



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, 25-27 Fitzroy Street, Tamworth**, commencing at **6pm**.

ORDINARY COUNCIL AGENDA

28 APRIL 2026

**PAUL BENNETT
GENERAL MANAGER**

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Council

Meeting Date: 2nd and 4th 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*

Membership: All Councillors
Quorum: Five members
Chairperson: The Mayor
Deputy Chairperson: The Deputy Mayor

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, 14 April 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

Nil

OPEN COUNCIL REPORTS

6 ENVIRONMENT AND PLANNING

Nil

7 INFRASTRUCTURE AND SERVICES

7.1 PROPOSED DUNGOWAN PUMPED HYDRO PROJECT - REQUEST TO ACCESS DATA/INFORMATION

DIRECTORATE: WATER AND WASTE

AUTHOR: Bruce Logan, Director - Water and Waste

1 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report “Proposed Dungowan Pumped Hydro Project - Request to Access Data/Information”, Council provide the requested information, free of charge, provided Council and EDF agree to collaborate on data sharing so that work being undertaken by Council (Dungowan Dam) and EDF (proposed lower storage) is consistent.

SUMMARY

The proponent of the proposed Dungowan Pumped Hydro Project has approached Council requesting access to data related to a Dam Break Study of Council's

Dungowan Dam undertaken by consultants SMEC Australia Pty Ltd and paid for by Tamworth Regional Council.

COMMENTARY

Pumped Hydro Electricity schemes usually incorporate a minimum of two large water storages, one of which is at a higher elevation than the other and connected by a pipeline. Using off peak, or some alternate electricity supply, for example, solar or wind, water is pumped from the lower storage to the upper storage. Then, usually during peak electricity demand periods, but it can be at any time, water is released from the upper storage via the pipeline to the lower storage. Energy generated by the water flowing through the pipeline is used to generate electricity which is supplied to the grid to meet demand.

To be financially viable the capital cost of providing all infrastructure, including alternate electricity generation (wind or solar), dams, pipelines, hydro generation infrastructure, connection to the existing grid, maintenance costs and operating costs of the whole facility, and any profits must be able to be recovered from the income received by supplying electricity to the grid.

In late 2018, Council considered a report on a proposal to construct a pumped hydro electricity generation scheme generally in the vicinity of Council's Dungowan Dam in the Dungowan Valley. Following consideration Council agreed to enter into a Memorandum of Understanding (MOU) with the then proponents (a consortium of businesses) of the scheme. The MOU was for a period of 12 months and covered, amongst other things:

- Council will be required to provide relevant information as and when required to the consortium;
- Council shall allow the Consortium together with its contractors, consultants and their employees to undertake a site visit to land surrounding Dungowan Dam owned by Council for the purposes of the Desktop Study; and
- Council agrees to be bound by exclusivity with respect to the Project for a period of 12 months following the date of the signing of the MOU.

Over the course of the next few years there were the occasional meetings/discussions between Council representatives and the proponents of the scheme, concerning investigations that were underway, however, limited progress on the actual scheme.

In February 2024, Council was advised that EDF Power Solutions Australia (EDF) had purchased the Dungowan Pumped Hydro Project. EDF is a subsidiary of EDF Power Solutions, part of the EDF Group, a company incorporated in France, 100% owned by the French Government.

According to EDF the Dungowan Pumped Hydro Energy Storage Project, is a 300MW project with up to 10 hours of energy storage. It is understood EDF has acquired land for both the upper and lower storage of the project. A brochure prepared by EDF is **ATTACHED**, refer **ANNEXURE 1**. The lower storage is located approximately 5 kilometres downstream of Council's Dungowan Dam and will see off-stream storage built on privately owned land.

Council will not be the determining authority for this project. An Environmental Impact Statement (EIS) will be required as part of the determination. The EIS will address a range of issues associated with the project including:

- environmental impacts during construction and future operation;

- the source of water to fill the lower storage initially and then to combat losses during ongoing operation; and
- impacts on roads during construction of the storages and future operations.

One of the impacts which will have to be addressed in the EIS relates to downstream flooding impacts due to failure of the lower storage. Given the lower storage will be located downstream of Council's Dungowan Dam, any consideration of flooding impacts of the lower storage has to include consideration of what would happen in the event the Dungowan Dam failed and the resultant flood led to the failure of the lower storage.

Council has previously engaged a consultant, SMEC Australia Pty Ltd, to prepare a Dam Break Study in relation to Council's Dungowan Dam. EDF has also engaged SMEC to undertake a similar study on the proposed lower storage of the proposed Dungowan Pumped Hydro project. Given the interplay between Dungowan Dam and the lower storage, EDF has requested Council make available data from the Dungowan Dam Break Study to inform the study on the lower storage.

The work completed by SMEC for the Dungowan Dam cost Council approximately \$50,000.

Council is also required to undertake a new dam safety review on Council's Dungowan Dam – see separate report in this Business Paper. Tenders for this work have recently closed and a report will be presented to a future Council Meeting concerning this matter. The dam safety review for Dungowan Dam will be influenced by the lower storage of the proposed pumped hydro scheme, should it proceed. It would therefore be advantageous for Council to be able to access data on the lower storage from EDF and SMEC, the consultant engaged by EDF to investigate flood impacts etc. of the lower storage, to inform Council's dam safety review on Dungowan Dam.

It is considered Council has a number of options in relation to the request from EDF for the relevant information.

- **Option 1 – Not provide the information**

Council could refuse to provide the requested information. Should Council do so then it is unsure how SMEC would gather sufficient information to undertake a comprehensive analysis of the possibility of dam break of the lower storage due to failure of Dungowan Dam. This would suggest any conclusions drawn from a study completed without access to the available data from the Dungowan Dam break study could be questioned. This option is not recommended.

- **Option 2 – Provide the information requested free of charge**

Council could adopt the view the information requested will improve any study on the lower storage, the funds expended were for a separate body of work and agree to provide the requested information free of charge.

- **Option 3 – Provide the information to EDF subject to some payment to Council**

Council could agree to provide any relevant information for the SMEC study on Council's Dungowan Dam subject to payment by EDF to acknowledge the provision of that information will improve the outcomes of the study and/or would cost EDF a significant amount to acquire, assuming this would be possible, if Council refused to provide the information.

If this option was Council's preference, then in relation to the amount that should be paid, it is difficult to quantify what would be considered a reasonable cost but, given the

amount of work SMEC did for Council for approximately \$50,000, and the fact that only a fraction of the information collected by SMEC for the Dungowan Dam study would be relevant for the lower storage study it is considered a figure of \$10,000 would be appropriate

- **Option 4 – Provide relevant information requested on the understanding EDF will share relevant information with Council**

Council could agree to provide relevant information requested by EDF free of charge if EDF and SMEC, the consultant engaged by EDF to investigate flood impacts etc. of the proposed lower storage, agree to share relevant information from the investigation being undertaken on the proposed lower storage to help inform Council's latest dam safety review on Dungowan Dam.

(a) Policy Implications

Nil

(b) Financial Implications

Council has expended funds engaging a consultant to undertake work on Council's Dungowan Dam. This information is now of value to the proponents of the Dungowan Pumped Hydro project as the project advances.

Should, Council decide to make the requested information available provided some payment is made by EDF to Council, then a figure of \$10,000 is considered appropriate.

(c) Legal Implications

A simple Agreement detailing the terms of any information sharing and any payment may also be required.

(d) Community Consultation

Nil

(e) Delivery Program Objective/Strategy

Focus Area 5 – Connect Our Region and its Citizens

7.2 IPART's DRAFT DETERMINATION OF WATER NSW's BULK WATER TO AND INCLUDING THE 2028-2029 FINANCIAL YEAR

DIRECTORATE: WATER AND WASTE
AUTHOR: Bruce Logan, Director - Water and Waste
Reference: Item 8.2 to Ordinary Council 26 November 2024 - Minute No 322/24
Item 8.2 to Ordinary Council 30 June 2025 - Minute No
6 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report "IPART's Determination of Water NSW's and the Water Administration Ministerial Corporation's Bulk Water Charges, Council receive and note the report and agree to lodge a submission to IPART which includes the general points contained in the report.

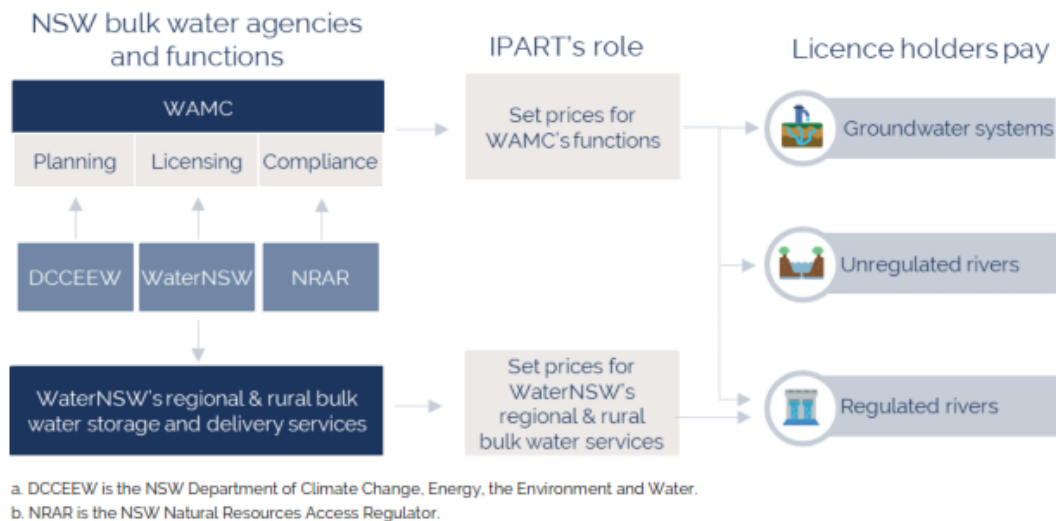
SUMMARY

The NSW Independent Pricing and Regulatory Tribunal (IPART) has released its draft determination in relation to the maximum charges Water NSW can charge for bulk water access across NSW, commencing 1 July 2026, through to 30 June 2029. IPART is inviting submissions on the draft determination. Submissions close Monday 11 May 2026.

COMMENTARY

Council pays charges to two State Government entities for access to bulk water, both surface and groundwater – Water NSW and the Water Administration Ministerial Corporation (WAMC). As both entities are monopoly providers, the charges levied are subject to review by the Independent Pricing and Regulatory Tribunal.

The graphic below shows the relationship between WAMC and Water NSW and IPART's role.



Water NSW supplies Council with bulk water from regulated rivers and streams, which, for Council, includes the Namoi Valley (part Manilla and all Barraba supply) and the Peel Valley (Chaffey Dam supply for Tamworth, Moonbi and Kootingal).

The Department of Climate Change, Energy, the Environment and Water (DCCEEW) and the Natural Resources Access Regulator (NRAR) and WaterNSW provide services on behalf of WAMC. DCEEW retains responsibility for setting water management policies and undertaking water planning in NSW. WaterNSW is responsible for undertaking WAMC's licensing functions, providing metering services and account management services to water management customers in NSW. NRAR is the independent water regulator.

In November 2024, IPART released an Issues Paper concerning the review of prices for Water NSW and the WAMC for the five-year period 2025-2026 to 2029-2030. Council considered a report on this matter at its Meeting of 26 November 2024, and resolved as follows:

That in relation to the report "IPART Review of Prices Charged for Bulk Raw Water by Water NSW and the Water Administration Ministerial Corporation", Council:

- (i) *provides a submission to IPART on the proposed prices and associated issues as detailed in the report; and*

- (ii) *write to the NSW Minister for Water expressing Council's concerns about the impact of the proposed increases on farming enterprises in the Peel and the cost of water for the Tamworth Moonbi Kootingal Community.*

A copy of Council's previous submission document is **ATTACHED**, refer **ANNEXURE 1**.

Subsequently IPART proposed issuing a 1-year determination for the maximum prices Water NSW could set for the 2025-2026 financial year. IPART's reasons for this included:

- Water NSW was proposing significant increases in prices for the original determination period and IPART was not convinced the proposed increases could be justified,
- IPART needed more time to investigate the basis for the proposed price increases, and
- Water NSW prices would become unregulated if IPART did not make a determination of some sort.

IPART also made a draft determination in relation to maximum prices that WAMC could set up to 2028-2029 and invited public submissions on the proposal. At the time a submission was not made in relation to the draft determination because:

- what was proposed in the draft determination was a reduction in charges from what was originally proposed in the Issues Paper,
- IPART has never changed its draft determination despite Council and others making submissions;
- the total value of the annual charges paid by Council to WAMC are relatively low compared to Water NSW charges; and
- all of Council's relevant arguments were included in Council's original submission.

IPART subsequently made a final determination in relation to the charges for Water NSW for the 2025-2026 financial year and for WAMC through to the 2028-2029 financial year which was no different to those in the draft determination.

IPART has now released its draft determination in relation to the maximum charges Water NSW can charge for bulk water access across NSW commencing 1 July 2026, through to 30 June 2029.

In summary IPART propose to:

- Cap price increases to a maximum of 10% per year plus inflation over the 2026 determination period; and
- For the Namoi, Macquarie, Murray, Murrumbidgee, Lowbidgee and Hunter valleys, a 10% annual price cap means that prices would reach full cost recovery (FCR) levels over the 2026 determination period. For the other valleys, general security entitlement prices and usage prices would increase by 10% plus inflation each year for 3 years, but remain below FCR levels by the end of the 3-year determination period.

This is important because it suggests, in the Peel, future determinations will require still further price increases to achieve FCR:

- maintain the current price cap approach to setting prices rather than Water NSW proposed revenue cap;
- to maintain a valley-based approach to setting prices rather than Water NSW's proposed regional based pricing;

- Water NSW proposed a new cost pass-through for costs associated with operating the 18.2 km pipeline from Chaffey Dam to Tamworth during drought operations. When the pipeline operates, operational costs increase significantly, mainly due to electricity costs for pumping; and
- Water NSW proposed the following formula to calculate the cost of the Chaffey pipeline:

$$\text{Chaffey pass through (\$)} = \text{Volume (ML)} \times \text{Composite Energy Factor} \left(\frac{\text{MWh}}{\text{ML}} \right) \times \text{Energy Price} \left(\frac{\$}{\text{MWh}} \right)$$

Water NSW proposed a composite energy factor of 0.391 MWh/ML. IPART consider this factor reasonable because Water NSW advised it is based on pump performance data.

Costs associated with operating the pipeline would only apply to Tamworth Regional Council's usage of the pipeline.

IPART's draft decision is to adopt Water NSW's proposed cost pass-through. As IPART considers this mechanism meets pass-through criteria because the trigger is clearly defined. The pipeline operation would have a material cost impact on Water NSW, and result in prices that better reflect the efficient cost of service.

If adopted Tamworth Regional Council's charges from Water NSW will rise whenever the Chaffey Dam Pipeline is in operation in accordance with the adopted pass-through method.

- IPART requires a contribution from the NSW Government to support the efficient provision of regional and rural bulk water services and to moderate bill impacts on customers while prices transition towards cost reflective levels. The total NSW government contribution is forecast to fall from \$93.7 million in 2026-2027 to \$71.6 million in 2028-2029 as prices transition towards cost reflective levels over the determination period.

Staff have taken the previous determination for WAMC charges and the draft determination for Water NSW prices and calculated the impact on Council costs if the draft determination is approved. The calculations are based on the following assumptions:

- an annual CPI or inflation figure of 3%;
- each centre will continue to access the annual average volume of water over the life of the determination period; and
- no allowance has been made for the use of the Chaffey Dam pipeline and any increase in charges associated with this use.

The calculations indicate:

- total cost for accessing bulk raw water across the Council area will rise from \$1.587 Million in 2025-2026 to \$2.146 Million in 2028-2029 – an increase of 35.2% over 3 years;
- cost to access bulk raw water for Tamworth, Moonbi Kootingal will rise from \$1.554 M to \$2.108 M - an increase of 35.6%– document is **ATTACHED**, refer **ANNEXURE 2**.
- cost to access bulk raw water for Manilla will rise from \$8,644 to \$10,232 an increase of 18.4% - document is **ATTACHED**, refer **ANNEXURE 3**.
- cost to access bulk raw water in Barraba will rise from \$21,405 to \$24,144 – an increase of 12.8% - document is **ATTACHED**, refer **ANNEXURE 4**; and

- costs to access bulk raw water in other centres will also rise – document is **ATTACHED**, refer **ANNEXURE 5**.

The further increases proposed see Council's costs to access raw water continue to rise at a rate far greater than inflation. The Peel Valley continues to be the most expensive valley in the Murray Darling Basin to access raw water. In fact the cost to access Tamworth's water from the Peel is more than two times what it would cost to access the same volume of water from the next most expensive valley, the Namoi (Gunnedah) and almost 10 times what it would cost to access the same volume of water from the Murrumbidgee (Wagga Wagga) or Murray (Albury) – document is **ATTACHED**, refer **ANNEXURE 6**.

Unusually IPART has also made some recommendations for both the NSW Government and Water NSW as shown below:

- 1) that the NSW Government undertake a review of the longer-term sustainability of the regional and rural water sector in NSW, including whether Water NSW's operating model, regulatory framework and funding arrangements remain fit for purpose, to ensure the sector is financially sustainable, affordable for customers, and capable of meeting future water security and environmental challenges;
- 2) that Water NSW consider initiating a working group with NSW Treasury and NSW DCCEEW that would develop a program logic (the link between costs, activities and outcomes) for its core regulatory, strategy and engagement functions. Mapping the resources required to achieve its mandated outcomes would enable a clearer understanding of Water NSW's key cost drivers, resourcing needs and opportunities to improve its efficiency;
- 3) that Water NSW consider developing systems to provide a more transparent attribution of costs for its interactions with government. This would help to identify how those costs should be shared between customers and the NSW Government; and
- 4) that Water NSW consider the merits of undertaking greater benchmarking of its costs and outputs against other utilities to better understand its cost drivers and present this analysis in future pricing proposals.

Given Council has previously expressed the view the funding model used for bulk raw water charging in NSW is broken, and in the Peel in particular, is driving viable small businesses who rely on accessing bulk water, at reasonable prices, out of business, the recommended review of long-term sustainability of the regional and rural water sector should be strongly supported. It's not known whether the NSW Government and/or Water NSW are compelled to act on these recommendations.

In relation to Council preparing and submitting a submission on the draft determination there is a degree of what is the point – Council has been expressing its opposition to, and concerns with, charge increases proposed in numerous IPART draft determinations over the years and never have the charges in the final determination been changed. Notwithstanding that, it is also considered whenever Council is asked to comment on charging proposals if Council does not comment, Council will be assumed to be in agreement with the proposal. Therefore, it is recommended Council prepare a submission. Assuming Council agrees then the submission will include comments specific to Council concerns including:

- charges in the Peel are too much and are driving small business out of existence,
- funding model is broken and needs to be reviewed; therefore, Council supports the review of the longer-term sustainability of regional water

- blind pursuit of full cost recovery on valley-by-valley basis is economic suicide, and
- concerns about the adequacy of capital works funding to maintain and operate existing infrastructure and to install new infrastructure which improves water delivery in the future.

IPART has also requested feedback on certain matters as detailed below. A staff comment is included, in italics, on those where it is considered Council could provide feedback.

- 1) what are your views on IPART's draft decision for a three-year determination period?

See Councils comments earlier in the submission

- 2) would proposed expenditure on the WaterInsights Portal provide value for money to customers?

The Water Insights portal is a valuable tool for license holders. The proposed expenditure is considered appropriate as it would improve the data available to license holders and possibly reduce the amount of administration resources required to provide this information at the moment.

- 3) do you agree that the current avoided cost methodology for ICD rebates, remains fit for purpose? Are there any changes that should be made to the scope of avoided costs?

Not in a position to comment on this matter

- 4) what are your views on IPART's draft decision not to apply a transition to trailing average to the cost of debt in setting the WACC for WaterNSW?

Not in a position to comment on this matter

- 5) what are your views on IPART's draft decision to include WACC true-up in WaterNSW's notional revenue requirement?

Not in a position to comment on this matter

- 6) we have made a draft decision to establish a new cost share activity for WaterNSW providing government services, which would have a 100% government share. What are the benefits and disadvantages of this approach?

Council supports this approach

- 7) we have established that between 5% to 10% of WaterNSW operating expenditure for its bulk water services to regional and rural NSW likely relates to providing the government service. Our draft decision is to choose 7.5%, the midpoint of our estimated range. What other evidence should we consider when deciding the basis for allocation costs to the government service activity?

Council believes the funding model used to calculate bulk water charges is broken. The pursuit of full cost recovery in all/some valleys will lead to the closure of small businesses because of the cost of the businesses main input - water. There needs to be more recognition that there is economic benefit in these businesses continuing and if that requires the NSW Government to pay a greater share of the cost of the provision of water across the state and/or in some valleys, so be it.

- 8) do you have evidence that you have not already provided to IPART that could be relevant to IPART's draft decision to retain valley-based pricing in preference to moving to regional pricing? If you do, please provide that information to IPART.

*Based on the draft determination the cost to Tamworth Regional Council of accessing raw water from Chaffey Dam will rise by 36% over the life of the determination. By the end of the 2028-2029 financial year the communities of Tamworth, Moonbi and Kootingal will be paying twice as much to access the same volume of water from the Peel than if that water was accessed from the Namoi and almost 10 times as much if the same water was accessed from the Murrumbidgee or Murray – document is **ATTACHED**, refer **ANNEXURE 6**.*

- 9) do you evidence that you have not already provided to IPART that could be relevant to IPART’s draft decision to maintain the existing 40:60 fixed-to-variable tariff structure in the Lachlan Valley? If you do, please provide that information to IPART.

Not relevant to Council

- 10) do you evidence that you have not already provided to IPART that could be relevant to IPART’s draft decision to maintain the current fixed-to-variable ratios for licences environmental water holders? If you do, please provide that information to IPART.

No further information to provide

- 11) do you support supplying a uniform cap on price increases to all valleys? Is there justification to apply a different cap for some valleys, such as the North Coast and South Coast?

Council supports postage stamp pricing across NSW for bulk water. Assuming this is not supported by IPART a cap on pricing is appropriate, however Council believes the increase in the cost of water, in this and previous determinations, in the Peel in particular, is not sustainable.

- 12) what effects would our proposed 10% (plus inflation) annual cap?

See earlier comments

- 13) are there any alternative approaches for price setting consistent with cost-reflective pricing that you would like the Tribunal to consider for the Final Report?

Council has long advocated for postage stamp pricing for bulk raw water across NSW. Full cost recovery can still be achieved using this funding model however, the costs would be spread across all license holders and the NSW Government.

- 14) what are your views on the approach of escalating the incremental cost of water treatment by the CPI for setting the filtered water usage in the Fish River Water Supply Scheme?

Not relevant to Council

- 15) do our draft decisions on cost pass-throughs and true-ups achieve an appropriate allocation of risk between WaterNSW and customers?

The charges for the Chaffey Dam Pipeline are appropriate.

- 16) do stakeholders consider it appropriate to manage WaterNSW’s revenue risk through a demand volatility adjustment mechanism, and does the proposed +5% threshold achieve an appropriate balance between managing revenue risk and limiting price volatility for customers?

Council has to manage income volatility in its own water business, so Water NSW should do the same. Council does not support any mechanisms to manage revenue risk.

- 17) what are your views on our approach for assessing how potential price increases could affect irrigated farms and local water utility customers?

Council does not believe the modelled impact of sustained price rises over many years is an accurate reflection of the actual impact on Peel Valley water users

- 18) do you support the methodology and underlying assumptions used for the agricultural impacts analysis?

Council does not believe the modelled impact of sustained price rises over many is an accurate reflection of the actual impact on Peel Valley water users

- 19) can you provide examples of cost pressures you have faces, and describe their impact on you? How should additional cost pressures be considered when examining irrigated farms' capacity to pay?

Council recommends IPART actually talk to the impacted irrigators in each valley and understand the specific cost issues facing those irrigators rather than coming up with a one size fits all approach.

- 20) what are the factors we should consider when examining affordability for local water utility customers?

In the Peel Valley there is a real risk that continued increases in prices will drive out general security license holders. Were this to happen only a few license holders would be left and the largest by far would be Tamworth Regional Council. Essentially, at that time, all of Water NSW costs in operating and maintaining Chaffey Dam will be passed onto the community of Tamworth.

IPART should consider the Level of Service being provided by the service provider as part of pricing considerations. In the case of the Tamworth community, Council is paying more and more and seeing our water security erode. There needs to be recognition paying more for the same or better service may be acceptable but paying more for a reducing service is unacceptable

- 21) what are your views on the draft performance measures and targets could these be improved? If so, please suggest measures and/or targets that would improve the quality of Water NSW's reporting and transparency.

There needs to be some performance measures applied to Water NSW. The ones in the draft determination are satisfactory

- 22) WaterNSW proposed a number of performance measures that we are not including in our draft recommendations. For example, we did not include WaterNSW's proposed measures for the WaterInsights portal or reporting of data breaches. Do you consider any of these important for transparency, accountability or customer outcomes?

No further measures are considered appropriate

(a) Policy Implications

Nil

(b) Financial Implications

Assuming IPART does not change its draft determination in relation to Water NSW charges when its final determination is handed down then the nett effect for Council is as follows:

These figures are based on Council using the average volume of raw water per annum.

	25-26	26-27	27-28	28-29
		Assume inflation is 3%	Assume inflation is 3%	Assume inflation is 3%
Water NSW Charges	\$1,454,615	\$1,598,826	\$1,811,529	\$1,990,951
WAMC Charges	\$132,297	\$140,014	\$146,802	\$154,655
Total	\$1,586,912	\$1,738,840	\$1,958,331	\$2,145,606

Council will have to consider whether it can afford not to pass this increase onto consumers and the level of increase, if any, in water fees and charges in future years.

(c) Legal Implications

Nil

(d) Community Consultation

Nil

(e) Delivery Program Objective/Strategy

Focus Area 1 – Our Water Security

7.3 ANNUAL DAMS SAFETY STANDARDS REPORT

DIRECTORATE: WATER AND WASTE

AUTHOR: Daniel Coe, Manager - Water and Environmental Operations

Reference: Item 8.4 to Ordinary Council 24 May 2022 - Minute No 142/22
 Item 8.4 to Ordinary Council 8 August 2023 - Minute No 191/23
 Item 8.6 to Ordinary Council 8 August 2023 - Minute No 193/23

RECOMMENDATION

That in relation to the report “Annual Dams Safety Standards Report”, Council receive and note the report.

SUMMARY

Dams Safety NSW requires all declared dam owners to submit an Annual Dams Safety Standards Report for each declared dam in their operational portfolio. The Report aims to demonstrate dam owner compliance with the dam safety requirements as prescribed in the NSW Dams Safety Regulation 2019. Dam owners must lodge Reports with Dams Safety NSW by 31 March each year.

As of 31 March 2025, Council was the owner of the following three declared dams, being:

- Dungowan Dam;
- Connors Creek Dam; and
- Calala Storage Dam.

An Annual Dams Safety Standards Report has been prepared for each of the above Dams and submitted to Dam Safety NSW as required. This report provides Council a summary of the submitted Annual Dams Safety Standards Report and status of Council's Dams Safety Management System.

COMMENTARY

As reported to Council at its Meeting of 24 May 2022, in 2013, the NSW Government initiated a review of the *Dams Safety Act 1978* and its associated regulatory framework. The government-initiated review identified a need to improve dam safety regulation by providing clear, enforceable safety requirements that dam owners must comply with. It also recognised the need for an independent regulator to enforce compliance.

The review resulted in the development of new legislation - the *Dams Safety Act 2015*, and identified the need to establish a new regulator - Dams Safety NSW.

The *Dams Safety Act 2015* and the *Dams Safety Regulation 2019*, commenced on 1 November 2019. The Regulation sets out the operational details of the Act, and safety standards that declared dam owners must comply with. Penalties apply to declared dam owners who do not comply with the requirements.

A two-year transition period was included with the legislative changes to allow dam owners to implement new regulatory requirements. This transitional period commenced on 1 November 2019, and ended on 1 November 2021.

Since the introduction of the new legislation, Council has fully implemented a Dams Safety Management System and identified a continuous improvement program to continue to develop and improve the system. Council has continued to develop the maturity of its Dams Management System by:

- undertaking system audits both internally and with Dams Safety NSW;
- participating in a pilot program with WaterNSW and other Council's in identifying methods to improve Dams Management Systems across the water industry in NSW;
- participating in programs with WaterNSW and State Emergency Services to test the functionality of Council's Dam Safety Emergency Plans;
- completing Risk Assessments for both Dungowan Dam and Connors Creek Dam; and
- regular review of operational and maintenance plans for all dams.

As of 31 March 2025, Council was the owner of three dams declared under the *NSW Dams Safety Act 2015*. These dams are classified as per the *Dams Safety Regulation 2019* with the following consequence categories:

Dam	Sunny Day Consequence Category	Flood Consequence Category
Dungowan Dam	High A	High A
Connors Creek Dam	Low	High C
Calala Raw Water Storage	High C	High C

The consequence categories reflect the societal and individual risk should a failure occur at any of the dams.

All dam owners within NSW are required to complete an Annual Dams Safety Standards Report and submit to Dams Safety NSW for each declared dam. This report provides Council a summary of Annual Dams Safety Standards Report for each of its declared dams.

Dungowan Dam

Dungowan Dam was constructed during the mid-1950's with a major augmentation occurring in the early 1990's. The Dam has a full water supply volume of 6,300 megalitres (ML) and can supply up to 21 ML per day to the Calala Water Treatment Plant via the Dungowan Pipeline.

As reported to Council at its Meeting of 8 August 2023, in 2019 both the NSW and Federal Government announced the construction of a new Dungowan Dam, proposed to be 22,500 ML and associated pipeline construction to Tamworth. The primary driver of the project was to improve long term water security for Tamworth; however, the project also had the associated benefits of improving Dam asset quality and removing all existing Dungowan Dam safety risks via the construction of a new dam, downstream of the existing dam, and removal of the old dam.

With the announcement of the new Dungowan Dam, several actions at the existing Dungowan Dam (including previous risk report recommendations) were placed on hold as the expense of undertaking this work could not be justified, as all risks would be resolved with the construction of the new Dam and proposed decommissioning of the existing Dam.

With the 2023 decision of both the Federal and State Governments to not proceed with a new Dungowan Dam, Council is required to again consider the outstanding items related to dam safety for the existing Dungowan Dam including site investigations, detailed studies and capital works at the Dungowan Dam and develop an implementation plan.

In accordance with the *Dams Safety Regulation 2019*, a risk report is a written report that a dam owner must produce on all foreseeable risks to their declared dam. The owner of a declared dam must produce a risk report at the time the new dam is being designed. Similarly, a risk report is required to be produced when a major change to a declared dam is being designed. Council completed a Risk report for Dungowan Dam in 2016, and a further risk report was developed by Water Infrastructure NSW in 2021 as part of the design of the new Dungowan Dam.

Dam safety regulation mandates that dam owners must ensure safety So Far As Is Reasonably Practicable (SFAIRP). SFAIRP requires a dam owner to determine what the available practicable precautions are and then tests which of these are reasonable. There are two elements a dam owner must consider:

- 1) what can be done, i.e. what is possible in the circumstances for ensuring safety; and
- 2) whether it is reasonable in the circumstances to do all that is possible, including an assessment of the safety benefits against the costs.

What is reasonably practicable is determined objectively. This means that a dam owner must meet the standard of behaviour expected of a reasonable person in the dam owner's position and who is required to comply with the same duty.

The preparation of a dam risk assessment includes the following steps:

Step 1 – Assess whether the available information is sufficient to formally assess SFAIRP.

Step 2 – Identify any critical data gaps necessary to inform SFAIRP.

Step 3 – Determine the critical hazards for the dam.

Step 4 – For each critical hazard:

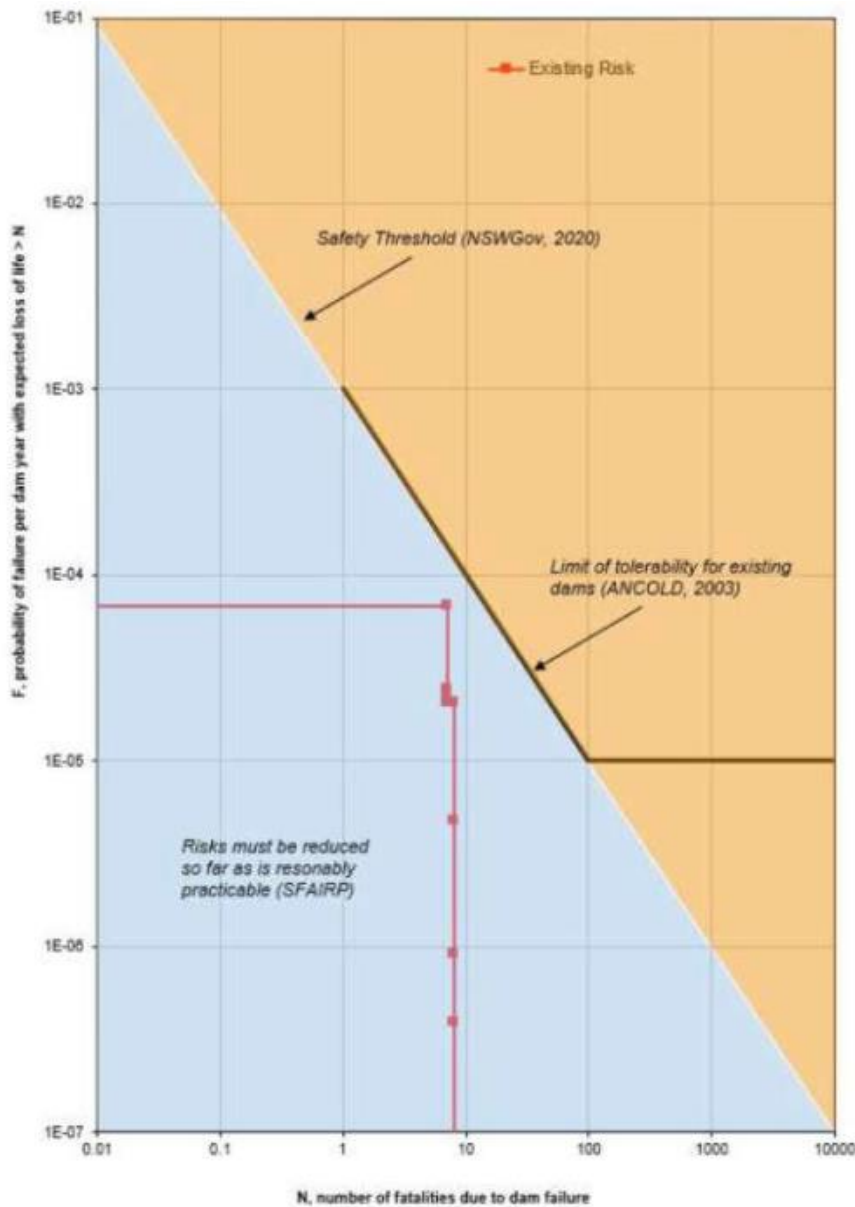
- 1) identify the existing control measures;
- 2) identify potential additional control measures; and
- 3) assess the opportunity to add or improve the control measures.

Step 5 – Identify which additional control measures are reasonably practicable under the circumstances. This takes into account the relevant matters, including:

- 1) likelihood;
- 2) harm;
- 3) control measures;
- 4) cost;
- 5) confidence existing risk is below the Safety Threshold; and
- 6) other matters.

Step 6 – Prepare a risk report.

As part of the new Dungowan Dam Project, a risk assessment and associated SFAIRP report were prepared in 2021 for the existing Dungowan Dam. The reports concluded that the societal risk of Dungowan Dam currently sits below the Dam Safety NSW (2019) Safety Threshold for existing dams. Refer following graph:



The key failure mode identified in the investigation is the stability of the existing dam that contributes 85.5% of the risk. The remaining risk is mainly made up of piping/internal erosion failure modes.

The key uncertainties identified during the preparation of the reports included the following:

- consequences of failure;
- condition of the original rock toe filters;
- stability of the embankment;
- liquefaction potential of the foundation;
- embankment material properties; and
- structural capacity / stability of concrete structures.

The SFAIRP report recommended the following further investigations and assessments should be undertaken, to reduce the uncertainties. These investigations include:

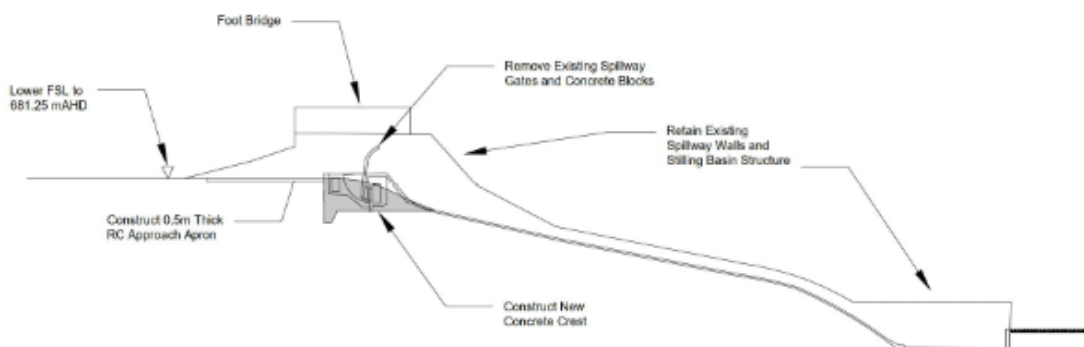
- revised consequence assessment;
- geotechnical investigations to determine material properties of the original embankment, raised embankment and foundation alluvium/gravels; and
- stability modelling, liquefaction assessment and other assessments to verify assumptions made in the risk assessment.

The SFAIRP report identified two potential construction works packages that would reduce the risk of the existing Dungowan Dam:

Construction Work Package One - Includes the construction of a filter buttress to stabilise the embankment and reduce the probability of piping through the embankment, around the outlet tunnel and adjacent to the spillway abutment wall. This work package is illustrated below.



Construction Work Package Two - Removal of the primary spillway gates (resulting in a loss of about 30% of the 6.3 GL storage in the dam); and/or other methods to stabilise the embankment such as foundation pressure relief wells.



The estimated costs for the above construction packages, at the time, ranged from \$25 million to \$200 million. Work Package Two is the lowest cost option, but requires the

reduction in dam water storage of 30% i.e. reduction in water volume of approximately two Gigalitres, in turn reducing Tamworth's water security.

Based on the cost estimates prepared, the report concluded that the justification to complete any of the nominated upgrade work packages is considered to be poor as per Australian National Committee on Large Dams Guidelines (2003) and not required by the cost-benefit analysis.

However, the report also recommended further investigations to confirm the safety risks of Dungowan Dam and allow Council to make a better-informed decision on any capital works required to further reduce the Dam safety risk. The recommended investigations included:

- updated hydrology study including calibration to recent events and 2D dam break modelling. Estimated cost \$200,000;
- site investigations, detailed engineering studies, wholistic Safety Review and Risk Report including risk reduction options. Estimated cost \$1,300,000; and
- options development and remedial works design (dependent on Safety Review, Risk Report and SFAIRP Assessment). Estimated cost \$900,000.

Council provided \$75,000 from the Water Reserve in 2023/2024 to prepare a scope of works and delivery program to undertake the required safety investigations for Dungowan Dam. This work has now been finalised with the proposed Dungowan Dam Safety Review Project being tendered with tenders closing on 9 April 2026. Further details regarding this project and the tenderer outcomes will be presented in a separate report to Council.

In addition, a revised hydrology study for Dungowan Dam, including calibration to recent events and 2D dam break modelling was undertaken by specialist consultants in 2025. This work was completed for approximately \$60,000. This amount is significantly lower than the 2023 estimate of \$200,000 due to the engagement of the consulting company that undertook modelling associated with the new Dungowan Dam. A significant portion of the work undertaken for the new Dungowan Dam Project was able to be used for preparing the revised hydrology study for the existing Dam, significantly reducing the cost. The outcomes of the revised hydrology study will be incorporated into the Dungowan Dam Safety Review Project and presented to Council in due course when the outcomes of Safety Review are known.

As previously reported to Council, with the announcement of the new Dungowan Dam Project, a number of major maintenance and operational improvement projects for the existing Dam were placed on hold due to timeframes to implement, costs and the solution of decommissioning the existing dam would have made the projects obsolete. Since the announcement of the new Dungowan Dam project not proceeding, Council has provided funding and the following operational improvements and maintenance projects required at Dungowan Dam have commenced:

- 1) power supply battery backup – to ensure dam CCTV and telemetry monitoring in the event of an extended power outage i.e. up to seven days. Budgeted cost \$200,000. This project is expected to be finalised in mid-2026,
- 2) debris boom replacement. Budgeted cost \$320,000. This project is expected to be completed in 2026, and
- 3) dam gate maintenance – improved screen to existing gate to ensure ongoing operation. Budgeted cost \$250,000. Work has commenced on items that can be maintained when the dam is at a full water supply level. Recently, staff have been able

to access the gate infrastructure with the dam level reducing due to dry weather conditions and low dam inflows.

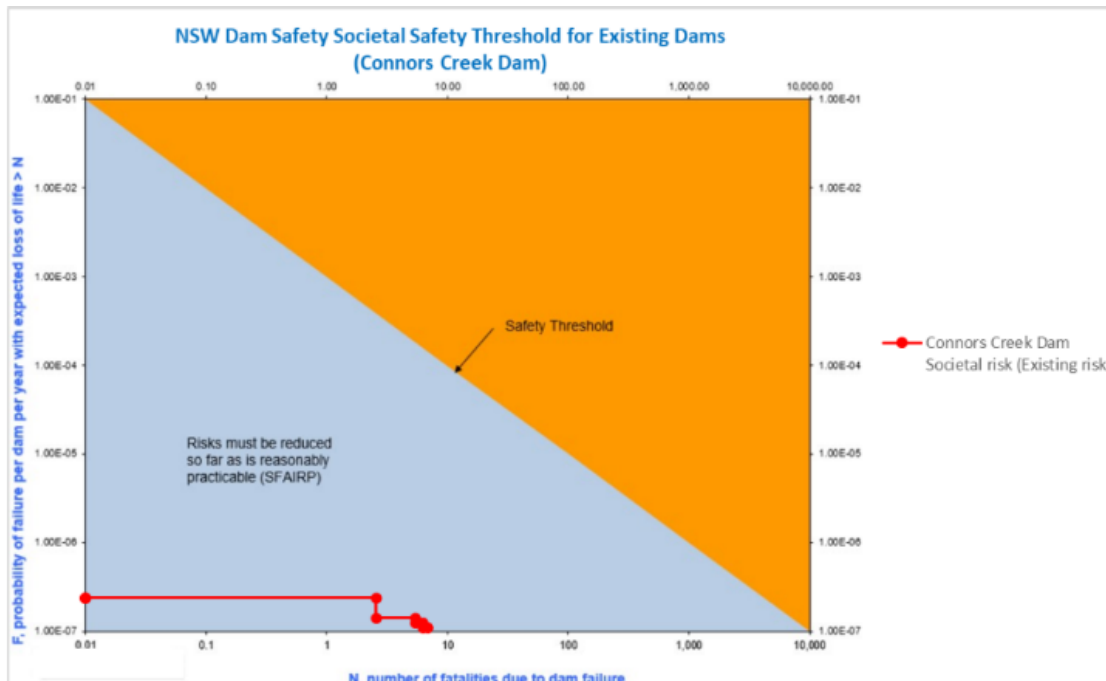
In addition, recent reports have recommended improved piezometer monitoring be implemented at Dungowan Dam with an estimated cost of up to \$500,000. Given the nature of this work, this recommendation will be considered and further defined as part of the Dam Safety Review Project.

Connors Creek Dam

Connors Creek Dam was constructed by the NSW Public Works Department in 1934 as a water supply dam for Barraba. The dam is located approximately four kilometres northeast of Barraba, and is a constant radius concrete arch dam having a maximum height of nine metres, and crest length of 110 metres. The dam has a catchment area of approximately 71 square kilometres and the original design storage was 360ML. Due to siltation since construction, the dam storage capacity has reduced to approximately 156ML. The dam was the primary water supply for Barraba up until 2016, when the pipeline from Split Rock Dam to Barraba was completed. At that time connections on the raw water pipeline were supplied water from the Barraba water network and the pipeline disconnected from the dam. As such, the dam no longer provides any water supply to Barraba.

In alignment with the new legislation, Council was required by Dam Safety NSW to prepare a risk assessment and safety review for Connors Creek Dam by the end of December 2022. Specialist consultants were engaged to undertake the project on behalf of Council during 2022.

A report was presented to Council at its Meeting of 24 May 2022, regarding the outcome of the risk assessment for Connors Creek Dam. The risk assessment identified the dam as having a very low risk of failure and potential Societal Safety risk. This is illustrated below.



The completed risk assessment provided recommendations regarding further work at Connors Creek Dam including:

- grouting of expansion joints;

- installation of survey points to the top of the dam to monitor deformation in winter/summer; and
- continued dam monitoring following flood events to monitor abutments scouring.

The recommendations provided in the risk assessment have now been finalised by staff and Connors Creek Dam continues to be operated and maintained in accordance with documented plans as required by legislation.

Calala Storage Dam

The Calala Storage Dam is a clay compacted turkeys nest dam with an installed high density polyethylene liner. The dam has a maximum storage volume of 120 ML and is located adjacent to the Calala Water Treatment Plant. The dam was designed and constructed in 2019/20 to assist with drought management at the time and also to provide long term supplementary storage capacity for raw water extracted from Dungowan Pipeline, Peel River Pump Station or Paradise/Scott Road Wells.

At the time of design of the new storage the new regulations under the new Dam Safety legislation had not come into effect. As a result, a consequence assessment was undertaken on the final design under the old requirements. This yielded a consequence assessment of High C. With the advent of the new NSW Dam Safety legislation, Council was required to prepare a risk assessment for the Calala Storage Dam by the end of December 2024. Council engaged a consultant during May 2024, to undertake a comprehensive risk report for the Calala Raw Water Storage. During the initial gap analysis phase of the project, it was identified that no detailed hydraulic modelling was conducted in the previous consequence category assessment for the dam.

As a result, a consequence category assessment incorporating hydraulic modelling for the Calala Storage Dam was undertaken. The outcomes of this assessment identified the dam as having a 'Low' consequence category being a lower risk than the initial 'High C' consequence category applied to the dam. The consequence category assessment for the Calala Storage Dam was subsequently presented to Dams Safety NSW who concurred with the revised 'Low' consequence category assessment for the Dam. The change in consequence category means that the Dam is not required to be declared under NSW Dam Safety legislation. Following a request by Council to Dam Safety NSW, the declaration status for the Dam was formally revoked following gazetting by Dam Safety NSW in June 2025. The removal of declaration status of the dam reduces the monitoring and long-term reporting requirements for the dam. These changes are summarised below.

Dam Surveillance Requirements

The inspection frequency is much lower for a 'Low' consequence category than for a 'High C' category. Under the new consequence category, comprehensive inspections are no longer required, intermediate inspections are only required at a 5 yearly interval, routine visual inspections are required monthly and special inspections should still be undertaken as required. It should be noted routine inspections will continue to occur tri weekly by Council operators due to other asset inspection requirements. These changes are outlined in the following table.

Inspection Type	High C Required Frequency	Low Required Frequency
Comprehensive	5 yearly	Not specified/required

Intermediate	Annual	5 yearly
Routine Visual	Daily to Tri-Weekly	Monthly
Special	As required	As required

Monitoring Requirements

The required monitoring frequency also differs for ‘High C’ and ‘Low’ consequence categories. The monitoring systems currently in place for Calala Storage Dam exceed the required monitoring for a ‘Low’ consequence category dam. The changes for monitoring are summarised below.

Monitoring Type	High C Required Frequency	Low Required Frequency
Rainfall	Daily to Tri Weekly	Monthly
Storage Level	Daily to Tri Weekly	Monthly
Seepage	Daily to Tri Weekly	Monthly
Seepage Chemistry	Consider	Not Specified/Required
Pore Pressure	Monthly to 6 Monthly	Consider
Surface Movement/ Control Survey	5-10 yearly	Not Specified/Required
Surface Movement/ Normal	2 Yearly	Consider
Internal Movement	2 Yearly	Not Specified/Required
Seismological	Consider	Not Specified/Required

Consequence Category Assessment

The consequence category of the dam should be reassessed should any of the following occur that are likely to change the consequence category of the dam:

- 1) a modification being made to the dam;
- 2) any significant change in the number of persons likely to be affected by a failure of the dam e.g. a residential development in the dam break zone changes to high density. Noting that the completed consequence category assessment considered the approved Outlook Development i.e. all future properties associated with the Development were assessed; and
- 3) a change (other than a minor change) in the severity of damage and loss that is likely to occur should there be a failure of the dam.

It is also recommended that the consequence category assessment be reviewed every 15 years as per the regulation to ensure the asset should not be re-declared.

Risk Assessment and Safety Review Requirements

A full safety review of the dam is recommended to be completed at 10 to 20 year intervals. If any extreme events such as flooding, earthquakes etc occur, an unscheduled safety review may be required. A risk report should be included under any future Dam Safety Reviews. A dam safety assessment will need to be undertaken in the event of a dam incident, a major change in seismic or hydrologic data, or any other deficiency listed in the ANCOLD guidelines on Dam Safety Management.

It is considered the Calala Storage Dam does not have any deficiencies as it was designed and constructed to meet High C requirements.

Operational Considerations

The updated consequence category for Calala Storage Dam will not have a major effect on the operations procedures, or operations manual requirements. The Operation and Maintenance Plan will no longer be required under the regulation to be updated annually. The plan will now be updated at a frequency as per Council’s asset management requirements which requires annual management review.

No major changes in Dam Safety Emergency Plan (DSEP) requirements exist between High C and Low consequence categories. The DSEP will no longer be required under the regulation to be updated annually. The plan should now be updated whenever contact details change and at a frequency as per Council’s asset management requirements. It is proposed to maintain an annual management review of the DSEP. Specific emergency exercises are no longer required however it is recommended that the Calala Storage Dam is considered when running exercises for other Council declared dams.

Estimated Financial Implications

It is expected that the operation and maintenance costs associated with the Calala Storage Dam will reduce with the lower risk rating. The annualised estimated budget cost due to the revised ‘Low’ consequence category is shown in the following table.

Item	High C - Budget Estimate	Low - Budget Estimate	Budget Change/Saving
Routine Inspections	\$25,000	\$25,000	Nil
Intermediate Inspections	\$15,000	\$3,000	\$9,000
Comprehensive Inspections	\$15,000	\$Nil	\$15,000
Special Inspections	\$10,000	\$3,000	\$7,000
Survey	\$10,000	\$Nil	\$10,000
Internal Movement	\$Nil	\$Nil	\$Nil

Consequence Category Assessment	\$5,000	\$2,000	\$3,000
Dam Safety Review and Risk Assessment	\$15,000	\$4,000	\$11,000
Operation and Maintenance Plan Updates	\$5,000	\$5,000	\$Nil (proposed to maintain same frequency)
Dam Emergency Plan Updates	\$5,000	\$5,000	\$Nil (proposed to maintain same frequency)
Emergency Exercises (desktop)_	\$10,000	\$10,000	\$Nil (proposed to maintain same frequency)
Emergency Exercises (practical)	\$8,000	\$Nil	\$8,000
Total	\$123,000	\$57,000	\$63,000

(a) Policy Implications

Council's Dam Safety Management Policy will require amendment to reflect the Calala Storage Dam is no longer a declared dam and Council has only two declared dams being Dungowan Dam and Connors Creek Dam.

(b) Financial Implications

Financial impacts associated with Dungowan Dam will be assessed following the completion of the Dam Safety Review Project.

It is expected that the operation and maintenance costs associated with the Calala Storage Dam will be reduced with the revised consequence category of the dam.

(c) Legal Implications

Council is required to comply with the *NSW Dams Safety Act 2015*, and *Dams Safety Regulation 2019*, including provision of Annual Dam Safety Reports to Dam Safety NSW.

(d) Community Consultation

A list of Declared Dams within NSW was published on 13 June 2025, as the *Declared Dams Order June 2025* within the NSW Government Gazette. The Calala Storage Dam not being listed.

(e) Delivery Program Objective/Strategy

Focus Area 1 – Our Water Security

7.4 EXPRESSION OF INTEREST E068-2026 - INDUSTRIAL HARD PLASTICS PROJECT FUNDING AND PROJECT UPDATE

DIRECTORATE: WATER AND WASTE
AUTHOR: Doug Hughes, Manager - Waste & Resource Recovery
Reference: Item 12.1 to Ordinary Council 11 February 2025 - Minute No 14/25
 Item 12.2 to Ordinary Council 26 August 2025 - Minute No 212/25
 Item 12.12 to Ordinary Council 16 December 2025 - Minute No 335/25

3 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report “Expression of Interest E068-2026 - Industrial Hard Plastics Project Funding and Project Update”, Council:

- (i) withdraw from the NSW EPA Recycling Modernisation Fund – Plastics Technology Stream (reference #2024/RMPT/0004);*
- (ii) return all received funding and provide acquittal information for any funds spent for acquittal consideration;*
- (iii) provide funding for expenditure already incurred and not covered by the EPA trust from the Waste Reserve; and*
- (iv) continue negotiations with Expression of Interest (EOI) respondents regarding the use of existing facilities at Forest Road Waste Management Facility.*

SUMMARY

The purpose of this report is to provide Council with an update on the establishment of an industrial hard plastics processing facility in Tamworth.

Council has progressed with negotiations with both Expression of Interest (E068-2026) and the NSW Environmental Trust. These negotiations have identified the milestone timeframes, particularly relating to construction activities, are not achievable and no extension was able to be negotiated.

Direction from Council is required in relation to a path forward.

COMMENTARY

The purpose of this report is to provide Council with an update on the potential establishment of an industrial hard plastics processing facility in Tamworth, including the status of grant funding under the NSW EPA Recycling Modernisation Fund – Plastics Technology Stream (reference #2024/RMPT/0004).

A timeline for the project to date is shown below:

Date	Details
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18 Jul 2023	1 st Round of Grant Funding – NSW Recycling Modernisation Fund – Plastics Technology Stream. Funding administered by the NSW EPA Trust
12 Sep 2023	Council submitted a grant application
31 May 2024	Council advised application had been successful
5 Jun 2024	<p>Staff meet with the EPA Trust – concerns raised included:</p> <ul style="list-style-type: none"> • timeframes to spend the funding were too tight; and • the project may not be commercially viable as the market had not been tested. <p>Advice from EPA Trust was there would be another round of grant applications, so Council could decline Round 1 funding, undertake market testing and apply for funding in Round 2</p>
24 Jun 2024	EPA Trust advised Council would not accept the grant funding under Round 1
18 Sep 2024	EOI E026-22025 Expression of Interest opens seeking submissions from highly experienced recycling processors interested in operating a proposed industrial hard plastics processing facility in Tamworth.
30 Oct 2024	<p>Application for funding under Round 2 of the NSW recycling Modernisation Fund lodged, on the basis of:</p> <ul style="list-style-type: none"> • it took eight months to advise Council the first-round funding application was successful. Therefore, the results of the EOI would be available before Council is notified of success or otherwise of our second-round application; and • if after the EOI process the project was not commercially viable then the grant application could be withdrawn
11 Feb 2025	<p>Report to Council on outcomes of the EOI process. Council resolved as follows</p> <p><i>That in relation to the report “Expression of Interest E068-2026 - Industrial Hard Plastics Project Funding and Project Update”, Council:</i></p> <p>(i) <i>authorise the General Manager to enter into formal negotiations with the preferred contractor, Valera Recycling, seeking to agree to terms for a long-term lease/contract to operate and maintain a Hard Plastics Processing Facility, constructed on Council owned land;</i></p> <p>(ii) <i>request the Director Water and Waste submit a further report at the conclusion of negotiations; and</i></p> <p>(iii) <i>agree, should Council’s application for grant funding for the construction of the Hard Plastics facility not be approved, then construction of the Hard Plastics Processing Facility will not proceed and any negotiations with the preferred contractor, still underway,</i></p>

	<i>will cease</i>
29 May 25	EPA Trust advised Council grant application under round 2 had been successful. Funding grant awarded of \$1,989,440.
24 Jun 25	Council accepts grant, however advises concerns the tight timeframes with expending funding cannot be complied with
26 Aug 25	<p>Report to Council about the possible purchase of land in the Tamworth Global Gateway Park to house the proposed Hard Plastics Recycling Facility presently under negotiation. Council resolved as follows</p> <p><i>That in relation to the report “Expression of Interest E068-2026 - Industrial Hard Plastics Project Funding and Project Update”, Council:</i></p> <ul style="list-style-type: none"> <i>(i) authorise the internal asset transfer of Lot 109 DP 1286236 (7 Bandaar Drive, Westdale) to the Water & Waste Directorate; and</i> <i>(ii) authorise expenditure from the Waste Reserve to the value listed in the report to fund the acquisition of land from the General Fund.</i>
16 Dec 2025	<p>Report to Council about the outcome of negotiations with Valera Recycling. Report includes advice the project cannot be proceed without a further injection of funds over and above the grant funding received and funding already committed by Council. Council resolved as follows:</p> <p><i>That in relation to the report “Expression of Interest E068-2026 - Industrial Hard Plastics Project Funding and Project Update”, Council:</i></p> <ul style="list-style-type: none"> <i>(i) cease any negotiations under current Expressions of Interest (E026-2025);</i> <i>(ii) seek a new Expressions of Interest, seeking co-contributions to the project; and</i> <i>(iii) request the Director Water and Waste prepare a further report to Council following the close of the new Expressions of Interest period with submissions received and a full financial options paper.</i>
22 Dec 2025	Email from EPA Trust following discussion with staff about the grant funding and the need to undertake a new EOI – no extension to the agreed timeline associated with the round 2 grant funding would be considered

As per the Council resolution from 16 December 2025, a new Expression of Interest (E068-2026), seeking contributions from the market to fund the project opened on 8 January 2026, and closed 29 January 2026. During this time, Council officers continued with preliminary

design concepts for a facility located at the newly purchased property 7 Bandaar Drive, Westdale. Concept designs are **ATTACHED**, refer **ANNEXURE 1, 2 and 3**.

Council received three responses to the EOI. A review of the EOI responses identified:

- all those who submitted EOI's were prepared to inject equipment and resources into the project at various levels; and
- all those who submitted EOI's were able to mobilise operational equipment in a temporary capacity prior to completion of the construction (start the recycling process sooner).

Based on the responses to the EOI, it is considered a market for hard plastics recycling can be established in Tamworth. However, the submissions received from the EOI process, and the concept designs for the proposed building to house the hard plastics facility, reinforced the view that Council would not be able to construct a new building for housing the hard plastics recycling centre long term within the previously agreed timeframe. Current estimates, which include both development approvals and construction timeframes place the project construction timeframe by June 2027.

Based on this information, a letter was sent to the EPA Trust on the 13 February 2026, outlining:

- updated construction estimates, taking design, approvals, procurement and construction activities out to the end of 2027, which are outside the current milestone dates, and
- a proposal to commence hard plastic recycling activities earlier, via the utilisation of existing, unused Council buildings (located at Forest Road Waste Management Facility) until construction of the new building was completed using grant funds etc.

Based on above, the impact to the funding milestones of the new proposal was:

Milestone No.	Detail	Current Due Date	Proposed Date	Comments
1	Execution	30/06/2025	Completed	
2	Project design/costing; Ordering Equipment & Planning Consent	30/04/2026	30/04/2026	Project design, costing estimates and lodgement of development application (Planning consent).
3	Project construction/installation	30/06/2026	31/08/2026	Planning approval and award of construction partner.
4	Commissioning (temporary facility)	30/05/2027	31/01/2027	Installation of temporary facilities and recycling

				commencement
4b	Commissioning (permanent facility)	N/A	31/12/2027	Relocation to new purpose build facility once complete (estimated date only).
Final	Post 6-month report	17/12/2027	17/12/2027	Report on the temporary operations. Further reports on the permanent facility 6-months after commissioning.

A meeting with Council officers and the EPA Trust occurred on Monday 23 March 2026.

The position of the Trust at that meeting was:

- program completion date of 30 May 2027, is a firm requirement. The Trust agreed for Council to provide a Post Commissioning Report after the deadline (17 December 2027). This was under the proviso that all grant funds were expended and all reporting requirements met, including financial reports and final invoice, were submitted by 30 May 2027;
- in recent meetings between the Trust and the Commonwealth (co-funder of the Remanufacture NSW Grants Program – ad-hoc Plastics Technology Round), the Commonwealth advised there will be no extension to the Program end date and therefore no availability of funds beyond the end of the 2026/27 financial year; and
- the Trust will not be supporting any further extension to the project's completion date.

Based on above, the Trust requested Council formally withdraw from the grant project, if it is unable to deliver the project as per the Deed of Agreement. Council officers do not believe a facility can be constructed within the current project timelines.

Subsequent conversations with the EOI responders have been held, based on the likely withdrawal of grant funding. All EOI responders have indicated a desire to continue with a smaller scale facility possibly located within existing disused buildings at Council's Forest Road Waste facility to establish the industry in our region. Once the industry has been established and/or assuming further grant funding becomes available, Council may apply and is successful, a purpose built facility could be established, alternatively if no grant funding is available but the market indicates a purpose built facility is necessary Council may consider funding construction of the facility.

It is considered that Council has the following options available:

- 1) Withdraw from the project and return the grant funding to the NSW Environmental Trust.**

Cancel the project and return the funding back to the NSW Government. It should be noted Council has currently spent approximately \$30,000 on this project to date and will seek acquittal for these costs from the EPA Trust on the agreed 50/50 split. If the EPA Trust refuses to reimburse Council's costs to date then all funding will have to be contributed from the waste reserve.

Communicate with responders to the Expression of Interest (E068-2026) and advise of project cancellation.

2) Return funding to the NSW Environmental Trust and continue with Expression of Interest proposals for a temporary recycling facility

Return the funding back to the NSW Government. It should be noted Council has currently spent approximately \$30,000 on this project to date and will seek acquittal for these costs from the NSW EPA Trust on the agreed 50/50 split. If the EPA Trust refuses to reimburse Council's costs to date then all funding will have to be contributed from the waste reserve.

Negotiate with Expression of Interest (E068-2026) responders to investigate a Council led solution based on the temporary establishment of a hard plastic collection and recycling processing plant at Forest Road Waste Management Facility.

(a) Policy Implications

Nil

(b) Financial Implications

The return of \$397,888 of received grant funding. An additional interest charge is expected to be requested by the NSW Environmental Trust, estimated at approximately \$10,000.

Council has currently spent approximately \$30,000 on this project to date and will seek acquittal for these costs from the NSW EPA Trust on the agreed 50/50 split. This is expected to return approximately \$15,000 to Council. If the EPA Trust refuses to reimburse Council's costs to date then all funding will have to be contributed from the waste reserve.

(c) Legal Implications

All those who submitted an EOI (E068-2026) will be advised of Council's resolution in relation to this matter.

(d) Community Consultation

Nil

(e) Delivery Program Objective/Strategy

Focus Area 3 – Prosperity and Innovation

Focus Area 6 – Working with and Protecting our Environment

7.5 MURRAY DARLING BASIN PLAN REVIEW

DIRECTORATE: WATER AND WASTE
AUTHOR: Bruce Logan, Director - Water and Waste

2 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report “Murray Darling Basin Plan Review”, Council receive and note the report and agree to submit the submission, as attached to this report, to the Murray Darling Basin Authority.

SUMMARY

The Murray Darling Basin Authority (MDBA) is required, by legislation, to review the first Murray Darling Basin Plan (Plan) in 2026 and subsequent plans every 10 years thereafter. The MDBA has announced the 2026 review is underway. The purpose of this report is to seek direction from Councillors about preparing a submission and, assuming Council agrees to submit, what should be included in that submission.

COMMENTARY

The Murray–Darling Basin Authority (MDBA) was established in 2008. It was created under the Water Act 2007 (Cth) the MDBA is an independent statutory authority of the Australian Government. The MDBA formally replaced the Murray–Darling Basin Commission in 2008, bringing basin-wide water management into a single national body.

The MDBA was responsible for preparing and implementing the Murray Darling Basin Plan which was adopted by the Commonwealth Government in November 2012, after reaching agreement with all Basin states and territories (Queensland, New South Wales, Victoria, South Australia, and the Australian Capital Territory).

According to the Australian Government of the day, key concerns that led to reform include:

1. Over-allocation of water

- by the early 2000s, more water had been legally allocated than the rivers could sustainably provide, especially during dry periods,
- this meant that in drought years, there simply wasn't enough water to meet:
 - environmental needs;
 - downstream users' entitlements; and
 - critical human needs; and
- over-allocation was widely recognised as ecologically and economically unsustainable.

2. Severe environmental degradation

- rivers, wetlands, and floodplains across the Basin were in decline, including:
 - reduced river flows;
 - loss of wetlands and native vegetation;
 - declining native fish populations; and
 - increasing salinity and poor water quality;
- iconic assets such as the Coorong, Lower Lakes, and Murray Mouth were at risk of irreversible damage; and
- scientific assessments warned that without intervention, key ecosystems could collapse.

3. Millennium Drought impacts (late 1990s–2009)

- the Millennium Drought exposed the fragility of the existing water management system:
-

- rivers stopped flowing in places;
- emergency measures were needed to keep water supplies viable; and
- environmental watering was largely squeezed out; and
- the drought highlighted that existing state-based arrangements could not cope with extreme climate variability.

4. Fragmented and inconsistent state management

- basin management was split across multiple states, each with:
 - different rules;
 - different levels of enforcement;
 - competing priorities;
- the Murray–Darling Basin Commission (replaced by the MDBA) had limited powers and could not impose Basin-wide limits or ensure compliance; and
- there was no effective mechanism to manage the Basin as one connected system.

5. Lack of enforceable, science-based limits

- there were no legally binding, basin-wide sustainable diversion limits (SDLs);
- water sharing decisions were often driven by historical use and political negotiation rather than best available science; and
- this created growing concern that short-term extraction was undermining long-term water security.

6. Need for national leadership and accountability

- because the basin spans multiple jurisdictions and is critical to the national economy and environment, it became clear that:
 - a national legislative framework was required; and
 - an independent authority was needed to develop and oversee a basin-wide plan.

Section 50 of the Water Act 2007 (Cth) requires the first Basin Plan to be reviewed in 2026, and subsequent Plans be reviewed every 10 years. As part of the review process, the MDBA has released a Discussion Paper and a Discussion Paper Snapshot. A copy of these documents was provided to Councillors via email on 6 February 2026. A copy of the snapshot is **ATTACHED**, refer **ANNEXURE 1**.

The MDBA explains in the Discussion Paper the issues to be explored during the review process including:

- **Water for the Environment (Chapter 4)**

This chapter presents options to strengthen how water for the environment is planned, prioritised, protected and delivered. The proposed changes aim to maximise the environmental, economic, Cultural and social benefits achieved with water for the environment across the Basin. Continuing to improve how water for the environment is managed is crucial to delivering outcomes under climate change.

- **River connectivity in the Northern Basin (Chapter 5)**

This chapter explores options to improve river connectivity in the northern Basin at critical times, while recognising that flows in the rivers are highly variable and episodic. The proposed changes respond to lessons learnt from the Tinderbox drought (2017–2019). This drought exposed the urgent need to improve river connectivity in the Barwon–Darling, Menindee Lakes and the Lower Darling

- **Floodplain and wetland health (Chapter 6)**

The chapter proposes priorities for relaxing constraints to improve floodplain and wetland health, based on the lessons learnt over the past 14 years. The Authority proposes that governments continue to relax constraints in the Murrumbidgee and Gwydir. In the Goulburn Valley, the priority could be achieving bank full flows, and in the Murray, gradual testing of higher flows.

- **Native Fish Decline (Chapter 7)**

This chapter explores options to improve native fish outcomes in the Basin. Priorities include fish friendly river infrastructure, flow and connectivity, invasive species management, breeding and restocking, and habitat restoration. To arrest the long-term decline of native fish, there must be a clear strategy and a commitment to prioritise effort and investment.

- **Water Quality (Chapter 8)**

This chapter proposes options to improve water quality management, including updating the Basin Plan’s objectives and targets. It also considers whether a more holistic approach is required to tackle water quality problems, particularly in high-risk areas across the Basin.

The Basin Plan on its own cannot prevent and manage water quality problems, as many causes stem from land and catchment management. Mechanisms to better manage water quality risks are required, especially as climate change is expected to increase these risks.

- **Water Infrastructure and Critical Human Needs (Chapter 9)**

This chapter highlights the risks of ageing water infrastructure and presents options to improve state-based planning for critical human water needs. While critical to address, most of the Basin’s infrastructure and water security challenges cannot be solved through the Basin Plan. Meaningful improvements will require sustained investment by Basin governments.

- **Basin Plan Regulatory Design (Chapter 10)**

This chapter outlines options to reform water resource plans, improve SDL accounting and reporting, refine Basin water trading rules and streamline reporting requirements. The aim is to regulate Basin state governments efficiently and effectively.

- **Science and Knowledge Needs (Chapter 11)**

This chapter outlines options to ensure there is a robust information base for Basin water management and decision-making. There are knowledge gaps, and better science and monitoring is needed. Addressing these will make future Basin water management more efficient and effective under climate change.

Options being considered under each of the issues are also detailed and the MDBA has requested feedback on these options.

The MDBA visited Tamworth as part of the review process and met with the Mayor and staff at a range of engagements. Discussion with MDBA staff indicated that whilst a lot of Council's specific concerns related to local Water Sharing Plans which were the direct responsibility of the NSW Government and not the MBDA, the MDBA wanted to hear about all issues across the basin and encouraged Council to include these types of concerns.

A copy of Council's draft submission is **ATTACHED**, refer **ANNEXURE 2**.

(a) Policy Implications

Nil

(b) Financial Implications

Nil

(c) Legal Implications

Nil

(d) Community Consultation

Council has not undertaken any community engagement in relation to the basin plan review. However, the MDBA has undertaken extensive community consultation.

(e) Delivery Program Objective/Strategy

Focus Area 1 – Our Water Security

7.6 DROUGHT MANAGEMENT PLAN IMPLEMENTATION

DIRECTORATE: WATER AND WASTE
AUTHOR: Daniel Coe, Manager - Water and Environmental Operations
Reference: Item 8.2 to Ordinary Council 10 October 2023 - Minute No 257/23

RECOMMENDATION

That in relation to the report "Drought Management Plan Implementation", Council:

- (i) receive and note the report; and*
- (ii) request the Director Water and Waste provide further reports to Council, as required, to provide updates on the status of Council's water supplies.*

SUMMARY

Council at its Meeting of 10 October 2023, adopted a revised Drought Management Plan following a substantial review of the previous plan utilised during the drought period of 2018 through 2020. This review considered actions implemented during the drought, infrastructure constructed during or after the drought and incorporated public feedback on ways to improve water management during drought periods.

The purpose of the report is to present to Council the current status of Council's water supplies given the recent extended period of hot, dry weather occurring from the commencement of 2026, and detail the approach for enacting Council's Drought Management Plan when required.

COMMENTARY

Council at its Meeting of 10 October 2023, adopted a revised Drought Management Plan. The Plan incorporated public consultation that occurred following the end of the most recent drought when all of Council's six water supply schemes had returned to normal operation and had no water restrictions in place.

Public feedback was sought from all residents connected to a town water supply across the Tamworth local government area. This was done via the 'Pre Drought Management Plan Review Survey', which saw 500 residents interviewed via a telephone survey.

The reviewed Drought Management Plan also considered the significant investment in water security infrastructure constructed during or because of the most recent drought.

The Draft Drought Management Plan was placed on public display with feedback provided to Council for incorporation as appropriate within the Plan.

Key changes made to the adopted Drought Management Plan included:

Introduction of Everyday Waterwise Guidelines

The previously used Permanent Water Conservation Measures (PWCM) were changed to Everyday Waterwise Guidelines. These guidelines are similar to the previously adopted PWCM but are considered easier to understand and follow. The Everyday Waterwise Guidelines better reflect the community's effort to date around water conservation.

These waterwise conservation guidelines have been in place since late 2023, and aim to ensure routine water sustainability practices are adopted by the community. These practices include:

1. Only water the garden before 10am or after 4pm. This avoids watering during the hottest part of the day, when water wastage and evaporative is high;
2. Trigger nozzles to be used on all handheld hoses. Trigger nozzles provide more control over water flow and reduce wastage; and
3. Avoid hosing down hard surfaces, such as concrete, paths and driveways. Use a broom or leaf blower, or if water is required, use a high-pressure cleaner or a water efficient nozzle.

These guidelines are no longer considered as part of Drought Management and instead will form part of Council's Demand Management Plan. The Everyday Waterwise Guidelines are integral in ensuring residents continue waterwise behaviour at all times, not just in periods of drought.

Drought Management now focuses on the period in which water restrictions are in place, which is from Level 1 to Level 5 water restrictions.

New Water Infrastructure

During and since the last drought, significant investment in water infrastructure has occurred across Council's water supply schemes. Some of this infrastructure will be used in drought periods only, with new actions added under relevant action plans, or the water restrictions guide, to account for this.

New water infrastructure includes:

- Chaffey Dam Pipeline;

- New Dungowan Pipeline – From the Calala Water Treatment Plant to Dungowan Recreation Ground/Chaffey Dam Pipeline connection;
- Calala Raw Water Storage Dam;
- capacity upgrade of the Manilla River Pumping Station at Manilla; and
- introduction of automated water metering which will assist with water usage monitoring, community engagement and water restriction enforcement.

Level 3 Water Restrictions

Minor changes were adopted for Level 3 Water Restrictions, to bring them in line with feedback received from the community based on their experience during the last drought.

The amendments included changing the outdoor watering rules from:

- 15 minutes of handheld hose watering per property within a 2-hour window and buckets restricted to 2-hours per day; to
- Buckets for 2 hours or one handheld hose for 15 minutes per day (within the same 2-hour window)

The reason for this change was to better manage possible water restriction breaches and to encourage residents to reduce their consumption as much as possible under Level 3 restrictions. The aim was to enable residents to maintain their gardens (not lawns), albeit it at a base level, while still reducing their daily water consumption to well below typical levels.

This minor rule change also means no exemptions need to be created, as there will be two options to watering that cater for those who are unable to water using buckets. This approach will reduce the administrative requirements of applying this restriction level.

Council's Drought Management Plan is publicly available on the Tamworth Regional Council Webpage.

Current Water Supply Status

Council staff have access to real-time water monitoring data from WaterNSW and Council operational assets. This information is routinely reviewed to plan water sourcing and manage operations to suit water availability. The following is a summary of Council's water supplies for the week commencing 13 April 2026.

Tamworth, Kootingal and Moonbi

Tamworth, Kootingal and Moonbi are currently in a relatively good position of water storage despite the dry start to 2026. Chaffey Dam water storage level is just over 91% capacity and Dungowan Dam storage level being 62%. Water restrictions for Tamworth, Kootingal and Moonbi are based on the storage level of Chaffey Dam with the trigger point for Level 1 water restrictions being applied requiring Chaffey Dam to reach a storage level 40%.

During the past three years, water operations staff have maximised the use of Dungowan Dam whilst inflows to the dam have been good to maximise water extraction from the dam. With the dam level now close to 60%, water sourcing for Tamworth, Kootingal and Moonbi will be primarily from Chaffey Dam/Peel River to ensure that Dungowan Dam level is maintained above 50% as detailed in the Drought Management Plan.

Attunga

Water supply from Attunga is from two groundwater wells. As evidenced by the last drought, Attunga's groundwater supply source has a strong level of security. Water restriction levels

within Attunga are based on the groundwater level and at this stage no observable changes have been noticed in Attunga well levels and it would not be expected that the system would move to restrictions any time soon.

Bendemeer

The primary water source for the Bendemeer water supply is the Macdonald River with the Airlie Road Bore being a supplementary water source. Water restrictions for the water supply are based on the average monthly river flow in the Macdonald River. Level 1 water restrictions come into effect when the river flow reduces to less than 60 megalitres (ML) per month. In the past month there has been over 350ML of flow in the river, however, the river flow has significantly reduced in the past week. Should the river flow continue to fall, it is likely Level 1 water restrictions would come in to effect sometime in May 2026.

Nundle

The primary water source for the Nundle water supply is the Peel River with the Crawney Road Bore being a supplementary water source. Water restrictions for the water supply are based on the average monthly river flow in the Peel River as measured at a gauging station located at Taroona. Level 1 water restrictions come into effect when the river flow reduces to less than 60ML per month. In the past month there has been over 130ML of flow in the river, however, the river flow has significantly reduced in the past week. Should the river flow continue to fall, it is likely Level 1 water restrictions would come in to effect sometime in May 2026.

Barraba & Manilla

The primary water source for Manilla is the Namoi River with a secondary supply being the Manilla River (Split Rock Dam). The primary measure for water restrictions for Manilla is based on the average monthly river flow in the Namoi River as measured at a gauging station located at North Cuerindi (upstream of the Manilla weir). Manilla and Barraba have a combined Split Rock Dam allocation and must be considered together when applying water restrictions. In the instances where flow in the Namoi River is reduced e.g. during a dry period and Split Rock Dam levels (and associated allocations) are high, Council may be able to balance the combined water entitlement across both the Barraba and Manilla water supplies and avoid restrictions.

This is the current state for Manilla and Barraba, although flows are reducing in the Namoi River i.e. 1500ML for the past month, Split Rock Dam is in excess of 90%. Given the current capacity of Split Rock Dam, it is not considered that Manilla and Barraba would need to be place on restrictions any time soon.

Further, as part of the Manilla Water Treatment Plant Upgrade in completed in 2022, pumping capacity from either the Manilla River or Namoi River has the capacity to meet the peak water demand requirements of Manilla. Historically, pumping rates were limited to 1ML/day from the Manilla River which meant peak water requirements for Manilla could not be achieved if water was solely being sourced from the Manilla River.

Legal Application of Water Restrictions

Councils can manage water supply from its general service function under section 24 of the *Local Government Act 1993* (NSW) (LG Act), and its specific water supply functions under Division 2 of Part 3 of Chapter 6 of the LG Act.

The *Local Government (General) Regulation 2021* (LG General Regulation) outlines the process for Council to restrict water use under s 137:

- (1) A council that considers the available stored water in a water supply system supplying its area, or the available capacity of supply from that system, to be insufficient to allow the unrestricted consumption of water for purposes other than domestic purposes may, by notice published in accordance with this section, restrict—
 - (a) the purposes for which the water can be used, or
 - (b) the times when the water can be used, or
 - (c) the methods by which the water can be used, or
 - (d) the quantities of the water that can be used.
- (2) The council may, by notice published in accordance with this section, place the same sort of restrictions as are referred to in subsection (1) on the use of water from such a water supply system for any purposes (including domestic purposes)—
 - (a) if there is a drought, or
 - (b) if the available stored water, or the available capacity of supply, is so limited as to make extraordinary measures necessary in the general interest of water consumers.
- (3) Restrictions under this section can be imposed in respect of all of the council area supplied by the water supply system, but can apply to a part of that area if and only if—
 - (a) the shortage of water or shortage in capacity of supply is limited to that part, or
 - (b) the council orders the supply to be restricted to different parts of the area in rotation.
- (4) Restrictions under this section can be imposed only by a notice of the council published on the website of the council.
- (5) All agreements made by the council relating to the supply of water are subject to this section.
- (6) This section does not authorise the council to make orders restricting persons' rights under the *Water Act 1912* or the *Water Management Act 2000*.

Section 144 of the LG General Regulation lists the specific circumstances where Council can cut off water supply to premises. Relevantly, this includes situations where:

- supply restrictions are necessary due to unusual droughts, or unavoidable causes or accidents; or
- the owner or occupier breaches water-use rules or fails to comply with any council order or public notice to economise water in time of drought or scarcity of supply.

Delegation process

On 22 October 2024, Council granted the General Manager, authority under s 377 of the LG Act to exercise all functions, subject to those expressly prohibited from delegation, and expressly required to be exercised by a resolution of Council. None of the expressly prohibited functions under s 377 include functions relating to water supply restriction or notification of the same. Under s 378, the General Manager can sub-delegate their functions to another person.

In accordance with these delegations, Water Operations staff review water supply levels weekly and provide recommendations to the Director, Water & Waste and General Manager regarding any changes to water restrictions as per Council's adopted Drought Management

Plan. The General Manager or a staff delegate can authorise water restrictions to be put into effect as per above.

Requirements for Publishing Water Restriction Notices

The minimum requirements if a Council is intending to impose water restrictions under s 137 of the LG General Regulation, per s 137(4), it must publish a notice to that effect on Council's website.

Whilst the LG Regulation does not prescribe what the notice must include, Council has well developed water restriction notification processes depending on the water supply impacted and the restriction level applied. The Drought Management Plan has an emphasis on community engagement for managing water security. As detailed in Council's Drought Management Plan, a key aspect in ensuring the successful implementation of the Plan is community engagement. A community awareness campaign is vital for ensuring the community is made aware of water restrictions being enacted. The community also needs to be given advice on how to minimise the impact of various water restrictions (including options for household recycling of water) and advice on saving water around the home in general. It is important that the community is kept up to date with the status of water supply sources (including river flows and dam storage volumes) and have some understanding of the consequences of not achieving target reductions in water consumption.

Liaison with key government agencies is another important component of Council's Drought communication strategy.

The introduction of Level 1 Water Restrictions is focused on general community awareness rather than trying to achieve significant reductions in usage. The key measure is to limit the hours that sprinklers can be used and generally the impact on residences and their gardens would be relatively minor. Actions are mainly preparatory measures that activate the Drought Management Plan and its various components.

(a) Policy Implications

Council will apply its adopted Drought Management Plan as required.

(b) Financial Implications

Nil at this time. Enacting Council's Drought Management Plan can have financial implications through both reduction in income i.e. reduced water consumption income and also additional operational costs. Financial implications, where possible, will be included in future reports as appropriate.

(c) Legal Implications

Council will apply water restrictions in accordance with the *Local Government Act 1993* and *Local Government (General) Regulation 2021* and as detailed in Council's Drought Management Plan.

(d) Community Consultation

The Drought Management Plan was adopted by Council in October 2023, following significant community engagement post the most recent drought. Should Council need to enact the Drought Management Plan, including the introduction of water restrictions, community engagement will be undertaken as detailed in the Drought Management Plan.

(e) Delivery Program Objective/Strategy

Focus Area 1 – Our Water Security

8 GOVERNANCE, STRATEGY AND FINANCE

8.1 COUNCIL INVESTMENTS MARCH 2026

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

1 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report “Council Investments March 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 March 2026; and
- provide Responsible Accounting Officer certification that investments comply with: the *Local Government Act 1993*, *Local Government (General) Regulation 2021* and Council’s Investment Policy.

COMMENTARY

The register and accompanying certification can be found **ATTACHED**, refer **ANNEXURE 1**. The register shows Council’s cash and investment holdings as at 31 March 2026.

While increasing market volatility has been experienced since the unrest in the Middle East, the resulting higher fuel costs were not deemed impactful enough to slow inflation, and the Reserve Bank of Australia increased the cash rate on 18 March to 4.10%.

As at 31 March 2026, Council’s portfolio performed above the industry average, returning 4.35% against the three-month Bank Bill Swap rate (3mBBSW) of 4.3080%.

(a) Policy Implications

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

(b) Financial Implications

Nil

(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

9 COMMUNITY SERVICES

9.1 DOLLY PARTON'S IMAGINATION LIBRARY TAMWORTH LOCAL GOVERNMENT AREA PROGRAM - COUNCIL'S FINANCIAL CONTRIBUTION

DIRECTORATE: OFFICE OF THE GENERAL MANAGER

AUTHOR: Lisa Rennie, Dolly Parton's Imagination Library - Program Ambassador

Reference: Item 5.1 to Ordinary Council 8 November 2022 - Minute No 320/22
Item 10.1 to Ordinary Council 11 June 2024 - Minute No 135/24
3 ANNEXURES ATTACHED

RECOMMENDATION

That in relation to the report “Dolly Parton's Imagination Library Tamworth Local Government Area Program - Council's Financial Contribution”, Council:

- (i) continue to provide an annual financial contribution of \$200,000 from the General Fund to part fund the program across future financial years;*
- (ii) note that there is currently no financial capacity to fund the continued support of this program without finding savings to offset the increased expenditure;*
- (iii) continue to promote the program across the Tamworth Local Government Area and actively pursue corporate and community sponsorship/ donations; and*
- (iv) continue to lobby (when possible) the State Government for funding to assist with the continued delivery of the program.*

SUMMARY

In August 2018, Council resolved to implement from January 2019, Dolly Parton's Imagination Library program to all new born children across the Tamworth Local Government Area.

At Council's Ordinary Meeting on:

- 8 November 2022, Council resolved that an additional \$100,000 would be allocated to the program in the 2021/2022 financial year and a further \$200,000 for the 2022/2023 and 2023/2024 financial years; and
- 11 June 2024, Council resolved that an amount of \$200,000 would be allocated to the program in the 2024/25 and 2025/26 financial years.

To enable this program to continue to be delivered to every baby/child residing in the

Tamworth Local Government Area, continual financial support is needed from Council and the local community.

COMMENTARY

Background

Dolly Parton's Imagination Library is a unique program designed to kickstart a lifelong love of reading. Council continues to be the proud driver of this fantastic initiative, partnering with United Way Australia to bring the program to the Tamworth Region.

Council introduced the program to the Local Government Area (LGA) in January 2019 with the major five year milestone occurring in January 2024, with children graduating from the program every month since that date. It is pleasing to report that whilst children are graduating every month that on most occasions the graduated child is replaced by a baby born or a baby/child relocating to the LGA.

All babies/children residing in the LGA are eligible to access the program. Each registered baby/child receives one free physical age-appropriate book to keep, per month, every month from birth up until the age of five years. Should the baby/child be on the Program for the entire five year this will result in a library of 60 books.

Council wrote to Kevin Anderson on 21 May 2025, seeking State Government financial support, see **ATTACHED**, refer **ANNEXURE 1**. A reply was received on 23 July 2025, see **ATTACHED**, refer **ANNEXURE 2**. Council will continue to lobby the State Government for possible future funding of the Program.

Evidence

Ground-breaking global research by United Way Australia and Macquarie University show that children on the Imagination Library have a significant head start in their lifelong learning journey.

Children enrolled on the Imagination Library in Australia were nine times more likely to be read to four or more days per week compared to children not on the Program.

In Australia, caregivers who read daily from birth were five times more likely to still read daily at age three. A copy of Dr Claire Galea, Head of Research United Way Australia Case Study is **ATTACHED**, refer **ANNEXURE 3**.

Enrolment Statistics

Key statistics for the lifetime of the program (from January 2019 to March 2026):

- total number of children enrolled **3,362**
- books distributed to families **197,015** (lifetime books)
- **1,621** graduations to date (2019 enrolments started graduating in January 2024)

Wrap-Around Programs

- Central Northern Regional Library (CNRL) has developed a speech pathology collection, where parents and speech pathologists can search for books that help with certain sounds.
- Tamworth Library and South Tamworth Library have weekly and Nundle fortnightly book time sessions. The different type of sessions available include:
 - Baby Book Time for babies aged from birth until 12 months of age. This Program offers parents ideas for using stories, rhymes, songs and music to help babies

develop early language and literacy skills. Staff are known to lay on the floor with the babies and model the behaviours that parents can use to increase engagement and celebrate the joy of reading at home.

- Toddler Time sessions are for children aged from birth up until three years of age. This Program includes stories, fingerplays, song, dance, rhymes and more that can be continued at home.
- Pre-School Story Time sessions are for children aged four to five years of age and the Program is a fun way to further prepare the child for reading at school with singing, reading and age related craft experiences.

Attendance Statistics

Attendance numbers for the 2026 calendar year to March 2026:

- Baby Book Time Outreach Program (Nundle) held fortnightly and since the commencement of Term 1 there has been three babies and three parents attend consistently;
- Baby Book Time at Tamworth Library has held 16 sessions to date with a total of 164 babies and 158 adults attend;
- Toddler Time at Tamworth Library has held eight sessions to date with 92 children and 77 adults attend;
- Storytime in Tamworth: 64 Children and 61 Adults across 8 sessions; and
- South Tamworth Storytime – 19 children across 6 weeks.

Ongoing Cost of the Program

The cost of each book delivered to each baby/child registered on the program is currently \$9.00 per month.

Should Council continue to support this significant initiative within the Tamworth Local Government Area, the on-going cost will be approximately \$370,000.00 p.a. plus.

This program is not financially supported by Dolly Parton herself and can only continue with the ongoing financial support of Council, together with corporate and community donations plus proceeds from fundraisers.

Financial Support

Council is most grateful for the donations received from corporate bodies and the community in the 2025 calendar year and to date - listed below:

- Workplace Giving – approximately (TRC staff/Councillors) \$ 3,500.00
- Community Members (total) \$ 1,496.00
- United Way Australia \$75,000.00
- Rotary Club of Tamworth First Light \$ 2,000.00
- Barraba Rotary Club \$ 500.00
- Carr Legal \$ 540.00
- Joblink Plus \$50,000.00
- McLean Foundation \$25,000.00

• Forsyths	\$ 540.00
• Teys Australia	\$ 540.00
• Buildwise Certification	\$ 216.00
• Tamworth Lions Club	\$ 5,400.00
• Tamworth West Rotary Club	\$ 2,000.00
• Siddons Plumbing	\$ 540.00
• Singh Property Group	\$ 1,080.00
• Tamworth City Lions Club	\$ 1,000.00
• Greater Bank	\$ 2,000.00
• Lionheart Property Development	\$ 540.00
• Shay Brennan Constructions	\$ 540.00
• TJ Treloar and Co	\$ 2,160.00
• McDonalds	\$20,000.00
• Partner Now	\$ 1,200.00
• Lyone Foundation	\$69,199.00
• Rebekah Bianca Studios and Santiago (Sonormora DJ)	\$ 400.00
• Wests Entertainment Group	\$30,000.00

Fundraisers were shared with families on the program via email and with Council staff. As a result of these fundraisers in the 2025 calendar year the following amounts were raised:

• Daily Cupcake Co (cupcake drive)	\$ 300.00
• Watson's Kitchen (pie drive)	\$ 301.00
• Jolly Soles (socks)	\$ 951.03
• Billy G's (Cookie Dough)	\$ 632.00

(a) Policy Implications

Nil

(b) Financial Implications

The Draft General Fund Budget does not contain a \$200,000 contribution towards the Dolly Parton Imagination library program in line with the 11 June 2024 Council resolution 135/24 to commit funds for a period of two years.

At the time of preparing this report the draft budget does not have the financial capacity to fund this contribution. If the financial commitment is made it will increase the value of savings needing to be found to ensure Council is financially sustainable.

(c) Legal Implications

Nil

(d) Community Consultation

Promotion of the program will be ongoing in order to attempt to obtain additional financial support from the community.

(e) Delivery Program Objective/Strategy

Focus Area 3 – Prosperity and Innovation

9.2 TAMWORTH REGION ARTS ADVISORY COMMITTEE MEETING MINUTES - 8 JANUARY 2026

DIRECTORATE: CREATIVE COMMUNITIES AND EXPERIENCES

AUTHOR: Bridget Guthrie, Director Art Gallery and Museums

1 ANNEXURES ATTACHED

1 CONFIDENTIAL ENCLOSURES ENCLOSED

RECOMMENDATION

That in relation to the report “Tamworth Region Arts Advisory Committee Meeting Minutes - 8 January 2026”, Council:

- (i) receive and note the minutes; and*
- (ii) endorse the establishment of a Mural Artist Registry and Mural Location Register.*

SUMMARY

The purpose of this report is to present the minutes of the Tamworth Region Arts Advisory Committee (TRAAC) meeting held 8 January 2026, and Public Art subcommittee held 5 March 2026, providing Council with an overview of the meeting outcomes and the recommendations made by the TRAAC members.

COMMENTARY

The most recent Tamworth Region Arts Advisory Committee (TRAAC) was held on Thursday, 8 January 2026. The minutes are **ATTACHED**, refer **ANNEXURE 1**.

At this meeting, Peter Ross spoke to the inaugural Carols in the Park event that was successfully conducted as a non-denominational community celebration. The event demonstrated strong collaboration between Council and community stakeholders, with approximately 5,000 attendees.

Roz Pappalardo, Manager Entertainment Venues spoke to the Entertainment Venues Subscription Season for 2026, and the recent successful grant funding announced through Revive Live that will support the costs of live performances in our region.

Bridget Guthrie, Director Tamworth Regional Gallery & Museums spoke to the Museums and Galleries of NSW Museum Advisor program. This program provides specialist consultation support to museums, particularly smaller or independent museums that would benefit from expert advice and ongoing support for museum volunteers. Council will be engaging a new Museum Advisor as part of this program for 2026.

The public art subcommittee met on the 5 March 2026 and have recommended the Mural Artist Registry and Mural Location Register for endorsement. The minutes are **ENCLOSED**, refer **CONFIDENTIAL ENCLOSURE 2**.

This project establishes a Mural Artist Registry that will streamline future public art commissioning throughout Tamworth's CBD and surrounding areas. The program will create a comprehensive database of qualified local artists while fostering deeper community connections with the Arts, showcasing the unique narratives that define our region, and strengthening our local creative economy to transform our urban landscape into a vibrant cultural destination.

This project also seeks to establish a pre-approved Mural Location Register of suitable walls and surfaces throughout Tamworth's CBD and surrounding areas to support our coordinated mural program. By partnering with property owners, we can create a network of sites that will showcase local, state and national artistic talent while enhancing the visual appeal and cultural significance of our streetscapes.

The public art subcommittee also recommended the installation of at least two additional sculptures for the New England Sculpture Track (NEST) project, located within proximity to the Macdonald River and within sightline of the already situated 'Chopins Loop'.

A sculpture by the artist Emma Ferris has been designed to be located along the Peel River Loop towards the new UNE Tamworth campus and in line with the current Tamworth Region Public Art Strategy and Bicentennial Park Masterplan.

(a) Policy Implications

The actions identified and recommended by the TRAAC committee and Public Art subcommittee are in accordance with the Tamworth Regional Council Public Art Policy. These actions also align with the Tamworth Region Public Art Strategy 2024/25 to 2028/29.

(b) Financial Implications

The TRAAC approved financial support for the identified public art projects from the allocated Public Art Fund in Council's existing operational budget for 2025/2026. The cost of individual artwork loans for the NEST project is \$500 annually. The estimated costs for the Emma Ferris sculpture are \$9,000 artist fees including production costs and \$8000 for transport, installation and foundations totalling \$17,000.

(c) Legal Implications

Nil

(d) Community Consultation

The TRAAC includes ten community members who represent a broad range of art disciplines. The Committee provides strategic advice to the Council in relation to 'Arts' matters within the region and makes recommendations regarding priority areas for development.

Consultation also occurs with the TRAAC Public Art subcommittee on a quarterly basis to discussed public art projects in detail and provide design approvals.

(e) Delivery Program Objective/Strategy

Focus area 3 – Prosperity and Innovation

Focus area 7 – Celebrate Our Cultures and Heritage

Focus area 8 – A Strong and Vibrant Identity

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 OUTSIDE OF SCHOOL HOURS CARE LICENCE - TAMWORTH PUBLIC SCHOOL

DIRECTORATE: LIVEABLE COMMUNITIES

AUTHOR: Haley Fenn, Coordinator Community Safety & Wellbeing

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 purpose of this report is to seek Council endorsement to future direction of Council run Outside School Hours Care (OSHC) operations East Year Round Care arrangements as the current five-year licence term approaches its end.

10.2 PROPOSED ACQUISITION OF SEWERAGE EASEMENT OVER LOT 2 DP 844363 AT 707C MANILLA ROAD TAMWORTH

DIRECTORATE: WATER AND WASTE

AUTHOR: James McLoughney, Senior Projects and Infrastructure Engineer

2 CONFIDENTIAL ENCLOSURES ENCLOSED

The Council will determine this matter in part of the Meeting closed to the public pursuant to Section 10A(2) (c) of the Local Government Act 1993 on the grounds that the matter and information is information that would, if disclosed, confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business.

SUMMARY

The purpose of this report is to seek Council direction in relation to the acquisition of an easement for sewer across property located in Manilla Road, Tamworth to allow the installation of sewer services for the development of the adjacent Stratheden and Hills Plains areas.