



**ATTACHMENT DOCUMENT
FOR
COUNCIL MEETING**

Tuesday 23 June 2020

Michael Urquhart
ACTING GENERAL MANAGER

AGENDA

1. *INVESTMENT POLICY*
2. *THE OUTBACK DEADLY TREADLIE CYCLE TRAIL*
3. *2020 DNCO CAPABILITY DEVELOPMENT PROGRAMME*
4. *ROAD NETWORK STRATEGIC PLAN - DRAFT REPORT PREPARED BY PEECE PTY LTD*
5. *WALGETT SHIRE COMMUNITY PARTICIPATION PLAN 2020*
6. *PLANNING PROPOSAL AS PREPARED BY PREMISE AUSTRALIA PTY LTD*
7. *PLANNING PROPOSAL COVERING LETTER DATED 9 JUNE 2020*
8. *REPORT AND ATTACHMENTS TO ORDINARY COUNCIL MEETING - 19 AUGUST 2019/ 27 SEPTEMBER 2016*



Approval Date: 31 May 2020

Review Date: May 2021

Responsible Officer: Chief Financial Officer

History of Policy review

Version	Adoption Date	Minute No	Details of Review
3	18 April 2018	5/2018/18	Complete review
2	23 May 2017		Complete review
1	24 May 2016		Complete review

Objective

- 1.0 To provide a framework for the investing of surplus Council funds at the most favourable rate of interest available, whilst having due consideration of risk and security for investments ensuring its liquidity requirements are being met.
- 2.0 Whilst exercising the power to invest, consideration must be given to the preservation of capital, liquidity and the return on investment.
 - A. **Preservation of capital is the principal objective of the investment portfolio.** Investments are to be placed in a manner that seeks to ensure security and safeguarding the investment portfolio. This includes managing credit and interest rate risk within identified thresholds and parameters.
 - B. Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of significant costs due to the unanticipated sale of an investment.
 - C. Investments are expected to achieve a market average rate of return in line with Council's risk management guidelines.

Council Policy Reference

AFM – Investment Policy

Statutory Requirements

[Local Government Act 1993](#)

Local Government Act 1993 – Investment Order dated 31 July 2008

Local [Government Act 1993](#) – Investment Order dated 12 Jan 2011

[Local Government \(General\) Regulation 2005](#)

[Trustee Act 1925 \(NSW\)](#)

[Australian Accounting Standards](#) issued by the Australian Accounting Standards Board.

Government References

[NSW DLG Investment Policy Guidelines – May 2010](#)

Local Government Code of Accounting Practice and Financial Reporting

DLG Circulars relating to Investments

Related Policy/Procedure

AFM – Financial Management and Control

Investment**1. Authority for Investment**

All investments are to be made in accordance with:

- Local Government Act 1993 – Section 625, Section 413 and Section 12
- Local Government Act 1993 – Investment Order (of the Minister) dated 12th January 2011.
- Local Government (General) Regulation 2005 – Clause 212
- Australian Accounting Standards issued by the Australian Accounting Standards Board.
- Trustee Act 1925 (NSW) – Section 14

2. Delegation of Authority

The General Manager has the authority to invest surplus funds and may delegate this function to the Chief Financial Officer and/or Management Accountant. All investments must be signed by two (2) signatories. The following officers have the authority to sign investments:

- General Manager
- Chief Financial Officer
- Director Environmental Services
- Director Engineering Services
- Management Accountant

3. Ministerial Order

The Minister for Local Government issued a revised order pursuant to [Section 625 of the Local Government Act 1993](#). The Minister signed the amended Order on 12 January 2011 and it was gazetted on 11 February 2011. It replaces the order dated 31 July 2008

4. PRUDENT PERSON STANDARD

Council investments will be managed with the care, diligence and skill that a prudent person would exercise. As Trustees of public monies, Officers are to manage Council's investment portfolio to safeguard the portfolio in accordance with the spirit of this investment Policy, **and not for speculative purposes**.

5. ETHICS AND CONFLICTS OF INTEREST

Council Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires Officers to disclose any conflict of interest to the General Manager.

Independent advisors are also required to declare that they have no actual or perceived conflicts of interest.

Investment Guidelines**6. Forms of Investment**

All forms of Investment for the purposes of [section 625 \(2\) of the Local Government Act 1993](#) are by Order of the Minister notifying forms of investment. A copy of the Investment Order is attached as "Annexure A".

7. Legislative Obligations

All investments are to be made exercising care, diligence and skill that a prudent person of business would exercise in managing the affairs of another person. ***Investments that are high risk, speculative or hazardous in nature are to be avoided.***

8. Legislative Requirements

All investments are to be made in accordance with the provisions of the Local Government Act 1993, with particular regard to the following:

- The purpose of the investment;
- The desirability of diversifying council investments;
- The nature of and risk associated with council investments;
- The desirability of maintaining the real value of the capital and income of the investment;
- The risk of capital or income loss or depreciation;
- The potential for capital appreciation;
- The likely income return and the timing of income return;
- The length of the term of the proposed investment;
- The period for which the investment is likely to be required ;
- The probable duration of the investment;
- The liquidity and marketability of a proposed investment during, and on the determination of, the term of the investment;
- The aggregate value of the assets of the council;
- The effect of the proposed investment in relation to any tax liability;
- The likelihood of inflation affecting the value of the proposed investment;
- The costs (including commission, fees and charges) of making a proposed investment;
- The results of any review of existing council investments;
- Other matters as appropriate.

9. PROHIBITED INVESTMENTS

In accordance with the Ministerial Investment Order, this investment policy prohibits but is not limited to any investment carried out for speculative purposes including:

- a) Derivative based instruments;
- b) Principal only investments or securities that provide potentially NIL or negative cash flow; and
- c) Standalone securities issued that have underlying, options, forward contracts and swaps of any kind

10. Operational Requirements

- a. The working account balance of Council is to be kept at a level no greater than is required to meet Council's immediate working operational requirements except where the rate of return is comparable to the rate of return of other investments.
- b. A delegated Finance Officer will notify the Management Accountant that excess funds exist in the working account or that an existing investment is due for maturity and funds are not required to meet Council's immediate working operational requirements.
- c. The Management Accountant will authorise the Finance Officer to investigate investment options.

11. Quotations

- a. Three (3) quotations will be obtained from authorised institutions before making an investment.
- b. The Code of Accounting Practice and Financial Reporting require that Council maintains a separate record of these quotations.
- c. All quotes are to be attached to the investment authorisation to be signed by the authorised signatories and filed in the Financial Investment Voucher Folder.

10 Risk Management Guidelines

Investments are to comply with the following criteria:

Preservation of capital – the requirement for preventing losses in an investment portfolio’s total value (considering the time value of money);

(a) ***Credit Quality Limits***

The portfolio credit guidelines to be adopted will reference the Standard & Poor’s (S&P) ratings system criteria and format - however, references in the previous Minister’s Orders also recognised Moody’s and Fitch Ratings and any of the three ratings may be used where available.

However, the primary control of credit quality is the prudential supervision and government support and explicit guarantees of the Approved Deposit Institution (ADI) sector, not ratings.

The maximum holding limit in each rating category for Council’s portfolio shall be:

Long Term Rating Range (or Moody’s equivalent)	Maximum Holding
AAA Category	100%
AA Category or Major Bank*	100%
A Category	80%
BBB Category	70%
Unrated ADIs	10%

*For the Policy, “Major currently

purpose of this Banks” are defined as:

The ADI deposits or senior guaranteed principal and interest ADI securities issued by the major Australian banking groups:

- *Australia and New Zealand Banking Group Limited*
- *Commonwealth Bank of Australia*
- *National Australia Bank Limited*
- *Westpac Banking Corporation*

including ADI subsidiaries whether or not explicitly guaranteed, and brands (such as St George).

Council may ratify an alternative definition from time to time.

Standard & Poor’s ratings attributed to each individual institution will be used to determine maximum holdings.

In the event of disagreement between agencies as to the rating band (“split ratings”) Council shall use the higher in assessing compliance with portfolio Policy limits, but for conservatism shall apply the lower in assessing new purchases.

(b) Institutional Diversification –

1. Not less than three (3) quotations shall be obtained from authorised institutions when an investment is made.
2. Individual investments shall not exceed \$2,000,000.

Counterparty Limits

Exposure to individual counterparties/financial institutions will be restricted by their rating so that single entity exposure is limited, as detailed in the table below.

Limits do not apply to Federal or NSW-guaranteed investments, which are uncapped. It should be noted that the NSW government does not guarantee the capital value or unit price of the TCorpIM Funds.

Individual Institution or Counterparty Limits	
Long Term Rating Range (or Moody's equivalent)	Limit
AAA Category ¹	50%
AA Category or Major Bank* ²	50%
A Category	40%
BBB Category	25%
Unrated Category	5%

3. All term deposit investments are to be made with authorised deposit taking institutions covered under the Australian Government Guarantee;

(c) Maturity Risk – The investment portfolio shall be invested within the following maturity constraints.

OVERALL PORTFOLIO MATURITY		
Portfolio % < 3 months	Minimum 10%	Maximum 100%
Portfolio % 3-12 months	Minimum 10%	Maximum 100%
Portfolio % > 1 year, < 2 years	Minimum 0%	Maximum 70%
Portfolio % > 2 years, < 5 years	Minimum 0%	Maximum 50%
Portfolio % > 5 -10 years	Minimum 0%	Maximum 25%

(d) Market/Credit Risk – consideration shall be given to the risk that the fair value or the future cash flows of an investment will fluctuate due to changes in market prices, or the risk of failure to repay principal or pay interest of an investment.

(e) Liquidity Risk –

1. Investment maturity shall correspond with cash flow requirements.
2. Access to a minimum \$1,000,000 or 5% of the investment portfolio is available within seven (7) days.

¹ AAA Category includes *TCorpIM Cash Fund*, which typically maintains a credit score consistent with a AAA^f rating.

² AA Category also includes *TCorpIM Strategic Income Fund*, which typically maintains a credit score consistent with a AA^f rating.

12. Investments Register

The Code of Accounting Practice requires Council to maintain a separate record of money it has invested under [section 625 \(2\) of the Local Government Act 1993](#). The record must specify:

- a) date the investment is made;
- b) the amount of money invested;
- c) particulars of the security or form the money is invested;
- d) name of the institution;
- e) due date and term of the investment;
- f) if available, the rate of interest to be paid;
- g) the amount of money that the council has earned, in respect to the money invested;
- h) investment number consisting of three digits/financial year (e.g. 123/09);
- i) When being rolled over, the investment being closed should refer to the new investment number. When the new investment is being made the investment number of the closed investment should be recorded.

An Investment Register is held by Council both in hard copy and electronically. The Investment Register held in hard copy contains all information as above and any documentation relating to the investment and is maintained by a delegated Finance Officer. An electronic copy of all investment information is to be filed in TRIM.in Financial Management – Investments.

13. Financial Investment Voucher Folder

- The *Financial Investment Voucher Folder* is maintained and updated by a delegated Finance Officer with all correspondence both inward and outward relating to the investment.
- Each investment will be allocated a section labelled with the investment number.
- The section within the folder will contain all correspondence, confirmation of the term deposit/investment, coupon payment advices etc.
- All correspondence must be filed in TRIM in Financial Management – Investments.

14. Maturity

Once an investment has matured the following may occur:

- a) Rollover the investment – if it is determined that the investment will be rolled over (taking into account Part 7 of this procedure), then the investment will be rolled over and issued with a new investment number. The interest paid and the new investment number will be recorded in the investment register under the number of the investment being rolled over. The new investment number will refer to the previous investment number.
- b) Redeem the investment – Interest paid, principle repaid will be recorded in the investments register.

15. Reports on Council Investments

The Responsible Accounting Officer (RAO) must provide Council with a written report detailing all money that Council has invested. The report must be made up to the last day of the month immediately preceding the meeting. This information must be presented in accordance with [section 625 \(2\) of the Local Government Act 1993](#) and must be presented at each monthly ordinary meeting under the provisions of [Clause 212 of the Local Government \(General\) Regulation 2005](#). This report *must include a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and Council's investment policy.*

16. Independent Investment Advisors

- Any investment advisor or investment dealer acting on behalf of Council must be licensed with the Australian Securities and Investment Commission.
- These third parties are expected to exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of another person.
- This procedure is to be presented to all third parties to ensure that they are delivering appropriately and complying with Council's requirements, including the Ministerial Investment Order.
- The RAO should obtain written confirmation from independent financial advisors that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing including that they are not receiving any commissions or other benefits in relation to the investments they are recommending or reviewing.
- Product manufacturers / distributors should be excluded from being appointed investment advisors to Council.

17. Withdrawal of Investments

- In the event that a credit rating of a security, company or body issuing the security falls below the minimum requirement, as set out in the Minister's Order, Council must make all the necessary arrangements to withdraw the deposit as soon as practicable.
- In the case of existing securities (as tabled Part 4) excluded by the recently revised Investment Order, they are to be grandfathered. These investments become ultra vires under the new Investment Order and can continue to be held to maturity, redeemed or sold. Before disposing of these investments Council will seek independent financial advice by an independent investment advisor or dealer licensed by the Australian Securities and Investment Commission (ASIC)(www.asic.gov.au).

18. Annual Review

Investment performance will be reviewed monthly and the outcomes will be reported to Council. The investment policy and procedures will be reviewed annually, or immediately following the release of any OLG Guidelines or Circulars aimed at assisting Councils in Developing investment Policy or Procedures. .

LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER

(Relating to investments by councils)

I, the Hon. Paul Lynch MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act, 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) mortgage of land in any State or Territory of the Commonwealth (restricted to first mortgages over land with a Loan to Value ratio of no greater than 60%);
- (d) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (e) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (f) a deposit with the Local Government Financial Services Pty Ltd
- (g) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Order dated 15 July 2005, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Dated this 31st day of July

2008


Hon PAUL LYNCH MP
Minister for Local Government

“Appendix B” – Investment Register

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

Investment Number	Date Invested	Amount \$	Lodged With	Rate % per annum	Term	Due Date	Interest \$
Details							

The Outback Deadly Treadlie Cycle Trail

Video 00:00 – 00:15

Intro 00:15 – 00:20

Slide	Graphic	Content
1	<p>Weather, flat terrain, artesian baths, aerial opal fields, rivers, scarred trees, homestead, etc</p> <p>00:20 – 1:10</p>	<ul style="list-style-type: none"> • IMAGINE... • Cycling the Outback in stunningly perfect weather • Enjoy endless horizons • Relax at the end of a hard day's ride in one of our free hot artesian baths • Bring the entire family because the landscape is an easy level ride • From the opal fields to the twin rivers of Namoi and Barwon. From the Piliga gateway to the carved trees of Collymongle. Have a beer at iconic pubs. Cycle along the banks of the Barwon. The world renowned Macquarie marshes • Marvel at over 160 species of birds • ... and this is but the beginning!
	1:10 – 1:15	<ul style="list-style-type: none"> • Introducing the Outback Deadly Treadlie Cycle Trail
	<p>Map</p> <p>1:15 – 1:50</p>	<ul style="list-style-type: none"> • A comprehensive dedicated cycling experience that circumnavigates our region, links to the town of Walgett as its hub, and allows for easy access across our shire • Within each major town, a series of bikeways allowing for exploration at leisure through bikes rented from the local VIC. • So whether you wish to ride like the Tour, or amble at a lesser pace to view our diversity, history, nature and culture – you can do it all. And everything in between.
	<p>Benefits</p> <p>1:50 – 2:35</p>	<ul style="list-style-type: none"> • Appeals to everyone regardless of their fitness levels or abilities • Appeals to a growing wider audience looking for an immersive active experience that is environmentally friendly • An experience that is family friendly • A concept unique within Australia at this time, expandable and adaptable to all the communities within and adjoining the Shire • Locally promoting social cohesion, an active lifestyle with positive health benefits

		<ul style="list-style-type: none"> • Business opportunities (bike sales and hire, repairs, accommodation, tour operators, guided tours, themed and educational rides, group events) • There are no barriers to participation
Opportunities 2:35 – 3:00		<ul style="list-style-type: none"> • Currently do not have a footprint at all with regard to cycling tourism • Most visitors to our region come by private car due to limited public transport options within each town • It will establish an entirely new industry which will have direct and indirect spin-off benefits encompassing local business, community pride, health and wellbeing.
Solutions 3:00 – 4:00		<ul style="list-style-type: none"> • We're building upon brand new infrastructure already initiated by Council from the Stronger Country Communities Fund for cycle track creation and upgrades commencing November 2020 in LR, Colli and Walgett • We're providing the opportunity to visitors arriving on public transport to discover our towns on wheels • We're providing safer roadways for locals usage including bicycles and mobility scooters, encouraging more locals to give it a go • This will put our region on the map nationally and internationally leading to visitations from a brand new demographic • And finally this will also provide connectivity opportunities to adjoining shires to join our cycling network
Finance 4:00 – 4:20		<ul style="list-style-type: none"> • This government investment ticks all the boxes of fixed once off cost, sustainability; long term gains in lifestyle, health and tourism; affordable transport; reduced healthcare costs; and post Covid "holiday at home" tourism strategies.
Why will this work 4:20 – 4:50		<ul style="list-style-type: none"> • 64 million bicycles have already been produced worldwide this year, increasing at 5 every second • The growth in cycling around the world was 6% 2017/18 • Australian growth between 5 – 10% 2017/18 – we are in the same growth category as Norway, Finland, Germany, Austria, Switzerland and France
Finale 4:50 – 5:00		<ul style="list-style-type: none"> • So take an active part and invest in the greatest cycling experience in the Outback • Visit the Walgett Region – we're short of coin, but rich in spirit



2020 DNCO Capability Development Programme

Proposal for Delivery of Industry Capability Programme – Moree Plains Shire Council

Executive Summary

Background Information

Destination Country & Outback has allocated funds to develop and oversee the implementation of an overarching Capability Development programme in 2020. This programme is based on insights in the DNCO Product and Experience Audit conducted in 2019 and it is linked to Destination NSW's 'NSW First' Professional Development Programme.

Destination Management Plan Strategic alignment

This Capability Development Programme meets a key objective of the DNCO 2018 Destination Management Plan which highlights our role as being one of coordination and identification of key themes for capability building.

DNCO will co-fund and coordinate a program of capability-development workshops based on the Product audit report findings. The programme will be delivered in partnership with Joint Organisations of Councils, local councils and local tourism organisations. Workshop topics will include those relevant to each region as specified in each Product Audit report.

Areas of skills where industry development is required to strengthen the visitor economy include:

- Digital Marketing
- Leveraging regional events
- Distribution via online bookings
- Creating bookable experiences
- Development of online content

The objective of the training programme is 2-fold:

- Provide opportunities for professional development
- Build industry capacity by upskilling industry operators

Background to DNCO Product and Experience Reports

In 2019, DNCO conducted an audit project which covered the entire DNCO region. The region, due to its size, was clustered into 11 Hubs as outlined in the DNCO DMP. The project identified gaps in what information is available to potential visitors planning a trip (in source markets), including what visitors would like to see and do, as well as what can be booked either online or through a phone channel. This work involved:



Destination Country and Outback NSW

1. **Online product audit across multiple sources**, including but not limited to the Australian Tourism Data Warehouse (ATDW), key online travel agents (OTA) or aggregators and visitor information services specific to each of the 11 hubs.
2. **Independent ratings and social media review**. Review of the online results by comparing them with TripAdvisor and social media channels (such as Facebook) for each hub. This review provides a better understanding of the perceived quality of the products and accommodation across the region and the capability of operators to meet the expectations of the market.
3. **Analysis** of the product audit and customer ratings. This analysis assists in identifying gaps, opportunities, strengths and weaknesses in the DNCO product and experience offering as well as highlighting key areas for capability development. The analysis has been undertaken with reference to the DNCO DMP, its key themes, supporting experiences and game-changer initiatives.
4. The **Product Audit Hub Reports** have been structured to provide critical insights into the product and experience offering of the hub, outline specific or local strengths, weakness, opportunities and challenges as well as priorities for capability development.
5. The Hub Reports provide an invaluable tool to DNCO, LTOs and the relevant JO to improve the performance of each Hub and strength the value of the visitor economy. It is strongly recommended that the Hub Reports be utilised as an opportunity for stakeholder engagement and to help inform key priorities, such as capability and experience development, to enable the sustainable growth of the visitor economy.

Financials

DNCO has a total budget of \$55,000 which will be invested equitably across the 11 Hub areas in the region.

The allocation is included in the DNCO approved 2019/2020 Budget, and forms part of a Funding Agreement with Destination NSW.

Moree Plains Shire Council will receive \$5000 ex GST. The expenditure of these funds is provided as a written agreement based on set of criteria and Key Performance Indicators. This will ensure the project is implemented within agreed guidelines, will ensure that all costs associated with the project are considered and will provide measurable outcomes compiled in a final report to DNCO.

Scope of work

DNCO will provide

- \$5000 ex GST to Moree Plains Shire Council Inc to deliver workshop (s) as outlined on page 11 of the Moree – Lightning Ridge Hub Product and Experience Audit Report 2019.
- list of suggested specialist providers of the workshop

Moree Plains Shire Council will provide:

- A venue, and make all necessary arrangements to deliver the workshop



Destination Country and Outback NSW

- Workshop details (the title of the workshop, event date, details of workshop including the selected presenter, venue, and promotional plan for attracting attendees), include DNCO on all communication relevant to the workshop

Deliverables

- Moree Plains Shire Council will invoice DNCO for \$5000 ex GST
- Co-ordinate and deliver a Capability Development workshop based on topic outlined in Product Audit report

Project Reporting

- Moree Plains Shire Council will provide evidence of workshop delivery (attendee numbers, workshop outcomes) in a report received by DNCO within 4 weeks of the workshop date.

Executed as an agreement by Destination Country & Outback NSW Ltd and Moree Plains Shire Council on theday of 2020 & signed by General Manager, Lucy White

.....

Signed by Josie Howard, Manager Economic Development & Marketing, Dubbo City Council

.....

In the presence of:

Witness

Sign here:.....

Print name:.....



ROAD NETWORK STRATEGIC PLAN DRAFT REPORT

PREPARED FOR WALGETT SHIRE COUNCIL

**By PEECE Pty Ltd
June 2020**

PROJECT DETAILS

Name of Client: Walgett Shire Council
Name of Project: Road Network Strategic Plan
PEECE Project Manager: Peter Rufford
Name of Document: Road network plan for Walgett Council RevC

DOCUMENT HISTORY AND STATUS

Revision	Issued to	Date	Prepared by	Reviewed by
Draft	Raju Ranjit	05/06/2020	Peter Rufford	Geoff Webb
Revised Draft	Raju Ranjit	14/06/2020	Peter Rufford	Peter Rufford

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Abstract

This report outlines the approach to be taken for Walgett Council to maintain and develop their road network. It provides details of their maintenance activities and the road network that need to be monitored by Council for future updates. The strategic plan includes routine and scheduled maintenance components as well as priorities for future upgrading projects. The question as to the standard of future projects remains unanswered.

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1. SUMMARY

This report documents the steps in developing a road network strategic plan for Walgett Shire Council from a road register provided by Council. A road hierarchy was overlaid over the road network to highlight the different traffic and functional characteristics. This hierarchy established the standard to which each road in the network should be developed and maintained.

The unit costs of sealed and unsealed routine maintenance activities were derived from an analysis of the resources required to undertake them. Activity levels representing service levels or maintenance standards were then assigned to each road according to the hierarchy and the cost to maintain them to those service levels calculated. The activity levels were varied until the network cost matched the budget in an iterative process.

The inventory provided by Council was extended to include the age and width of sealed sections and the age, width, and thickness of gravelled sections. This enabled resealing and regravelling plans to be developed and added to the routine maintenance plan. These three plans together become the road maintenance strategic plan for Council.

The report also documents the steps taken to determine road development priorities across the shire. Not surprisingly, it identified Merrywinebone Road, Come By Chance Road, Cumberdoon Way and Ridge Road (lower) as the priority roads for the Rowena, Come By Chance, Carinda, and Lightning Ridge zones, respectively. Gingie Road was the highest priority road in the Cumborah zone but is lower down the list than roads in the other zones. Cryon Road in Rowena zone emerged as a high priority shire road together with Ginghet Road and Boora Road for the Carinda and Lightning Ridge zones. Each road is listed in order of priority based on the assumptions used in the analysis.

The priority assessment is strongly influenced by farm activity. It does not necessarily reflect the order of priority based on a traditional benefit cost ratio where the potential growth in tourist traffic or savings in diverted traffic, will establish a significant benefit stream such as in the case of the evaluation of the back road between Lightning Ridge and Collarenebri. However, this evaluation was an exceptional case, strongly influenced by the tourist potential for Lightning Ridge and the strong connection between Lightning Ridge and Collarenebri.

The table of priorities provides an interesting insight into not only where Council should prioritise its road development budget but also the road network hierarchy based on road activity. This same hierarchy was applied to the road maintenance standards to provide a consistent approach between road maintenance and developmental priorities.

The report finishes on a discussion of the sustainability of extending the seal throughout the shire to include such roads as Cryon Road, Ginghet Road and Boora Road. The maintenance cost to service a road network increases in line with the standard of the roads that make up the network. However, Council is constrained in its ability to fund the maintenance activities as it comes from its rate revenue rather than a State or Commonwealth grant.

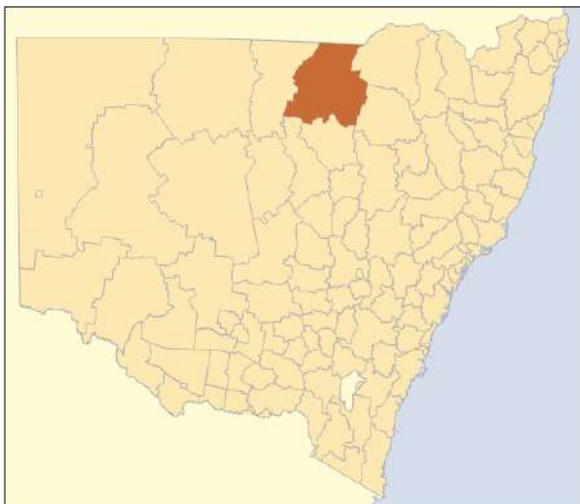
There are several clear messages for Council. Firstly, it needs to commit to funding the maintenance of the existing standard of the road network including resealing the sealed network at a regular frequency. The current resealing budget is inadequate for the age of the existing seal surfaces and should be increased to reduce the risk of pavement failure needing additional heavy patching. This should be its first priority. Secondly, the extension of the sealed network should only be taken if Council is prepared to fund the additional maintenance costs. Thirdly, Council needs to recognise that there is an end game to the standard of the road network that is determined by the available funding from rate revenue for its ongoing maintenance.

2. INTRODUCTION

2.1 BACKGROUND TO THE SHIRE

Walgett Shire Council is a Local Government Authority located on the north-west plains of New South Wales bordering with Queensland, as shown in Figure 1.

Figure 1: Location of Walgett Shire in NSW



Important service centres include Walgett which is the administrative centre of the shire and the main local supply base. The shire is approximately 2.2 million ha in area and has a population of 7,200. Walgett is the regional centre for several towns and villages in the shire, including Lightning Ridge, Collarenebri, Burren Junction, Carinda, Cumborah, Grawin, Glengarry & Sheeppark Opal Fields, Rowena and Pokataroo.

The shire supports traditional farming and grazing industries on rich black soil plains and an opal mining industry centred on Lightning Ridge. Tourism is an important economic industry for the shire.

Agriculture is the largest industry. ABS statistics show that in 2011 the industry employed approximately 29% of the total workforce of 2,317 employed persons. Later statistics show that in 2014, there were 680 businesses in the shire of which 302 businesses were in the agricultural sector.

During average to good rainfall years, cropping is the dominant sub-sector in terms of annual tonnage produced and production value for the local economy. However, sheep and cattle grazing are conducted much more extensively, covering about 1.3 million ha or 56% of the total land area.

Rainfall is a key driver of agricultural production in the shire as most cultivation is for dryland cropping, accounting for more than 90% of total crop production. Because of variable climate conditions, agricultural productivity changes substantially from year to year. During years when production is relatively high, farmers can even-out losses from poor years.

There is an economic benefit in providing road infrastructure fit for purpose for the haulage of farm product and supplies during higher than average peak years. Also, in drought years, the loss of grain production can be largely offset by back haulage of feed grain and fodder for stock. In areas, which are serviced more uniformly by irrigation, such factors may be less critical for sustaining long term viability of farming areas.

2.2 BACKGROUND TO THE STUDY

The Road Network

The length of the road network in Walgett Shire is shown in Table 2.1 The State Roads are the responsibility of TfNSW whilst the Regional and Local Roads are the responsibility of Council. Council receives financial assistance from both the State and Commonwealth Governments to maintain their road network.

Table 2.1: Length of road network

Road Class	Length, km	Sealed, km	Unsealed, km
State Roads (SR)	412.31	412.31	0
Regional Roads (RR)	553.49	385.05	168.45
Local Roads (LR)	1758.20	81.37	1676.83
Total	2724.00	878.73	1845.28

Purpose of the Study

The purpose of the study is to provide a plan to assist Council allocate resources for the maintenance and development of their regional and local road network and Council sought a consultant to assist them in the preparation of a strategic plan. Accordingly, PEECE Pty Ltd¹ was asked to provide the technical assistance as it had undertaken several feasibility studies of key roads for Council in recent years. PEECE is an Australian company that provides multi-disciplinary consulting services to local government for the planning of road transport infrastructure.

Approach Taken

The study involved:

- Developing a road hierarchy for the road network
- Developing an activity based estimating tool for the various maintenance activities
- Assigning service levels to each link in the network
- Developing a cash flow spreadsheet for resealing and regravelling activities
- Developing the maintenance strategic plan
- Estimating the farming activity in each sector of the shire and assigning the activity to tonnes of transport on each road in the network
- Estimating the total traffic on each road by adding inter-town and local traffic to the farming output traffic volumes

Each component of the study is presented in this report.

Flow chart for routine and scheduled maintenance

The planning process is shown schematically in Figure 2. It involves the following inputs:

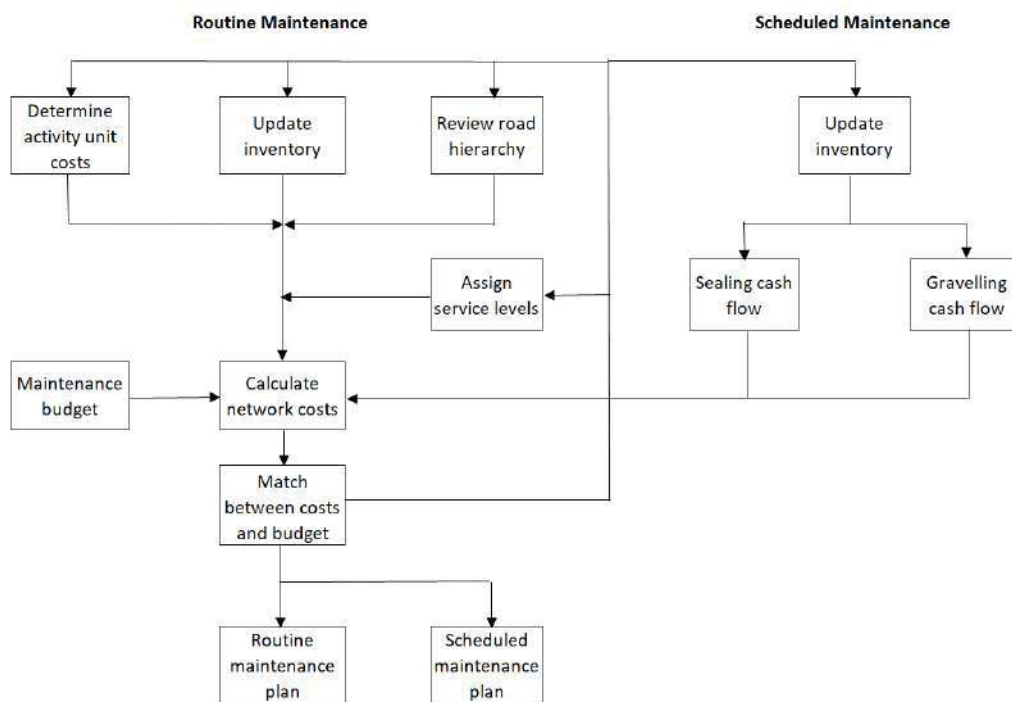
- An inventory of the road network
- A road hierarchy

¹ Can be found at www.peece.com.au

- Unit cost of the various maintenance activities
- Service levels assigned to each link in the road network
- Scheduled resealing and regravelling maintenance based on the ages of the seal and the gravel layer
- A budget allocated to the maintenance of the road network

The planning process involves varying the service levels for both the routine and scheduled maintenance, the road hierarchy and the activity unit costs until the modelled network costs match the available budget. The service levels derived from balancing the budget became the core component of the maintenance plan for the network.

Figure 2: Planning process for routine and scheduled maintenance

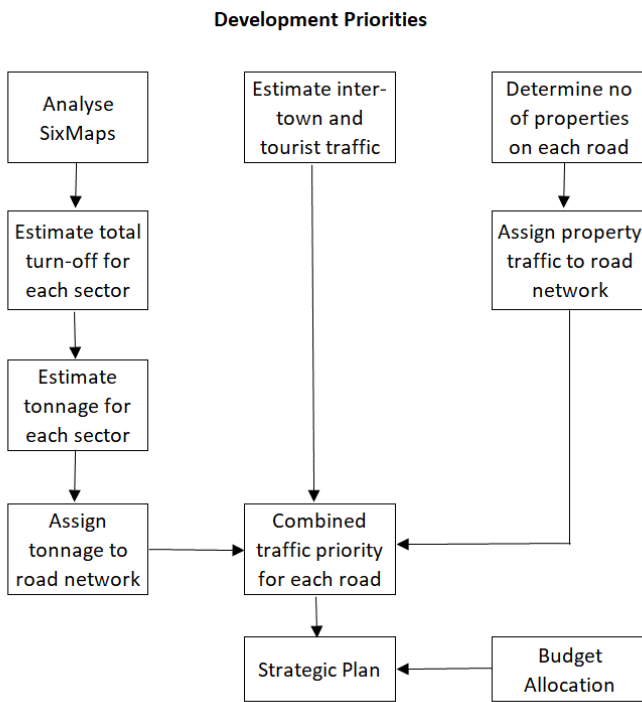


The planning process for determining the road priorities in the shire is shown schematically in Figure 3. It involves the following inputs:

- An assessment of the farming activity across the shire and assigning it to the road network
- Estimating the total traffic on each road in the network by aggregating the farm production traffic with the inter-town or tourist traffic and the local traffic generated from each property
- A budget for the development of the road network

The combined traffic was the measure of the relative priority of the road. However, it should be noted that this assessment does not replace the benefit cost analysis undertaken for a business case for grant funding to upgrade a road in the network.

Figure 3: Planning process for route development priorities



3. ROAD NETWORK HIERARCHY

3.1 HIERARCHY LEVELS

Three hierarchy levels were established for the regional and local road network, as described in Table 3.1. These descriptions are based on those advocated by the IPWEA².

Table 3.1: Description of hierarchy levels

Level	Descriptor	Description
3	Primary collector road	Provide the connections between the arterial network and the Local Collector network. May also service industrial facilities and grain/freight terminals. May also provide school bus routes in many areas.
2	Local collector road	Provides access to the Primary Collector network from local access roads. May provide access to individual larger facilities such as feedlots and local grain silos. May also provide some school bus links.
1	Local access road	Major function is to provide access to individual farms and properties. May also provide access to local tourist sites and recreation facilities.

3.2 ZONES

The shire has been divided into five zones, as follows:

- Carinda – the area south-west of Walgett between the Gwydir and Castlereagh Highways
- ComeByChance – the area south of Walgett between the Castlereagh and Kamilaroi Highways
- Cumborah – the area north-west of Walgett between the Gwydir and Castlereagh Highways
- LightningRidge – the area east of Lightning Ridge and extending south to the Gwydir Highway
- Rowena – the area north of the Kamilaroi Highway and extending to the Gwydir Highway

In addition to the roads in these five zones, there are non-urban local roads servicing properties within the townships of Walgett and Lightning Ridge.

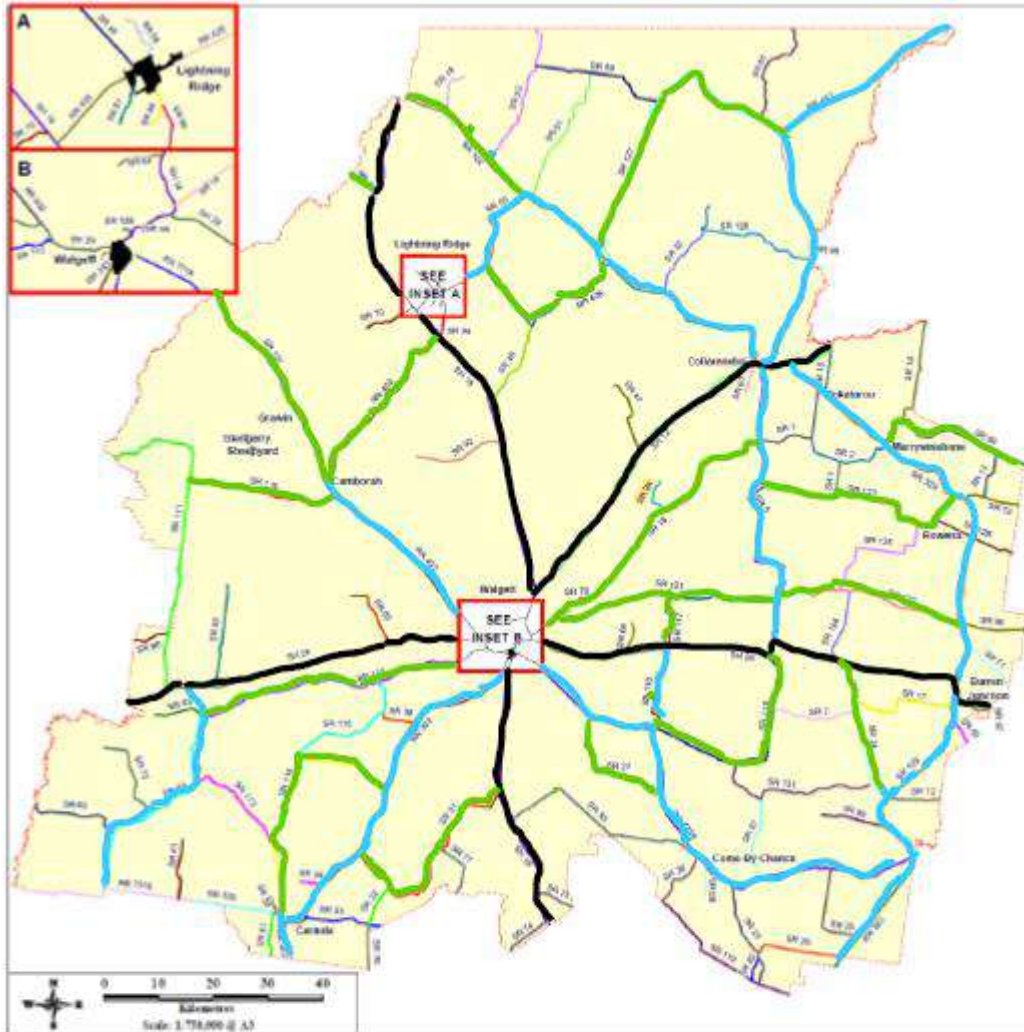
3.3 ROAD HIERARCHY MAP

Figure 4 shows the road hierarchy developed as part of the planning process. The assessment of traffic outlined in Part 3 – Section 6, of the report provided an important input to the process.

The primary collector and local collector roads are shown in heavy blue and green marking in the map whilst the local access roads are colour coded according to the original base map. The State Highways are shown as a heavy black marking. Appendix A includes the list of roads for each zone and hierarchy.

² Local Government Functional Road Classification. IPWEA (NSW) Roads and Transport Directorate

Figure 4: Road hierarchy map



Legend	
State Highways	
Primary Collector Roads	
Local Collector Roads	

3.4 LENGTH OF ROAD BY ZONE AND ROAD HIERARCHY

The length of road in each zone and hierarchy is summarised in Tables 3.2 and 3.3.

Table 3.2: Length of road in each zone for each hierarchy level

Zone	Road Hierarchy	Total	Sealed	Unsealed
Carinda	3	118.55	64.07	54.48
Carinda	2	163.24	18.30	144.94
Carinda	1	191.46	0.18	191.28
ComeByChance	3	149.28	98.00	51.28
ComeByChance	2	111.46	1.52	109.95

Zone	Road Hierarchy	Total	Sealed	Unsealed
ComeByChance	1	255.16	1.11	254.05
Cumborah	3	40.64	40.64	0.00
Cumborah	2	110.77	54.41	56.37
Cumborah	1	125.90	0.08	125.82
LightningRidge	3	172.33	76.28	96.05
LightningRidge	2	127.26	0.00	127.26
LightningRidge	1	184.82	1.16	183.66
LightningRidgeTown	1	12.35	5.93	6.42
Rowena	3	137.77	81.02	56.75
Rowena	2	263.66	19.51	244.15
Rowena	1	140.93	1.53	139.40
WalgettTown	1	6.12	2.70	3.43
Total		2311.70	466.44	1845.29

Table 3.3: Length of road in each hierarchy level

Road Hierarchy	Total	Sealed	Unsealed
3	618.56	360.00	258.56
2	776.40	93.74	682.67
1	916.73	12.68	904.05
Total	2311.69	466.42	1845.28