public and private transport options, suitable entertainment and recreational facilities, and lifestyle choices while enhancing the existing rural areas, villages and towns that make up the Lithgow LGA.

Author:	Cassandra Ford – Executive Assistant
Department:	Building & Planning
Responsible Officer:	Shaun Elwood - Director People and Place
Property Details	Lot 7 DP 263999, 1A Caroline Avenue LITHGOW NSW 2790
Property Owner	Phillip Peace
Applicant	Fernleigh Drafting Pty Ltd

Executive Summary

This matter concerns a recommendation for refusal of a development application because the development proposal does not comply with development standards of Lithgow Development Control Plan 2021 (**DCP**) and the Applicant provided justification is not supported by the assessing officer.

Clause 3.1(4) of the administration's Standard Working Procedure 14.1 provides that an application *must be determined by Council* where a development proposal does not comply with a development standard of any relevant Environmental Planning Instrument and justification has been provided but is not supported by the assessing officer.

A detached garage / shed building is proposed on the subject land through Development Application No DA007/24. The proposal seeks variations to several development standards that apply under the Lithgow Development Control Plan 2021 (**DCP**) in respect to maximum floor and cumulative floor areas, wall/ridge heights, minimum side boundary setback, and minimum vehicular access/driveway/parking which on balance are not supported through a merit-based assessment. The scale of the proposed garage/shed is proportionate and attributable to the garaging of a privately owned over-sized commercial omnibus (currently kept on onsite) and several privately owned cars.

The irregularly shaped and prominent site is constrained by a 2.0m wide easement to drain sewage which traverses a grassed front yard area, a road drainage culvert / municipal power pole within the Caroline Avenue kerb / footpath and a large established tree within the rear yard area. These constraints do not facilitate the provision of a circular driveway with separate entry / exit points considered a pre-requisite for safe vehicle movements in a forward direction over the pedestrian footpath in respect to the existing over-sized omnibus vehicle.

Opportunities have been provided to the applicant to downsize the proposal to better address the objectives of the DCP. The applicant has most recently indicated a willingness to reduce the scale of the proposed garage to the extent of removing a bay and further to dispose of the omnibus vehicle. The resultant design however remains based on the need to garage the omnibus with an excessive 4.6m wall height and over-sized roller door opening.

The applicant has also advised Council that the garage shed kit has been purchased by the applicant.

The proposal represents an over-development of this constrained site. It will adversely impact the residential character of the existing development on the site and other residential development within the immediate neighbourhood. The proposal does not sufficiently provide for the safe manoeuvring of the heavy omnibus vehicle onto Caroline Avenue in a forward direction and if approved could establish an enduring precedent within the streetscape of a poor development outcome.

There has been insufficient justification on planning grounds provided by the applicant for the requested variations.

It is recommended that the application be refused.

Administration's Recommendation

THAT

1. Development Application DA007/24 be REFUSED.
2. A DIVISION be called in accordance with the requirements of Section 375A(3) of the Local Government Act, 1993.

Attachments

1. D A 007-24 Section 4.15 Development assessment report Final version 8 November 2024 [3.18.1 - 30 pages]

Reference to any relevant previous minute

Nil

Background and discussion

A comprehensive assessment under the s4.15 of the *Environment Planning & Assessment Act 1979* is attached to this report.

Lithgow Development Control Plan 2021 (DCP)

Section 4.15(1)(a)(iii) of the EP&A Act requires Council to consider the provisions of any development control plan. The development has been assessed having regard to the relevant desired outcomes and prescriptive requirements within the DCP. An assessment of the development against the relevant sections of the DCP is fully detailed in the table in Appendix 1.

The applicant proposes to vary the following development controls detailed in Part 6.4.7 of the DCP:

- Maximum floor & cumulative floor areas;
- Wall and ridge height; and
- Side boundary setback.

The applicant has provided the following grounds to justify the granting of DCP variations:

- The garage / shed is required to store four (4) classic cars and a bus (approximately 11m long).
- The owner has already purchased the garage kit.
- The existing garage is not large enough to accommodate the vehicles and currently they are stored on the property and street, degrading the visual aesthetic of the locality.
- The proposed garage will occupy 10.76% of the total site.

- The proposed shed will be obscured by proposed landscape screening which will reduce the overall bulk.
- The 4.2m high roller door is required for ease of access of the bus and the storage of the bus.
- The reduced side set back variation to 900mm will allow the provision of a 2.2m separation distance on the property between the proposed garage and dwelling for vehicular access to the backyard.
- The proposed structure is not inconsistent with other structures in the locality and does not present an adverse precedent if approved.

An assessment of the proposed development under Part 6.4.7 of the DCP revealed the following non-compliances with the Development Controls:

- The proposed 128m² shed exceeds the maximum permissible floor & cumulative area constraint, each being 100m² (by 28m² or 28%).
- The proposed 900mm side boundary setback does not comply with the required minimum 1.2m setback (applicable to a maximum permissible 3m wall height)
- The proposed wall height of 4.2m exceeds the maximum permissible 3m requirement by 1.2m. The roller door on the front facade is 4.2m high by 3.05m.
- The proposed ridge height of 5.172m exceeds the maximum permissible 4.5m requirement by 0.672m.

An assessment of the proposed development against the objectives of Part 6.4.7 revealed the following non-compliances:

- The proposal does not meet objective 1(a) and (c) due to the excessive height of the shed, reduced side boundary setback. It is considered that the proposed garage / shed will dominate the streetscape and the existing dwelling on site. The adjoining dwelling to the west of the property (1B Caroline Avenue, Lithgow) has a wall height of 2.4m and ground height to ridge height of 4.2m. The proposed garage / shed with its wall height of 4.2m and ridge height of 5.172 is significantly higher and will be prominent and out of character with the existing development and streetscape.
- The proposed roller door on the front elevation and front wall height (4.2) will be higher than the height of the bus and the top of the opening will be higher than the wall and portion of the roof height of the dwellings.
- The scale and location of the shed does not comply with Objective 1(b) and is not in keeping with surrounding sheds within the R1 General Residential zone, locality and streetscape.
- The industrial scale of the proposal and lack of adequate landscaping does not integrate with or complement the existing dwelling or surrounding residential development
- The proposal does not comply with objective 1(d) and will adversely impact on the amenity of surrounding properties given its height, scale and use to garage an oversized commercial type bus. This may result in noise, odour and vibration nuisances. It should be noted that in response to Council's most recent further information request, the applicant has detailed that the owner is willing to consider selling the bus and to use the building only for garaging of privately owned cars. The applicant did not reduce the size, wall and ridge height of the shed or the large industrial style roller door. Therefore, the shed would be capable of garaging a large heavy vehicle in the future. Further an amended Statement of Environmental Effects has not been submitted deleting references to the storage of a bus within the shed. Therefore, no formal justification has been lodged in this respect.

- The garaging of a heavy vehicle on the residential property impacts on sewer easements, and stormwater infrastructure located on the property that serves neighbouring and surrounding properties, due to associated loading and manoeuvring of the bus to, from and within the property.

An assessment of the proposed development against the objectives of Part 2.5 (vehicular access & driveway) revealed the following departures:

- The proposed access and driveway is not suitable for a bus.
- The proposed driveway does not provide sufficient room to manoeuvre the subject bus to enter or exit the proposed garage without using the grassed area within the front yard.
- The access does not allow for vehicles including the bus to leave the property in a forward direction. This would result in safety issues as appropriate sight lines cannot be maintained and conflict with pedestrians accessing the bus stop located near the property.
- Assessment of previous plans submitted for a proposed vehicular turning circle located within the front yard of the property, demonstrated that there is inadequate circulation space available to navigate, safely turn and maneuver the heavy and lengthy bus vehicle (bus approximately 10-11m long) to access and exit the garage / shed, as well as leave the property in a forward direction.

Section 4.6(3) of Lithgow Local Environmental Plan provides that *“Development consent must not be granted to development that contravenes a development standard unless the consent authority is satisfied the applicant has demonstrated that:*

- compliance with the development standard is unreasonable or unnecessary in the circumstances, and*
- there are sufficient environmental planning grounds to justify the contravention of the development standard.”*

The proposal seeks variations to several development standards that apply under the DCP in respect to maximum floor area, wall / ridge heights, minimum side boundary setback, and minimum vehicular access/ driveway / parking.

The matters referred to in s. 4.6(3)(a) and (b) have not been satisfied and consequently the proposal cannot be supported.

Conclusion

The application has been thoroughly assessed under Section 4.55 1(A) of the *Environmental Planning and Assessment Act 1979* and is recommended to be determined by way of refusal.

An assessment of the proposed development against Part 2.5 & Part 6.4.7 of the DCP revealed a number of departures for which variations have not been justified in accordance with Part 1.6 of the DCP or section 4.6(3) of Lithgow Local Environmental Plan 2014.

The following matters are noted in conjunction with the tabling of this report to Council:

1. The applicant has been informed that the application will be decided at a council meeting.
2. The recommendation for refusal is supported by reasons as set out in the attached assessment report.
3. All information to be reported to Council regarding the matter will be publicly available, as will the Council meeting.
4. The applicant has been provided the opportunity to withdraw the application.

It is therefore recommended that the application be refused for the reasons provided in the attached assessment report.

Consultation and Communication

The proposed development has been placed on public exhibition and neighbour notified in accordance with the Lithgow Community Participation Plan.

The submitted documents were placed on public exhibition for fourteen (14) days commencing 20 February 2024 and concluding on 7 March 2024, in accordance with the Community Participation Plan.

No written submissions were received during the notification period other than a Petition of Support from nearby residents endorsed by twelve (12) signatories.

Policy

The subject application is recommended to be determined by refusal. Council's SWP 14.1 (Refusal of Development Applications) is therefore invoked and provides that "*where the development proposal does not comply with a development standard provided within any relevant Environmental Planning Instrument and justification has been provided but not supported by the assessing officer the application must be determined by Council.*"

Legal

No specific implications at this point of the process.

Risk Management

N/A

Financial

- Budget approved – N/A
- Cost centre – N/A
- Expended to date – N/A
- Future potential impact – N/A

3.19. P&P - 25/11/2024 - Alcohol Free Zone - Lithgow, Portland and Wallerawang

Strategic Context for this matter:

Caring for Our Community

To retain, respect and strengthen both our overall sense of community, and the unique linked communities of groups, rural areas, villages and towns that make up the Lithgow LGA.

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Matthew Johnson – Manager Community and Culture

Responsible Officer: Shaun Elwood - Director People and Place

Executive Summary

This report proposes that, following completion of a public notice period, the current Alcohol Free Zones in the Lithgow, Portland and Wallerawang CBD areas be re-established for a further 4 years until April 2029.

Administration's Recommendation

THAT Council:

1. Consult with the Police, all affected liquor licensees, First Nations organisations and the general community on the proposal to re-establish Alcohol Free Zones in the Lithgow, Portland and Wallerawang CBD's for a further 4 years until April 2029 in accordance with Section 644 of the Local Government Act 1993.
2. Publish a notice of the proposed re-establishment of the Alcohol Free Zones in these areas calling for comment by 10 January 2025.
3. Note that the matter, with community comments, will then be brought back to Council in January 2025 for further consideration.

Attachments

1. Alcohol Free Zone Proposal all areas [3.19.1 - 3 pages]
2. Lithgow Alcohol Free Zone Map [3.19.2 - 1 page]
3. Portland Alcohol Free Zone Map [3.19.3 - 1 page]
4. Wallerawang Alcohol Free Zone map [3.19.4 - 1 page]

Reference to any relevant previous minute

Min 21-45 Ordinary Meeting of Council 22 February 2021

Min 21-97 from Ordinary Meeting of Council 26 April 2021

Background and discussion

The current Alcohol Free Zones in the Lithgow, Portland and Wallerawang CBD areas were last re-established by a resolution of Council at the Ordinary Meeting of Council on 26 April 2021 (Min 21-97). Their operation will cease on 26 April 2025.

Alcohol Free Zones may operate for a maximum period of 4 years after which Councils are required to consider whether they are still required or if they should be re-established for a further period.

Council has powers under Sections 644 of the local Government Act 1993 to establish Alcohol Free Zones on roads, footpaths and public carparks. The establishment of an Alcohol Free Zone gives

powers to the Police to seize, tip out or otherwise dispose of open containers of alcohol. The Police may also issue a warning or where a person does not cooperate with the Police, they can be charged with obstruction under Section 660 of the Local Government Act 1993.

Council may also establish Alcohol Prohibited Areas under Section 632A of the Local Government Act in public places (other than roads, footpaths and public carparks) such as parks, as for example Council has done in Queen Elizabeth Park and a number of other parks. Alcohol Prohibited Areas may operate without time limit. Offences and penalties are consistent with those that apply in Alcohol Free Zones. This report does not deal with the establishment of Alcohol Prohibited Areas.

The Lithgow Alcohol Free Zone

The public areas included in the current Lithgow CBD Alcohol Free Zone are as follows:

- Main Street (from Bridge Street to Laurence Street)
- Main Street Lane and Burns Lane between Bridge Street and Bank Lane)
- Tank Street (from Bridge Street to Read Avenue)
- Bridge Street (from Tank Street to Main Street Lane)
- Railway Parade (from Tank Street to Sandford Avenue and including Gray and Station Streets.)
- Eskbank Street (from Mort Street to Railway Parade)
- Cook Street Plaza
- Bank Lane
- Tatts Lane
- Collins Laneway
- Exchange Walkway
- Bank Street between Main Street and Gray Street.

The Portland Alcohol Free Zone

The public areas included in the current Portland CBD Alcohol Free Zone are as follows:

- Williwa Street from Lett Street to Saville Street.
- Lett Street from Vale Street to Williwa Street
- Scheidel Lane
- Cox Street from Villiers Street to Vale Street.
- Vale Street from Lett Street to Wolgan Street
- Wolgan Street from Villiers Street to Williwa Street.
- Villiers Street from Lett Street to Wolgan Street
- Wallerawang Road from Cullen Street to Wolgan Street
- Cullen Street from Wallerawang Road to Williwa Street

The Wallerawang Alcohol Free Zone

The public areas included in the current Wallerawang CBD Alcohol Free Zone are as follows:

- Main Street between Pipers Flat Road (railway crossing bridge) and the Royal Hotel including Daintree Lane, Blackberry Lane and Doggett Lane.

The Ministerial Guidelines on Alcohol Free Zones require that in establishing an Alcohol Free Zone, Councils consider:

- The success of the previous zone in achieving a reduction in unacceptable street drinking.
- Police statistics
- Other possible measures for addressing street drinking such as community education
- Community perceptions on the safety benefits

These matters will be canvassed during the consultation process.

The attached proposal to re-establish the Lithgow, Portland and Wallerawang Alcohol Free zones for a further 4 years will be publicly advertised with the community asked to make comment within 30 days. All Liquor Licensees within or adjoining the Alcohol Free Zones together with the Police

and local indigenous organisations will be provided with a copy of the proposal and invited to make comment.

The matter, with community comments will then be brought back to Council in January 2025 for consideration.

The establishment of the Alcohol Free Zones will come into effect 7 days after Council resolves to adopt the proposal, publishes a notice to that effect and once the areas included in the zones are adequately signposted.

Consultation and Communication

The proposal to re-establish the Lithgow, Portland and Wallerawang Alcohol Free zones for a further 4 years will be publicly advertised with the community asked to make comment within 30 days. All Liquor Licensees within or adjoining the Alcohol Free Zones together with the Police and local indigenous organisations will be provided with a copy of the proposal and invited to make comment.

Policy

Nil

Legal

Council has powers under Sections 644 of the local Government Act 1993 to establish Alcohol Free Zones on roads, footpaths and public carparks.

Risk Management

Nil

Financial

There will be minimal cost in altering the dates of operation on existing signage.

3.20. P&P - 25/11/2024 - Planning Agreements and Contributions Policy

Strategic Context for this matter:

Responsible Governance & Civic Leadership

To develop community confidence in the organisation by the way it is directed, controlled and managed.

Author: Martin Rush – Senior Manager Economy and Strategy

Responsible Officer: Shaun Elwood - Director People and Place

Executive Summary

The purpose of this Report is for Council to consider and endorse for the purpose of public exhibition a *Planning Agreements and Contributions Policy, 2025*.

Administration's Recommendation

THAT Council

1. Endorse the Draft Planning Agreements and Contributions Policy 2025 for the purpose of public exhibition.
2. That the Draft Planning Agreements and Contributions Policy 2025 be placed on public exhibition for a period of 28 days.
3. If no submissions are received during the public exhibition period, the Policy be adopted.
4. If submissions are received during the public exhibition period, the Policy be returned to Council for further consideration.

Attachments

1. Planning Agreements and Contributions Policy (15.11.24) [3.20.1 - 22 pages]

Reference to any relevant previous minute

N/A

Background and discussion

2.1 Context

The draft Planning Agreements and Contributions Policy, 2025, is included as an attachment. The policy proposes to set out Council's policy and procedures relating to planning agreements and contributions under the Environmental Planning and Assessment Act 1979. The intention is to provide developers with a clear understanding of what Council will consider in the preparation of, and entry into, planning agreements. The Lithgow Local Infrastructure Contributions Plan (s7.12) 2024 has been adopted by Council to consider planning contributions within the Local Government Area. Council does not have any contributions plans made under s7.11 of the Act.

2.2 Objectives

The objectives of this policy are:

- (6) to establish an efficient, fair, transparent and accountable framework governing the preparation and entry into planning agreements by Council;

- (6) to set out the Council's specific policies and procedures relating to the use of planning agreements;
- (6) to allow the community to gain an understanding of the benefits of appropriate planning agreements for the provision of public facilities, services and programs;
- (6) to optimise the benefit from the provision of contributions within Council's LGA through the use of planning agreements;
- (6) to provide a framework within which all stakeholders in development are provided with a greater opportunity for involvement in determining the type, standard and location of public facilities, services, programs and other public benefits; and
- (6) to set out procedures relating to the use of planning agreements within Council's LGA.

2.3 Key provisions

The policy sets out the procedural, probity, transparency, and consultative arrangements Council expects in the negotiation of a planning agreement. Particularly, the Policy notes that, in relation to mining, energy generation and energy storage projects, Council will generally require the payment of a monetary contribution which may be used by Council as part of the Future Lithgow Fund – which is the subject of another report to Council.

Consultation and Communication

The draft Planning Agreements and Contributions Policy 2025 will be placed on public exhibition for 28 days, including on Council's website.

Policy

The draft Planning Agreements and Contributions Policy 2025 will replace Voluntary Planning Agreements Policy 7.8.

Legal

The subject matter of this report is a function of Council conferred by the Environmental Planning and Assessment Act 1979.

There are no legal implications other than as set out in the Report.

Risk Management

There are no risk management implications other than as set out in the Report.

Financial

- Budget approved – N/A
- Cost centre – N/A
- Expended to date – N/A
- Future potential impact – N/A

Planning for planning contributions is critical to ensuring that costs, including future costs, associated with development is not externalised as a cost to the community's Council. Strengthening the strategic policy framework and evidence base around assessment of appropriate planning

contributions and associated planning agreements is considered vital to ensure the financial sustainability of the community's Council, equity – including intergenerational equity, public amenity and the typology, quality and liveability of local development.

Consultation and Communication

The draft Planning Agreements and Contributions Policy 2025 will be placed on public exhibition for 28 days, including on Council's website.

3.21. WWW - 25/11/2024 - Lithgow Solid Waste Facility Landfill Gas Extraction

Strategic Context for this matter:**Enhancing Our Natural Environment**

To balance, protect and enhance our diverse environmental elements, both natural and built, for the enjoyment and support of both current and future generations.

Author: Nigel Campbell – Waste & Recycling Manager

Responsible Officer: Matthew Trapp - Executive Manager Water, Wastewater and Waste

Executive Summary

The purpose of this report is to seek Council's endorsement for an exemption from tendering under section 55(3)(i) of the *Local Government Act 1993* for the design, construction, operation and maintenance of a landfill gas collection system at Lithgow Solid Waste Facility.

Administration's Recommendation

THAT Council:

1. Approve an exemption from tender in accordance with section 55(3)(i) of the *Local Government Act 1993* for the design, construction, operation and maintenance of a landfill gas collection system at Lithgow Solid Waste Facility; and
2. Delegate to the General Manager authorisation to execute all necessary contract documentation to affect a contract for the design, construction, operation and maintenance of a landfill gas collection system at Lithgow Solid Waste Facility.

Attachments

Nil

Reference to any relevant previous minute

Minute No 24-183 (Lithgow Solid Waste Facility Landfill Gas Extraction): Ordinary Meeting of Council held on 26 August 2024.

Background and discussion**Background**

The Lithgow Solid Waste Facility (SWF) is the primary waste facility in the Lithgow Local Government Area. The facility includes a Resource Recovery Centre (RRC) and a landfill for residual waste. The landfill commenced operation around 1940, however there is very limited waste disposal data available until the weighbridge was installed in 2014. Council commenced in-house operation of the site from January 2021.

Approximately 25,000 tonnes per annum is landfilled based on a 2-bin kerbside system. In March 2024 Council introduced a kerbside organics (FOGO) collection service that is modelled to collect ~2,600 tonnes per annum. Whilst the provision of a kerbside organics service will help reduce gas generation rates, landfill gas will continue to be generated into the future from both existing waste and future waste. There remains approximately 900,000m³ landfill capacity until final landform.

Landfills are a significant contributor to greenhouse gas emissions. Landfills produce methane gas which is 25 times more potent as a greenhouse gas than carbon dioxide (CO₂). Collection and flaring of landfill gas allows combustion of the methane and conversion to CO₂. By releasing CO₂ rather than methane, the global warming potential (CO₂-e) is considerably reduced. Landfill gas extraction and flaring also has other benefits such as odour reduction and site safety by reducing the potential for pockets of high concentration gas.

Many Council landfills operate a landfill gas extraction and flaring system, including landfills at Bathurst Regional Council, Blue Mountains City Council and Hawkesbury City Council. The system would require approval by the NSW Environment Protection Authority (EPA) under the site environment protection licence, however, this is a relatively straightforward process.

A key element in the landfill gas flaring system is the ability to register the project under the Australian Carbon Credit Units (ACCUs) Scheme operated by the Australian Government Clean Energy Regulator. ACCUs are issued to individuals or businesses who run eligible projects under the ACCU Scheme. Participants can earn ACCUs for every tonne of carbon dioxide (tCO₂-e) their project avoids emitting or stores. ACCUs are an additional income source for individuals and businesses running ACCU Scheme projects and are a tradable financial product.

Overall, landfill gas extraction and flaring has environmental, financial and safety benefits.

Council Report 26 August 2024

At the Ordinary Meeting of Council on 26 August 2024, a business paper was presented to Council seeking endorsement for exemption from tender under section 55(3)(i) of the *Local Government Act 1993*. The exemption was sought as quotes had been received from 2 organisations for the design, construction, operation and maintenance of the landfill gas extraction system at Lithgow Solid Waste Facility. The business paper noted that the Federal Department of Climate Change, Energy, the Environment and Water (DCCEEW) had commenced consultation on the review of landfill gas methods under the Australian Carbon Credit Units (ACCUs) Scheme and that the new methods would likely significantly reduce the financial benefit of landfill gas extraction for landfills.

At the Ordinary Meeting on 26 August 2024, Council resolved:

1. *THAT item 3.4 [Lithgow Solid Waste Facility Landfill Gas Extraction] be deferred to a Councillor Information Session and be brought back to the new Council.*

On 20 November 2024 the information related to landfill gas extraction was presented at a Councillor Information Session as per the resolution above.

The following information is an updated version of the report presented to Council at the Ordinary Meeting of 26 August 2024.

Potential regulation changes and impacts

On 28 November 2023 the EPA inspected the Lithgow SWF site as part of a program for the EPA's Technical Experts and local Operations Officers to visit landfills within their Regional Operation Area. At this visit, the EPA noted that landfill gas collection could be mandated in the future as part of the broader strategy of achieving Net Zero targets. The comments reinforced industry feedback supporting the potential for mandated landfill gas collection.

In May 2024, DCCEEW commenced consultation on the review of landfill gas methods under the ACCUs Scheme. Lithgow Council provided a submission for this consultation requesting that Emissions Reduction Fund (ERF) projects for carbon abatement and flaring projects on small, regional landfills are allowed to see out their existing 12-year crediting period, with existing parameters, before transitioning into any new method. This review remains in progress.

Further to the above, and following the Council Meeting on 26 August 2024, the Clean Energy Regulator has now advised that the ACCU landfill gas methods are expiring in March 2025. No new projects can be registered under a method after it expires. DECCW has also advised:

“To minimise the risk that your application will not be assessed in time, we recommend you complete your application by 16 December 2024.”

The effect of the potential DCCEEW reforms is a significant reduction in the eligible ACCUs that could be applied for landfill gas extraction, thereby reducing the financial benefit. Should the EPA mandate LFG collection and flaring, the project would not be eligible for any ACCUs and a significant financial contribution from Council would be required to install a system.

These recent developments have created a greater urgency for landfill gas extraction as any reduction or elimination of benefits under the ACCU scheme could either make this system financially unviable or require Council to invest significant funds to meet any legislative requirements.

It is unknown what the outcome of the DCCEEW consultation process will be, however the proposed changes in methods will lower the carbon credits available and hence lower the financial benefit. It is also not guaranteed that a project application under the ACCU scheme made by 16 December 2024 will be approved before the current method expires.

Lithgow Council Waste Strategy

A key action from the Lithgow City Council *Waste Management and Resource Recovery Strategy 2022-2026* is to *undertake capital works as required at Lithgow Solid Waste Facility to improve environmental performance.*

The proposed landfill gas project will significantly improve the environmental performance of Lithgow SWF. Whilst a landfill gas extraction system was not specifically identified in the Waste Strategy timeline, nor identified in the Capital Works Program, the recent developments described above have provided the incentive to progress these works as soon as possible. Further, with funding available via the ACCUs Scheme, Council staff identified that the project could proceed at minimal, or no, cost.

Landfill gas extraction is not viable at Lithgow Council rural landfills (current and closed) due to the following:

- Volumes of waste are insufficient to generate the amount of gas needed to justify the infrastructure
- Type of waste (no putrescible kerbside) is such that gas generation rates are low
- There is no power at most sites to operate a flare (the only exception is Portland landfill)
- After peaking roughly 10 years after placement, gas generation rates decrease over time.

Preferred approach

The preferred option for the project is for a contractor to design, construct, operate, maintain and expand a landfill gas extraction and flaring system at Lithgow SWF. The contractor would register the project under the ACCU scheme and retain ownership of the ACCUs, with a royalty payment to Council. The contract term would match the ACCU scheme project duration of 12 years. The key benefits of this approach are that the contractor:

- funds the upfront and ongoing capital, operating and maintenance costs;
- has incentive to maximise gas extraction as this contributes to profit;
- provides the trading expertise to maximise the value of ACCUs; and
- bears the risk for quantity of gas extracted and market value of the ACCUs.

Under this model the contractor is incentivised to extract as much gas as possible that in turn maximises the financial and environmental benefits for Council. The preferred approach also allows Council to use the expertise of contractors to undertake all works and determine the optimum location and pressures of the gas extraction wells.

Council undertook a Request for Quotation (RFQ) in accordance with Council's procurement policy on the basis that the project would be close to cost neutral or deliver some income to Council over the longer term. Due to the unique nature of the work and impact of the ACCUs, the RFQ documents contained only a broad scope to allow the flexibility for contractors to propose the best method.

Following research and advice on the approach of other Councils, Lithgow Council identified that only two companies, LGI Ltd and LMS Energy Pty Ltd, had the necessary expertise and could offer the design, construct, operate and maintain approach. Consequently, an RFQ was released to these two companies on 28 June 2024 with a closing date of 31 July 2024. Each company visited the site and was provided the necessary data to determine likely gas extraction volumes.

Submissions

Both LGI and LMS provided detailed submissions in response to the RFQ, offering an agreement of 12 years duration. Both submissions proposed an upfront payment and/or a percentage share of the ACCU revenue. The commitment from each company for an upfront payment whilst funding all the infrastructure costs is a reflection of the quantity of landfill gas expected from the site. Consequently, given the length of the agreement, the upfront payment, and potential value of the ACCUs, the acceptance of either proposal could provide Council with revenue greater than \$250,000 over the 12-year period. There is potential for the \$250,000 threshold to be exceeded within the first 2 years, depending on the royalty payment method accepted.

It is noted that further submission details are not provided in this report for commercial confidentiality reasons.

Exemption from tendering

Under Section 55 of the *Local Government Act 1993*, tenders are required for any contracts involving an estimated expenditure or receipt of an amount greater than \$250,000. Section 55 does, however, provide certain exemptions including under Section 55(3)(i):

a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution (which states the reasons for the decision) that a satisfactory result would not be achieved by inviting tenders.

The design, construction, operation and maintenance of a landfill gas extraction and flaring system as Lithgow SWF fulfils the requirements under Section 55(3)(i) for the following reasons:

- The unique nature of the contract presents *extenuating circumstances* whereby revenue from ACCUs can fund the entire project and return an income stream to Council;
- Any exceedance of the \$250,000 tender limit is based on the value of ACCUs which is dependent on market forces;
- A tender process would not allow sufficient time to register the project under the current landfill gas methods. Paradoxically, it is possible under the new methods that the financial benefit would not meet the \$250,000 tender threshold and therefore going to tender may mean a tender would not be required; and
- Landfill gas collection is a specialised service with only two organisations identified offering the service required. A formal tender would require a detailed scope that would restrict the ability of these contractors to provide the best outcome.

For the reasons above, it is not considered that a tender would achieve a satisfactory result for the design, construction, operation and maintenance of landfill gas extraction and flaring at Lithgow SWF.

It is recommended that, following an assessment of submissions, the General Manager has the delegated authority to execute all necessary contract documentation to affect a contract for the design, construction, operation and maintenance of a landfill gas collection system at Lithgow Solid Waste Facility. If endorsed, a preferred contractor can be engaged early December allowing sufficient time to submit a project application with the Clean Energy Regulator. As stated previously, an application made by 16 December does not guarantee project approval. It is intended to submit an application as soon as possible as the Clean Energy Regulator has stated that they will prioritise applications in the order they are completed.

Consultation and Communication

Consultation was undertaken within the sector and engaging with various suppliers in the Waste Management area. Many contractors showed interest however only in the actual ACCU management and not in the design, construction and operation of the gas extraction facility.

Policy

The establishment of a landfill gas extraction and flaring system at Lithgow SWF aligns with one of the key actions under the Lithgow City Council *Waste Management and Resource Recovery Strategy 2022-2026*.

Legal

The report is recommending an exemption under section 55(3)(i) of the *Local Government Act 1993*. Legal review of contract documents to be considered as part of the assessment of submissions.

Risk Management

The report considers the risk of the “do nothing” scenario whereby landfill gas extraction could be mandated and have a significant financial impact on Council with the legal, probity and financial risks of the procurement process.

Financial

- Budget approved - Nil
- Cost centre – 800102 (Lithgow Solid Waste Facility). Will require a new revenue account.
- Expended to date – Nil.
- Future potential impact - There may be some expenditure required to upgrade power supply to the flare location.

4. Business of Great Urgency

In accordance with Clause 241 of the Local Government Act (General) Regulations 2005 business may be transacted at a meeting of Council even though due notice of the business has not been given to the Councillors. However, this can happen only if:

- a) A motion is passed to have the business transacted at the meeting; and
- b) The business proposed to be brought forward is ruled by the Chairperson to be of great urgency.

5. Closed Council

Recommendation

THAT Council Resolve to move into Closed Council to consider the confidential reports as listed in the Business Paper.