



# TAMWORTH REGIONAL COUNCIL

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that a **Meeting of Tamworth Regional Council** will be held in the **Council Chambers, Lands Building, Nemingha Room, 25-27 Fitzroy Street, Tamworth**, commencing at **6pm**.

## ORDINARY COUNCIL AGENDA

**24 FEBRUARY 2026**

PAUL BENNETT  
GENERAL MANAGER

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## Council

Meeting Date: 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of the month commencing at 6:30pm.

Matters determined by Ordinary meetings will include all those non-delegable functions identified in Section 377 of the Local Government Act as follows:

- *“the appointment of a general manager*
- *the making of a rate*
- *a determination under section 549 as to the levying of a rate*
- *the making of a charge*
- *the fixing of a fee*
- *the borrowing of money*
- *the voting of money for expenditure on its works, services or operations*
- *the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)*
- *the acceptance of tenders which are required under this Act to be invited by the council*
- *the adoption of an operational plan under section 405*
- *the adoption of a financial statement included in an annual financial report*
- *a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6*
- *the fixing of an amount or rate for the carrying out by the council of work on private land*
- *the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work*
- *the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the [Environmental Planning and Assessment Act 1979](#)*
- *the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194*
- *a decision under section 356 to contribute money or otherwise grant financial assistance to persons*
- *the making of an application, or the giving of a notice, to the Governor or Minister*
- *this power of delegation*
- *any function under this or any other Act that is expressly required to be exercised by resolution of the council.”*

Other matters and functions determined by Ordinary Council Meetings will include:

- *Notices of Motion*
- *Notices of Motion of Rescission*
- *Council Elections, Polls, Constitutional Referendums and Public Hearings/Inquiries*
- *Ministerial Committees and Inquiries*
- *Mayor and Councillors Annual Fees*
- *Payment of Expenses and Provision of Facilities to Mayor and Councillors*
- *Local Government Remuneration Tribunal*
- *Local Government Boundaries*
- *NSW Ombudsman*
- *Administrative Decisions Tribunal*
- *Delegation of Functions by the Minister*
- *Delegation of Functions to General Manager and Principal Committees*
- *Organisation Structure*
- *Code of Conduct*
- *Code of Meeting Practice*
- *Honesty and Disclosure of Interests*
- *Access to Information*
- *Protection of Privacy*
- *Enforcement Functions (statutory breaches/prosecutions/recovery of rates)*
- *Dispute Resolution*
- *Council Land and Property Development*
- *Annual Financial Reports, Auditors Reports, Annual Reports and Statement of the Environment Reports*
- *Performance of the General Manager*
- *Equal Employment Opportunity*
- *Powers of Entry*
- *Liability and Insurance*
- *Membership of Organisations*

<b>Membership:</b>	<b>All Councillors</b>
<b>Quorum:</b>	<b>Five members</b>
<b>Chairperson:</b>	<b>The Mayor</b>
<b>Deputy Chairperson:</b>	<b>The Deputy Mayor</b>

## Public Forum Policy

The first 30 minutes of Open Council Meetings is available for members of the Public to address the Council Meeting or submit questions either verbally or in writing, on matters INCLUDED in the Business Paper for the Meeting.

Members of the public will be permitted a maximum of three minutes to address the Council Meeting. An extension of time may be granted if deemed necessary.

Members of the public seeking to represent or speak on behalf of a third party must satisfy the Council or Committee Meeting that he or she has the authority to represent or speak on behalf of the third party.

Members of the public wishing to address Council Meetings are requested to contact Council either by telephone, in person or online prior to 4:30pm the day prior to the Meeting to address the Council Meeting. Persons not registered to speak will not be able to address Council at the Meeting.

Council will only permit three speakers in support and three speakers in opposition to a recommendation contained in the Business Paper. If there are more than three speakers, Council's Governance division will contact all registered speakers to determine who will address Council. In relation to a Development Application, the applicant will be reserved a position to speak.

Members of the public will not be permitted to raise matters or provide information which involves:

- personnel matters concerning particular individuals (other than Councillors);
- personal hardship of any resident or ratepayer;
- information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business;
- Commercial information of a confidential nature that would, if disclosed:
  - prejudice the commercial position of the person who supplied it, or
  - confer a commercial advantage on a competitor of the Council; or
  - reveal a trade secret;
- information that would, if disclosed prejudice the maintenance of law;
- matters affecting the security of the Council, Councillors, Council staff or Council property;
- advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;
- information concerning the nature and location of a place or an item of Aboriginal significance on community land;
- alleged contraventions of any Code of Conduct requirements applicable under Section 440; or
- on balance, be contrary to the public interest.

Members of the public will not be permitted to use Community Consultation to abuse, vilify, insult, threaten, intimidate or harass Councillors, Council staff or other members of the public. Conduct of this nature will be deemed to be an act of disorder and the person engaging in such behaviour will be ruled out of the order and may be expelled.

### **Disclosure of Political Donations or Gifts**

If you have made a relevant planning application to Council which is listed for determination on the Council Business Paper you must disclose any political donation or gift made to any councillor or employee of the Council within the period commencing two years before the application is made and ending when the application is determined (Section 147(4) Environmental Planning and Assessment Act 1979).

If you have made a relevant public submission to Council in relation to a relevant planning application which is listed for determination on the Council Business Paper you must disclose any political donation or gifts made to any councillor or employee of the Council by you as the person making the submission or any associate within the period commencing two years before the submission is made and ending when the application is determined (Section 147(5) Environmental Planning and Assessment Act 1979).

## AGENDA

### 1 APOLOGIES AND LEAVE OF ABSENCE

### 2 MINUTES OF PREVIOUS MEETING SUBMITTED FOR APPROVAL

#### RECOMMENDATION

*That the Minutes of the Ordinary Meeting held on Tuesday, 10 February 2026, copies of which were circulated, be taken as read and confirmed as a correct record of the proceedings of the Meeting.*

### 3 DISCLOSURE OF INTEREST

Pecuniary Interest

Non Pecuniary Conflict of Interest

Political Donations

### 4 MAYORAL MINUTE

Nil

### 5 NOTICE OF MOTION

#### 5.1 NOTICE OF MOTION – CR STEPHEN MEARS - STANDARDS OF CONDUCT AND RESPECTFUL COMMUNITY ENGAGEMENT

#### MOTION

*That Council:*

1. *Affirms its commitment to maintaining high standards of conduct in accordance with Tamworth Regional Council's adopted Code of Conduct, which incorporates the Model Code of Conduct for Local Councils in NSW.*
2. *Notes that councillors have, from time to time, raised concerns regarding the manner in which some residents engage with councillors through public forums, meetings, correspondence, and other communication channels.*
3. *Recognises that respectful discourse is a shared responsibility.*
4. *Acknowledges that conduct which does not align with the principles of respect, professionalism, and courtesy has the propensity to undermine public confidence in Council and may contribute to escalation or retaliatory behaviour by members of the community.*
5. *Reaffirms the expectation that councillors will, at all times:*
  - i) *communicate with residents, stakeholders, and the media in a respectful, fair, and professional manner;*
  - ii) *avoid commentary or conduct that could reasonably be perceived as disparaging, inflammatory, or dismissive of residents or community*

- groups;*
- iii) clearly distinguish between personal views and official Council positions when speaking publicly; and*
  - iv) comply with both the letter and spirit of the Code of Conduct and associated Council policies.*
- 6. Requests the General Manager to:**
- i) review existing Council protocols and guidance relating to councillor communications, including media and social media engagement, to ensure expectations regarding respectful conduct are clear and consistent;*
  - ii) identify opportunities to reinforce messaging to both councillors and the community regarding appropriate standards of engagement; and*
  - iii) facilitate appropriate refresher training for councillors on ethical conduct, communication, and community engagement.*
- 7. Resolves to continue promoting a culture of respectful, constructive, and professional engagement that supports open dialogue while maintaining appropriate standards of behaviour for all participants in civic discourse.**

Notice is given that I intend to move the above Motion at the Meeting of the Council to be held on 24 February 2026.

#### **SUPPORTING INFORMATION**

Over the past year, both Councillors and residents have raised concerns regarding disparaging comments made by members of both groups. To address this and to protect Councillors, staff, and residents, we as an organisation must reset and clearly articulate the standards of behaviour we expect from residents. While communication is a two-way street, Councillors carry a higher level of responsibility and are expected to set, uphold, and model a clear standard of professionalism at all times. This has not always occurred over the term of this Council. Going forward, Councillors are expected to engage respectfully, avoid disparaging language, and conduct themselves in a manner consistent with the values of good governance, accountability, and community leadership. Addressing this is essential to restore trust and demonstrate leadership through consistent and respectful conduct.

Cr Stephen Mears

16 February 2026

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## **OPEN COUNCIL REPORTS**

### **6 ENVIRONMENT AND PLANNING**

Nil

### **7 INFRASTRUCTURE AND SERVICES**

#### **7.1 PROPOSED ROUTE OF THE NEW ENGLAND RENEWABLE ENERGY ZONE TRANSMISSION LINES - IMPACT ON COUNCIL OWNED PROPERTIES**

**DIRECTORATE: WATER AND WASTE**

**AUTHOR: Bruce Logan, Director - Water and Waste**

**1 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Proposed Route of the New England Renewable Energy Zone Transmission Lines - Impact on Council Owned Properties”, Council agree to allow Energy Co entry to Council owned land affected by the proposed route of the New England Renewable Energy Zone Transmission lines.*

#### **SUMMARY**

Energy Co has announced a revised route for the transmission lines to service the New England Renewable Energy Zone (REZ). The route crosses Council owned land upstream of Council’s Dungowan Dam.

Energy Co has requested Council’s permission to access Council owned property, affected by the proposed route, to undertake on site investigations.

#### **COMMENTARY**

EnergyCo has proposed a new route for the construction of 2 new transmission lines to service the New England REZ.

The new proposal impacts Council owned property in the Dungowan valley as listed below.

- Lot 23 DP755339;
- Lot 13 DP755339;
- Lot 1 DP755339;
- Lot 2 DP755339;
- Lot 3 DP755339;
- Lot 4 DP755339;
- Lot 14 DP755339; and
- Lot 15 DP755339.

A plan showing the location of the subject properties and the proposed three kilometre wide investigation zone for the proposed route is **ATTACHED**, refer **ANNEXURE 1**.

All of the Council owned properties are some distance upstream of Council Dungowan Dam

and feature a mixture of heavily forested or grass land.

Whilst not all of the detail in relation to the proposed route and the process to be followed is available, at this time, the following is understood;

- the proposal is for the construction of two 500 kV transmission lines;
- the current study corridor is approximately three kilometres wide, with EnergyCo intending to refine this to a one km corridor;
- the corridor will ultimately be narrowed to a 140 m easement (70 m per transmission line). It has not been confirmed whether this will be delivered as a single 140 m easement or two separate 70 m easements;
- EnergyCo has advised they are seeking Council's consent to undertake preliminary investigations (such as environmental surveys, geotechnical work and access assessments) on these properties as part of their corridor refinement process;
- Following completion of the investigation phase, EnergyCo will present findings to Council, including where they believe the most suitable alignment for the transmission line may be. This would provide Council with a further opportunity to raise any concerns or objections regarding the location of the transmission line on Council owned land;
- Discussions around easement acquisition would likely occur at that stage, along with ongoing meetings and correspondence with EnergyCo; and
- EnergyCo has indicated the reason for selecting a three kilometre study corridor is to allow flexibility to work with individual landholders to identify the most appropriate alignment within each property.

It is understood EnergyCo has compulsory acquisition powers similar to Council and it is therefore possible EnergyCo could ultimately proceed with acquisition of easements for the transmission lines across Council owned land even if Council objects to the acquisition.

However, at this time it is considered there is little reason to object to the request to access Council owned land to allow EnergyCo to carry out necessary investigations.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

Nil at this time. Ultimately EnergyCo may seek to acquire an easement/s over Council owned land along the route and pay Council compensation for doing so.

**(c) Legal Implications**

Nil at this time. Ultimately EnergyCo may seek to acquire an easement/s over Council owned land along the route and Council may have to enter into legal agreement/s in relation to this acquisition.

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus area 3 – Prosperity and Innovation

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## **7.2 ORGANICS RECYCLING FACILITY - RECOMMENDATION FOLLOWING STAGE 1 OF D&C CONTRACT**

**DIRECTORATE:** WATER AND WASTE  
**AUTHOR:** Naomi Schipanski, Manager - Projects, Strategy and Infrastructure

**1 ANNEXURES ATTACHED**

### **RECOMMENDATION**

*That in relation to the report “Organics Recycling Facility - Recommendation Following Stage 1 of D&C Contract”, Council:*

- (i) not proceed with the construction of an Organics Recycling facility at this time;*
- (ii) finalise the contract with Orez Solutions Pty Ltd and not seek a stage 2 proposal;*
- (iii) approve the allocation of \$1,602,350.81 from the waste reserve to repay grant funding already paid to Council by the NSW EPA Trust to assist Council in the investigation and construction of an Organics Recycling Facility; and*
- (iv) request the Director of Water and Waste prepare a further report with options for Council in relation to the NSW Government’s FOGO mandate, the possible roll out of a FOGO service and the processing of any FOGO collected.*

### **SUMMARY**

The purpose of this report is to seek direction from Council in relation to the construction if the proposed Organics Recycling Facility (ORF).

### **COMMENTARY**

At its Meeting of 23 July 2024, Council considered a report on the proposed ORF and resolved to enter into a staged Design and Construct (D&C) Contract with the preferred contractor Orez Solutions Pty Ltd. Since that resolution the following work has been undertaken:

- negotiate and award a staged D&C Contract with Orez Solutions;
- undertake detailed design and engineering of the facility;
- seek trade pricing for the proposed design;
- undertake specialist environmental studies to assess the impacts of the proposed facility;
- undertake geotechnical investigations on the site;
- seek to confirm customer supply agreements;
- continue to evaluate process technologies and feedstock availability; and
- update the financial modelling underlying the recommendation to proceed with the project.

### **Background**

Council has previously resolved to provide a Food Organics and Garden Organics (FOGO) collection and processing service to the community in order to meet its obligations to the

NSW Government Net Zero plan.

In 2021, Council called Tenders for the construction and third-party operation of an ORF at Gidley Appleby Road. Council rejected these Tenders due to cost and the associated impacts upon (increased) waste fees and charges.

In 2022, Council called Tenders for the design and construction of a regional organics recycling facility at 284 Gidley Appleby Road to be operated as a Council run facility. As part of this Tender process Council entered into an Early Contractor Involvement (ECI) Agreement and ultimately the current D&C Contract with Orez.

The Contract provides Council the option to proceed to construction of the facility subject to the Contractor achieving a target price. This target price was set to incentivise the Contractor to deliver a facility which represented value for money to the community.

### **Objectives**

As previously reported to Council a project management framework has been implemented which has defined the following objectives for the Project:

- develop the right sized facility for the Region;
- ensure it is affordable for the Community;
- reduces or maintains environmental impacts in the current Development Consent for the construction of an Organics Recycling facility at 284 Gidley Appleby Lane;
- has appropriate quality and design life; and
- it can be constructed, operated and maintained in a safe manner by Council.

On 2 March 2025, the Environment Legislation Amendment (FOGO Recycling) Act commenced which mandates the collection of source-separated FOGO waste. The mandate does not mandate the processing of either the FOGO waste or the agricultural wastes considered as feedstock for the project.

During 2025, in conjunction with the ECI process, the Project Team – made up of Council's Project Director, Director Water and Waste, Manager Waste and Resource Recovery and Project Manager, Manager Projects, Strategy and Infrastructure along with support from an external Project Manager – has been developing the project in accordance with Project Implementation Strategy. The project team has also continued to evaluate the project against the objectives outlined above.

In early 2026, the Contractor finalised the detail design of the facility and has submitted a construction cost to build the facility.

As a result of this work it is now considered Council has enough information to be able to make a decision on the construction of the proposed ORF.

### **The Organics Market**

Food organics derived from kerbside collection bins, is a challenging waste stream to process due to the high level of contaminants per unit volume. Decontamination of this waste stream requires multiple control points, a high level of technology and, in some cases manual sorting. This level of sophistication means cost effectiveness only becomes viable in larger regional scaled facilities.

Council has the benefit of an existing Development Consent to process both FOGO and liquid agricultural wastes at a proposed facility at the Council owned 284 Gidley Appleby Lane in a regional ORF. Whilst agricultural organic wastes are challenging to process in a

conventional composting facility, work during the ECI revealed the incorporation of an anaerobic digestion process has the combined advantages of reducing the demand for water during processing and providing the opportunity to generate power on site.

During the development of the design, however, the benefits of the proposed facility have eroded due to the following reasons:

- reduction in the assessed methane gas generating potential from the proposed feedstocks leading to reduced power generation potential;
- additional requirement to add an additional high carbon feedstock to the anaerobic digester; and
- reluctance from some of Council's current industrial customers to commit to continued supply of feedstocks to the new facility.

The resulting impact of these changes on the business case for the facility has resulted in increased operating costs, uncertainty regarding the availability of key feedstocks and should the key feedstocks not be delivered to the new facility in the medium term, the loss of income would impact Council's ability to construct and operate the facility without increasing waste fees and charges for existing residential and commercial customers.

### Waste Assessment

The Project Team has undertaken a detailed assessment of the waste streams currently approved for the Gidley-Appleby Road site and classified them by degree of processing difficulty and likely commercial interest. The outcomes of this assessment are tabulated below.

Type	Waste Classification Discussion	Processing Difficulty	Commercial Viability	%Vol
GO - Green Waste Domestic	Soft vegetation/garden waste such as grass clippings, small prunings, seaweed, leaves, non-woody weeds, non-woody agricultural waste. Collected from Residential Businesses	LOW	HIGH	30%
GO - Green Waste Commercial	As above but received from commercial customers.	LOW	HIGH	21%
Woodwaste	Trees or tree stumps, raw, treated or painted timber, sawdust, wooden crates, wooden packaging, wooden pallets, wood shavings, MDF, chipboard, particle board and Masonite.	MED	MED	4%
Paunch	Stomach contents from ruminants.	MED	MED	14%
FO	Food waste from manufacture, preparation, sale or consumption of food.	HIGH	LOW	8%
DAFF Sludge	Sludge from abattoir treatment processes with varying levels of dewatering. reater volumes in the market than received at FRL.	MED	LOW	7%
Grease Trap (Liquid Waste)	Tankered waste removed from grease traps in commercial premises currently disposed at Westdale. Growth in volumes aligned with Population.	MED	LOW	6%
Offal	Waste products from abattoir processing.	HIGH	LOW	10%
Organics- Other	Other Agricultural waste inputs TBD. Additional volumes from approved list or other eg Chicken litter. Other Cat 3 Animal Byproducts.	HIGH	LOW	

Council should note the following from this assessment. There is a high degree of commercial interest in processing the waste streams with low processing difficulty. This is because they can be processed with low technology equipment, have lower levels of contaminants and regulatory oversight, and produce compost products which are relatively easy to sell. As processing difficulty increases higher investment in technology is required to process and remove contaminants.

The low solids sludges, grease trap waste and offal are noxious and have a relatively high-water content which makes them difficult to receive and incorporate in a conventional composting process. During the ECI a concept has been developed which includes separate receipt of liquid wastes before pre-processing in an anaerobic digester. This has the combined advantages of producing gas and a digested sludge which can be mixed directly with other organic material before incorporation into a composting tunnel.

Council should note that food organics comprise only 8% of the forecast waste stream yet require the selection of advanced processing technologies to remove contaminants with associated increase in cost to construct and operate.

### **Modification of Development Application**

During the design phase the Project team engaged a team of specialist consultants to review the amended design against the development consent and prepare an application to modify the Development Consent. This work has identified that:

- noise impacts are beneath relevant criteria at all modelled locations;
- odour impacts are beneath relevant criteria at all modelled locations;
- wildlife hazard impacts are consistent with the current approval; and
- traffic impacts are consistent with the current approval;

Overall, it is the view of the project team the environmental impacts of the proposed development are, on the whole, lower than the original design. No impacts have been identified which are greater than those approved in the current consent and no additional impacts have been identified which were not addressed in the current consent.

It is therefore considered, should Council wish to proceed with the construction of the facility, a modification to the existing Development Consent would be required but it is unlikely this application would be refused.

### **FOGO Regulation and NSW Government Support**

In March 2025, the NSW Government enacted legislation which mandates the collection of source separated FOGO waste by 2030. The mandate does not mandate the processing of either the FOGO waste or the agricultural wastes considered as feedstock for the project.

Council currently operates greenwaste collection and processing facility which, when diverted to the proposed ORF, would comprise the major part of community derived inputs to the facility. The addition of food organics, as required by the mandate, would add only 8% to the forecast waste stream yet require the selection of advanced processing technologies to remove contaminants. Council should note that the contamination rates of the compost produced will never be zero. The cost of these processing technologies is high and places high costs on the community for limited benefit.

The project team has been in close contact with the NSW government agencies responsible for supporting local government with the implementation of this policy throughout 2025. Whilst Council has been awarded an infrastructure grant of \$3M, given the cost of construction of the facility this funding was not sufficient to significantly reduce the funding Council would need to provide to construct the facility. To this end Council officially requested additional funding from the NSW government towards the cost of construction however no additional grant funding has been made available.

Discussions with other NSW Councils who have been developing FOGO processing projects have revealed similar issues. That is:

- the introduction of (a relatively small volume of) food organics to existing successful and relatively low cost greenwaste processing schemes disproportionately increases:
  - contamination rates;
  - capital cost;
  - operating complexity; and
  - operating cost;
- emerging and known contaminants such as PFAS and asbestos have been identified in compost products. This exposes Councils to future pollution and contamination risks which cannot be fully mitigated with existing technology; and
- without funding support to implement the FOGO policy significant financial impacts upon the rate paying communities will occur.

### **Commercial Organics Supply**

Council currently receives significant volumes, and the associated income, from commercial suppliers of organic waste to Council Forest Road Waste Management Facility.

Continued income from these commercial customers is a key input to the financial viability of constructing and operating the ORF. The project team approached commercial customers to ascertain whether they believed they will continue to supply organic waste to Council for disposal for at least the next five years and their willingness to pay similar or higher rates. Discussions also gauged interest in entering a supply agreement binding those companies to that level of supply.

Feedback from these commercial customers was varied, but all indicated that the gate fee currently being levied was at the limit of what the businesses were willing to pay. One major customer has already found an alternate disposal pathway for the short term. One major customer confirmed Council could not rely on the continued income from their organic waste disposal.

The outcome of these discussions indicated that the income from existing Commercial Organics was highly uncertain.

### **Detailed Design and trade pricing**

Council's Design and Construct Contract with Orez is structured into two discrete stages. Stage one is for the detailed design of the facility and developing a construction cost plan. Stage one has a defined target price based upon the initial design estimate previously reported to Council. Stage two is for the construction of the facility and will only proceed if Council requests and accepts a proposal for stage two.

Throughout 2025 the project team has worked closely with Orez to develop the design of the facility. The design process has included the following:

- detailed civil and drainage design;
- geotechnical investigations;
- architectural Design;
- structural Design;
- hydraulic and Fire design;

- anaerobic digester process design;
- equipment selection and integration design; and
- electrical design.

Following completion of detail design in late 2025 the Contractor commenced seeking trade pricing for construction of the facility. Council’s contract allows full visibility of this pricing process to ensure that the construction cost developed represents the lowest possible cost to build the facility for the community.

The target contract price cost for the facility was agreed by Council following the ECI process. The basis for this figure was financial modelling which showed this figure was the highest expenditure Council could incur on the construction of the ORF without increases in waste fee and charges

The construction cost of the facility prepared by Orez is considerably higher than target contract price. The reasons for this include general cost increases in the construction market, more complicated engineering and construction challenges and foreign exchange movements for overseas supplied equipment.

**Estimated Costs – Preferred Concept: Tunnel Composting and an Anerobic Digester**

The budget for **construction** of the preferred concept – which included three tunnels, with provision for the addition of a fourth – and an anerobic digester is provided in the table below. The concept plan is **ATTACHED**, refer **ANNEXURE 1**.

Budget Item	Target Cost (\$M)	Estimate following Phase 1 of Contract
Design & Construction Costs	\$36.5M	\$59.5M
Council Costs – PM & Approvals	\$2.7M	\$3.5M
Power Supply and Road Upgrades	\$1.8M	\$2.2M
Contingency	\$3.6M	\$4.2M
<b>Total Budget</b>	<b>\$44.6M</b>	<b>\$69.4M</b>

The increased capital cost of the facility leads to higher financing costs, and as previously described, the benefits of the proposed facility have also eroded. This impacts the operating expenses for the facility and changes the outcome of the business case. In order to demonstrate the differences the table below summarises key **operating income and expenses** at full capacity for the original estimate and for the estimates following development of the design.

	ECI Estimate (Year 10)	Estimate following design development (Year 10)

Total Operating Expenses	\$6.78M	\$10.16M*
Financing Costs	\$3.79M	\$6.04M
Depreciation	\$0.61M	\$0.65M
Total Operating Income	\$10.15M	\$9.13M
Gate Fees	\$4.20M	<b>\$4.20M**</b>
Electricity Sales	\$0.733M	\$0.
Operating Result	\$3.369M	<b>-\$1.03M</b>

\*Primarily due to increased financing costs

\*\*Now considered unreliable

### Waste Fund Assessment

The financial impacts of the proposed concept have been assessed. The additional costs and loss of revenue have an adverse impact on the waste fund financial position which would require rate increases by 2026. The proposed option is not affordable within the current rate structure.

In order to balance the waste fund over time an additional \$3.2M of income would need to be generated annually. If this was distributed across all waste annual charges and gate fees it would result in annual increase of approximately 12.6%. Noting this is assuming the income from commercial customers is retained, if lost, the rate base would have to cover a further \$3.2 Million per year.

The project team have also assessed whether the construction of a smaller facility with tunnel composting only (no anaerobic digester) would be feasible. However the lower capital cost did not outweigh the loss of commercial income (without the anaerobic digester the commercial organic waste could not be accepted) and the additional cost of having to purchase electricity and resulted in a worse position for the waste fund than the full facility.

### Conclusion

Council has undertaken extensive design and engineering of a regional organics recycling facility of the type and scale identified in the NSW government Net Zero Plan 2020-30. The contract model has allowed Council to determine the construction cost of the facility without risk. It is, however, the case that the cost is significantly greater than can be justified imposing on the community without additional funding from industry or government.

The project team has made significant effort to identify sources of additional funding without success. Existing suppliers of abattoir waste were unable to commit to continued supply of waste material and indicated an unwillingness to accommodate any increase in gate fee. The NSW government were clear that no further funding will be made available for organics recycling facilities. It is therefore considered the costs associated with implementing a FOGO processing facility in Tamworth are not commercially viable.

Assuming Council agrees with the report recommendation staff will pursue other options in relation to the collection of FOGO and processing thereof. One option is the NSW government has outlined a process to seek an exemption from the FOGO mandate. It is understood many other Councils in NSW will be seeking such an exemption. The significant work undertaken to demonstrate that implementing costs associated with building an Organics Recycling Facility are cost prohibitive will strongly support an application to seek an exemption.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

As detailed in the body of the report.

As mentioned, the NSW EPA Trust provided a grant of \$3 Million to Council towards the cost of investigation and construction of the ORF.

Towards the end of 2025 the EPA Trust raised with staff the project was taking too long and the Trust was considering withdrawing funding and requesting Council repay any funds expended, including interest on the balance of funds paid, but not expended.

Early in 2026, the Trust formally advised funding would be withdrawn and has now invoiced Council for repayment of the funds expended and interest in the amount of \$1,602,350.81. Council has little choice but to repay this amount and assuming Council agrees to do so funds will have to be made available from the Waste Reserve.

There are sufficient funds in the Waste Reserve to cater for this additional expenditure.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 6 – Working with and Protecting our Environment

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## **8 GOVERNANCE, STRATEGY AND FINANCE**

### **8.1 ANNUAL OPERATIONAL PLAN 2025/2026 BUDGET VARIATION REPORT - DECEMBER 2025 AND JANUARY 2026**

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Manager - Financial Services

**Reference:** Item to Ordinary Council 30 June 2025 - Minute No 147/25  
Item to Ordinary Council 23 September 2025 - Minute No 229/25

**2 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

***That in relation to the report “Annual Operational Plan 2025/2026 Budget Variation***

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**Report - December 2025 and January 2026  
”, Council note and approve the variations to the existing budget as listed in the  
ANNEXURES attached to the report.**

**SUMMARY**

This report seeks Council approval for budget variations identified during December 2025 and January 2026, for which there has been no previous specific report or approval.

**COMMENTARY**

Council adopted the original budget included in the Annual Operational Plan for 2025/2026 at the Ordinary Meeting of Council held 30 June 2025. Any changes to the budget must be approved by Council at a later Ordinary Meeting. The budget forms the basis for future forecasts and the legal authority for staff to commit expenditures. Constant monitoring and updating of the budget is important for sound financial management. The Variation Reports are **ATTACHED**, refer **ANNEXURE 1** for budget adjustments processed in January and **ATTACHED** refer **ANNEXURE 2** for January adjustments.

Readers of this report are reminded that its contents should not be viewed in isolation. Quarterly Budget Review Statements provide additional revised information for budget forecasts and actual year-to-date results.

With no Council meeting held in January this report outlines the proposed budget variations for December 2025 and January 2026. Budget requests of note includes increase in spending of \$26,430 to place rubbish/recycling bin stations in public spaces in Manilla. Other areas of note are budget increases with regards to Digitech as Council increases measures to help reduce the threat of a cybersecurity event. As part of the second quarterly review managers have also revisited their capital works schedule and done some fine tuning with regards to works that at this stage will not be completed in the current financial year. Some of the capital works at the International Flight Training Tamworth facility have been rescheduled and funding sources will be realigned to allow for recent awarding of grant funding of \$5M and a Council contribution of \$1.7M over the next two financial years commencing this financial year.

**December 2025 and January 2026 Budget Variations**

Description	Budget Variation	Operating Income	Operating Expenses	Capital Income	Capital Expenses
Central Northern Regional Library	0	(1,000)	1,000	0	0
General Purpose Income	(85,887)	(85,887)	0	0	0
Financial Services	(65,386)	(65,386)	0	0	0
People & Culture	(20,877)	(13,000)	(7,877)	0	0
Entertainment Venues	(21,000)	(40,000)	19,000	0	0

Development Engineering	(56,000)	0	(56,000)	0	0
Future Communities	(47,000)	0	0	(47,000)	0
Digitech	140,142	75,142	65,000	0	0
Aviation Precinct	(339,772)	30,396	170,547	147,350	(688,065)
Flight College	(16,986)	1,860,984	(1,502,514)	0	(375,456)
Project Costing	(1,051,023)	0	29,412	(485,000)	(595,435)
Sport & Recreation	(6,919)	0	(5,309)	0	(1,610)
Laboratory	64,018	(35,982)	100,000	0	0
Sewer	(1,707,515)	(85,491)	114,989	0	(1,737,013)
Water	(43,233)	(32,278)	(10,955)	(100,000)	100,000
Waste	(3,115,200)	(175,690)	(30,000)	0	(2,909,510)
Sustainability	26,430	0	0	0	26,430
<b>TOTAL</b>	<b>(6,346,208)</b>	<b>1,431,808</b>	<b>(1,112,707)</b>	<b>(484,650)</b>	<b>(6,180,659)</b>

Black budget variation will *reduce* Council's forecast operating result and/or bank account

Green budget variation will **increase** Councils forecast operating result and/or bank account

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The variations included in the report have the following impact on forecast results for 2025/2026 by fund of:

Fund	Operating Income	Operating Expenses	Capital Income	Capital Expenses
General	1,549,577	(1,216,741)	(384,650)	(4,543,646)
Water	(32,278)	(10,955)	(100,000)	100,000
Sewer	(85,491)	114,989	0	(1,737,013)
<b>Total</b>	<b>1,431,808</b>	<b>(1,112,707)</b>	<b>(484,650)</b>	<b>(6,180,659)</b>

**(c) Legal Implications**

This report is in compliance with the following sections of the *Local Government (General) Regulation 2021*:

- 211 authorisation of expenditure; and
- 202 Responsible Accounting Officer to maintain system for budgetary control.

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

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**8.2 SKYWALK LEGAL CASE**

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Karen Litchfield, Acting Executive Manager Strategy & Performance

**RECOMMENDATION**

*That in relation to the report “Skywalk Legal Case”, Council received and note the report.*

**SUMMARY**

The purpose of this report to inform Councillors and the Community of the costs to date for Tamworth Regional Council to defend a litigation case brought by a community member against Council for the construction of the Tamworth Regional Skywalk (Skywalk).

**COMMENTARY**

Council applied for and was successful in obtaining \$14.3 million in funding from the NSW Government’s Regional Tourism Activation Fund to deliver a Skywalk in East Tamworth. The NSW funding required a Council co-contribution of \$3.7 million (20%). Planning assessments to undertake the project were completed by Council’s expert consultants and determined by Council under Part 5 of the Environmental planning and Assessment Act. This pathway assessed the project as infrastructure permitted without consent under the NSW Transport and Infrastructure State Environmental Planning Policy (SEPP). Following preliminary planning and design by Council, an open tender process was undertaken for a contractor to deliver the project and the highly experienced Fleetwood Urban (now Forge) was awarded the contract.

In late 2024, Council was notified that Mr Benjamin Hopkins (the Applicant) had initiated legal proceedings against Council challenging the legality of Council’s decision to approve the Skywalk project. The Applicant is a self-represented litigant, which means he has elected not to be represented by a solicitor or barrister. In that case, while the Applicant pays the usual court fees, he has not been paying a legal representative, and therefore, his costs to date have been significantly less.

As a public authority, Council is required to conduct court proceedings in accordance with the NSW Government’s model litigant policy, which set out how government bodies are expected to behave in litigation. Council is required to act fairly and properly in court proceedings and

to comply with the Court's processes. In this regard, Council engaged external solicitors and barristers to represent it.

The timeline of events for Council is set out below. The Applicant's lack of legal experience has resulted in additional costs being incurred by Council, including multiple delays arising from the Applicant's unfamiliarity with the Court system. This has been acknowledged by the Court.

Council has incurred legal fees in the order of \$250,000 plus GST, with total costs, including barristers' fees, in the order of \$330,000 plus GST. These costs are currently being funded by the project costs.

On 26 September 2025, the Court delivered judgment in Council's favour. On 16 December 2025, the Court also ordered that the Applicant pay Council's legal costs. In practical terms, this means Council is entitled to recover a substantial portion of its legal costs from the Applicant, particularly for costs incurred after 29 May 2025, when the Applicant was formally warned about the financial risks of continuing the case.

On 16 February 2026, the Court delivered written judgment on final costs payable by the Applicant (see *Hopkins v Tamworth Regional Council* [2026] NSWLEC 10) and made final orders with respect to costs as follows:

1. The Applicant must pay Council's costs up to 29 May 2025 as agreed or assessed on the ordinary basis.
2. The Applicant must pay Council's costs from 29 May 2025 as agreed or assessed on an indemnity basis.
3. The Applicant must pay the Council's costs of the costs determination (see *Hopkins v Tamworth Regional Council* [2025] NSWLEC 146) as agreed or assessed on the ordinary basis.
4. The Applicant's obligation to pay costs under orders 1-3 does not arise for 6 months from the date of the orders.

With respect to orders 1-3 above, costs on the 'ordinary' basis typically results in recovery of approximately 60-70% of legal fees, while costs on the 'indemnity' basis typically results in recovery of approximately 80-90% of legal fees. In addition, Council could expect to obtain 100% of disbursements incurred for the duration of the proceedings (which typically includes barrister costs and other administrative costs). Order 4 means that Council cannot enforce the orders until after 16 August 2026.

Importantly, the figures quoted above do not include the significant internal costs associated with Council staff time spent preparing and instructing the external lawyers, which is substantial.

The Applicant was advised that he should seek legal advice, and has provided evidence that he approached a number of legal firms who declined to act for him.

The Applicant was also advised on numerous occasions, both by the Court and Council's legal representatives, that there was a significant risk of an adverse costs order being made against him in the very likely event that his application was unsuccessful. Despite these warnings, the Applicant chose to proceed. Evidence of these matters was presented to the Court in support of Council's applications for costs, including that Council incurred additional costs as a result of the Applicant's failure to conduct the proceedings efficiently.

It should also be noted that the Applicant may choose to appeal the decision, which would result in Council incurring further costs. In that event, Council would consider whether to seek a further costs order, if appropriate.

Council notes that the availability of costs orders following the determination of proceedings reflects the established position that unsuccessful parties may be required to contribute to the legal costs of the successful party, in accordance with the Court’s discretion, and operates as a general mechanism to discourage the pursuit of proceedings without sufficient merit.

Council notes that the costs incurred in responding to the proceedings have been funded from the project budget and, as a result, may reduce Council’s capacity to deliver additional embellishments to the Skywalk for the benefit of the broader community.

### Overall Chronology of Events

Date	Event	Details
7 Nov 2024	Proceedings commenced	Benjamin Hopkins (the Applicant) initiated proceedings by way of Summons.
27 Nov 2024	Letter to Mr Hopkins	Urban Legal correspondence noted Summons is deficient with no reasonable prospects, invited discontinuance.
10 Dec 2024	Notice of Motion filed by Council	Council sought dismissal under UCPR r 13.4 (frivolous/vexatious) or strike out two grounds.
13 Dec 2024	First directions hearing (Council’s Notice of Motion)	Court granted Applicant leave to amend Summons by 31 Jan 2025.
18 Dec 2024	Notice of Motion filed by Applicant	Applicant sought interim injunctive relief against Council to cease works.
19 Dec 2024	Hearing on Applicant’s Notice of Motion	Injunctive relief denied.
17 Jan 2025	Letter to Mr Hopkins (communication and access)	Correspondence directing all communication to Urban Legal and to refrain from accessing site.
17 Jan 2025	Letter to Mr Hopkins (costs of Notice of Motion)	Correspondence noting ~\$14,000 costs incurred by Council on Applicant’s 18 Dec Notice of Motion; costs liability explained.
20 Jan 2025	Amended Summons filed by Applicant	Filed in accordance with Court’s 13 Dec 2024 directions.
4 Feb 2025	Notice of Motion filed by Applicant	Sought leave to further amend Summons.

<b>7 Feb 2025</b>	Court directions on Notices of Motion	Court ordered arrangements for production of documents; matter and motions listed for 21 Mar 2025.
<b>7 Feb 2025</b>	Letter to Mr Hopkins	Urban Legal noted 4 Feb amended Summons is deficient, invited discontinuance.
<b>27 Feb 2025</b>	Letter to Mr Hopkins	Response to his correspondence re works, document requests, and site access.
<b>7 Mar 2025</b>	Council produced materials (informal)	Produced materials requested by Applicant re Skywalk.
<b>20 Mar 2025</b>	Notice to Produce filed by Applicant	Request for documents largely identical to 7 Mar production.
<b>21 Mar 2025</b>	Further directions on Notices of Motion	Court listed matter for 4 Apr; ordered amended Notice of Motion; subpoenas leave stood over.
<b>21 Mar 2025</b>	Letter to Mr Hopkins (lapse of offer)	Urban Legal confirmed 7 Feb offer lapsed, reiterated cost position.
<b>1 Apr 2025</b>	Further amended Summons filed by Applicant	Set out four grounds of review.
<b>4 Apr 2025</b>	Directions hearing (Notices of Motion)	Leave granted to rely on further amended Summons; pre-trial/hearing dates set; leave to issue subpoenas.
<b>4 Apr 2025</b>	Subpoenas issued by Applicant	To NSW Dept of Primary Industries & Regional Development and GeoLINK.
<b>11 Apr 2025</b>	Dept of Primary Industries produced documents	Response to subpoena.
<b>14 Apr 2025</b>	Council produced documents	Response to Notice to Produce.
<b>5 May 2025</b>	GeoLINK produced documents	Response to subpoena.
<b>23 May 2025</b>	Notice to Produce filed by Applicant	To Second Respondent (Fleetwood Urban/Forge) and Council re contract documents.
<b>29–30 May 2025</b>	Council produced documents	Response to 23 May Notice to Produce.

<b>29 May 2025</b>	Calderbank offer to Mr Hopkins	Urban Legal letter noting cost implications, offering discontinuance before pre-trial/hearing costs.
<b>2 Jun 2025</b>	Pre-trial mention	Court directed Applicant to serve Bundle of Documents by 3 June.
<b>2 Jun 2025</b>	Second Respondent produced documents	Response to 23 May Notice to Produce.
<b>3 Jun 2025</b>	Mention before Justice Pain	Court ordered Applicant to file/serve list of documents and submissions.
<b>5 Jun 2025</b>	Hearing listed before Justice Pain	Applicant sought adjournment; adjourned to 12 June.
<b>12 Jun 2025</b>	Hearing before Justice Pain	Hearing concluded; judgment reserved.
<b>2 Jul 2025</b>	Judgment reserved	Court confirmed judgment reserved as of 28 June.
<b>14 Jul 2025</b>	Notice of Motion filed by Applicant	Sought referral to Pro Bono Panel and leave to revive Ground 1.
<b>18 Jul 2025</b>	Mention of Notice of Motion before Justice Robson	Procedural issues; Court listed motion before Justice Pain; Applicant to amend by 25 Jul.
<b>25 Jul 2025</b>	Amended Notice of Motion filed by Applicant	Sought leave to reopen proceedings.
<b>8 Aug 2025</b>	Hearing of Notice of Motion before Justice Pain	Motion to reopen proceedings dismissed.
<b>26 Sept 2025</b>	Judgment by Justice Pain	Justice Pain ruled in Council's favour
<b>15 Dec 2025</b>	Hearing on costs	Costs hearing before Justice Pain; Council sought orders as to costs.
<b>16 Dec 2025</b>	Judgment on costs	Justice Pain, by way of oral judgment, ordered that the Applicant pay Council's costs on an ordinary basis from the commencement of the proceedings, and on an indemnity basis from 29 May 2025.
<b>16 February 2026</b>	Written judgment on costs	Justice Pain delivered the written judgment on final costs payable by the Applicant and made the following orders:  1. The Applicant must pay Council's

		<p>costs up to 29 May 2025 as agreed or assessed on the ordinary basis.</p> <p>2. The Applicant must pay Council's costs from 29 May 2025 as agreed or assessed on an indemnity basis.</p> <p>3. The Applicant must pay the Council's costs of the costs determination (see <i>Hopkins v Tamworth Regional Council</i> [2025] NSWLEC 146) as agreed or assessed on the ordinary basis.</p> <p>4. The Applicant's obligation to pay costs under orders 1-3 does not arise for 6 months from the date of the orders.</p>
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#### Summary of Substantive Class 4 Proceedings

Date	Event	Details
<b>7 November 2024</b>	Proceedings commenced	Benjamin Hopkins (the <b>Applicant</b> ) initiated proceedings by way of Summons.
<b>20 January 2025</b>	Amended Summons filed by Applicant	The Applicant filed an amended Summons with the Court in accordance with the Court's directions dated 13 December 2024.
<b>1 April 2025</b>	Further amended Summons filed by Applicant	The Applicant filed a further amended Summons setting out four grounds of review.
<b>2 June 2025</b>	Pre-trial mention at the NSW Land and Environment Court	The Court directed the Applicant to serve a Bundle of Documents by 3 June 2025.
<b>3 June 2025</b>	Mention before Justice Pain at the NSW Land and Environment Court	The Court made further orders for Applicant to file and serve a list of documents and submissions.
<b>5 June 2025</b>	Hearing listed before Justice Pain at the NSW Land and Environment Court	The Applicant sought an adjournment and the Court granted an adjournment to 12 Jun 2025.
<b>12 June 2025</b>	Hearing before Justice Pain at the NSW Land and Environment Court	The hearing concluded and the Court reserved judgment.
<b>2 July 2025</b>	Judgment reserved	The Court confirmed judgment was reserved as of 28 Jun 2025.
<b>26 September 2025</b>	Judgment by Justice Pain	Justice Pain ruled in Council's favour.
<b>15 December 2025</b>	Hearing on costs	Costs hearing before Justice Pain; Council sought orders as to costs.
<b>16 December 2025</b>	Oral judgment on costs	Justice Pain, by way of oral judgment, ordered that the Applicant pay Council's

		costs on an ordinary basis from the commencement of the proceedings, and on an indemnity basis from 29 May 2025.
<b>16 February 2026</b>	Written judgment on costs	<p>Justice Pain delivered the written judgment on final costs payable by the Applicant and made the following orders:</p> <ol style="list-style-type: none"> <li>1. The Applicant must pay Council's costs up to 29 May 2025 as agreed or assessed on the ordinary basis.</li> <li>2. The Applicant must pay Council's costs from 29 May 2025 as agreed or assessed on an indemnity basis.</li> <li>3. The Applicant must pay the Council's costs of the costs determination (see <i>Hopkins v Tamworth Regional Council</i> [2025] NSWLEC 146) as agreed or assessed on the ordinary basis.</li> <li>4. The Applicant's obligation to pay costs under orders 1-3 does not arise for 6 months from the date of the orders.</li> </ol>

#### Summary of Interlocutory Proceedings

<b>Date</b>	<b>Event</b>	<b>Details</b>
<b>10 December 2024</b>	Notice of Motion filed by Council	Council sought to dismiss proceedings under rule 13.4 of the <i>Uniform Civil Procedure Rules</i> which relates to frivolous and vexatious proceedings or have two grounds of the Applicant's Summons struck out.
<b>13 December 2024</b>	First directions hearing on Council's Notice of Motion at the NSW Land and Environment Court	The Court granted the Applicant leave to amend his summons by 31 January 2025.
<b>18 December 2024</b>	Notice of Motion filed by Applicant	The Applicant sought interim injunctive relief against Tamworth Regional Council to cease works at the Skywalk site.
<b>19 December 2024</b>	Attendance at the NSW Land and Environment Court for hearing on Applicant's Notice of Motion	Injunctive relief sought by the Applicant was denied by the Court.
<b>4 February 2025</b>	Notice of Motion filed by Applicant	The Applicant filed a Notice of Motion seeking leave to further amend his Summons.
<b>7 February 2025</b>	Notice of Motion filed by Council on 13 December 2024 and Notice of Motion filed by the	The Court ordered the parties to make arrangements for the production of documents sought by the Applicant, and listed the matter with the Notices of Motion for further directions

	Applicant on 4 February are listed before the Court	on 21 March 2025.
<b>21 March 2025</b>	Further directions in relation to the Notices of Motion at the NSW Land and Environment Court	The Court ordered that <ol style="list-style-type: none"> <li>1. the matter and the Notices of Motion be listed for further directions on 4 April 2025;</li> <li>2. the Applicant is to file and serve an amended Notice of Motion seeking leave to rely on an amended Summons;</li> <li>3. leave sought by the Applicant to issue subpoenas to GeoLINK and the NSW Department of Primary Industries and Regional Development be stood over to 4 April 2025</li> </ol>
<b>4 April 2025</b>	Further directions in relation to the Notices of Motion and conduct of matter at the NSW Land and Environment Court	The Court: <ol style="list-style-type: none"> <li>1. granted leave to the Applicant to rely on a further amended Summons;</li> <li>2. directed pre-trial mention and hearing dates; and</li> <li>3. granted leave to the Applicant to issue subpoenas to GeoLINK and the NSW Department of Primary Industries and Regional Development</li> </ol>
<b>14 July 2025</b>	Notice of Motion filed by Applicant	The Applicant filed a Notice of Motion seeking a referral for legal assistance through the Court's Pro Bono Panel under section 7.36(1) of the <i>Uniform Civil Procedure Rules</i> and leave to revive and pursue Ground 1 of his Amended Summons, which he had previously abandoned at the substantive hearing.
<b>18 July 2025</b>	Mention of Notice of Motion before Justice Robson	The Applicant sought to address procedural issues, including the pagination of his Bundle of Documents. The Court ordered that the Notice of Motion be listed before Justice Pain and that Mr Hopkins was to file and serve any amended Notice of Motion by 25 July 2025.
<b>25 July 2025</b>	Amended Notice of Motion filed by Applicant	The Applicant filed an amended Notice of Motion seeking, in substance, leave to reopen the proceedings.
<b>8 August 2025</b>	Notice of Motion listed for hearing before Justice Pain.	Justice Pain dismissed the Applicant's Notice of Motion to reopen the proceedings.

#### Summary of Document Production Matters

Date	Event	Details
<b>7 March 2025</b>	Council produces materials to Applicant	Council informally produced materials requested by the Applicant in relation to the Skywalk project.

<b>20 March 2025</b>	Notice to Produce to Tamworth Regional Council filed by Applicant	The Applicant filed a Notice to Produce document requesting various documents that were largely identical to the documents informally produced by Council on 7 March 2025.
<b>4 April 2025</b>	Subpoenas to NSW Department of Primary Industries and Regional Development and GeoLINK issued by Applicant	The Applicant's subpoenas requested the production of various documents.
<b>11 April 2025</b>	The NSW Department of Primary Industries and Development produces documents	The NSW Department of Primary Industries and Development produced documents in response to the Applicant's subpoena.
<b>14 April 2025</b>	Documents produced by Council	Council produced documents in response to the Notice to Produce.
<b>5 May 2025</b>	GeoLINK produces documents	GeoLINK produced documents in response to the Applicant's subpoena.
<b>23 May 2025</b>	Notice to Produce to the Second Respondent (Fleetwood Urban Pty Ltd, now FORGE) and Council issued by Applicant	The Applicant's Notice to Produce seeks various documents relating to the contract between Council and the Second Respondent.
<b>29-30 May 2025</b>	Documents produced by Council	Council produced documents requested by the Applicant in the Notice to Produce dated 23 May 2025.
<b>2 June 2025</b>	Documents produced by Second Respondent	The Second Respondent produced documents requested by the Applicant in the Notice to Produce dated 23 May 2025.
<b>26 November 2025</b>	Notice to Produce to Tamworth Regional Council filed by the Applicant	The Applicant filed a Notice to Produce to Council requesting documents relating to subsequent Review of Environmental Factors, relevant licences and Crown land approvals and notifications.
<b>5 December 2025</b>	Documents produced by Council	Council produced relevant documents requested by the Applicant in the Notice to Produce dated 26 November 2025.

#### Written Correspondence with Mr Hopkins

<b>Date</b>	<b>Event</b>	<b>Details</b>
<b>27 November 2024</b>	Urban Legal issued a letter to Mr Hopkins regarding summons and next steps	This correspondence noted that the Summons filed by Mr Hopkins is procedurally and substantively deficient and has no reasonable prospects of success. On this basis, Council invited Mr Hopkins to discontinue the proceedings.
<b>17 January</b>	Urban Legal issued a letter	This correspondence noted that all

<b>2025</b>	to Mr Hopkins regarding his communication with Council and site access	communication should be sent to Urban Legal and to refrain from accessing the Skywalk site without proper authorisation.
<b>17 January 2025</b>	Urban Legal issued a letter to Mr Hopkins regarding costs of the Notice of Motion	This correspondence noted that Council incurred costs of approximately \$14,000 in relation to the Notice of Motion filed by the Applicant on 18 December 2024. It was noted that, in Class 4 proceedings, the general rule is that the unsuccessful party is liable to pay the legal costs of the successful party. On that basis, the correspondence noted it remains open to Council to seek an order requiring Mr Hopkins to meet Council's legal costs associated with the Notice of Motion.
<b>7 February 2025</b>	Urban Legal issued a letter to Mr Hopkins regarding his amended Summons filed 4 February 2025	This correspondence noted that the amended Summons is procedurally and substantively deficient and has no reasonable prospects of success. On this basis, Council invited Mr Hopkins to discontinue proceedings.
<b>27 February 2025</b>	Urban Legal issued a letter to Mr Hopkins regarding various correspondence from Mr Hopkins	This correspondence responded to matters raised by Mr Hopkins including the carrying out of works at the Skywalk, requests for documents and unauthorised access to the site.
<b>21 March 2025</b>	Urban Legal issued a letter to Mr Hopkins lapse of offer	This correspondence noted that the offer made on 7 February 2025 had lapsed and confirmed Council's ability to rely on earlier cost correspondence in making submissions on costs.
<b>29 May 2025</b>	Urban Legal issued a Calderbank offer to Mr Hopkins	This correspondence noted the cost implications of Mr Hopkins continuing proceedings and made a further offer to Mr Hopkins to discontinue the proceedings before additional costs were incurred in preparation for the pre-trial mention on 2 June 2025 and proposed hearing on 5 June 2025.

For further clarity, the Court has noted that Council has conducted the proceedings appropriately at all times.

The Court must hear and determine proceedings in accordance with procedural fairness. Council is required to respond and defend the proceedings as efficiently and proportionately as possible. The strengths of a claim are determined by the Court in its judgment following a hearing, at which point Council may seek an order for costs.

Where a claim is struck out at an early stage, it is often open to the applicant to amend the claim and recommence proceedings. Once a matter has been finally determined by the Court, there is generally limited scope for the continuation of the proceedings. While an

appeal may be pursued, it can only succeed where an error of law is established, which involves a higher threshold than applies at first instance. There is no mechanism by which Council can prevent such claims from being brought, and Council is therefore required to respond to and defend them as efficiently and proportionately as possible.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

Costs for Council in defence of this litigation exceeds more than \$330,000 plus GST.

Internal staff resource allocation to produce documents and information in relation to the legal proceedings resulted in additional in-kind costs. These resource allocations generally result in other projects being deprived of the required staffing resources, impacting on their potential outcomes.

**(c) Legal Implications**

Judgment was delivered in Council's favour on 26 September 2025. On 15 December 2025, a hearing on costs was heard before Justice Pain. On 16 December 2025, costs were awarded to Council on an ordinary basis from the commencement of proceedings and on an indemnity basis from 29 May 2025, being the date that Council issued a Calderbank offer to the Applicant.

On 16 February 2026, the Court delivered written judgment on final costs payable by the Applicant see (*Hopkins v Tamworth Regional Council* [2026] NSWLEC 10) and made final orders with respect to costs as follows:

1. The Applicant must pay Council's costs up to 29 May 2025 as agreed or assessed on the ordinary basis.
2. The Applicant must pay Council's costs from 29 May 2025 as agreed or assessed on an indemnity basis.
3. The Applicant must pay the Council's costs of the costs determination (see *Hopkins v Tamworth Regional Council* [2025] NSWLEC 146) as agreed or assessed on the ordinary basis.
4. The Applicant's obligation to pay costs under orders 1-3 does not arise for 6 months from the date of the orders.

It is noted that, during the course of the proceedings, police assistance was sought in relation to incidents at the project site to support the safety of Council staff, contractors and the public.

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

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### 8.3 COUNCIL INVESTMENTS DECEMBER 2025 AND JANUARY 2026

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Manager - Financial Services  
Hannah Allwood, Accountant

**2 ANNEXURES ATTACHED**

#### **RECOMMENDATION**

*That in relation to the report “Council Investments December 2025 and January 2026”, Council receive and note the report.*

#### **SUMMARY**

In accordance with *Local Government (General) Regulation 2021*, Clause 212, the purpose of this report is to provide Council with a register of investments held as at 31 December 2025 and 31 January 2026. The report also provides Responsible Accounting Officer certification that investments comply with the *Local Government Act 1993*, *Local Government (General) Regulation 2021* and Council’s Investment Policy. The register and accompanying certification can be found **ATTACHED**.

#### **COMMENTARY**

The register **ATTACHED**, refer **ANNEXURE 1** shows Council’s cash and investment holdings as at 31 December 2025.

The register **ATTACHED**, refer **ANNEXURE 2**, shows Council’s cash and investment holdings as at 31 January 2026.

At its February meeting the Reserve Bank of Australia unanimously agreed to increase the cash rate by 25 basis points to 3.85%; this was the first increase since November 2023. In its latest media release the Reserve Bank indicated that inflation, the driver for this increase is likely to remain outside the target range for some time. The next rate announcement is scheduled for Tuesday 17 March 2026. Whilst the increased cash rate is beneficial for Council investments it will have a detrimental impact on any new loans.

Council’s average return on investments was 4.29% for December and 4.31% for January, performing above the three-month Bank Bill Swap rate of 3.7375% in December and 3.8362% in January.

#### **(a) Policy Implications**

All of Council’s investments are held in accordance with the Tamworth Regional Council Investment Policy.

#### **(b) Financial Implications**

Increases in interest rates will have a positive impact on the return on Council investments, however these are negated by persistent inflationary pressures.

#### **(c) Legal Implications**

All of Council’s investments are held in accordance with the Tamworth Regional Council Investment Policy, which accords with the requirements of:

- *Local Government Act 1993* – Section 625;

- *Local Government Act 1993* – Order (of Minister) dated 16 November 2000; The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A (2), 14C (1) and 2;
- *Local Government (General) Regulation 2021* – Clauses 212; and
- *Local Government Code of Accounting Practice & Financial Reporting* – Update No 15 dated June 2007.

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

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**8.4 TAMWORTH REGIONAL COUNCIL DRAFT NIGHT TIME ECONOMY STRATEGY 2026-2031**

**DIRECTORATE:** CREATIVE COMMUNITIES AND EXPERIENCES  
**AUTHOR:** Peter Ross, Executive Manager Creative Communities and Experiences

**1 ANNEXURES ATTACHED**

**RECOMMENDATION**

*That in relation to the report “Tamworth Regional Council Draft Night Time Economy Strategy 2026-2031”, Council:*

- endorse the Tamworth Regional Council Draft Night Time Economy Strategy 2026-2031 for the purpose of public exhibition;*
- place the Draft Strategy on public exhibition for a period of 28 days; and*
- following the public exhibition period receive a further report on community feedback and any amendments to the Strategy for consideration and adoption.*

**SUMMARY**

The purpose of this report is to seek Council's approval to place the Tamworth Regional Council Draft Night Time Economy Strategy 2026-2031 on Public Exhibition for 28 days.

**COMMENTARY**

The Draft Night Time Economy Strategy 2026-2031, is **ATTACHED**, refer **ANNEXURE 1**, and was prepared by Urban Enterprise in consultation with Tamworth Regional Council and Community group stakeholders. The intent of the Draft Strategy is to provide a roadmap, outlining Council's action plan and demonstrating the measures Council will implement to strengthen the Tamworth regions 24-hour economy and reinforce Tamworth's standing as the Capital of Country. The Strategy is divided into six main sections as follows:

**(i) Introduction**

The introduction includes:

- Background;
  - What is the Night Time Economy?
-

- What are the benefits of the Night Time Economy?
- Council's role in the Night Time Economy; and
- Special Entertainment Precincts and the Night Time Economy.

**(ii) Existing Situation**

This section gives an overview of how the Tamworth region is currently positioned in the after dark landscape including:

- Demographic snapshot;
- Visitor economy profile;
- Night Time Economy business audit; and
- Night Time Economy Spend Analysis.

**(iii) Strategic Context**

To ensure alignment with relevant strategies at National, State, Regional and Local levels and current night-time trends, the following was investigated:

- Strategic alignment; and
- Trends in Night Time Economies.

**(iv) Consultation Outcomes**

This section details the results following engagement that was carried out online and on location, including:

- Survey outcomes; and
- SWOT analysis.

**(v) Strategic Framework**

Strategic framework includes:

- Vision;
- Objectives; and
- Themes.

**(vi) Action Plan**

The action plan identifies four key themes which will act as a framework for targeted strategies moving forward. The key themes are:

- Safety, diversity and inclusion;
- Dynamic programming and activations;
- Strong leadership and governance; and
- Supporting facilities and infrastructure.

The plan outlines a description of each action, the priority, a timeframe for implementation and investment channel.

Also included are four key projects that have been proposed for implementation by Council to enhance the Night Time Economy based on all factors explored in the Strategy. The projects include:

- Night Rider Transport Pilot;
- Tamworth Busk Stops;
- Illumination Event; and
- Tamworth Performing Arts Centre and Cultural Precinct.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

Many of the actions within the plan can be funded through existing budgets. Projects within the plan will need to be funded through grants and external sources such as grant opportunities. The Draft Night Time Economy Strategy 2026-2031 development is funded through grant funding Council received to develop Special Entertainment Precincts (SEPS).

**(c) Legal Implications**

Nil

**(d) Community Consultation**

In the preparation of the Draft Night Time Economy Strategy, a range of stakeholders were consulted including:

- Tamworth Region business owners
- Tamworth Region community members, including from Manilla and Nundle (via drop-in sessions)
- Tamworth Regional Council key directorate stakeholders
- Special Entertainment Precinct Project Advisory Group

Further community consultation will be enabled by placing the Draft Night Time Economy Strategy on public exhibition for 28 days.

**(e) Delivery Program Objective/Strategy**

Focus Area 3 – Prosperity and Innovation

Focus Area 5 – Connect Our Region and its Citizens

Focus Area 9 – A Strong and Vibrant Identity

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**8.5 NSW CLOSING THE GAP GATHERING: YAMBAMANJANG - SYDNEY - 26 FEBRUARY 2026**

**DIRECTORATE: OFFICE OF THE GENERAL MANAGER**  
**AUTHOR: Karen Litchfield, Acting Executive Manager Strategy & Performance**

**1 CONFIDENTIAL ENCLOSURES ENCLOSED**

## **RECOMMENDATION**

***That in relation to the report “NSW Closing the Gap Gathering: Yambamanjang - Sydney - 26 February 2026”, Council approve the attendance of Cr Sutherland to the Forum as a panelist.***

## **SUMMARY**

The purpose of this report is to approve the attendance of Cr Sutherland to attend the NSW Closing the Gap Gathering: Yambamanjang on 26 February 2026.

## **COMMENTARY**

Cr Sutherland has received an invitation to participate as a panelist at the NSW Closing the Gap Gathering: Yambamanjang on 26 February 2026 in Sydney.

The Panel will discuss and explore Closing the Gap and Cr Sutherland has been asked to attend as a Councillor. CR Sutherland will be joined by the NSW Minister of Aboriginal Affairs, the chairperson of NSW CAPO and the Chairperson of the NSW Aboriginal Lands Council. The speakers information pack is **ENCLOSED**, refer **CONFIDENTIAL ENCLOSURE 1**, for more details.

### **(a) Policy Implications**

Authorisation to attend the NSW Closing the Gap Gathering: Yambamanjang, in accordance with Council’s policy relating to the *Payment of Expenses and Provision of Facilities to Councillors*.

Approval arrangements for Councillor discretionary trips, attendance of Councillors at conferences, seminars, forums, workshops, professional development programs and/or other significant expenses and facilities under this policy and for insurance purposes must be authorised by way of a formal resolution of an Ordinary Meeting of Council.

### **(b) Financial Implications**

Councillors have been allocated funds to specifically provide for attendance at Local Government Sector Conferences, workshop, industry working parties and community non-Council functions and events.

Authorisation of the attendance of Councillors is by way of resolution of Council. Authorisation and the payment of the expenses involved will only be provided by Council where the conference, workshop or industry working party is directly related to the Councillor’s Civic Functions and responsibilities and/or the Local Government Sector.

Cost of attendance at the Forum is approximately \$925 for flights and accommodation.

### **(c) Legal Implications**

Council’s formal resolution for attendance of any delegate is required for insurance purposes whilst the representatives are performing bona fide Council duties.

### **(d) Community Consultation**

Nil

### **(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

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## 8.6 2025/2026 QUARTERLY BUDGET REVIEW STATEMENTS TO 31 DECEMBER 2026

**DIRECTORATE:** OFFICE OF THE GENERAL MANAGER  
**AUTHOR:** Sherrill Young, Manager - Financial Services  
**Reference:** Item 9.5 to Ordinary Council 30 June 2025 - Minute No 147/25  
**2 ANNEXURES ATTACHED**

### RECOMMENDATION

*In relation to the report “2025/2026 Quarterly Budget Review Statements to 31 December 2026”, Council:*

- (i) receive and note the report and related ANNEXURES;*
- (ii) note that whilst Council’s General Fund financial position is currently sound in the short term it needs to ensure that it has a sufficient cash buffer and prioritised options for better liquidity management. Cost reduction will be required should whole of life cycle asset costs and operational expenditure demands exceed future income streams and forecast discretionary cash reserves. This is essential to ensure that budgets providing a clear financial direction are able to be reliably prepared by the statutory deadlines;*
- (iii) note that current budget forecasts indicate Council’s General Fund, without untapped funding from future grants and / or monetising asset holdings, is not financially able to resource the planned but unbudgeted projects relating to:*
  - remediation or replacement of Ray Walsh House*
  - development of future stages at the TGGP*
  - expansion of entertainment venues;*
- (iv) note that projects like those above are not included in current budgets or Long Term Financial Plans for Council’s General Fund. Council needs to ensure that it is comfortable with the prioritisation of all major budgeted projects (in its one, four and ten year budgets) where it has not entered into a contractual arrangement to ensure that there is sufficient financial capacity to undertake those projects deemed to be of the highest priority;*
- (v) note that income streams and amounts with regards to land sales and payment of grant funds are unpredictable. With declining cash reserves Council is reminded that it must at all times have sufficient discretionary cash buffers to prevent the inadvertent use of funds classified as externally restricted cash; and*
- (vi) note that General Fund discretionary cash reserves are in this second quarterly budget review forecast to decline by \$7.3M which is more than double the original decrease of \$3.5M. It is likely that wage savings not yet realised will offset some of this but unplanned savings such as these should not be relied on as a strategy to fund future major projects.*

### SUMMARY

The purpose of this report is to present to Council the Quarterly Budget Review Statements for Tamworth Regional Council for the period ended 31 December 2025, in accordance with Clause 203 of the *Local Government (General) Regulation 2021*. The Office of Local

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Government has mandated a change to the format of the Quarterly Budget Review Statements commencing the first quarter of the current financial year. Readers of this report and related ANNEXURES are advised to refer to page 3 of the Quarterly Budget Review Statements for guidance on reading the financial overview.

A financial summary has been provided for the Tamworth Global Gateway Park **ATTACHED** as at 31 December 2025, refer **ANNEXURE 2**.

## COMMENTARY

The Quarterly Budget Review Statements **ATTACHED**, refer **ANNEXURE 1**, provides a summary of budget movements for the second quarter of the 2025/2026 financial year. **ANNEXURE 1** provides actual year to date figures as at 30 December 2025, to allow comparison to the projected year end result.

Budget variances that require Council approval have been submitted to Council either by a specific Council report or through the monthly Budget Variance report.

The following tables provide a summary and commentary of the budget variations for the quarter and the projected year end results for the General, Water and Sewer funds. In reading those tables, please note the following:

- details of operating expenses and income are shown in the attached statements.
- capital income includes grants and contributions received specifically for new capital works *and are excluded* from the operating result before capital provided in the following tables.
- cash adjustments convert the Operating Results which are accrual based to cash results. The accrual based Operating Results can contain non-cash income and expenditure. They also exclude non-operating cash-based transactions like financing and investment activities. The Cash Results will clarify the cash flow movements to and from their relevant funds. Cash adjustments are arrived at by reversing non-cash accruals contained in operating expenses such as depreciation and leave entitlements and the addition of non-operating cash receipts and payments such as those associated with loans, deferred debtors and property sales; and
- capital expenses include the acquisition, upgrade or renewal of assets.

Note information between tables and annexures may differ due to elimination of internal transactions between funds.

## General Fund

### • Summary of Budget Forecast and Cash Movements Table

The first section of the following table shows the forecasted Operating Result and the total Cash Result. The second part of the table shows how the total Cash Result is funded.

Description	Original Budget	Prev Quarters	December Qtr Adjustments	Projected Result
Operating Income	139,819,989	8,005,889	421,030	148,246,908
Less: Operating Expenses	136,242,409	11,881,835	1,494,236	149,618,480

Description	Original Budget	Prev Quarters	December Qtr Adjustments	Projected Result
Operating Result before Capital: Surplus/(Deficit)	3,577,580	(3,875,946)	(1,073,206)	(1,371,572)
Plus: Capital Income	36,195,569	(10,365,295)	2,719,692	28,549,966
<b>Operating Result Surplus/(Deficit)</b>	<b>39,773,149</b>	<b>(14,241,241)</b>	<b>1,646,486</b>	<b>27,178,394</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave Accruals	34,887,423	(2,023)	0	34,885,400
Plus: Loans raised to fund Capital Expenditure	54,305,208	(3,567,997)	(933,333)	49,803,878
Plus: Proposed Land Sales Income/(Expenses)	5,766,644	0	2,716,500	8,483,144
Less: Leave Paid on Termination	900,000	0	0	900,000
Less: Loan Principal Repayments	8,658,971	581,198	0	9,240,169
Less: Capital Expenses	129,875,154	(10,057,766)	(5,268,239)	114,549,149
<b>Total Cash Result: Increase/(Decrease)</b>	<b>(4,701,701)</b>	<b>(8,334,693)</b>	<b>8,697,892</b>	<b>(4,338,502)</b>
The rows below show how the Total Cash Result is funded.				
Current Cash Increase/(Decrease)	357,788	(764,163)	54,546	(351,829)
Unexpended Grants Increase/(Decrease)	(3,185,521)	912,897	3,752,592	1,479,968
Reserves: Increase/(Decrease)	(3,914,978)	(7,931,221)	4,843,754	(7,002,445)

Description	Original Budget	Prev Quarters	December Qtr Adjustments	Projected Result
Developer Contributions: Increase/(Decrease)	2,104,339	(201,163)	47,000	1,950,176
Unexpended Loans: Increase/(Decrease)	(63,329)	(351,043)	0	(414,372)
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>(4,701,701)</b>	<b>(8,334,693)</b>	<b>8,697,892</b>	<b>(4,338,502)</b>

- Key Financial Results

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected current cash balance of \$8.1M as at 30 June 2025, is below the optimal current cash minimum balance.

	Opening Balance 1/7/2025	Less: Projected Result	Less: Transfer to Internal Reserves	Projected Balance 30/6/2026	Minimum Balance
Current Cash	11,221,758	351,829	2,721,758	8,148,171	8,500,000

- Recurrent Results Table

	Operating Cash Result Surplus/(Deficit)	Less: Dep'n and Leave Accruals	Net Recurrent Result Surplus/(Deficit)	Loan Principal Repayments
General Activities	27,190,325	26,565,585	624,740	9,115,478
Fleet Operations	5,319,940	3,854,488	1,465,452	0
Airport Operations	1,395,573	2,177,551	(781,978)	208,584
Waste Services	4,652,176	2,285,828	2,366,348	0
International Flight	(552,047)	2,148	(554,195)	422,326

Training Facility				
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The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals (as measured by annual depreciation). The above table shows that only fleet and waste operations are able to meet estimated asset renewal costs which are recorded as depreciation.

The table breaks the General Fund down into the main activities that are expected to be self-funding, providing a clear picture of the general activities that must be funded by general purpose revenues.

There is no depreciation or leave accruals for the Pilot Training Facility as the facility for now does not have any full-time employees assigned to it, whilst depreciation is zero as the facility is classified as an investment property. Instead of being depreciated, investment properties are valued each financial year and the value adjusted accordingly to meet accounting standard requirements.

#### **Financial Services Manager's comment in relation to the financial position of the Council's General Fund**

The commentary from the first quarterly budget review still applies at the end of the December quarter. The financial position of Council's fund whilst currently sound is not able to accommodate the extensive list of major capital projects currently being considered by Council. Council needs to be mindful of existing projects such as the TGGP where it is crucial that land sales continue as they are the funding source for future loan obligations in relation to this project.

Council also needs to be mindful that whilst the current Operational Plan and Long Term Financial plan include financial forecasts for operations such as the new aquatic centre it will not know, with any certainty the day to day running costs of these facilities until after they have been in operation for two to three years.

Repeating the commentary that was provided in November 2025, Council should be alert but not alarmed at the position of its General Fund finances. The financial position of General Fund is sound in the short term but at its current cash levels and forecast operating results, it will not be able to undertake all of the projects that are scheduled without sound prioritisation and untapped funding from monetising asset holdings.

#### **Special Variation Update for 2025/26 as at December Quarter**

	<b>Projected per SV Application *</b>	<b>2025/26 Budget</b>
Additional Rates Income 2025/26	\$12,289,037	\$12,289,037
Plus Unspent Roads Allocation - Previous Financial year		\$570,954
<b><i>To be expended on:</i></b>		
Voluntary Pensioner Rebate	\$443,200	\$443,200 <sup>1</sup>

Roads Maintenance	\$4,000,000	\$4,570,954
Asset Funding Gap	\$3,292,000	\$3,292,000
Road Capital Works	\$4,500,000	\$4,500,000
Capital Funding Gap	\$53,837	\$53,837
Unallocated Funds	\$0	\$0

\* Refer Table B2 IPART Tamworth Regional Council Special Variation Application 2024-25 Final Report May 2024

1 current estimate is that voluntary rebate will cost \$448,617; difference to be funded from current cash.

## Water Fund

- Summary of Budget Forecast and Cash Movements Table**

The first section of the following table shows the forecasted operating result and the total cash result. The second part of the table shows how the total cash result is funded.

Budget Results	Original Budget	Prev Quarters	December Qtr Adj	Projected Result
Operating Income	27,350,268	0	141,946	27,492,214
Less: Operating Expenses	28,963,568	1,480,385	(164,687)	30,279,266
Operating Result before Capital: Surplus/(Deficit)	(1,613,300)	(1,480,385)	306,633	(2,787,052)
Plus: Capital Income	4,702,500	0	100,000	4,802,500
<b>Operating Result: Surplus/(Deficit)</b>	<b>3,089,200</b>	<b>(1,480,385)</b>	<b>406,633</b>	<b>2,015,448</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave Accruals	7,667,835	0	0	7,667,835
Plus: Loans raised to fund Capital Expenditure	0	0	0	0
Plus: Proposed Land Sales Income/(Expenses)	0	0	0	0
Less: Leave Paid on Termination	0	0	0	0

Budget Results	Original Budget	Prev Quarters	December Qtr Adj	Projected Result
Less: Loan Principal Repayments	1,840,654	138,635	0	1,979,289
Less: Capital Expenses	6,480,000	2,547,560	260,861	9,288,421
<b>Total Cash Result: Increase/(Decrease)</b>	<b>2,436,381</b>	<b>(4,166,580)</b>	<b>145,772</b>	<b>(1,584,427)</b>
The rows below show how the Total Cash Result is funded.				
Current Cash: Increase/(Decrease)	316,045	(158,807)	153,956	311,194
Unexpended Grants: Increase/(Decrease)	0	(81,694)	0	(81,694)
Reserves: Increase/(Decrease)	(1,485,598)	(3,166,901)	(8,184)	(4,660,683)
Developer Contributions: Increase/(Decrease)	3,605,934	(759,178)	0	2,846,756
Unexpended Loans: Increase/(Decrease)	0	0	0	0
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>2,436,381</b>	<b>(4,166,580)</b>	<b>145,772</b>	<b>(1,584,427)</b>

- Key Financial Results

	Opening Balance 1/7/2025	Plus: Projected Result	Projected Balance 30/6/2026	Minimum Balance
Current Cash	2,005,978	311,194	2,317,172	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected balance for 30 June 2026, at the end of the second quarter is tracking close to the opening budget forecast increase of \$316,045 (compared to second quarter increase of \$311,194).

- Recurrent Results Table

	Operating Cash Result Surplus/(Deficit)	Less Dep'n and Leave Accruals	Net Recurrent Result Surplus/(Deficit)	Loan principal repayments
Recurrent Result	7,046,953	7,667,835	(620,882)	1,979,289

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements.

A deficit represents the amount of essential asset renewal work that cannot be funded as a result of operating commitments exceeding revenue capacity. The above table shows that the Water Fund is generating sufficient cash income to cover loan principal repayments but not sufficient to cover non-cash expenses such as depreciation.

### Financial Services Manager's comment in relation to the financial position of the Council's Water Fund

At the end of the second quarter, Council's water fund is indicating that it could be doing better. Whilst it is too soon to forecast accurately a hot summer with zero water restrictions should only serve to have a positive impact on water's financial position. The current cash result is on track when compared to the original budget although internal reserves are *forecast* to decrease by over \$4M with the original budget forecast sitting at a decrease of \$1.5M. This is additional decrease in internal reserves of \$2.5M when compared to original estimates. This increased use of internal reserves is due to increased expenditure on capital works being predominantly carry overs from the 24/25 financial year.

Although the second quarter results are forecasting this deterioration in reserves it is felt that the hot summer and the low probability that capital expenditure will reach forecast levels, should see the final results for water align more closely with the original budget predictions.

As always, the greatest threat to the financial security of Council's water fund is the inability to predict the length of the next inevitable drought.

### Sewer Fund

- **Summary of Budget Forecast and Cash Movements Table**

The first section of the following table shows the forecasted operating result and the total cash result. The second part of the table shows how the total cash result is funded.

Budget Results	Original Budget	Previous Qtrs	December Qtr Adj	Projected Result
Operating Income	30,028,069	73,830	387,265	30,489,164
Less: Operating Expenses	20,775,421	416,183	750,079	21,941,683
Operating Result before Capital: Surplus/(Deficit)	9,252,648	(342,353)	(362,814)	8,547,481

<b>Budget Results</b>	<b>Original Budget</b>	<b>Previous Qtrs</b>	<b>December Qtr Adj</b>	<b>Projected Result</b>
Plus: Capital Income	1,003,000	0	0	1,003,000
<b>Operating Result: Surplus/(Deficit)</b>	<b>10,255,648</b>	<b>(342,353)</b>	<b>(362,814)</b>	<b>9,550,481</b>
The adjustments below are required to determine the Total Cash Result				
Plus: Depreciation/Leave Accruals	6,688,147	0	0	6,688,147
Plus: Loans raised to fund Capital Expenditure	(3,260,208)	0	0	(3,260,208)
Plus: Proposed Land Sales Income/(Expenses)	0	0	0	0
Less: Leave Paid on Termination	0	0	0	0
Plus: Net Loan Principal (internal loans inc/ext loan expense)	(629,747)	(581,198)	0	(1,210,945)
Less: Capital Expenses	11,051,427	787,589	(2,245,548)	9,593,468
<b>Total Cash Result: Increase/(Decrease)</b>	<b>3,261,907</b>	<b>(548,744)</b>	<b>1,882,734</b>	<b>4,595,897</b>
The rows below show how the Total Cash Result is funded.				
Current Cash: Increase/(Decrease)	369,267	73,830	386,265	829,362
Unexpended Grants: Increase/(Decrease)	0	(1,000)	1,000	0
Reserves: Increase/(Decrease)	1,403,417	682,602	1,368,826	3,454,845
Developer Contributions: Increase/(Decrease)	1,789,223	(1,143,756)	0	645,467
Unexpended Loans: Increase/(Decrease)	(300,000)	(160,420)	126,643	(333,777)

Budget Results	Original Budget	Previous Qtrs	December Qtr Adj	Projected Result
<b>Total Cash Result Funding: Increase/(Decrease)</b>	<b>3,261,907</b>	<b>(548,744)</b>	<b>1,882,734</b>	<b>4,595,897</b>

- Key Financial Results

	Opening Balance 1/7/2025	Plus Projected Result	Projected Balance 30/6/2026	Minimum Balance
Current Cash	2,083,651	829,362	2,913,013	2,000,000

Unrestricted cash is a measure of Council's solvency showing the level of funds available to meet any contingency. The optimum balance is based on estimated cash flow requirements for operating and capital works. The projected balance at 30/6/2026 at the end of the first quarter exceeds the minimum balance.

- Recurrent Results

	Operating Cash Result Surplus/(Deficit)	Less Dep'n and Leave Accruals	Net Recurrent Result Surplus/(Deficit)	Loan principal repayments
Recurrent Result	17,278,394	6,888,147	10,590,247	3,385,305

The Recurrent Result is a measure of Council's financial sustainability. It shows the capacity of recurrent operating revenues to meet commitments for recurrent operations, loan repayments and existing asset renewals. It relies on depreciation being a reasonable measure of asset renewal requirements.

### Financial Services Manager's comment in relation to the financial position of the Council's Sewer Fund

Council's Sewer Fund continues to be well placed to meet its asset renewal requirements. Council's sewer fund currently has unknowns with regard to future asset renewal and upgrade works in relation to the best wastewater treatment augmentation option for Tamworth. A major treatment augmentation is expected to also be required for Kootingal. Estimates for these works are currently being undertaken and should be included in the next round of Integrated Planning & Reporting which includes budget information over multiple years.

**(a) Policy Implications**

Nil

**(b) Financial Implications**

The body and **ATTACHED**, refer **ANNEXURE 1**, of this report provide details of the projected financial results for the 2025/2026 Budget. The variances recorded for the different funds will have implications for the Long-Term Financial Plan and the

2026/2027 budget. It is important for Council to be mindful, while assessing new projects, of their impact on declining internal cash reserves. It is also important that Council has a clear strategy to ensure there is financial capacity to achieve community priorities.

**(c) Legal Implications**

Nil

**(d) Community Consultation**

Nil

**(e) Delivery Program Objective/Strategy**

Focus Area 9 – Open and Collaborative Leadership

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## **9 COMMUNITY SERVICES**

Nil

## **10 REPORTS TO BE CONSIDERED IN CLOSED COUNCIL**

### **RECOMMENDATION**

*That the confidential reports as listed be considered in a Meeting closed to the public in accordance with Section 10A(2) of the Local Government Act 1993.*

### **10.1 WESTDALE WASTEWATER TREATMENT PLANT - PROCUREMENT AND INSTALLATION OF AERATION BLOWERS**

**DIRECTORATE:** WATER AND WASTE

**AUTHOR:** Daniel Coe, Manager - Water and Environmental Operations

**Reference:** Item 12.5 to Ordinary Council Meeting 26 August 2025 -  
Minute No 214/25

**1 CONFIDENTIAL ENCLOSURES ENCLOSED**

The Council will determine this matter in part of the meeting closed to the public pursuant to Section 10A(2) (d)i of the Local Government Act 1993 on the grounds that the matter and information is commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.

### **SUMMARY**

The Westdale Wastewater Treatment Plant (WWTP) has been in operating in its current configuration since 2010. The aeration blowers are one of the most critical and most expensive individual items of mechanical equipment at Westdale WWTP.

The blowers provide air that is critical for the main biological treatment processes. The blowers run on an almost continuous basis, so it is necessary to have blowers available 24 hours a day, seven days a week, 365 days per year to ensure Westdale WWTP operates effectively and produces effluent that meets the Environmental Protection Licence

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requirements.

There are a total of six aeration blowers installed at Westdale WWTP and they have been very reliable during the 15 years of operation.

Council resolved to purchase two new blowers at its meeting of 26 August 2025 from Sulzer Australia Pty Limited. Routine detailed condition assessments of the blowers occur annually to ensure maintenance is undertaken that maximises the operational life of the assets. A detailed condition assessment of all six blowers was undertaken during November 2025. This assessment identified that three of the blowers were very close to the end of their reliable service life. Since this assessment one of the blowers has experienced further deterioration and was not available to operate for a period of two months. The blower has now been returned to service but is likely to fail and be unrepairable within 12 months.

The purpose of this report is to update and inform Council of the identified options available for the procurement and delivery of this project.